

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	387.29	387.29	383.48	383.48	387.29	383.48	(3.81)	(0.98%)
Personal Services	24,209,977	26,271,153	26,703,011	26,714,611	50,481,130	53,417,622	2,936,492	5.82%
Operating Expenses	20,595,563	30,561,107	28,583,993	28,560,752	51,156,670	57,144,745	5,988,075	11.71%
Equipment & Intangible Assets	80,932	187,077	125,372	118,872	268,009	244,244	(23,765)	(8.87%)
Capital Outlay	0	141,304	0	0	141,304	0	(141,304)	(100.00%)
Grants	1,473,211	2,040,916	1,791,808	1,806,461	3,514,127	3,598,269	84,142	2.39%
Transfers	7,500	0	7,500	7,500	7,500	15,000	7,500	100.00%
Total Costs	\$46,367,183	\$59,201,557	\$57,211,684	\$57,208,196	\$105,568,740	\$114,419,880	\$8,851,140	8.38%
General Fund	5,341,202	5,443,674	5,285,067	5,288,101	10,784,876	10,573,168	(211,708)	(1.96%)
State Special	22,692,262	30,740,283	30,542,509	30,546,163	53,432,545	61,088,672	7,656,127	14.33%
Federal Special	18,333,719	23,017,600	21,384,108	21,373,932	41,351,319	42,758,040	1,406,721	3.40%
Total Funds	\$46,367,183	\$59,201,557	\$57,211,684	\$57,208,196	\$105,568,740	\$114,419,880	\$8,851,140	8.38%

Agency Description

Mission Statement: To protect, promote, and improve a clean and healthful environment to benefit present and future generations.

The department is responsible for regulating air quality, water quality, underground storage tanks, automobile wrecking facilities, hazardous waste facilities, solid waste management systems, and mining operations; and for the siting and needs analyses of large-scale energy facilities. In addition, the department is the lead agency for reclamation and cleanup activities related to the federal and state superfund programs and leaking underground storage tanks; and regulation and permitting of mining conducted on private, state, and federal lands. This work is completed through five divisions - Central Management, Planning Prevention and Assistance, Enforcement, Remediation, and Permitting and Compliance. The Petroleum Tank Compensation Board is also attached for administrative purposes.

The department works in partnership with the federal Environmental Protection Agency (EPA). Congress gave the EPA the initial responsibility for development and implementation of environmental protection, but many federal statutes contain preference for delegation of the program to the states when the state can demonstrate capacity to carry it out. This arrangement establishes state-federal environmental goals and priorities with the funding and flexibility to achieve desired results. These joint activities become the basis of future agreements and long-term strategic planning. Given this unique relationship, the federal government dictates many of the department's activities.

Agency Highlights

Department of Environmental Quality Major Budget Highlights	
◆	The biennial budget increases by \$8.9 million or 8.3% from the previous biennium
◆	Major initiatives in the legislative budget include: <ul style="list-style-type: none"> ● Base adjustments for permitting activities to account for an increased workload resulting from economic improvement in the construction industry ● Funds for orphan share and superfund cleanup activities
◆	General fund is reduced due to reductions made to personal services

Summary of Legislative Action

The legislature approved a biennial budget of \$114.4 million, of which 55% is derived from state special revenue. The budget includes \$5.6 million in statewide present law adjustments, \$17 million in present law adjustments and a reduction of \$992,000 from the adoption of new proposals.

Major biennial budget items include:

- o \$3.4 million in base adjustments for the Planning, Prevention and Assistance Division
- o \$3.7 million for remediation work in the Orphan Share Program and the Superfund Program
- o \$3.0 million of hard rock reclamation funds for maintenance at the Zortman- Landusky site
- o \$1.6 million to implement SB 206 and to administer the Major Facility Siting Act
- o \$2.2 million in base adjustments for the Permitting and Compliance Division

Budget increases were offset by the following reductions:

- o \$293,486 across the department in general fund personal services
- o \$1.8 million to implement the agency submitted 5% reduction plan

Agency Discussion

The Department of Environmental Quality is responsible for analyzing, reviewing, and permitting environmental impacts; providing assistance to the regulated community; and acting as an enforcement entity. The department performs some permitting functions as the primary agent of the US Environmental Protection Agency (US EPA). The agency is funded with application fees, permit and review fees, funds from the US EPA, and general fund for administrative costs.

The general fund reduction from the 2011 biennium is \$1.6 million over the biennium and is the result of full adoption of the agency 5% plan and a fund switch. State special revenue increases \$8.3 million for the biennium due to appropriations for orphan share and hard rock mining oversight, and the expenditure of revenues from general obligation bonds to cover the state's match to federal superfund. The legislature also made adjustments for activities that were impacted by the economic downturn such as air permitting functions, subdivision reviews, and water discharge permits.

The legislature directed \$5.85 million of orphan share authority for the purpose of paying the state's portion of the cleanup at the KRY state superfund site. This authority has been in HB 2 in the past. However, the funds are for a capital improvement and are therefore included in the capital projects bill (HB 5) in the 2013 biennium.

FTE Impacts

The legislature did not approve any additional FTE, but rather reduced the size of the agency by 4.81 FTE. These reductions, as summarized in Figure 1, are the result of the legislature implementing the 4% general fund personal services reduction and the agency submitted 5% reduction plan.

Department of Environmental Quality				
Approved FTE Changes				
DP #	Description	FTE	FY 12	FY 13
55400	4% Personal Services Reductions	(1.85)	(146,735)	(146,750)
95100	5% Plan - MEPA - Prgm 10	(0.18)	(15,636)	(15,591)
95103	5% Plan - Additional Personal Services Prgm 20	(0.38)	(30,022)	(29,937)
95111	5% Plan - Additional Personal Services Prgm 50	(2.40)	(158,057)	(158,057)
	Total	(4.81)	(\$350,450)	(\$350,335)
	Biennium Total			(\$700,785)

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Agency Program	Total Agency Funding 2013 Biennium Budget				
	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
10 Central Management Program	\$ 741,560	\$ 2,380,296	\$ 682,895	\$ 3,804,751	3.33%
20 Plan.Prevent. & Assist.Div.	5,255,831	5,433,169	15,302,843	25,991,843	22.72%
30 Enforcement Division	1,095,972	937,687	743,639	2,777,298	2.43%
40 Remediation Division	-	15,224,518	12,274,711	27,499,229	24.03%
50 Permitting & Compliance Div.	3,479,805	35,703,114	13,753,952	52,936,871	46.27%
90 Petro Tank Release Comp. Board	-	1,409,888	-	1,409,888	1.23%
Grand Total	<u>\$ 10,573,168</u>	<u>\$ 61,088,672</u>	<u>\$ 42,758,040</u>	<u>\$ 114,419,880</u>	<u>100.00%</u>

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 US 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 a 25% match, drinking water capital improvement requires a 20% match, and non-point 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.

Resource Indemnity Trust and Related Funds

The department receives appropriation authority from state special revenue accounts that receive resource indemnity trust interest and natural resource taxes. This collection of funds is often referred to as resource indemnity funding. The current status of these funds is shown in Figure 1. Impacts to these accounts include capital appropriations, fund transfers and HB 2 appropriations. All funds are projected to have a positive fund balance at the end of the biennium.

Resource Indemnity Funding Analysis 2013 Biennium - O/G Dist HB 316									
Related Funds	02010 Oil & Gas	02022 Future Fish	02070 HazWas	02107 ECA	02162 EQPF	02216 Wa Sto	02289 GRW	02472 Orphan Share	02576 Operations
Beginning FY 2011 Fund Balance	\$328,242	\$1,574,165	\$517,314	\$856,456	\$3,578,886	\$1,615,026	\$0	\$10,516,467	\$2,798,954
RIT Interest		500,000	115,180	0	39,870	0	300,000		287,950
STIP				2,500		5,000		10,400	
RIGWA					351,211		366,000		
Metal Mines Tax									1,097,000
Oil and Gas Tax								3,317,785	1,608,959
Other Income	0				4,850,000				
FY 2011 Total Revenues & Fund	\$328,242	\$2,074,165	\$632,494	\$858,956	\$8,819,967	\$1,620,026	\$666,000	\$13,844,652	\$5,792,863
FY 2011 Appropriations	(147,953)	0	(551,349)	0	(7,288,249)	(1,277,099)	(666,000)	(8,892,974)	(4,911,291)
FY 2011 Budget Amendment									
Transfers	0							(1,200,000)	
Reserved for Capital Appropriations									
Grant Commitments		(2,074,165)							
Projected Fund Balance Ending FY 2011	\$180,289	\$0	\$81,145	\$858,956	\$1,531,718	\$342,927	\$0	\$3,751,678	\$881,572
Revenues for 2013 Biennium									
RIT Interest - Direct	\$0	\$1,000,000	\$104,260	\$0	\$36,090	\$500,000	\$600,000		\$260,650
RIGWA			818,172		818,172		732,000		0
Anticipated reversions					1,928,000			8,500,000	683,552
Short Term Investment Pool - Interest			1,000	2,500	100,000	10,000			
Admin Fees						40,000			
Metal Mines Tax									2,507,000
Oil and Gas Tax								6,276,171	4,297,581
Agency Generated Revenues	31,400				4,265,000				
Transfers - Other								(6,800,000)	
Carry forward								(2,550,000)	
Projected Fund Balance Beginning FY	\$211,689	\$1,000,000	\$1,004,577	\$861,456	\$8,678,980	\$892,927	\$1,332,000	\$9,177,849	\$8,630,355
Appropriations for 2013 Biennium									
UM-Bureau of Mines							(1,332,000)		(351,772)
DNRC	(200,000)					0			(2,254,042)
DEQ			(944,928)		(8,638,190)			(1,527,847)	(3,958,735)
DEQ HB 5								(5,850,000)	
Future Fisheries		(1,000,000)							
Judiciary-Water Court									(2,038,668)
Governor's Office - Emergency Authority*				(861,456)					
Total Appropriations	(\$200,000)	(\$1,000,000)	(\$944,928)	(\$861,456)	(\$8,638,190)	\$0	(\$1,332,000)	(\$7,377,847)	(\$8,603,217)
Ending Fund Balance	\$11,689	\$0	\$59,649	\$0	\$40,790	\$892,927	\$0	\$1,800,002	\$27,138

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	5,341,202	5,341,202	10,682,404	101.03%	46,367,183	46,367,183	92,734,366	81.05%
Statewide PL Adjustments	130,843	135,286	266,129	2.52%	2,802,683	2,815,880	5,618,563	4.91%
Other PL Adjustments	140,791	139,379	280,170	2.65%	8,538,226	8,521,176	17,059,402	14.91%
New Proposals	(327,769)	(327,766)	(655,535)	(6.20%)	(496,408)	(496,043)	(992,451)	(0.87%)
Total Budget	\$5,285,067	\$5,288,101	\$10,573,168		\$57,211,684	\$57,208,196	\$114,419,880	

Other Legislation

HB 604 – Transfers \$4.4 million from the orphan share fund to the K-12 guarantee account for support of schools.

HB 642 - Creates a select committee on efficiency in government. This legislation contains a study of environmental permitting activities, including the legal strength of the outcomes.

SB 89 - Reduces the time for review of subdivision applications for public and private water supplies, sewage disposal facilities, storm water drainage ways, and solid waste disposal by five days by the DEQ and local departments or boards of health.

SB 206 - Revises the Major Facility Siting Act to require the Department of Environmental Quality to examine a 1-mile-wide facility siting corridor along the facility route when conducting a review in accordance with MEPA. State special revenue of \$1.2 million over the biennium was added to implement the legislation.

*SB 292 - Defines and regulates "in situ coal gasification" and directs the Board of Environmental Review to adopt rules for regulation of in situ coal gasification.

Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg – Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg – Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
FTE	387.29	385.44	383.48	(1.96)	385.44	383.48	(1.96)	
Personal Services	24,209,977	26,925,740	26,703,011	(222,729)	26,937,192	26,714,611	(222,581)	(445,310)
Operating Expenses	20,595,563	28,907,252	28,583,993	(323,259)	28,877,279	28,560,752	(316,527)	(639,786)
Equipment & Intangible Assets	80,932	594,520	125,372	(469,148)	594,520	118,872	(475,648)	(944,796)
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,473,211	1,791,808	1,791,808	0	1,806,461	1,806,461	0	0
Transfers	7,500	7,500	7,500	0	7,500	7,500	0	0
Total Costs	\$46,367,183	\$58,226,820	\$57,211,684	(\$1,015,136)	\$58,222,952	\$57,208,196	(\$1,014,756)	(\$2,029,892)
General Fund	5,341,202	5,466,101	5,285,067	(181,034)	5,469,117	5,288,101	(181,016)	(362,050)
State/Other Special	22,692,262	31,133,319	30,542,509	(590,810)	31,136,611	30,546,163	(590,448)	(1,181,258)
Federal Special	18,333,719	21,627,400	21,384,108	(243,292)	21,617,224	21,373,932	(243,292)	(486,584)
Total Funds	\$46,367,183	\$58,226,820	\$57,211,684	(\$1,015,136)	\$58,222,952	\$57,208,196	(\$1,014,756)	(\$2,029,892)

The legislature approved a biennial budget that is 2.5% lower than the executive request. The legislature adopted the agency's 5% reduction plan for both state special revenue and general fund, only a portion of which had been included in the executive budget. The legislature did not approve upgrades to the Remediation Division database in the amount of \$1.0 million in state special revenue over the biennium.

Language and Statutory Authority

The legislature included the following language in HB 2:

"The Department is authorized to decrease federal special revenue in the water pollution control and/or drinking water revolving loan programs and to increase state special revenue 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."

"SB 206 - - Energy Transmission Siting is contingent upon passage and approval of Senate Bill No. 206."

"The department is appropriated up to \$500,000 of the funds recovered under the petroleum tank compensation board subrogation program in the 2011 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	9.75	9.75	9.10	9.10	9.75	9.10	(0.65)	(6.67%)
Personal Services	783,187	791,242	838,988	837,783	1,574,429	1,676,771	102,342	6.50%
Operating Expenses	1,057,038	1,161,659	1,064,051	1,063,929	2,218,697	2,127,980	(90,717)	(4.09%)
Total Costs	\$1,840,225	\$1,952,901	\$1,903,039	\$1,901,712	\$3,793,126	\$3,804,751	\$11,625	0.31%
General Fund	327,767	339,090	370,854	370,706	666,857	741,560	74,703	11.20%
State Special	1,200,299	1,294,921	1,190,514	1,189,782	2,495,220	2,380,296	(114,924)	(4.61%)
Federal Special	312,159	318,890	341,671	341,224	631,049	682,895	51,846	8.22%
Total Funds	\$1,840,225	\$1,952,901	\$1,903,039	\$1,901,712	\$3,793,126	\$3,804,751	\$11,625	0.31%

Program Description

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

Program Highlights

Central Management Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The biennial budget increases by \$11,625 or 0.31% from the previous biennium ◆ Increases for to statewide present law and base adjustments are offset by reductions of \$181,878 and 0.65 FTE related to the 4% personal services reductions and the 5% reduction plan

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Central Management Program						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 327,767	17.8%	\$ 370,854	19.5%	\$ 370,706	19.5%
01100 General Fund	327,767	17.8%	370,854	19.5%	370,706	19.5%
02000 Total State Special Funds	1,200,299	65.2%	1,190,514	62.6%	1,189,782	62.6%
02075 Ust Leak Prevention Program	49,339	2.7%	54,491	2.9%	54,411	2.9%
02097 Environmental Rehab & Response	(2)	0.0%	-	-	-	-
02157 Solid Waste Management Fee	41,193	2.2%	45,488	2.4%	45,421	2.4%
02201 Air Quality-Operating Fees	62,026	3.4%	93,622	4.9%	93,484	4.9%
02202 Asbestos Control	16,835	0.9%	20,358	1.1%	20,328	1.1%
02204 Public Drinking Water	7,906	0.4%	20,098	1.1%	20,068	1.1%
02278 Mpdcs Permit Program	43,319	2.4%	41,083	2.2%	41,023	2.2%
02370 Prj Energy Savings	-	-	3,166	0.2%	3,161	0.2%
02418 Subdivision Plat Review	17,440	0.9%	-	-	-	-
02542 Mt Environ Policy Act Fee	871,796	47.4%	817,975	43.0%	817,792	43.0%
02555 Alternative Energy Rev Loan	-	-	2,110	0.1%	2,107	0.1%
02576 Natural Resources Operations Ssr Ft	53,458	2.9%	64,622	3.4%	64,527	3.4%
02845 Junk Vehicle Disposal	35,062	1.9%	25,206	1.3%	25,169	1.3%
02954 Septage Fees	1,927	0.1%	2,295	0.1%	2,291	0.1%
03000 Total Federal Special Funds	312,159	17.0%	341,671	18.0%	341,224	17.9%
03067 Dsl Federal Reclamation Grant	-	-	25,822	1.4%	25,785	1.4%
03221 Osm Coal Outerop Fires	56,838	3.1%	-	-	-	-
03228 L.U.S.T./Trust	-	-	65,519	3.4%	65,427	3.4%
03232 Fy08 Exchange Network Grant	-	-	24,183	1.3%	24,183	1.3%
03262 Epa Ppg	-	-	187,461	9.9%	187,197	9.8%
03433 Epa Ppg Fy 10-11	162,687	8.8%	-	-	-	-
03436 Nps 04 Staffing & Support	-	-	-	-	20,004	1.1%
03437 Sep Base 2004	9,844	0.5%	2,205	0.1%	2,202	0.1%
03442 Fy09 Exchange Network Grant	-	-	-	-	-	-
03586 Dw Srf Fy 12	-	-	16,449	0.9%	-	-
03595 Dw Srf Fy 13	-	-	-	-	16,426	0.9%
03691 Nps Staffing/Support	12,173	0.7%	20,032	1.1%	-	-
03815 Dw Srf 09 Grant	20,342	1.1%	-	-	-	-
03816 Doi Osm A&E Grant	20,526	1.1%	-	-	-	-
03818 Dw Srf 10 Grant	-	-	-	-	-	-
03952 2006 Implementation Grant	29,749	1.6%	-	-	-	-
03953 2007 Implementation Grant	-	-	-	-	-	-
Grand Total	<u>\$1,840,225</u>	<u>100.0%</u>	<u>\$1,903,039</u>	<u>100.0%</u>	<u>\$1,901,712</u>	<u>100.0%</u>

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 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.

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	327,767	327,767	655,534	88.40%	1,840,225	1,840,225	3,680,450	96.73%
Statewide PL Adjustments	103,953	103,965	207,918	28.04%	120,487	119,399	239,886	6.30%
Other PL Adjustments	16,232	16,232	32,464	4.38%	79,440	79,361	158,801	4.17%
New Proposals	(77,098)	(77,258)	(154,356)	(20.82%)	(137,113)	(137,273)	(274,386)	(7.21%)
Total Budget	\$370,854	\$370,706	\$741,560		\$1,903,039	\$1,901,712	\$3,804,751	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					155,434					154,299
Vacancy Savings					(37,545)					(37,500)
Inflation/Deflation					(69)					(67)
Fixed Costs					2,667					2,667
Total Statewide Present Law Adjustments		\$103,953	\$11,207	\$5,327	\$120,487		\$103,965	\$10,554	\$4,880	\$119,399
DP 1001 - Program 10 Non-Proprietary Operations Adjustment	0.00	16,232	39,023	24,185	79,440	0.00	16,232	38,944	24,185	79,361
Total Other Present Law Adjustments	0.00	\$16,232	\$39,023	\$24,185	\$79,440	0.00	\$16,232	\$38,944	\$24,185	\$79,361
Grand Total All Present Law Adjustments	0.00	\$120,185	\$50,230	\$29,512	\$199,927	0.00	\$120,197	\$49,498	\$29,065	\$198,760

DP 1001 - Program 10 Non-Proprietary Operations Adjustment - The legislature approved a base adjustment for the attorney pool. This adjustment includes \$40,000 of indirect costs that were not rolled into the base due to a one-time-only designation made by the 2009 Legislature. The remaining amount restores indirect costs not spent in the base year due to vacancy savings targets and an employee taking voluntary leave without pay.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - 4% Personal Services Reduction (Pgm 10)											
10	(0.47)	(41,998)	0	0	(41,998)	(0.47)	(42,176)	0	0	(42,176)	
DP 95100 - 5% Plan - MEPA											
10	(0.18)	(30,646)	(18,206)	0	(48,852)	(0.18)	(30,646)	(18,206)	0	(48,852)	
DP 95101 - 5% Plan - Attorney Pool											
10	0.00	0	(15,809)	0	(15,809)	0.00	0	(15,809)	0	(15,809)	
DP 95102 - 5% Plan - MEPA Contract Reduction											
10	0.00	0	(26,000)	0	(26,000)	0.00	0	(26,000)	0	(26,000)	
DP 97100 - Reduction in Workers Compensation Costs											
10	0.00	(4,454)	0	0	(4,454)	0.00	(4,436)	0	0	(4,436)	
Total	(0.65)	(\$77,098)	(\$60,015)	\$0	(\$137,113)	(0.65)	(\$77,258)	(\$60,015)	\$0	(\$137,273)	

DP 55400 - 4% Personal Services Reduction (Pgm 10) - The legislature approved a 4% reduction of personal services funded with general fund. The reduction includes the permanent reduction of 0.47 FTE associated with positions vacant when budgets were developed.

DP 95100 - 5% Plan - MEPA - The legislature approved a reduction of 0.18 FTE dedicated to work associated with the Montana Environmental Policy Act. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue fund by 5%.

DP 95101 - 5% Plan - Attorney Pool - The legislature approved a reduction in training, travel and operating expenses of the attorney pool. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

DP 95102 - 5% Plan - MEPA Contract Reduction - The legislature approved a reduction of contract services for MEPA activities. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

DP 97100 - Reduction in Workers Compensation Costs - The legislature reduced general fund support for worker's compensation costs based upon the anticipated impact of HB 334. The agency may allocate this reduction in funding among programs.

Proprietary Rates**Proprietary Program Description**

The department has one proprietary fund, which is an internal service fund used to account for the department's indirect cost activity. The department utilizes two rates: one applied to personal services and a second applied to operating expenses to achieve a more equitable basis for funding proprietary services. The department negotiates the indirect cost rates with the U.S. Environmental Protection Agency (EPA).

The customers of this program are all divisions and employees of the department. Use of these services is mandated by agency policies and procedures. There are no alternative sources for the Central Management Program as a whole. The department contracts for legal services whenever it is cost effective to do so, to obtain specific expertise for a case, or when legal jurisdiction of the case requires an attorney licensed in that state. The department contracts for information technology database development and for hosting of the department's enterprise database.

Proprietary Revenues and Expenses

Funding is collected from all non-proprietary sources expended within the department.

Expense Description: The major cost drivers within this program are personal services costs and fixed costs. Additional costs for overtime are incurred when workload changes, such as upgrades to the state accounting system (SABHRS), a special legislative session, and increased monitoring and oversight of budgets due to revenue shortfalls. Fixed costs continue to be a significant cost increase to the proprietary fund. The cost of providing support services is directly related to the number of staff served and the number of contracts and payments processed.

Proprietary Rate Explanation

The legislature approved and the department anticipates negotiating an indirect cost rate with the U.S. Environmental Protection Agency (EPA) of approximately 24.0% percent on personal services and 4% on operating expenses in fiscal years 2012 and 2013.

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	84.50	84.50	83.50	83.50	84.50	83.50	(1.00)	(1.18%)
Personal Services	5,475,919	6,082,540	6,109,147	6,111,850	11,558,459	12,220,997	662,538	5.73%
Operating Expenses	4,867,811	7,080,124	6,861,589	6,853,257	11,947,935	13,714,846	1,766,911	14.79%
Equipment & Intangible Assets	0	49,970	28,000	28,000	49,970	56,000	6,030	12.07%
Grants	0	0	0	0	0	0	0	n/a
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$10,343,730	\$13,212,634	\$12,998,736	\$12,993,107	\$23,556,364	\$25,991,843	\$2,435,479	10.34%
General Fund	2,728,401	2,767,152	2,628,476	2,627,355	5,495,553	5,255,831	(239,722)	(4.36%)
State Special	1,631,717	2,418,714	2,716,443	2,716,726	4,050,431	5,433,169	1,382,738	34.14%
Federal Special	5,983,612	8,026,768	7,653,817	7,649,026	14,010,380	15,302,843	1,292,463	9.23%
Total Funds	\$10,343,730	\$13,212,634	\$12,998,736	\$12,993,107	\$23,556,364	\$25,991,843	\$2,435,479	10.34%

Program Description

The Planning, Prevention, and Assistance Division includes three bureaus: Technical and Financial Assistance; Water Quality Planning; and Air, Energy and Pollution Prevention. The division:

1. Finances construction and improvement of community drinking water and wastewater systems, and provides engineering review and technical assistance to Montana community water infrastructure planners;
2. Assists small businesses in reducing emissions and complying with environmental regulations;
3. Monitors air and water quality conditions, assesses potential pollution problems, and aids industry to achieve cost effective compliance;
4. Assists communities to plan for energy, watershed, air, and solid and hazardous waste management;
5. Aids in development of water total maximum daily loads (TMDL);
6. Proposes rules and policy and develops environmental protection criteria;
7. Provides analysis to assess the cost effectiveness of environmental programs;
8. Finances energy saving retrofits of public buildings and renewable energy systems for homeowners and small businesses; and
9. Provides technical assistance and education to builders, homeowners and businesses on energy efficiency and renewable energy, indoor air quality, radon, recycling, and solid waste reduction.

Program Highlights

Planning, Prevention and Assistance Division	
Major Budget Highlights	
◆	The biennial budget increases \$2.4 million or 10.34% from the previous biennium
◆	General fund decreases by 4.36% due to the net effect of statewide present law adjustments and personal services reductions
◆	State special revenue increases by 34% due to statewide present law adjustments and the replacement of federal stimulus funds with state funds
◆	Major initiatives in this budget include: <ul style="list-style-type: none"> • Personal services reductions totaling \$226,861 general fund and 1.00 FTE over the biennium • Replacement of federal stimulus funds with alternative energy revolving loan funds

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table							
Plan.Prevent. & Assist.Div.							
Program Funding		Base	% of Base	Budget	% of Budget	Budget	% of Budget
		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 2,728,401	26.4%	\$ 2,628,476	20.2%	\$ 2,627,355	20.2%
	01100 General Fund	2,728,401	26.4%	2,628,476	20.2%	2,627,355	20.2%
02000	Total State Special Funds	1,631,717	15.8%	2,716,443	20.9%	2,716,726	20.9%
	02070 Hazardous Waste-Cercla	90,755	0.9%	91,829	0.7%	91,157	0.7%
	02157 Solid Waste Management Fee	122,087	1.2%	133,386	1.0%	132,183	1.0%
	02174 Go Fy06 Spb Bond Proceeds	8,201	0.1%	8,201	0.1%	8,201	0.1%
	02201 Air Quality-Operating Fees	63,889	0.6%	120,608	0.9%	121,384	0.9%
	02206 Agriculture Monitoring	4,222	0.0%	4,214	0.0%	4,224	0.0%
	02223 Wastewater Srf Special Admin	435,197	4.2%	777,841	6.0%	776,619	6.0%
	02278 Mpdcs Permit Program	95,343	0.9%	95,151	0.7%	95,379	0.7%
	02291 Alternative Energy Loan Arra	-	-	124,815	1.0%	124,815	1.0%
	02316 Go94B/Ban 93D Admin	305	0.0%	11,782	0.1%	11,741	0.1%
	02370 Prj Energy Savings	499,459	4.8%	744,589	5.7%	746,478	5.7%
	02491 Drinking Water Spec Admin Cost	161,329	1.6%	217,184	1.7%	217,386	1.7%
	02555 Alternative Energy Rev Loan	101,248	1.0%	118,672	0.9%	118,988	0.9%
	02973 Univ System Benefits Program	49,682	0.5%	268,171	2.1%	268,171	2.1%
03000	Total Federal Special Funds	5,983,612	57.8%	7,653,817	58.9%	7,649,026	58.9%
	03003 Tribal Air Quality Fund	2,866	0.0%	2,866	0.0%	2,866	0.0%
	03007 Doe Special Projects	1,385	0.0%	37,218	0.3%	37,540	0.3%
	03070 106 Monitoring Initiative	31,340	0.3%	131,340	1.0%	131,340	1.0%
	03079 Children'S Environmental Health	69,258	0.7%	69,258	0.5%	69,258	0.5%
	03106 Nps 05 Projects	172,857	1.7%	172,857	1.3%	172,857	1.3%
	03199 Stripper Wells	-	-	100,809	0.8%	100,809	0.8%
	03210 Children Environmental Health	2,879	0.0%	2,879	0.0%	2,879	0.0%
	03211 Exxon-Secp	-	-	4,765	0.0%	4,765	0.0%
	03212 Stripper-Secp	-	-	14,990	0.1%	14,990	0.1%
	03213 Stripper-Sbp	-	-	4,819	0.0%	4,819	0.0%
	03216 Exxon-Icp	-	-	1,012	0.0%	1,012	0.0%
	03218 Diamond Shamrock-Admin.	-	-	21,475	0.2%	21,475	0.2%
	03227 Fy06 Wetlands Grant	161,347	1.6%	161,347	1.2%	162,061	1.2%
	03229 Fy07 Wetlands Grant	1,221	0.0%	6,477	0.0%	6,246	0.0%
	03245 Wastewater Treatment Grant	-	-	11,253	0.1%	11,213	0.1%
	03262 Epa Ppg	-	-	2,182,289	16.8%	2,175,470	16.7%
	03289 Wastewater Operator Training	14,926	0.1%	-	-	-	-
	03307 Fy08 Wetlands Grant #15	108,320	1.0%	107,603	0.8%	108,625	0.8%
	03311 Doe - Codes And Standards	717	0.0%	717	0.0%	717	0.0%
	03318 Mt School Lab Clean Up	1,188	0.0%	1,188	0.0%	1,188	0.0%
	03433 Epa Ppg Fy10-11	2,081,896	20.1%	-	-	-	-
	03436 Nps 04 Staffing & Support	4,038	0.0%	4,038	0.0%	39,389	0.3%
	03437 Sep Base 2004	219,200	2.1%	356,603	2.7%	355,315	2.7%
	03449 Npdcs Epa Grant	37,977	0.4%	412,478	3.2%	410,659	3.2%
	03450 Fy09 Nps Project Grant	140,506	1.4%	140,506	1.1%	140,506	1.1%
	03459 Doe Competitive Special Proj	5,548	0.1%	114,258	0.9%	114,250	0.9%
	03465 Doe Washington State Univ	22,255	0.2%	97,951	0.8%	97,960	0.8%
	03586 Dw Srf Fy 12	-	-	81,714	0.6%	-	-
	03595 Dw Srf Fy 13	-	-	-	-	79,202	0.6%
	03608 Nutrient Criteria Pilot Project	12,385	0.1%	12,385	0.1%	12,385	0.1%
	03667 Tmdl Supplemental	33,598	0.3%	33,598	0.3%	33,598	0.3%
	03676 Bureau Of Land Management	18,006	0.2%	20,561	0.2%	20,561	0.2%
	03691 Nps Staffing/Support	1,138,393	11.0%	1,172,035	9.0%	1,139,002	8.8%
	03695 Srf St Tribal Rel Agrmt Grant	113,693	1.1%	139,707	1.1%	140,303	1.1%
	03716 Doe - Omnibu	914,339	8.8%	914,339	7.0%	918,072	7.1%
	03723 Tmdl Surveys	21,972	0.2%	237,007	1.8%	235,968	1.8%
	03813 Dw Srf 08 Grant	20,291	0.2%	-	-	-	-
	03814 Epa Water Quality 205J	100,000	1.0%	100,000	0.8%	100,000	0.8%
	03815 Dw Srf 09 Grant	531,211	5.1%	781,475	6.0%	781,726	6.0%
Grand Total		\$ 10,343,730	100.0%	\$ 12,998,736	100.0%	\$ 12,993,107	100.0%

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 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	2,728,401	2,728,401	5,456,802	103.82%	10,343,730	10,343,730	20,687,460	79.59%
Statewide PL Adjustments	36,495	35,235	71,730	1.36%	736,621	739,339	1,475,960	5.68%
Other PL Adjustments	0	0	0	0.00%	1,946,751	1,938,265	3,885,016	14.95%
New Proposals	(136,420)	(136,281)	(272,701)	(5.19%)	(28,366)	(28,227)	(56,593)	(0.22%)
Total Budget	\$2,628,476	\$2,627,355	\$5,255,831		\$12,998,736	\$12,993,107	\$25,991,843	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					978,867					981,450
Vacancy Savings					(258,190)					(258,294)
Inflation/Deflation					(12,690)					(12,451)
Fixed Costs					28,634					28,634
Total Statewide Present Law Adjustments		\$36,495	\$312,047	\$388,079	\$736,621		\$35,235	\$314,547	\$389,557	\$739,339
DP 2002 - Planning, Prevention & Asst. Div Operating Adjust	0.00	0	500,625	1,282,126	1,782,751	0.00	0	498,408	1,275,857	1,774,265
DP 2004 - Universal System Benefits Addtl Authority	0.00	0	164,000	0	164,000	0.00	0	164,000	0	164,000
Total Other Present Law Adjustments	0.00	\$0	\$664,625	\$1,282,126	\$1,946,751	0.00	\$0	\$662,408	\$1,275,857	\$1,938,265
Grand Total All Present Law Adjustments	0.00	\$36,495	\$976,672	\$1,670,205	\$2,683,372	0.00	\$35,235	\$976,955	\$1,665,414	\$2,677,604

DP 2002 - Planning, Prevention & Asst. Div Operating Adjust - The legislature approved restoration of the FY 2010 base for the following:

- o Replacement of \$1.4 million of federal ARRA (HB 645) funds, which reduced the normal HB 2 expenditures in the base year
- o Administrative appropriations of \$1.1 million for contracts with other state agencies where the work was not completed within the current year
- o \$1.0 million related to positions left vacant to meet vacancy savings targets. These costs include unspent travel, lab analysis work, supplies, and indirect costs

DP 2004 - Universal System Benefits Addtl Authority - The legislature approved additional authority to spend Universal System Benefits (USB) funds. These funds are used as leverage for electrical efficiency projects, renewable energy projects, and energy education in the Montana-Dakota Utilities service area.

New Proposals

Program	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2006 - Alternative Energy Revolving Loan Pgm Operating										
20	0.00	0	124,815	0	124,815	0.00	0	124,815	0	124,815
DP 55400 - 4% Personal Services Reduction (Pgm 20)										
20	(0.62)	(57,427)	0	0	(57,427)	(0.62)	(57,288)	0	0	(57,288)
DP 95103 - 5% Plan - Additional PS Reduction										
20	(0.38)	(55,983)	0	0	(55,983)	(0.38)	(55,983)	0	0	(55,983)
DP 95104 - 5% Plan - Energy Contract Reduction										
20	0.00	0	(16,761)	0	(16,761)	0.00	0	(16,761)	0	(16,761)
DP 95105 - 5% Plan - Energy Planning Reduction										
20	0.00	(23,010)	0	0	(23,010)	0.00	(23,010)	0	0	(23,010)
Total	(1.00)	(\$136,420)	\$108,054	\$0	(\$28,366)	(1.00)	(\$136,281)	\$108,054	\$0	(\$28,227)

DP 2006 - Alternative Energy Revolving Loan Pgm Operating - The legislature approved a base adjustment to the Alternative Energy Revolving Loan program. Loans made in the 2011 biennium with federal stimulus funding will revolve back to the fund as state funds.

DP 55400 - 4% Personal Services Reduction (Pgm 20) - The legislature approved the executive recommended 4% reduction of personal services funded with general fund. The reduction includes the permanent reduction of FTE associated with positions vacant when budgets were developed. This reduction equates to 0.62 FTE, an environmental scientist.

DP 95103 - 5% Plan - Additional PS Reduction - The legislature reduced funding to eliminate 0.38 FTE, which represents an environmental science specialist position for coal bed methane issues. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

DP 95104 - 5% Plan - Energy Contract Reduction - The legislature reduced funding for the number of energy audits performed in state buildings. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

DP 95105 - 5% Plan - Energy Planning Reduction - The legislature decreased funding for the state's participation in energy planning activities and the distribution of information on energy efficiency. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	15.00	15.00	14.73	14.73	15.00	14.73	(0.27)	(1.80%)
Personal Services	989,329	1,017,504	1,044,679	1,044,982	2,006,833	2,089,661	82,828	4.13%
Operating Expenses	294,362	301,373	344,402	343,235	595,735	687,637	91,902	15.43%
Total Costs	\$1,283,691	\$1,318,877	\$1,389,081	\$1,388,217	\$2,602,568	\$2,777,298	\$174,730	6.71%
General Fund	552,549	560,417	548,197	547,775	1,112,966	1,095,972	(16,994)	(1.53%)
State Special	436,067	460,087	468,970	468,717	896,154	937,687	41,533	4.63%
Federal Special	295,075	298,373	371,914	371,725	593,448	743,639	150,191	25.31%
Total Funds	\$1,283,691	\$1,318,877	\$1,389,081	\$1,388,217	\$2,602,568	\$2,777,298	\$174,730	6.71%

Program Description

The Enforcement Division is responsible for formal enforcement of the public health and environmental protection laws and rules administered by the department. Division staff works with department attorneys and regulatory programs to draft administrative orders, calculate penalties, negotiate settlements, and monitor compliance with orders issued by the department. The division also manages a complaint clearinghouse that responds to and tracks citizen complaints and reports of spills or releases of materials.

Program Highlights

Enforcement Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The biennial budget increases by \$174,730 or 6.71% from the previous biennium ◆ General fund decreases slightly due to personal services reductions partially offset by statewide present law adjustments

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Enforcement Division						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 552,549	43.0%	\$ 548,197	39.5%	\$ 547,775	39.5%
01100 General Fund	552,549	43.0%	548,197	39.5%	547,775	39.5%
02000 Total State Special Funds	436,067	34.0%	468,970	33.8%	468,717	33.8%
02075 Ust Leak Prevention Program	39,342	3.1%	32,035	2.3%	32,018	2.3%
02157 Solid Waste Management Fee	-	-	28,722	2.1%	28,707	2.1%
02201 Air Quality-Operating Fees	131,529	10.2%	95,726	6.9%	95,675	6.9%
02202 Asbestos Control	45,798	3.6%	34,450	2.5%	34,433	2.5%
02204 Public Drinking Water	105,353	8.2%	143,588	10.3%	143,512	10.3%
02278 Mpdcs Permit Program	36,228	2.8%	40,198	2.9%	40,176	2.9%
02418 Subdivision Plat Review	20,656	1.6%	34,450	2.5%	34,432	2.5%
02576 Natural Resources Operations Ssr Ft	4,726	0.4%	4,591	0.3%	4,588	0.3%
02845 Junk Vehicle Disposal	52,435	4.1%	55,210	4.0%	55,176	4.0%
03000 Total Federal Special Funds	295,075	23.0%	371,914	26.8%	371,725	26.8%
03067 Dsl Federal Reclamation Grant	-	-	25,243	1.8%	25,231	1.8%
03221 Osm Coal Outcrop Fires	27,921	2.2%	-	-	-	-
03228 L.U.S.T./Trust	-	-	23,000	1.7%	22,988	1.7%
03262 Epa Ppg	-	-	323,671	23.3%	323,506	23.3%
03433 Epa Ppg Fy 10-11	204,614	15.9%	-	-	-	-
03691 Nps Staffing/Support	51,267	4.0%	-	-	-	-
03816 Doi Osm A&E Grant	11,273	0.9%	-	-	-	-
Grand Total	\$ 1,283,691	100.0%	\$ 1,389,081	100.0%	\$ 1,388,217	100.0%

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	552,549	552,549	1,105,098	100.83%	1,283,691	1,283,691	2,567,382	92.44%
Statewide PL Adjustments	(9,369)	(9,240)	(18,609)	(1.70%)	73,267	73,690	146,957	5.29%
Other PL Adjustments	32,644	32,152	64,796	5.91%	81,553	80,325	161,878	5.83%
New Proposals	(27,627)	(27,686)	(55,313)	(5.05%)	(49,430)	(49,489)	(98,919)	(3.56%)
Total Budget	\$548,197	\$547,775	\$1,095,972		\$1,389,081	\$1,388,217	\$2,777,298	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					117,272					117,650
Vacancy Savings					(44,264)					(44,280)
Inflation/Deflation					(4,066)					(4,005)
Fixed Costs					4,325					4,325
Total Statewide Present Law Adjustments		(\$9,369)	\$26,882	\$55,754	\$73,267		(\$9,240)	\$27,048	\$55,882	\$73,690
DP 3001 - Enforcement Operations Adjustment	0.00	32,644	27,824	21,085	81,553	0.00	32,152	27,405	20,768	80,325
Total Other Present Law Adjustments	0.00	\$32,644	\$27,824	\$21,085	\$81,553	0.00	\$32,152	\$27,405	\$20,768	\$80,325
Grand Total All Present Law Adjustments	0.00	\$23,275	\$54,706	\$76,839	\$154,820	0.00	\$22,912	\$54,453	\$76,650	\$154,015

DP 3001 - Enforcement Operations Adjustment - The legislature approved a base adjustment for two reasons. Approximately \$66,750 of actual expenses did not roll forward in the base budget due to a one-time-only restriction made by the 2009 legislature. The remaining amount is for costs related to holding positions open to achieve vacancy savings, including lab analysis, field supplies, training, and in-state travel.

New Proposals

Program	-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 55400 - 4% Personal Services Reduction (Pgm 30)	30	(0.27)	(17,658)	0	0	(17,658)	(0.27)	(17,717)	0	0	(17,717)
DP 95106 - 5% Plan - Operating Expense Reduction	30	0.00	(9,969)	(21,803)	0	(31,772)	0.00	(9,969)	(21,803)	0	(31,772)
Total	(0.27)	(\$27,627)	(\$21,803)	\$0	(\$49,430)	(0.27)	(\$27,686)	(\$21,803)	\$0	(\$49,489)	

DP 55400 - 4% Personal Services Reduction (Pgm 30) - The legislature approved the executive recommended 4% reduction of personal services funded with general fund. This includes the reduction of 0.27 FTE. The agency did not specify which position would be reduced.

DP 95106 - 5% Plan - Operating Expense Reduction - The legislature reduced the operating budget for the Enforcement Division, resulting in the need to prioritize formal enforcement actions over citizen complaints. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue by 5%.

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	63.01	63.01	63.01	63.01	63.01	63.01	0.00	0.00%
Personal Services	3,289,972	4,110,515	4,277,465	4,280,194	7,400,487	8,557,659	1,157,172	15.64%
Operating Expenses	7,205,103	8,671,833	9,463,120	9,463,450	15,876,936	18,926,570	3,049,634	19.21%
Equipment & Intangible Assets	0	15,000	0	0	15,000	0	(15,000)	(100.00%)
Capital Outlay	0	141,304	0	0	141,304	0	(141,304)	(100.00%)
Transfers	7,500	0	7,500	7,500	7,500	15,000	7,500	100.00%
Total Costs	\$10,502,575	\$12,938,652	\$13,748,085	\$13,751,144	\$23,441,227	\$27,499,229	\$4,058,002	17.31%
State Special	5,124,647	6,059,212	7,611,840	7,612,678	11,183,859	15,224,518	4,040,659	36.13%
Federal Special	5,377,928	6,879,440	6,136,245	6,138,466	12,257,368	12,274,711	17,343	0.14%
Total Funds	\$10,502,575	\$12,938,652	\$13,748,085	\$13,751,144	\$23,441,227	\$27,499,229	\$4,058,002	17.31%

Program Description

The Remediation Division protects human health and the environment by preventing exposure to hazardous substances that have been released to soil, sediment, surface water, or groundwater. The division also ensures compliance with state and federal regulations. The division's responsibilities include: oversight, investigation, and cleanup activities at state and federal Superfund sites, and voluntary cleanup activities; reclamation of abandoned mine lands; implementation of corrective actions at sites with leaking underground storage tanks; and oversight of groundwater remediation at sites where improper placement of wastes has caused groundwater contamination. This division is divided into two bureaus.

10. The Hazardous Waste Site Cleanup Bureau (HWSCB) oversees or conducts the investigation and cleanup of sites contaminated by chemical spills, hazardous substances, and petroleum released by industrial and commercial operations other than mining. The bureau works with the Petroleum Tank Release Compensation Board for eligibility and reimbursement determinations.
11. The Mine Waste Cleanup Bureau (MWCB) is responsible for administering and overseeing remedial actions at historical mine sites, abandoned mines, ore-transport, and processing facilities. It also oversees the provisions of the federal Comprehensive Environmental Response and Liability Act (CERCLA or federal Superfund Program)

Program Highlights

Remediation Division Major Budget Highlights	
◆	The biennial budget increases by \$4.1 million or 17.3% from the previous biennium
◆	State special revenue increases by 36.1% due to statewide present law adjustments and one-time requests for clean up funds
◆	The major initiatives in this budget are: <ul style="list-style-type: none"> ● \$2.2 million of bond proceeds for federal superfund match ● \$1.5 million for orphan share payments

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Remediation Division						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	\$ 5,124,647	48.8%	\$ 7,611,840	55.4%	\$ 7,612,678	55.4%
02058 Petroleum Storage Tank Cleanup	1,237,194	11.8%	1,268,418	9.2%	1,270,955	9.2%
02070 Hazardous Waste-Cercla	20,665	0.2%	111,694	0.8%	111,809	0.8%
02162 Environmental Quality Protecti	3,808,768	36.3%	4,319,997	31.4%	4,318,193	31.4%
02206 Agriculture Monitoring	10,480	0.1%	10,239	0.1%	10,250	0.1%
02314 Dnrc Grants - Remediation	2,604	0.0%	-	-	-	-
02472 Orphan Share Fund	13,669	0.1%	763,908	5.6%	763,939	5.6%
02520 Fy06 Cercla Bond Proceeds	-	-	-	-	-	-
02565 Lust Cost Recovery	8,600	0.1%	11,431	0.1%	11,405	0.1%
02583 Cercla Go Bonds	-	-	1,100,000	8.0%	1,100,000	8.0%
02940 Pegasus - Basin	22,667	0.2%	26,153	0.2%	26,127	0.2%
03000 Total Federal Special Funds	5,377,928	51.2%	6,136,245	44.6%	6,138,466	44.6%
03036 Deq Federal Aml Grant	2,405,200	22.9%	2,821,180	20.5%	2,818,481	20.5%
03221 Osm Coal Outcrop Fires	519,506	4.9%	-	-	-	-
03228 L.U.S.T./Trust	-	-	570,366	4.1%	571,006	4.2%
03256 Epa Superfund Core Fy2010	137,651	1.3%	243,829	1.8%	244,632	1.8%
03257 Superfund Multi-Site	513,628	4.9%	590,539	4.3%	589,936	4.3%
03259 Superfund Multi Site	650,147	6.2%	-	-	-	-
03260 Lust Special Project	-	-	746,953	5.4%	750,778	5.5%
03261 Ronan Lust Special Project	193,954	1.8%	197,867	1.4%	197,425	1.4%
03262 Epa Ppg	-	-	166,313	1.2%	166,405	1.2%
03433 Epa Ppg Fy10-11	156,250	1.5%	-	-	-	-
03438 Brownsfield State Response	618,914	5.9%	639,024	4.6%	639,709	4.7%
03463 Mine Lease/Reclamation	1,273	0.0%	1,467	0.0%	1,471	0.0%
03468 Core Cooperative Grant-Fy05	47,394	0.5%	-	-	-	-
03721 Libby Asbestos/Troy	134,011	1.3%	158,707	1.2%	158,623	1.2%
Grand Total	\$ 10,502,575	100.0%	\$ 13,748,085	100.0%	\$ 13,751,144	100.0%

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 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 by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	10,502,575	10,502,575	21,005,150	76.38%
Statewide PL Adjustments	0	0	0	0.00%	964,132	967,191	1,931,323	7.02%
Other PL Adjustments	0	0	0	0.00%	2,282,462	2,282,462	4,564,924	16.60%
New Proposals	0	0	0	0.00%	(1,084)	(1,084)	(2,168)	(0.01%)
Total Budget	\$0	\$0	\$0		\$13,748,085	\$13,751,144	\$27,499,229	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,132,563					1,135,403
Vacancy Savings					(176,900)					(177,011)
Inflation/Deflation					(7,726)					(7,396)
Fixed Costs					16,195					16,195
Total Statewide Present Law Adjustments		\$0	\$252,341	\$711,791	\$964,132		\$0	\$253,179	\$714,012	\$967,191
DP 4001 - Remediation Division Operations Adjustments	0.00	0	385,936	46,526	432,462	0.00	0	385,936	46,526	432,462
DP 4002 - S&W Claims Payments (OTO/Bien/Rest)	0.00	0	750,000	0	750,000	0.00	0	750,000	0	750,000
DP 4003 - GO Bond Sales NPL sites (OTO/Bien/Rest)	0.00	0	1,100,000	0	1,100,000	0.00	0	1,100,000	0	1,100,000
Total Other Present Law Adjustments	0.00	\$0	\$2,235,936	\$46,526	\$2,282,462	0.00	\$0	\$2,235,936	\$46,526	\$2,282,462
Grand Total All Present Law Adjustments	0.00	\$0	\$2,488,277	\$758,317	\$3,246,594	0.00	\$0	\$2,489,115	\$760,538	\$3,249,653

DP 4001 - Remediation Division Operations Adjustments - The legislature approved a biennial base operating adjustment totaling \$864,924 in state and federal revenue. The adjustment includes funds for training, contracted services, legal, and information technology services. These funds are for supporting cleanup activities.

DP 4002 - S&W Claims Payments (OTO/Bien/Rest) - The legislature approved a one-time-only, biennial, restricted appropriation of orphan share funds to cover potential claims from the S&W Sawmill cleanup site in Darby. The remedial investigation at the S&W site is expected to be completed by FY 2013 or sooner.

DP 4003 - GO Bond Sales NPL sites (OTO/Bien/Rest) - The legislature approved a one-time-only, biennial, restricted appropriation of \$2.2 million of revenue from Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) general obligation bonds. This appropriation would provide a 10% match to federal funds expended for remedial actions at the Carpenter/Snow and Barker/Hughesville national priority list (NPL) sites.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 95107 - 5% Plan - Operating Adjustments	40	0.00	0	(1,084)	0	(1,084)	0.00	0	(1,084)	0	(1,084)
Total	0.00	\$0	(\$1,084)	\$0	(\$1,084)	0.00	\$0	(\$1,084)	\$0	(\$1,084)	

DP 95107 - 5% Plan - Operating Adjustments - The legislature approved a reduction in expenditures for consulting and professional services for agricultural monitoring and petroleum tank storage cleanup programs. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	209.03	209.03	207.14	207.14	209.03	207.14	(1.89)	(0.90%)
Personal Services	13,311,323	13,915,402	14,073,636	14,078,397	27,226,725	28,152,033	925,308	3.40%
Operating Expenses	6,958,473	12,960,285	10,506,166	10,492,159	19,918,758	20,998,325	1,079,567	5.42%
Equipment & Intangible Assets	80,932	122,107	97,372	90,872	203,039	188,244	(14,795)	(7.29%)
Grants	1,473,211	2,040,916	1,791,808	1,806,461	3,514,127	3,598,269	84,142	2.39%
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$21,823,939	\$29,038,710	\$26,468,982	\$26,467,889	\$50,862,649	\$52,936,871	\$2,074,222	4.08%
General Fund	1,732,485	1,777,015	1,737,540	1,742,265	3,509,500	3,479,805	(29,695)	(0.85%)
State Special	13,726,509	19,767,566	17,850,981	17,852,133	33,494,075	35,703,114	2,209,039	6.60%
Federal Special	6,364,945	7,494,129	6,880,461	6,873,491	13,859,074	13,753,952	(105,122)	(0.76%)
Total Funds	\$21,823,939	\$29,038,710	\$26,468,982	\$26,467,889	\$50,862,649	\$52,936,871	\$2,074,222	4.08%

Program Description

The Permitting and Compliance Division administers all DEQ permitting and compliance activities based on 25 state regulatory and 5 related federal authorities. The division:

- Reviews and assesses environmental permit applications (coordinating with other state, local, and federal agencies) to determine control measures needed to ensure compliance with the law and to prevent land, water, and air conditions detrimental to public health, welfare, safety, and the environment;
- Prepares supporting environmental documents under the Montana Environmental Policy Act and provides training and technical assistance when needed;
- Inspects to determine compliance with permit conditions, laws, and rules; and
- Provides assistance to resolve the facility's compliance issues, and when necessary recommends formal enforcement actions to the Enforcement Division.

Activities are organized into the Air Resources Management Bureau (air); Industrial and Energy Minerals Bureau (coal, uranium, opencut); Environmental Management Bureau (hard rock, facility siting); Public Water and Subdivision Bureau (public water supply and subdivision); Water Protection Bureau (water discharge); and Waste and Underground Tank Management Bureau (solid waste, junk vehicles, septage pumpers, hazardous waste, asbestos, underground storage tanks).

Program Highlights

Permitting and Compliance Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The biennial budget increases by \$2.1 million or 4.08% from the previous biennium ◆ General fund decreases by 1% due to base and statewide present law adjustments partially offset by personal services reductions ◆ The major initiatives in this budget are: <ul style="list-style-type: none"> • \$2.2 million in state special revenue to restore operational authority that was not utilized due to the economic conditions • \$3.0 million for operations and maintenance of the Zortman-Landusky cleanup site

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Permitting & Compliance Div.						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 1,732,485	7.9%	\$ 1,737,540	6.6%	\$ 1,742,265	6.6%
01100 General Fund	1,732,485	7.9%	1,737,540	6.6%	1,742,265	6.6%
02000 Total State Special Funds	13,726,509	62.9%	17,850,981	67.4%	17,852,133	67.4%
02036 Opencut Fees	230,009	1.1%	250,738	0.9%	250,016	0.9%
02054 Ust-Installer Lic & Permit Acc	21,545	0.1%	40,872	0.2%	41,013	0.2%
02070 Hazardous Waste-Cercla	418,023	1.9%	415,717	1.6%	418,581	1.6%
02075 Ust Leak Prevention Program	235,183	1.1%	263,977	1.0%	262,593	1.0%
02096 Reclamation - Bond Forfeitures	-	-	50,000	0.2%	50,000	0.2%
02157 Solid Waste Management Fee	609,067	2.8%	578,353	2.2%	578,218	2.2%
02201 Air Quality-Operating Fees	3,606,408	16.5%	4,412,222	16.7%	4,406,643	16.6%
02202 Asbestos Control	233,844	1.1%	237,444	0.9%	237,719	0.9%
02204 Public Drinking Water	845,457	3.9%	704,641	2.7%	715,356	2.7%
02278 Mpdcs Permit Program	1,719,123	7.9%	2,069,325	7.8%	2,063,155	7.8%
02418 Subdivision Plat Review	749,828	3.4%	1,052,703	4.0%	1,047,185	4.0%
02420 Bd Of Cert For W & Ww Op	114,661	0.5%	123,080	0.5%	122,888	0.5%
02421 Hazardous Waste Fees	99,503	0.5%	191,609	0.7%	191,302	0.7%
02428 Major Facility Siting	298,561	1.4%	1,128,501	4.3%	1,117,501	4.2%
02521 Pegasus Bankruptcy/Operations	658,838	3.0%	658,838	2.5%	658,838	2.5%
02576 Natural Resources Operations Ssr Ft	1,955,005	9.0%	1,908,125	7.2%	1,912,282	7.2%
02579 Coal & Uranium Mine Account	190,240	0.9%	250,000	0.9%	250,000	0.9%
02845 Junk Vehicle Disposal	1,704,227	7.8%	1,952,778	7.4%	1,966,803	7.4%
02952 Zortman Recl-Last (1,500,000)	1,335	0.0%	1,335	0.0%	1,335	0.0%
02953 Landusky Recl-Last (1,500,000)	236	0.0%	236	0.0%	236	0.0%
02954 Septage Fees	35,416	0.2%	60,487	0.2%	60,469	0.2%
02988 Hard Rock Mining Reclamation	-	-	1,500,000	5.7%	1,500,000	5.7%
03000 Total Federal Special Funds	6,364,945	29.2%	6,880,461	26.0%	6,873,491	26.0%
03040 Operator Training Reimbursemnt	99,409	0.5%	107,105	0.4%	-	-
03067 Dsl Federal Reclamation Grant	-	-	1,272,880	4.8%	1,268,325	4.8%
03107 National Park Service - Yellowstone	16,182	0.1%	16,182	0.1%	16,182	0.1%
03262 Epa Ppg	-	-	2,791,650	10.5%	2,783,688	10.5%
03309 Ust Leak Prevention Grant	343,891	1.6%	392,000	1.5%	392,000	1.5%
03325 Pm 2.5 To 3/31/09	376,282	1.7%	397,412	1.5%	396,148	1.5%
03326 Blm For Zortman & Landusky	521,319	2.4%	521,319	2.0%	521,319	2.0%
03377 Oeca Multi Media Grant Amb	78,330	0.4%	-	-	-	-
03433 Epa Ppg Fy 10-11	2,602,864	11.9%	-	-	-	-
03436 Nps 04 Staffing & Support	-	-	-	-	99,093	0.4%
03438 Brownsfield State Response	69,286	0.3%	69,600	0.3%	69,854	0.3%
03480 Blm Cbm Agreement	333,883	1.5%	382,427	1.4%	382,943	1.4%
03586 Dw Srf Fy 12	-	-	655,245	2.5%	219,206	0.8%
03595 Dw Srf Fy 13	-	-	-	-	724,733	2.7%
03672 Counter Terrorism Stag	30,581	0.1%	49,919	0.2%	-	-
03691 Nps Staffing/Support	96,098	0.4%	98,797	0.4%	-	-
03798 Homeland Water System Security	(114)	0.0%	-	-	-	-
03813 Dw Srf 08 Grant	158,006	0.7%	-	-	-	-
03815 Dw Srf 09 Grant	496,241	2.3%	-	-	-	-
03816 Doi Osm A&E Grant	1,142,687	5.2%	-	-	-	-
03818 Dw Srf 10 Grant	-	-	125,925	0.5%	-	-
Grand Total	\$ 21,823,939	100.0%	\$ 26,468,982	100.0%	\$ 26,467,889	100.0%

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,732,485	1,732,485	3,464,970	166.18%	21,823,939	21,823,939	43,647,878	82.45%
Statewide PL Adjustments	(236)	5,326	5,090	0.24%	924,259	930,035	1,854,294	3.50%
Other PL Adjustments	91,915	90,995	182,910	8.77%	4,001,199	3,993,885	7,995,084	15.10%
New Proposals	(783,974)	(783,891)	(1,567,865)	(75.19%)	(280,415)	(279,970)	(560,385)	(1.06%)
Total Budget	\$1,040,190	\$1,044,915	\$2,085,105		\$26,468,982	\$26,467,889	\$52,936,871	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,491,695					1,496,576
Vacancy Savings					(592,113)					(592,316)
Inflation/Deflation					(36,349)					(35,251)
Fixed Costs					61,026					61,026
Total Statewide Present Law Adjustments		(\$236)	\$725,495	\$199,000	\$924,259		\$5,326	\$727,438	\$197,271	\$930,035
DP 5002 - Restore Counties Air Quality Pgm Funding	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 5003 - Hard Rock & Major Facility Siting Prjs (BIEN/RST)	0.00	0	1,750,000	0	1,750,000	0.00	0	1,750,000	0	1,750,000
DP 5011 - PCD Operations Adjustment-Funding Constraints	0.00	(136,348)	1,187,764	76,695	1,128,111	0.00	(136,495)	1,175,952	75,320	1,114,777
DP 5012 - PCD Operations Adjustment-Mining Programs	0.00	140,000	160,938	56,823	357,761	0.00	140,000	159,934	55,704	355,638
DP 5013 - PCD Operations Adjustment-Public Water Supply	0.00	21,637	71,467	163,580	256,684	0.00	21,142	70,251	161,553	252,946
DP 5014 - PCD Ops Adjustment-Meth/Admin/WUTMB	0.00	16,626	422,599	19,418	458,643	0.00	16,348	435,478	18,698	470,524
Total Other Present Law Adjustments	0.00	\$91,915	\$3,592,768	\$316,516	\$4,001,199	0.00	\$90,995	\$3,591,615	\$311,275	\$3,993,885
Grand Total All Present Law Adjustments	0.00	\$91,679	\$4,318,263	\$515,516	\$4,925,458	0.00	\$96,321	\$4,319,053	\$508,546	\$4,923,920

DP 5002 - Restore Counties Air Quality Pgm Funding - The legislature approved \$50,000 per year in general fund for local air quality programs. This adjustment is to restore a one-time-only appropriation from last biennium. These funds support local air quality programs in Missoula, Yellowstone, Cascade, Gallatin, Flathead, and Lewis & Clark counties.

DP 5003 - Hard Rock & Major Facility Siting Prjs (BIEN/RST) - The legislature approved a biennial, restricted request

for \$1,750,000 per year in state special revenue for projects administered by the Hard Rock and Major Facility Siting Act Programs (MFSA). Hard Rock mining reclamation of \$3,000,000 will be used for operation and maintenance of the Zortman Landusky mine site and the funding will come from the hard rock mining reclamation fund. MFSA projects totaling \$400,000 will allow the expenditure of these fees for MFSA analysis for projects that arise during the coming biennium. Bond forfeitures and settlements of \$100,000 will be used for reclamation of specific mine sites and funded by settlement agreements or by forfeitures of various reclamation surety bonds.

DP 5011 - PCD Operations Adjustment-Funding Constraints - The legislature approved a base operating adjustment to reinstate authority for air, water, and subdivision fees. A significant portion of authority was not utilized as the fee revenue was much lower than estimated. This adjustment reinstates funding for operating expenses not incurred so that the program operated within revenues in FY 2010.

DP 5012 - PCD Operations Adjustment-Mining Programs - The legislature approved a base adjustment for the opencut, coal and uranium, and hard rock programs to restore base authority to allow the programs to respond to changing environmental factors and to respond to new mining applications as well as anticipated amendments.

DP 5013 - PCD Operations Adjustment-Public Water Supply - The legislature approved additional funding to adjust for expenditures not made in the base year due to a high vacancy rate within the program. This program provides for monitoring the safety of the state's drinking water systems, performing inspections, providing technical assistance and education, and working with systems when the water is unsafe for human consumption.

DP 5014 - PCD Ops Adjustment-Meth/Admin/WUTMB - The legislature approved funds to restore the base budget for three units: Division Administration, the programs in the Waste and Underground Tanks Management Bureau (WUTMB), and the Meth Cleanup Program. The majority is in the WUTMB for the Junk Vehicle Program to provide increased county grant reimbursements and reimbursements to local tow operators who remove abandoned vehicles from roadsides. Other adjustments include restoration of travel funds for routine inspections and for technical training that is not offered in Helena.

New Proposals

Program	-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 5053 - Public Water Supply - Funding Switch	50	0.00	(697,350)	697,350	0	0	0.00	(697,350)	697,350	0	0
DP 5055 - Decrease PWS Authority	50	0.00	0	(174,773)	0	(174,773)	0.00	0	(163,411)	0	(163,411)
DP 5999 - Energy Transmission Siting	50	0.00	0	613,386	0	613,386	0.00	0	602,386	0	602,386
DP 55400 - 4% Personal Services Reduction (Pgm 50)	50	(0.49)	(29,652)	0	0	(29,652)	(0.49)	(29,569)	0	0	(29,569)
DP 95108 - 5% Plan - Contracted Services Reduction	50	0.00	0	(278,678)	0	(278,678)	0.00	0	(278,678)	0	(278,678)
DP 95109 - 5% Plan - Operating Plan Reduction	50	0.00	0	(172,145)	0	(172,145)	0.00	0	(172,145)	0	(172,145)
DP 95110 - 5% Plan - Travel & Training Reduction	50	0.00	0	(80,127)	0	(80,127)	0.00	0	(80,127)	0	(80,127)
DP 95111 - 5% Plan - Additional Personal Services Reduction	50	(2.40)	(56,972)	(101,454)	0	(158,426)	(2.40)	(56,972)	(101,454)	0	(158,426)
Total	(2.89)	(\$783,974)	\$503,559	\$0	(\$280,415)	(2.89)	(\$783,891)	\$503,921	\$0	(\$279,970)	

DP 5055 - Decrease PWS Authority - The legislature approved a reduction in PWS connection fee authority to adjust for a lower than estimated fee increase.

DP 5999 - Energy Transmission Siting - The legislature added 1.00 FTE and \$613,386 in FY 2012 and \$602,386 in FY 2013 of state special revenue to the Permitting and Compliance Division. This will allow the division to comply with the

provisions of SB 206 which generally revise the laws related to energy transmission siting.

DP 55400 - 4% Personal Services Reduction (Pgm 50) - The legislature approved a 4% reduction of personal services funded with general fund. The reduction includes the permanent reduction of FTE associated with positions vacant when budgets were developed. Based on this amount, the division will reduce by approximately half (49%) a full-time Environmental Engineer PE position, including benefits. Thus, a full-time position will become a half-time position.

DP 95108 - 5% Plan - Contracted Services Reduction - The legislature approved a reduction in contracted services used for information technology projects and environmental consulting in major facility siting activities and hard rock permitting. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

DP 95109 - 5% Plan - Operating Plan Reduction - The legislature approved a reduction in lab work, legal services, waste disposal, printing, and general supplies. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

DP 95110 - 5% Plan - Travel & Training Reduction - The legislature approved a reduction in staff training and travel. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

DP 95111 - 5% Plan - Additional Personal Services Reduction - The legislature approved a reduction that eliminates the funding for approximately 2.40 FTE. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	6.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00%
Personal Services	360,247	353,950	359,096	361,405	714,197	720,501	6,304	0.88%
Operating Expenses	212,776	385,833	344,665	344,722	598,609	689,387	90,778	15.16%
Total Costs	\$573,023	\$739,783	\$703,761	\$706,127	\$1,312,806	\$1,409,888	\$97,082	7.39%
State Special	573,023	739,783	703,761	706,127	1,312,806	1,409,888	97,082	7.39%
Total Funds	\$573,023	\$739,783	\$703,761	\$706,127	\$1,312,806	\$1,409,888	\$97,082	7.39%

Program Description

The Petroleum Tank Release Compensation Board is responsible for administering the petroleum tank release cleanup fund. This includes reimbursement to petroleum storage tank owners and operators for corrective action costs and compensation paid to third parties for bodily injury and property damage resulting from a release of petroleum from a petroleum storage tank. The board is responsible for responding to and working with private individuals, corporations, other state agencies, the Governor's Office, the legislature, federal agencies, and other interested parties with activities relative to petroleum storage tanks. It has a staff of 6.00 FTE. It is attached to the DEQ for administrative purposes.

Program Highlights

Petroleum Tank Release Compensation Board	
Major Budget Highlights	
◆	The biennial budget increases by \$97,000 or 7.39% from the previous biennium, due primarily to program operating adjustments

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Petro Tank Release Comp. Board						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	\$ 573,023	100.0%	\$ 703,761	100.0%	\$ 706,127	100.0%
02058 Petroleum Storage Tank Cleanup	<u>573,023</u>	<u>100.0%</u>	<u>703,761</u>	<u>100.0%</u>	<u>706,127</u>	<u>100.0%</u>
Grand Total	<u>\$ 573,023</u>	<u>100.0%</u>	<u>\$ 703,761</u>	<u>100.0%</u>	<u>\$ 706,127</u>	<u>100.0%</u>

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 by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	573,023	573,023	1,146,046	81.29%
Statewide PL Adjustments	0	0	0	0.00%	(16,083)	(13,774)	(29,857)	(2.12%)
Other PL Adjustments	0	0	0	0.00%	146,821	146,878	293,699	20.83%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$703,761	\$706,127	\$1,409,888	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(1,814)					592
Vacancy Savings					(14,337)					(14,434)
Inflation/Deflation					68					68
Total Statewide Present Law Adjustments		\$0	(\$16,083)	\$0	(\$16,083)		\$0	(\$13,774)	\$0	(\$13,774)
DP 9001 - Petroleum Board Operations Adjustment	0.00	0	146,821	0	146,821	0.00	0	146,878	0	146,878
Total Other Present Law Adjustments	0.00	\$0	\$146,821	\$0	\$146,821	0.00	\$0	\$146,878	\$0	\$146,878
Grand Total All Present Law Adjustments	0.00	\$0	\$130,738	\$0	\$130,738	0.00	\$0	\$133,104	\$0	\$133,104

DP 9001 - Petroleum Board Operations Adjustment - The legislature approved base operating adjustments for potential retirement costs, minor supplies, training, indirect charges, and legal fees.