

Agency Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	64,738,278	65,479,801	741,523	1.15 %
Operating Expenses	51,257,767	54,320,620	3,062,853	5.98 %
Equipment & Intangible Assets	203,480	203,480	0	0.00 %
Grants	3,905,691	3,877,670	(28,021)	(0.72)%
Benefits & Claims	850,000	850,000	0	0.00 %
Transfers	6,089,288	6,079,288	(10,000)	(0.16)%
Total Expenditures	\$127,044,504	\$130,810,859	\$3,766,355	2.96 %
General Fund	11,536,190	13,186,951	1,650,761	14.31 %
State/Other Special Rev. Funds	65,951,886	67,411,623	1,459,737	2.21 %
Federal Spec. Rev. Funds	49,556,428	50,212,285	655,857	1.32 %
Total Funds	\$127,044,504	\$130,810,859	\$3,766,355	2.96 %
Total Ongoing	\$127,044,504	\$129,957,898	\$2,913,394	2.29 %
Total OTO	\$0	\$852,961	\$852,961	100.00 %

Mission Statement

To protect, sustain, and improve a clean and healthful environment to benefit present and future generations. Please refer to the agency profile at <https://leg.mt.gov/dfd/appropriation-subcommittee-section-c/agency-department-environmental-quality/> for additional information about the agency’s organization structure, historical expenditures, goals and objectives, and recent studies and audits.

Agency Highlights

Department of Environmental Quality Major Budget Highlights
<p>The executive proposes an increase of 3.0% or \$3.8 million when compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Statewide present law adjustments - \$2.1 million • One-time-only funding for 3.00 FTE to review subdivision applications - \$853,000 • Funding for operations - \$458,000

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	366.04	366.04	369.04	369.04
Personal Services	27,031,303	32,097,604	32,640,674	32,650,116	32,829,685
Operating Expenses	18,093,345	25,687,741	25,570,026	27,028,617	27,292,003
Equipment & Intangible Assets	66,333	101,740	101,740	101,740	101,740
Grants	1,899,124	1,966,856	1,938,835	1,938,835	1,938,835
Benefits & Claims	231,123	425,000	425,000	425,000	425,000
Transfers	533,092	3,049,644	3,039,644	3,039,644	3,039,644
Total Expenditures	\$47,854,320	\$63,328,585	\$63,715,919	\$65,183,952	\$65,626,907
General Fund	5,743,448	5,774,703	5,761,487	6,566,130	6,620,821
State/Other Special Rev. Funds	24,701,878	32,818,507	33,133,379	33,612,974	33,798,649
Federal Spec. Rev. Funds	17,408,994	24,735,375	24,821,053	25,004,848	25,207,437
Total Funds	\$47,854,320	\$63,328,585	\$63,715,919	\$65,183,952	\$65,626,907
Total Ongoing	\$47,854,320	\$63,328,585	\$63,715,919	\$64,744,816	\$65,213,082
Total OTO	\$0	\$0	\$0	\$439,136	\$413,825

Agency Discussion

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Department of Environmental Quality (DEQ) HB 2 modified budget of \$63.3 million was 75.6% expended in FY 2022 leaving about \$15.5 million in unspent budget authority. The unexpended authority is summarized below:

- Of the \$5.8 million appropriation in general fund, the agency expended 99.5%, leaving \$31,300 unexpended. General fund supports programs that monitor water resources and drinking water, mine reclamation and operation, solid waste cleanup, environmental remediation, enforcement, and attorneys' fees. The general fund expenditures are typically matched with federal and state sources
- Of the \$32.8 million appropriation in state special revenues, the agency expended 75.3%, leaving \$8.1 million unexpended. The agency's state special revenue funding is comprised of 40 state special revenue funds. Funds budgeted for monitoring hard rock mining, mine remediation, air quality, water pollution control, drinking water, waste, and underground tank management account for most of the unexpended funds
- Of the \$24.7 million in appropriations from federal sources the agency expended 70.4%, leaving \$7.3 million unexpended. The agency receives funding from about 50 different federal sources. Most of these federal funds are used to match expenditures from the general fund and state special revenues

The agency's 10-year average HB 2 expenditure is 77.6%. The agency can only spend resources once they have received the corresponding fees, leading to expenses being closely aligned with projects for which those fees are paid.

FY 2022 Appropriations Compared to FY 2023 Appropriations

The total appropriation increased by 0.6% or \$387,300 in FY 2023 compared to FY 2022.

Increases in appropriation authority include:

- Personal services increased by 1.7% or \$543,100
- Decreases in the budget include:
 - Operating expenses decreased by 0.5% or \$117,700
 - Grants decreased by 1.4% or \$28,000
 - Transfers decrease by 0.3% or \$10,000

Comparison of FY 2023 Legislative Budget to FY 2023 Base

The figure below illustrates the beginning FY 2023 budget as adopted by the 2021 Legislature compared to the FY 2023 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2023 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2025 biennium budgeting process.

Department of Environmental Quality				
Comparison of the FY 2023 Legislative Budget to the FY 2023 Base Budget				
<u>Division</u>	<u>Legislative Budget</u>	<u>Executive Modifications</u>	<u>Base Budget</u>	<u>Percent Change</u>
<u>Central Management</u>				
Personal Services	\$1,908,261	\$171,250	\$2,079,511	9.0%
Operating Expenses	2,433,248	50,000	2,483,248	2.1%
Division Total	4,341,509	221,250	4,562,759	5.1%
<u>Water Quality</u>				
Personal Services	12,593,720	-	12,593,720	0.0%
Operating Expenses	6,114,794	-	6,114,794	0.0%
Grants	252,020	-	252,020	0.0%
Transfers	4,001	-	4,001	0.0%
Division Total	18,964,535	-	18,964,535	0.0%
<u>Waste Management & Remediation</u>				
Personal Services	8,487,165	(50,000)	8,437,165	-0.6%
Operating Expenses	9,645,984	(284,446)	9,361,538	-2.9%
Grants	1,523,843	162,972	1,686,815	10.7%
Benefits & Claims	425,000	-	425,000	0.0%
Transfers	2,714,699	-	2,714,699	0.0%
Division Total	22,796,691	(171,474)	22,625,217	-0.8%
<u>Air, Energy & Mining</u>				
Personal Services	9,253,220	(121,250)	9,131,970	-1.3%
Operating Expenses	7,111,658	-	7,111,658	0.0%
Equipment & Intangible Assets	101,740	-	101,740	0.0%
Transfers	13,698	-	13,698	0.0%
Division Total	16,480,316	(121,250)	16,359,066	-0.7%
<u>Libby Asbestos Super Fund Advisory Team</u>				
Operating Expenses	172,754	-	172,754	0.0%
Transfers	307,246	-	307,246	0.0%
Division Total	480,000	-	480,000	0.0%
<u>Petro Tank Release Compensation Board</u>				
Personal Services	398,308	-	398,308	0.0%
Operating Expenses	254,560	71,474	326,034	28.1%
Division Total	652,868	71,474	724,342	10.9%
Agency Total	\$63,715,919	\$0	\$63,715,919	0.0%

Legislative action for DEQ included base appropriations contained in HB 2, plus other appropriations passed by the 2021 Legislature that were designated to be included in the base.

Executive modifications include:

- Transfers of authority between divisions - \$292,700
- Transfer of authority for operations to grants - \$163,000

Executive Request

The executive proposes a 3.0% or \$3.8 million increase when compared to the 2023 biennium. The largest portion of the biennial increase is \$2.1 million for statewide present law adjustments. The proposed budget includes a one-time-only general fund appropriation of \$853,000 to support 3.00 FTE, two professional engineers and one sanitarian reviewer to clear a backlog of subdivision applications. Additional federal funds of \$60,000 would support the agency joining the Interstate Mining Compact Commission as a full member. New state special revenue totaling \$360,000 would be used for metal mines reclamation.

As proposed by the executive, the agency HB 2 appropriation would be funded 51.5% state special revenue, 38.4% federal revenue and 10.1% general fund.

5.0% Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. A summary of the entire 2025 biennium 5.0% plan, submitted by the agency, is in the budget analysis appendix.

The Department of Environmental Quality 5.0% plan reduces general fund by \$258,684 annually by reducing expenditures for travel, training, personal services, contracted services, and other operating expenses. These reductions would also reduce state special revenue authority by \$645,858.

Agency Goals and Objectives

Statute requires that agencies submit a statement of the agency mission and a statement of goals and objectives for each program of the agency. The goals and objectives are required to be concise, specific, quantifiable, and measurable. Goals and objectives, submitted by the agency, are included in the agency profile webpage.

Agency Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into three categories, as follows:

- Legislatively approved changes – This category includes adjustments explicitly approved by the legislature, such as expected changes to annualize personal services costs included in the FY 2023 statewide pay plan adjustments, changes to benefit rates, increases in pay approved by the legislature, longevity adjustments required by statute, and changes in rates for workers’ compensation and unemployment insurance
- Management decisions – This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring full time equivalent (FTE) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications – This category includes other modifications to the FY 2023 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or transfers to move personal services funding to or from other expenditure categories (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program.

Department of Environmental Quality DP1 for FY 2024				
<u>Division</u>	<u>Legislative Changes</u>	<u>Management Decisions</u>	<u>Total Budget Modifications</u>	<u>Total Personal Service Changes</u>
Centralized Services	\$3,835	\$27,945	(\$121,250)	(\$89,470)
Water Quality	29,869	(433,754)	(88,531)	(\$492,416)
Waste Mgmt & Remed	60,214	234,155	-	\$294,369
Air, Energy & Mining	88,083	(253,579)	-	(165,496)
Petro Tank Release	3,719	117,800	-	121,519
Total	\$185,720	(\$307,433)	(\$209,781)	(\$331,494)

Personal services reduction are due primarily to vacancy savings. Personal services are funded primarily from state special revenue and federal sources, general fund supports about 11.0% of the personal services budget.

The agency currently has 366.04 FTE funded through HB 2:

- Central Management Program - 21.08 FTE
- Water Quality Division - 135.67 FTE
- Waste Management and Remediation Division - 101.51 FTE
- Air, Energy, and Mining Division - 101.03 FTE
- Petroleum Tank Release Compensation Board - 6.75 FTE

In FY 2022 the agency utilized 84.5% of the total hours budgeted for personal services. Vacant positions totaled 60.49 FTE at the end of FY 2022. During the year 34.00 persons left state employment, 17.00 retired, and 14.00 transferred to other agencies.

In addition to smaller applicant pools, the agency has experienced a higher percentage of offers being rejected in recent years. During FY 2022, the agency posted 72 job openings, of which 23 were filled, 40 were open at the end of the fiscal year, and 9 were canceled. Nine positions received three or fewer applications and one position for an attorney received no applications. Job openings are posted for 30 days.

Funding

The following table shows proposed agency funding for all sources of authority.

Total Department of Environmental Quality Funding by Source of Authority 2025 Biennium Budget Request - Department of Environmental Quality						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	12,333,990	852,961	0	0	13,186,951	8.28 %
State Special Total	67,411,623	0	0	10,500,000	77,911,623	48.92 %
Federal Special Total	50,212,285	0	0	0	50,212,285	31.53 %
Proprietary Total	0	0	17,959,674	0	17,959,674	11.28 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$129,957,898	\$852,961	\$17,959,674	\$10,500,000	\$159,270,533	
Percent - Total All Sources	81.60 %	0.54 %	11.28 %	6.59 %		

The agencies largest source of funding is state special revenue, which funds 51.5% of HB 2, and 48.9% of total funding. This revenue is derived from permitting fees, fines, and bond proceeds utilized to support specific department functions such as permitting, enforcement, and remediation. The agency is funded by 41 state special revenue accounts, which fund 51.8% of HB 2. The 21 funds that make up 90.2% of the agency's state special revenue appropriation are listed in the table below.

Executive Proposal for Major State Special Funds 2025 Biennium HB 2 (The funds listed below constitute 90.2% of agency state special funding)				
Fund	-	-	Expenditures ²	-
	Beginning ¹ Balance	Revenues	HB 2 Appropriated	Ending Balance
MPDES Permit Program	\$627,385	\$8,422,002	(\$7,228,838)	\$1,820,549
Air Quality-Operating Fees	3,780,342	8,372,000	(6,969,421)	5,182,921
Petroleum Storage Tank Cleanup	4,327,004	16,486,000	(16,372,111)	4,440,893
Environmental Quality Protecti	1,788	5,579,014	(5,516,762)	64,040
Junk Vehicle Disposal	7,189	5,180,100	(5,098,034)	89,255
Natural Resources Operations	793,583	4,262,000	(7,330,382)	(2,274,799)
Public Drinking Water	1,862,336	2,902,290	(2,915,504)	1,849,122
Subdivision Plat Review	525,501	2,800,000	(2,867,755)	457,746
Hard Rock Mining Reclamation	4,946,530	5,018,000	(2,652,704)	7,311,826
Solid Waste Management Fee	8,773	2,185,300	(2,180,362)	13,711
Wastewater SRF Special Admin	1,562,325	2,500,000	(2,317,070)	1,745,255
MT Environ Policy Act Fee	4,288	8,100,000	(1,943,880)	6,160,408
Opencut permit Fees	897,071	1,634,344	(1,473,632)	1,057,783
Hazardous Waste-CERCLA	704	1,431,712	(1,417,560)	14,856
Drinking Water Spec Admin Cost	1,708,592	1,500,000	(1,464,938)	1,743,654
Libby Asbestos Cleanup O&M	1,501	1,193,000	(1,180,354)	14,147
Orphan Share Fund	1,159,135	2,670,000	(1,122,530)	2,706,605
State Energy conservation ARRA	11,116,957	1,316,500	(1,117,975)	11,315,482
LUST Cost Recovery	26,241	1,080,000	(900,026)	206,215
UST Leak Prevention Program	22,350	870,100	(884,146)	8,304
Asbestos Control	229,164	820,050	(822,388)	226,826
Total	\$33,608,759	\$84,322,412	(\$73,776,372)	\$44,154,799

Notes

¹ The beginning balance is calculated using FY 2022 actual revenues and expenditures and FY 2023 forecast revenues and appropriations

² HB 2 appropriated includes appropriations to other agencies and non-HB 2 appropriations

The federal revenue is provided from the U.S. Environmental Protection Agency (EPA) performance partnership grant, the super fund program, and other federal grant resources.

General fund is utilized for personal services, travel, communications, and equipment. Statutory appropriations are funded by a tax on petroleum-based fuels and are appropriated to the administrative cost of the petroleum tank clean up.

LFD COMMENT	Revenues to the Natural Resources Operations state special revenue account do not support proposed expenditures.
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Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	5,761,487	5,761,487	11,522,974	87.38 %	63,715,919	63,715,919	127,431,838	97.42 %
SWPL Adjustments	346,515	426,517	773,032	5.86 %	799,905	1,268,171	2,068,076	1.58 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	458,128	432,817	890,945	6.76 %	668,128	642,817	1,310,945	1.00 %
Total Budget	\$6,566,130	\$6,620,821	\$13,186,951		\$65,183,952	\$65,626,907	\$130,810,859	

HB 2 Language -

The executive proposes the following language be included in HB 2:

"The Carpenter/Snow or Barker/Hughesville National Priority List (NPL) sites are approved for federal superfund funding by the Environmental Protection Agency, the department is appropriated \$2.2 million in state special revenue from the CERCLA Bond Proceeds Account."

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

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,043,233	3,992,338	(50,895)	(1.26)%
Operating Expenses	4,701,357	5,249,898	548,541	11.67%
Total Expenditures	\$8,744,590	\$9,242,236	\$497,646	5.69%
General Fund	1,698,711	2,236,696	537,985	31.67%
State/Other Special Rev. Funds	5,313,278	5,174,866	(138,412)	(2.61)%
Federal Spec. Rev. Funds	1,732,601	1,830,674	98,073	5.66%
Total Funds	\$8,744,590	\$9,242,236	\$497,646	5.69%
Total Ongoing	\$8,744,590	\$9,242,236	\$497,646	5.69%
Total OTO	\$0	\$0	\$0	0.00%

Program Description

The Central Services Division is responsible for agency-wide administration, management, planning, evaluation, and support. It consists of the Director’s Office and the Centralized Services Division.

- The Director’s Office includes the director’s staff, a centralized legal pool, the Montana Environmental Policy Act and the Montana Facility Siting Act functions, public affairs, and the enforcement program
- The Centralized Services Division is an extension of the Director’s Office and provides overall policy direction and support services to the agency in the areas of human resources, information management and technology, fiscal, records management, safety, emergency management, and continuous process improvement

Program Highlights

<p>Central Management Program Major Budget Highlights</p>
<p>The executive proposes a 5.7% or \$497,600 increase in the 2025 biennium total appropriations compared to the 2023 biennium. This increase is driven entirely by statewide present law adjustments and additional fixed costs.</p>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	21.08	21.08	21.08	21.08
Personal Services	1,740,594	1,963,722	2,079,511	1,990,041	2,002,297
Operating Expenses	1,090,527	2,218,109	2,483,248	2,609,989	2,639,909
Total Expenditures	\$2,831,121	\$4,181,831	\$4,562,759	\$4,600,030	\$4,642,206
General Fund	837,201	838,333	860,378	1,098,159	1,138,537
State/Other Special Rev. Funds	1,433,549	2,526,234	2,787,044	2,586,534	2,588,332
Federal Spec. Rev. Funds	560,371	817,264	915,337	915,337	915,337
Total Funds	\$2,831,121	\$4,181,831	\$4,562,759	\$4,600,030	\$4,642,206
Total Ongoing	\$2,831,121	\$4,181,831	\$4,562,759	\$4,600,030	\$4,642,206
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriations Compared to FY 2022 Actual Expenditures

The Central Management Program expended 67.7% of its \$4.2 million HB 2 modified budget for FY 2022. This rate of expenditure is consistent with the average rate of expenditure over the last ten years. Unexpended appropriation totaled \$1.4 million, primarily in state special revenue. The general fund appropriation was 99.9% expended, leaving \$1,100 unexpended. Personal services were 88.6% expended and operating expenses were 49.2% expended. The general fund supported 25.3% of the expenditures for operations. Operating expenses are incurred from activities related to administration of grants, the enforcement program, and attorney’s fees, and funded through fees for licenses, permits, contracts, and revenue received from the Major Facilities Siting Act.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Ongoing HB 2 authority increased by 9.1% or \$380,900 between FY2022 and FY 2023. Appropriations for personal services grew by 5.9% or \$115,800, appropriations for operating expenses increased by 12.0% or \$265,100.

Executive Request

For the 2025 biennium, the executive proposes increases for statewide present law adjustments and additional fixed costs for the State Management Training Center and the Chief Data Office. As proposed by the executive, the budget is funded 24.2% with general fund, 56.0% with state special revenue, and 19.8% federal sources.

Personal Services

The personal services appropriation in the 2025 biennium totals \$4.0 million to fund 21.08 FTE. The request includes present law adjustments for pay and benefits, including a 4.0% vacancy savings. All employees received statutory adjustments while several positions received market adjustments and adjustments for longevity. Total personal services are reduced by 1.3% or \$50,900 compared to the 2023 biennium.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 10-Central Management Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,236,696	0	0	0	2,236,696	8.22 %	
02070 Hazardous Waste-CERCLA	52,206	0	0	0	52,206	1.01 %	
02075 UST Leak Prevention Program	82,258	0	0	0	82,258	1.59 %	
02097 Environmental Rehab & Response	500,434	0	0	0	500,434	9.67 %	
02157 Solid Waste Management Fee	124,494	0	0	0	124,494	2.41 %	
02201 Air Quality-Operating Fees	413,416	0	0	0	413,416	7.99 %	
02202 Asbestos Control	128,322	0	0	0	128,322	2.48 %	
02204 Public Drinking Water	290,444	0	0	0	290,444	5.61 %	
02223 Wastewater SRF Special Admin	5,430	0	0	0	5,430	0.10 %	
02278 MPDES Permit Program	499,800	0	0	0	499,800	9.66 %	
02418 Subdivision Plat Review	145,996	0	0	0	145,996	2.82 %	
02428 Major Facility Siting	785,872	0	0	0	785,872	15.19 %	
02542 MT Environ Policy Act Fee	1,943,880	0	0	0	1,943,880	37.56 %	
02576 Natural Resources Operations	84,108	0	0	0	84,108	1.63 %	
02845 Junk Vehicle Disposal	104,204	0	0	0	104,204	2.01 %	
02955 State Energy conservation ARRA	14,002	0	0	0	14,002	0.27 %	
State Special Total	\$5,174,866	\$0	\$0	\$0	\$5,174,866	19.02 %	
03036 DEQ - Federal Aml Grant	200,000	0	0	0	200,000	10.92 %	
03046 2019 Exchange Network	168,130	0	0	0	168,130	9.18 %	
03067 DSL Federal Reclamation Grant	0	0	0	0	0	0.00 %	
03307 NPS23 Staffing Grant	41,776	0	0	0	41,776	2.28 %	
03433 EPA Perf Partnership Grant	943,872	0	0	0	943,872	51.56 %	
03436 NPS22 Staffing Grant	0	0	0	0	0	0.00 %	
03452 2018 Exchange Network	0	0	0	0	0	0.00 %	
03663 Abandoned Mines Lands Grant	0	0	0	0	0	0.00 %	
03816 DOI OSM A&E Grant	445,026	0	0	0	445,026	24.31 %	
03025 2014 Exchange Network Grant	0	0	0	0	0	0.00 %	
03796 Haz Mat Emergency Prep	31,870	0	0	0	31,870	1.74 %	
Federal Special Total	\$1,830,674	\$0	\$0	\$0	\$1,830,674	6.73 %	
06509 DEQ Indirects	0	0	17,959,674	0	17,959,674	100.00 %	
Proprietary Total	\$0	\$0	\$17,959,674	\$0	\$17,959,674	66.02 %	
Total All Funds	\$9,242,236	\$0	\$17,959,674	\$0	\$27,201,910		

Almost two-thirds of the activities in the Central Management Program 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. Budgeted funds constitute 34.0% of total funding sources for the program. The appropriated funds consist of general funds, 15 state special revenue funds, and federal grants. Most of the funding comes from Montana Environmental Protection Act (MEPA) fees. Along with MEPA fees, fees for major facility siting, environmental re-habitation and response, air quality operating fees, and pollutant discharge elimination system permits make up most state special revenue appropriations.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget	Budget	Biennium	Percent	Budget	Budget	Biennium	Percent
	Fiscal 2024	Fiscal 2025	Fiscal 24-25	of Budget	Fiscal 2024	Fiscal 2025	Fiscal 24-25	of Budget
2023 Base Budget	860,378	860,378	1,720,756	76.93 %	4,562,759	4,562,759	9,125,518	98.74 %
SWPL Adjustments	218,789	259,167	477,956	21.37 %	18,279	60,455	78,734	0.85 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	18,992	18,992	37,984	1.70 %	18,992	18,992	37,984	0.41 %
Total Budget	\$1,098,159	\$1,138,537	\$2,236,696		\$4,600,030	\$4,642,206	\$9,242,236	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	111,040	(200,510)	0	(89,470)	0.00	121,498	(198,712)	0	(77,214)
DP 2 - Fixed Costs	0.00	10,923	0	0	10,923	0.00	10,889	0	0	10,889
DP 3 - Inflation Deflation	0.00	96,826	0	0	96,826	0.00	126,780	0	0	126,780
Grand Total All Present Law Adjustments	0.00	\$218,789	(\$200,510)	\$0	\$18,279	0.00	\$259,167	(\$198,712)	\$0	\$60,455

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	18,992	0	0	18,992	0.00	18,992	0	0	18,992
Total	0.00	\$18,992	\$0	\$0	\$18,992	0.00	\$18,992	\$0	\$0	\$18,992

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

DP 99 - New Fixed Costs -

The executive requests appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. Additionally, the executive requests appropriations of \$38,000 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	24,950,680	24,937,897	(12,783)	(0.05)%
Operating Expenses	12,500,701	12,940,531	439,830	3.52%
Grants	644,040	504,040	(140,000)	(21.74)%
Transfers	8,002	8,002	0	0.00%
Total Expenditures	\$38,103,423	\$38,390,470	\$287,047	0.75%
General Fund	5,439,927	6,186,070	746,143	13.72%
State/Other Special Rev. Funds	16,015,230	16,037,027	21,797	0.14%
Federal Spec. Rev. Funds	16,648,266	16,167,373	(480,893)	(2.89)%
Total Funds	\$38,103,423	\$38,390,470	\$287,047	0.75%
Total Ongoing	\$38,103,423	\$37,537,509	(\$565,914)	(1.49)%
Total OTO	\$0	\$852,961	\$852,961	100.00%

Program Description

The Water Quality Division protects public health and water quality in the State of Montana. This is accomplished through the financing and technical assistance provided for community water and wastewater systems; the development of water quality restoration plans; managing a state-wide monitoring network; subdivision review; monitoring compliance of public water systems; and water discharge permitting. The division achieves this through coordination with the public and regulated community by proposing rules, drafting policy, and developing water quality standards.

Program Highlights

Water Quality Division Major Budget Highlights
<p>The executive proposes a 0.8% or \$287,000 increase in the HB 2 2025 biennium appropriations compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Statewide present law adjustments (decrease) - (\$391,600) • 3.00 FTE for subdivision application review - \$853,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	135.67	135.67	138.67	138.67
Personal Services	10,039,071	12,356,960	12,593,720	12,442,240	12,495,657
Operating Expenses	5,037,897	6,385,907	6,114,794	6,453,154	6,487,377
Grants	339,288	392,020	252,020	252,020	252,020
Transfers	0	4,001	4,001	4,001	4,001
Total Expenditures	\$15,416,256	\$19,138,888	\$18,964,535	\$19,151,415	\$19,239,055
General Fund	2,775,598	2,775,966	2,663,961	3,101,991	3,084,079
State/Other Special Rev. Funds	6,431,094	8,059,333	7,955,897	7,995,226	8,041,801
Federal Spec. Rev. Funds	6,209,564	8,303,589	8,344,677	8,054,198	8,113,175
Total Funds	\$15,416,256	\$19,138,888	\$18,964,535	\$19,151,415	\$19,239,055
Total Ongoing	\$15,416,256	\$19,138,888	\$18,964,535	\$18,712,279	\$18,825,230
Total OTO	\$0	\$0	\$0	\$439,136	\$413,825

Program Discussion -

FY 2022 Appropriations Compared to FY 2022 Actual Expenditures

The division expended 80.5% of its \$19.1 million HB 2 modified budget in FY 2022. This rate of expenditure is consistent with the average rate of expenditure over the last ten years. Unexpended appropriation totaled \$3.7 million primarily state special and federal special revenue. The general fund appropriation of \$2.8 million was almost completely expended, leaving \$368 unexpended.

- Personal services were 81.2% expended leaving \$2.3 million unexpended
- Appropriations for operating expenses were 78.9% expended leaving \$1.3 million unexpended

FY 2022 Appropriations Compared to FY 2023 Appropriations

Ongoing authority decreased 0.9% or \$174,300 between FY 2022 and FY 2023. Changes in appropriations include:

- Increases for personal services were funded primarily from federal sources, \$236,800
- Decreases for grants funded with state special revenue, \$140,000
- Decreases for operating expenses from all funding sources, \$271,100

Executive Request

The executive proposal includes statewide present law adjustments which include a reduction in personal services of \$914,500 and increases for fixed costs and inflation of \$522,900. The proposed budget includes a one-time-only increase of 3.00 FTE funded with \$853,000 of general fund. The temporary FTE will work to reduce a backlog of subdivision applications.

Personal Services

The personal services appropriation in the 2025 biennium totals \$24.9 million to fund 138.67 FTE. The request includes present law adjustments for pay and benefits, and a 4.0% vacancy savings. Total personal services are reduced by 0.1% or \$12,800 compared to the 2023 biennium.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 20-Water Quality Division						
Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	5,333,109	852,961	0	0	6,186,070	16.11 %
02203 Nutrient Standards	90,062	0	0	0	90,062	0.56 %
02204 Public Drinking Water	2,625,060	0	0	0	2,625,060	16.37 %
02206 Agriculture Monitoring	10,914	0	0	0	10,914	0.07 %
02223 Wastewater SRF Special Admin	2,162,882	0	0	0	2,162,882	13.49 %
02278 MPDES Permit Program	6,725,951	0	0	0	6,725,951	41.94 %
02316 SRF Bonds State Administration	70,004	0	0	0	70,004	0.44 %
02388 Database Development	0	0	0	0	0	0.00 %
02418 Subdivision Plat Review	2,721,762	0	0	0	2,721,762	16.97 %
02420 Bd of Cert For W&WW OP	314,212	0	0	0	314,212	1.96 %
02491 Drinking Water Spec Admin Cost	1,316,180	0	0	0	1,316,180	8.21 %
02988 Hard Rock Mining Reclamation	0	0	0	0	0	0.00 %
State Special Total	\$16,037,027	\$0	\$0	\$0	\$16,037,027	41.77 %
03003 Regional Wetlands Program	20,000	0	0	0	20,000	0.12 %
03007 FY21 WQ 604B Grant C600856420	0	0	0	0	0	0.00 %
03033 FY19 WQ 604B Grant	0	0	0	0	0	0.00 %
03067 DSL Federal Reclamation Grant	0	0	0	0	0	0.00 %
03079 106 Monitor/Natl Wetlands Gran	0	0	0	0	0	0.00 %
03091 106 Monitor Suppl Initiative	0	0	0	0	0	0.00 %
03184 NPS22 Project Grant	0	0	0	0	0	0.00 %
03245 WPC19 SRF Grant	0	0	0	0	0	0.00 %
03307 NPS23 Staffing Grant	2,133,330	0	0	0	2,133,330	13.20 %
03312 FY17 NPS Project Grant	0	0	0	0	0	0.00 %
03364 NPS20 Project Grant	0	0	0	0	0	0.00 %
03385 106 Monitoring 2019-2022	0	0	0	0	0	0.00 %
03433 EPA Perf Partnership Grant	6,194,723	0	0	0	6,194,723	38.32 %
03436 NPS22 Staffing Grant	1,400,000	0	0	0	1,400,000	8.66 %
03440 NPS21 Project Grant	0	0	0	0	0	0.00 %
03449 NPS18 Project Grant	0	0	0	0	0	0.00 %
03450 NPS19 Project Grant	0	0	0	0	0	0.00 %
03457 WPC20 SRF Grant	0	0	0	0	0	0.00 %
03478 Lead in Schools	0	0	0	0	0	0.00 %
03490 FY21 Wetland Develop Grant	346,000	0	0	0	346,000	2.14 %
03608 WPC21 SRF Grant	0	0	0	0	0	0.00 %
03676 Bureau of Land Management	200,000	0	0	0	200,000	1.24 %
03691 Non Pt Source Staffing/Support	0	0	0	0	0	0.00 %
03716 WPC22 SRF Grant	333,320	0	0	0	333,320	2.06 %
03812 DW 18 SRF Grant	0	0	0	0	0	0.00 %
03813 DW19 SRF Grant	0	0	0	0	0	0.00 %
03815 DW20 SRF Grant	700,000	0	0	0	700,000	4.33 %
03817 DW22 SRF Grant	3,400,000	0	0	0	3,400,000	21.03 %
03818 DW21 SRF Grant	1,440,000	0	0	0	1,440,000	8.91 %
03920 ARPA State Recovery Sec 602	0	0	0	0	0	0.00 %
Federal Special Total	\$16,167,373	\$0	\$0	\$0	\$16,167,373	42.11 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$37,537,509	\$852,961	\$0	\$0	\$38,390,470	

The Water Quality Division is funded primarily with state special revenue and federal grants. State special revenue and federal grants constitute 83.9% of the total budget. The divisions primary state special revenue funds are the fees collected for Montana pollutant discharge elimination system permits, fees for subdivision plat reviews, wastewater revolving funds, and drinking water revolving funds. 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 supports personal services and operating expenses.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	2,663,961	2,663,961	5,327,922	86.13 %	18,964,535	18,964,535	37,929,070	98.80 %
SWPL Adjustments	(1,106)	6,293	5,187	0.08 %	(252,256)	(139,305)	(391,561)	(1.02)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	439,136	413,825	852,961	13.79 %	439,136	413,825	852,961	2.22 %
Total Budget	\$3,101,991	\$3,084,079	\$6,186,070		\$19,151,415	\$19,239,055	\$38,390,470	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(72,171)	(19,806)	(400,439)	(492,416)	0.00	(67,432)	12,187	(366,843)	(422,088)
DP 2 - Fixed Costs	0.00	38,723	7,500	7,500	53,723	0.00	38,613	7,466	7,466	53,545
DP 3 - Inflation Deflation	0.00	32,342	51,635	102,460	186,437	0.00	35,112	66,251	127,875	229,238
Grand Total All Present Law Adjustments	0.00	(\$1,106)	\$39,329	(\$290,479)	(\$252,256)	0.00	\$6,293	\$85,904	(\$231,502)	(\$139,305)

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 20012 - Subdivision FTE OTO	3.00	439,136	0	0	439,136	3.00	413,825	0	0	413,825
Total	3.00	\$439,136	\$0	\$0	\$439,136	3.00	\$413,825	\$0	\$0	\$413,825

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

DP 20012 - Subdivision FTE OTO -

The executive proposes general fund authority and 3.00 FTE to support subdivision applications.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	16,787,570	17,521,045	733,475	4.37 %
Operating Expenses	18,943,177	19,783,952	840,775	4.44 %
Grants	3,261,651	3,373,630	111,979	3.43 %
Benefits & Claims	850,000	850,000	0	0.00 %
Transfers	5,429,398	5,429,398	0	0.00 %
Total Expenditures	\$45,271,796	\$46,958,025	\$1,686,229	3.72 %
General Fund	758,555	910,867	152,312	20.08 %
State/Other Special Rev. Funds	23,294,911	24,118,504	823,593	3.54 %
Federal Spec. Rev. Funds	21,218,330	21,928,654	710,324	3.35 %
Total Funds	\$45,271,796	\$46,958,025	\$1,686,229	3.72 %
Total Ongoing	\$45,271,796	\$46,958,025	\$1,686,229	3.72 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Waste Management and Remediation Division protects human health and the environment by preventing exposure to contaminants, working with Montana communities and businesses to implement effective material management and cleanup strategies, and overseeing compliance with state and federal laws and regulations. It oversees and conducts or supports remedial investigation and efficient, cost-effective cleanup activities at state and federal Superfund sites; supervises voluntary cleanup activities; reclaims abandoned mine lands; implements corrective actions at sites; and administrators regulatory waste management programs.

Program Highlights

Waste Management and Remediation Division Major Budget Highlights
The executive proposes a 3.7% or \$1.7 million increase in total HB 2 2025 biennium appropriations compared to the 2023 biennium, driven by statewide present law adjustments.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	101.51	101.51	101.51	101.51
Personal Services	7,550,277	8,350,405	8,437,165	8,731,534	8,789,511
Operating Expenses	6,458,276	9,581,639	9,361,538	9,830,694	9,953,258
Grants	1,559,836	1,574,836	1,686,815	1,686,815	1,686,815
Benefits & Claims	231,123	425,000	425,000	425,000	425,000
Transfers	49,228	2,714,699	2,714,699	2,714,699	2,714,699
Total Expenditures	\$15,848,740	\$22,646,579	\$22,625,217	\$23,388,742	\$23,569,283
General Fund	370,140	375,855	382,700	446,740	464,127
State/Other Special Rev. Funds	9,342,901	11,627,104	11,667,807	12,028,130	12,090,374
Federal Spec. Rev. Funds	6,135,699	10,643,620	10,574,710	10,913,872	11,014,782
Total Funds	\$15,848,740	\$22,646,579	\$22,625,217	\$23,388,742	\$23,569,283
Total Ongoing	\$15,848,740	\$22,646,579	\$22,625,217	\$23,388,742	\$23,569,283
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriations Compared to FY 2022 Actual Expenditures

The Waste Management and Remediation Division expended 70.0% of its \$22.6 million HB 2 modified budget in FY 2022. This rate of expenditure is consistent with the average rate of expenditure over the last ten years. Unexpended appropriation totaled \$6.8 million primarily state special and federal revenue. The general fund appropriation was 98.5% expended.

- Personal services were 90.4% expended, leaving \$800,100 unexpended
- Appropriations for operating expenses were 67.4% expended, leaving \$3.1 million unexpended
- Transfers, primarily from federal sources, were 1.8% expended, leaving \$2.7 million unexpended
- Grants and benefits were 89.6% expended, leaving \$208,900 unexpended

FY 2022 Appropriations Compared to FY 2023 Appropriations

Ongoing authority decreased 0.1% or \$21,362 between FY 2022 and FY 2023. Changes in appropriations include:

- Increases for personal services, were primarily funded from state special revenue, \$86,760
- Decreases for operating expenses, \$220,101
- Increases in state special revenue grants for the Waste and Underground Tank Management Bureau, \$111,979

Executive Request

The executive proposal only includes statewide present law adjustments. Total appropriations increase by 3.7% or \$1.7 million. As proposed by the executive the budget is funded with 1.9% general fund, 51.4% state special revenue, and 46.7% federal sources.

Personal Services

The personal services appropriation in the 2025 biennium totals \$17.5 million to fund 101.51 FTE. The request includes present law adjustments for pay and benefits, and the executive proposes a 4.0% vacancy savings. All employees received statutory adjustments, several positions received market adjustments and adjustments for longevity. Total personal services are increased by 4.4% or \$733,500 compared to the 2023 biennium.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 40-Waste Mgmt & Remediation Div						
Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	910,867	0	0	0	910,867	1.94 %
02054 UST-Installer Lic & Permit Acc	200,818	0	0	0	200,818	0.83 %
02058 Petroleum Storage Tank Cleanup	4,154,034	0	0	0	4,154,034	17.22 %
02070 Hazardous Waste-CERCLA	1,365,354	0	0	0	1,365,354	5.66 %
02075 UST Leak Prevention Program	801,888	0	0	0	801,888	3.32 %
02157 Solid Waste Management Fee	2,055,868	0	0	0	2,055,868	8.52 %
02162 Environmental Quality Protecti	5,516,762	0	0	0	5,516,762	22.87 %
02202 Asbestos Control	694,066	0	0	0	694,066	2.88 %
02206 Agriculture Monitoring	40,000	0	0	0	40,000	0.17 %
02314 DNRC Grants - REMediation	457,060	0	0	0	457,060	1.90 %
02421 Hazardous Waste Fees	737,608	0	0	0	737,608	3.06 %
02438 Pegasus - Beal Mountain	1,988	0	0	0	1,988	0.01 %
02472 Orphan Share Fund	1,122,530	0	0	0	1,122,530	4.65 %
02565 LUST Cost Recovery	900,026	0	0	0	900,026	3.73 %
02676 Hard Rock Reclamation	659,992	0	0	0	659,992	2.74 %
02845 Junk Vehicle Disposal	4,993,830	0	0	0	4,993,830	20.71 %
02940 Pegasus - Basin	77,964	0	0	0	77,964	0.32 %
02954 Septage Fees	138,716	0	0	0	138,716	0.58 %
02130 Libby Asbestos Cleanup O&M	200,000	0	0	0	200,000	0.83 %
02519 CERCLA CSC Bond Proceeds	0	0	0	0	0	0.00 %
02385 Petroleum Tank Remediation	0	0	0	0	0	0.00 %
State Special Total	\$24,118,504	\$0	\$0	\$0	\$24,118,504	51.36 %
03028 UST Energy Policy Act Prov	840,526	0	0	0	840,526	3.83 %
03036 DEQ - Federal Aml Grant	6,736,902	0	0	0	6,736,902	30.72 %
03058 Abandoned Mine Lands	0	0	0	0	0	0.00 %
03151 Upper Tenmile TA	500,000	0	0	0	500,000	2.28 %
03155 Carpenter Snow Creek	500,000	0	0	0	500,000	2.28 %
03158 Abandoned Mine Lands	0	0	0	0	0	0.00 %
03221 EPA LUST Trust	1,031,958	0	0	0	1,031,958	4.71 %
03222 Mgmt Assist Special Acct	0	0	0	0	0	0.00 %
03228 L.U.S.T./Trust	0	0	0	0	0	0.00 %
03232 Mgmt Assist Bulk	0	0	0	0	0	0.00 %
03249 Abandoned Mines 19	0	0	0	0	0	0.00 %
03257 Superfund Multisite TechAssist	0	0	0	0	0	0.00 %
03259 Superfund Multisite TechAssist	416,000	0	0	0	416,000	1.90 %
03261 Superfund Multisite TA Bulk	0	0	0	0	0	0.00 %
03309 UST Leak Prevention Grant	0	0	0	0	0	0.00 %
03351 Tech Assist - Butte Mine Flood	800,000	0	0	0	800,000	3.65 %
03353 Management Assist - Spec Acct	1,154,592	0	0	0	1,154,592	5.27 %
03360 Management Assistance - Bulk	1,251,480	0	0	0	1,251,480	5.71 %
03433 EPA Perf Partnership Grant	1,768,420	0	0	0	1,768,420	8.06 %
03438 Brownsfield State Response	1,512,822	0	0	0	1,512,822	6.90 %
03447 Belt Water Treatment Fund	300,000	0	0	0	300,000	1.37 %
03463 Mine Lease/Reclamation	125,518	0	0	0	125,518	0.57 %
03468 Core Cooperative Grant	0	0	0	0	0	0.00 %
03663 Abandoned Mines Lands Grant	2,104,842	0	0	0	2,104,842	9.60 %
03667 Abandoned Mines	0	0	0	0	0	0.00 %
03721 Libby Sitewide	0	0	0	0	0	0.00 %
03798 LIBBY O&M GRANT	1,526,728	0	0	0	1,526,728	6.96 %
03820 Libby OU3	1,358,866	0	0	0	1,358,866	6.20 %
03342 Butte Mine Flooding	0	0	0	0	0	0.00 %
Federal Special Total	\$21,928,654	\$0	\$0	\$0	\$21,928,654	46.70 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$46,958,025	\$0	\$0	\$0	\$46,958,025	

The Waste Management and Remediation Division is funded with general fund, state special, and federal special revenue. State special revenue comes from junk vehicle fees, \$0.0075 gas tax for petroleum tank cleanup, registration fees for underground storage tanks, and interest proceeds from the Resource Indemnity Trust (RIT). Federal special revenue is derived from the federal EPA for Superfund oversight and various other activities. Other federal revenue sources include the Office of Surface Mining for the Abandoned Mine Lands Program.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	382,700	382,700	765,400	84.03 %	22,625,217	22,625,217	45,250,434	96.36 %
SWPL Adjustments	64,040	81,427	145,467	15.97 %	763,525	944,066	1,707,591	3.64 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$446,740	\$464,127	\$910,867		\$23,388,742	\$23,569,283	\$46,958,025	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	64,040	208,819	21,510	294,369	0.00	81,427	234,011	36,908	352,346
DP 2 - Fixed Costs	0.00	0	26,517	31,365	57,882	0.00	0	26,468	31,265	57,733
DP 3 - Inflation Deflation	0.00	0	124,987	286,287	411,274	0.00	0	162,088	371,899	533,987
Grand Total All Present Law Adjustments	0.00	\$64,040	\$360,323	\$339,162	\$763,525	0.00	\$81,427	\$422,567	\$440,072	\$944,066

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	18,167,366	17,985,098	(182,268)	(1.00)%
Operating Expenses	14,186,286	15,294,715	1,108,429	7.81 %
Equipment & Intangible Assets	203,480	203,480	0	0.00 %
Transfers	37,396	27,396	(10,000)	(26.74)%
Total Expenditures	\$32,594,528	\$33,510,689	\$916,161	2.81 %
General Fund	3,638,997	3,853,318	214,321	5.89 %
State/Other Special Rev. Funds	18,998,300	19,371,787	373,487	1.97 %
Federal Spec. Rev. Funds	9,957,231	10,285,584	328,353	3.30 %
Total Funds	\$32,594,528	\$33,510,689	\$916,161	2.81 %
Total Ongoing	\$32,594,528	\$33,510,689	\$916,161	2.81 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Air, Energy and Mining Division (AEMD) permits and regulates environmentally protective and productive operations in air, hard rock mining, opencut mining, and coal mining industries according to program statutory authority. The permitting and regulatory work includes extensive coordination with other programs to develop environmental review documents that comply with the Montana Environmental Policy Act (MEPA), including environmental assessments and environmental impact statements. AEMD includes the State Energy Office, or Energy Bureau, which promotes and improves Montanan’s access to energy efficiency and alternative energy sources while improving the state’s energy security by offering financing mechanisms, technical assistance, and education for public and private entities.

Program Highlights

<p>Air Energy and Mining Division Major Budget Highlights</p>
<p>The executive proposes a 2.8% or \$916,200 increase in total HB 2 2025 biennium appropriations compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Statewide present law adjustments - \$372,600 • Mine reclamation activities - \$360,000 • Interstate Mining Compact Commission - \$60,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	101.03	101.03	101.03	101.03
Personal Services	7,250,471	9,035,396	9,131,970	8,966,474	9,018,624
Operating Expenses	5,337,542	7,074,628	7,111,658	7,612,236	7,682,479
Equipment & Intangible Assets	66,333	101,740	101,740	101,740	101,740
Transfers	14,427	23,698	13,698	13,698	13,698
Total Expenditures	\$12,668,773	\$16,235,462	\$16,359,066	\$16,694,148	\$16,816,541
General Fund	1,760,509	1,784,549	1,854,448	1,919,240	1,934,078
State/Other Special Rev. Funds	6,404,904	9,480,011	9,518,289	9,653,467	9,718,320
Federal Spec. Rev. Funds	4,503,360	4,970,902	4,986,329	5,121,441	5,164,143
Total Funds	\$12,668,773	\$16,235,462	\$16,359,066	\$16,694,148	\$16,816,541
Total Ongoing	\$12,668,773	\$16,235,462	\$16,359,066	\$16,694,148	\$16,816,541
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriations Compared to FY 2022 Actual Expenditures

The Air Energy and Mining Division expended 78.0% of its \$16.2 million HB 2 modified budget in FY 2022. Unexpended appropriations totaled \$3.6 million, primarily in state special revenue. The general fund appropriation was 98.7% expended.

- Personal services were 80.2% expended leaving \$1.8 million unexpended. Unexpended personal services were budgeted primarily to support the Hard Rock Mining, Air Quality, and Energy Bureaus.
- Appropriations for operating expenses were 75.4% expended leaving \$1.7 million unexpended. Unexpended operating expenses were budgeted primarily to support the Hard Rock Mining and Energy Bureaus.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Ongoing authority increased 0.8% or \$123,600 between FY 2022 and FY 2023. Changes in appropriations include:

- Personal services increased by 1.1% or 96,600
- Operating expenses increased by 0.5% or \$37,000

Executive Request

The executive proposal includes statewide present law adjustments of \$372,600. Other proposals would increase funding for mine reclamation activities by \$360,000 over the biennium, these activities are funded with a new hard rock mining fee. Federal special revenue of \$60,000 would support the agency joining the Interstate Mining Compact Commission as a full member.

As proposed by the executive the budget is funded with 11.5% general fund, 57.8% with state special revenue, and 30.7% federal sources.

Program Personal Services

The personal services appropriation in the 2025 biennium totals \$18.0 million to fund 101.03 FTE. The request includes present law adjustments for pay and benefits, and the executive proposes a 4.0% vacancy savings. All employees received statutory adjustments, several positions received market adjustments and adjustments for longevity. Total personal services are reduced by 1.0% or \$182,300 compared to the 2023 biennium.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 50-Air Energy & Mining Division							
Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	3,853,318	0	0	0	3,853,318	11.50 %	
02036 Opencut permit Fees	1,473,632	0	0	0	1,473,632	7.61 %	
02095 Opencut Bond Forfeitures	429,248	0	0	0	429,248	2.22 %	
02096 Reclamation - Bond Forfeitures	347,688	0	0	0	347,688	1.79 %	
02138 DOC Wind Grant	0	0	0	0	0	0.00 %	
02201 Air Quality-Operating Fees	6,554,690	0	0	0	6,554,690	33.84 %	
02291 Alternative Energy Loan ARRA	184,411	0	0	0	184,411	0.95 %	
02370 Energy Consv Repayment Acct	24,862	0	0	0	24,862	0.13 %	
02388 Database Development	360,000	0	0	0	360,000	1.86 %	
02555 Alternative Energy Rev Loan	419,518	0	0	0	419,518	2.17 %	
02576 Natural Resources Operations	4,716,525	0	0	0	4,716,525	24.35 %	
02579 Coal & Uranium Mine Account	573,138	0	0	0	573,138	2.96 %	
02676 Hard Rock Reclamation	25,296	0	0	0	25,296	0.13 %	
02955 State Energy conservation ARRA	1,103,973	0	0	0	1,103,973	5.70 %	
02973 Univ System Benefits Program	506,102	0	0	0	506,102	2.61 %	
02988 Hard Rock Mining Reclamation	2,652,704	0	0	0	2,652,704	13.69 %	
State Special Total	\$19,371,787	\$0	\$0	\$0	\$19,371,787	57.81 %	
03052 DOE SHOPP 09/14/21	34,640	0	0	0	34,640	0.34 %	
03067 DSL Federal Reclamation Grant	206,631	0	0	0	206,631	2.01 %	
03199 Stripper Wells	9,000	0	0	0	9,000	0.09 %	
03289 FY 14 State Clean Diesel	0	0	0	0	0	0.00 %	
03325 EPA 103 PM 2.5	0	0	0	0	0	0.00 %	
03433 EPA Perf Partnership Grant	3,285,874	0	0	0	3,285,874	31.95 %	
03435 PM 2.5 Fiscal Year 2004	811,938	0	0	0	811,938	7.89 %	
03437 DOE-State Energy Program	850,884	0	0	0	850,884	8.27 %	
03459 DOE Competitive Special Proj	0	0	0	0	0	0.00 %	
03672 Source Reduction Assistance	0	0	0	0	0	0.00 %	
03723 Clean Diesel DS-97867001	809,368	0	0	0	809,368	7.87 %	
03816 DOI OSM A&E Grant	4,277,249	0	0	0	4,277,249	41.58 %	
03492 Coal ePermitting System	0	0	0	0	0	0.00 %	
03087 ePermitting-Proj Mngr	0	0	0	0	0	0.00 %	
03614 BLM-L17AC00009 O&M	0	0	0	0	0	0.00 %	
03981 BLM Air Monitoring 06/22/2022	0	0	0	0	0	0.00 %	
03006 SEP-Utah_EE0008610-DOE	0	0	0	0	0	0.00 %	
03808 DOE-UCC-CorWest	0	0	0	0	0	0.00 %	
Federal Special Total	\$10,285,584	\$0	\$0	\$0	\$10,285,584	30.69 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$33,510,689	\$0	\$0	\$0	\$33,510,689		

The Air Energy and Mining Division is funded primarily with state special and federal special revenues. State special revenue primarily consists of air quality and opencut mining licensing and permitting fees, as well as production taxes on oil, gas, and metal mines. The agency also receives Resource Indemnity Trust (RIT) interest via the natural resource operations fund. Federal revenues come primarily from EPA, Department of Energy, and Department of Interior grants. General fund supports personal services and operating expenses.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,854,448	1,854,448	3,708,896	96.25 %	16,359,066	16,359,066	32,718,132	97.63 %
SWPL Adjustments	64,792	79,630	144,422	3.75 %	125,082	247,475	372,557	1.11 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	210,000	210,000	420,000	1.25 %
Total Budget	\$1,919,240	\$1,934,078	\$3,853,318		\$16,694,148	\$16,816,541	\$33,510,689	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	7,340	(158,549)	(14,287)	(165,496)	0.00	11,175	(121,028)	(3,493)	(113,346)
DP 2 - Fixed Costs	0.00	15,781	20,704	6,981	43,466	0.00	15,727	20,637	6,959	43,323
DP 3 - Inflation Deflation	0.00	41,671	93,023	112,418	247,112	0.00	52,728	120,422	144,348	317,498
Grand Total All Present Law Adjustments	0.00	\$64,792	(\$44,822)	\$105,112	\$125,082	0.00	\$79,630	\$20,031	\$147,814	\$247,475

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 50001 - Hard Rock Mining Fees	0.00	0	180,000	0	180,000	0.00	0	180,000	0	180,000
DP 50011 - Join Interstate Mining Compact Commission	0.00	0	0	30,000	30,000	0.00	0	0	30,000	30,000
Total	0.00	\$0	\$180,000	\$30,000	\$210,000	0.00	\$0	\$180,000	\$30,000	\$210,000

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

DP 50001 - Hard Rock Mining Fees -

The executive proposes state special revenue to cover a portion of the cost of implementing the Metal Mine Reclamation Act (MMRA). Revenues would be generated from a new fee structure on hard rock mining operations. The implementation of the MMRA is currently funded with general fund and taxes on oil, gas, and metal mines production.

DP 50011 - Join Interstate Mining Compact Commission -

The executive proposes federal special revenue to join the Interstate Mining Compact Commission (IMCC) as a full member.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Operating Expenses	345,508	365,862	20,354	5.89 %
Transfers	614,492	614,492	0	0.00 %
Total Expenditures	\$960,000	\$980,354	\$20,354	2.12 %
State/Other Special Rev. Funds	960,000	980,354	20,354	2.12 %
Total Funds	\$960,000	\$980,354	\$20,354	2.12 %
Total Ongoing	\$960,000	\$980,354	\$20,354	2.12 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Libby Asbestos Superfund Advisory Team is attached to DEQ for administrative purposes. The Oversight Committee was created to enhance communication with stakeholders regarding the Libby Asbestos Superfund site. In addition, the Oversight Committee advises DEQ on administration of the Libby Asbestos Cleanup Trust Fund and operation and maintenance accounts. The appropriated funds are used to maintain committee activities and support operation and maintenance at the site for long-term environmental and public health protection.

Program Highlights

Libby Asbestos Superfund Advisory Team Major Budget Highlights
The proposed HB 2 budget for the 2025 biennium is an increase of 2.1% or \$20,400 in state special revenue comprised of statewide present law adjustments for inflation.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
Operating Expenses	1	172,754	172,754	181,527	184,335
Transfers	469,437	307,246	307,246	307,246	307,246
Total Expenditures	\$469,438	\$480,000	\$480,000	\$488,773	\$491,581
State/Other Special Rev. Funds	469,438	480,000	480,000	488,773	491,581
Total Funds	\$469,438	\$480,000	\$480,000	\$488,773	\$491,581
Total Ongoing	\$469,438	\$480,000	\$480,000	\$488,773	\$491,581
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriations Compared to FY 2022 Actual Expenditures

The Libby Asbestos Superfund Advisory Team expended 97.8% of its \$480,000 HB 2 modified budget in FY 2022. Almost all expenditures were in transfers for operation and maintenance. Unexpended appropriation authority totaled \$10,600 of state special revenue.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Authority did not change between FY 2022 and FY 2023.

Executive Request

The executive proposes statewide present law adjustments for operations totaling \$20,400 in state special revenue.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 80-Libby Asbestos Sf Advisory Tm							
Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0	0.00 %	
02130 Libby Asbestos Cleanup O&M	980,354	0	0	0	980,354	100.00 %	
State Special Total	\$980,354	\$0	\$0	\$0	\$980,354	100.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$980,354	\$0	\$0	\$0	\$980,354		

The Libby Asbestos Superfund Advisory Team is funded from the Libby Asbestos Cleanup Operations and Maintenance state special revenue account. Sources of revenue include penalties, forfeited financial assurances, proceeds from the resource indemnity trust fund, cost recoveries, and interest on the fund balance.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	480,000	480,000	960,000	97.92 %
SWPL Adjustments	0	0	0	0.00 %	8,773	11,581	20,354	2.08 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$488,773	\$491,581	\$980,354	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Inflation Deflation	0.00	0	8,773	0	8,773	0.00	0	11,581	0	11,581
Grand Total All Present Law Adjustments	0.00	\$0	\$8,773	\$0	\$8,773	0.00	\$0	\$11,581	\$0	\$11,581

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

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	789,429	1,043,423	253,994	32.17 %
Operating Expenses	580,738	685,662	104,924	18.07 %
Total Expenditures	\$1,370,167	\$1,729,085	\$358,918	26.20 %
State/Other Special Rev. Funds	1,370,167	1,729,085	358,918	26.20 %
Total Funds	\$1,370,167	\$1,729,085	\$358,918	26.20 %
Total Ongoing	\$1,370,167	\$1,729,085	\$358,918	26.20 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Petroleum Tank Release Compensation Board (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 and their associated cleanups. The Board is attached to DEQ for administrative purposes.

Program Highlights

<p>Petroleum Tank Release Compensation Board Major Budget Highlights</p>
<p>The proposed HB 2 2025 biennium budget is an increase of 26.2% or \$358,900 in state special revenue due to statewide present law adjustments.</p>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	6.75	6.75	6.75	6.75
Personal Services	450,890	391,121	398,308	519,827	523,596
Operating Expenses	169,102	254,704	326,034	341,017	344,645
Total Expenditures	\$619,992	\$645,825	\$724,342	\$860,844	\$868,241
State/Other Special Rev. Funds	619,992	645,825	724,342	860,844	868,241
Total Funds	\$619,992	\$645,825	\$724,342	\$860,844	\$868,241
Total Ongoing	\$619,992	\$645,825	\$724,342	\$860,844	\$868,241
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriations Compared to FY 2022 Actual Expenditures

The Board expended 96.0% of its \$645,800 HB 2 modified budget in FY 2022. Personal services were over expended by 15.3%, expenditures for operations were 66.4% expended.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Appropriations in FY 2023 were 12.2% or \$25,800 higher when compared to FY 2022.

Executive Request

The proposed HB 2 2025 biennium budget is an increase of 26.2% or \$358,900 compared to the 2023 biennium. Statewide present law adjustments include:

- Personal services - \$246,800
- Fixed Costs - \$4,500
- Inflation - \$29,100

Increases in personal service for 6.75 FTE include increases for pay plan, performance adjustments, and job reclassifications.

Program Personal Services

The personal services appropriation in 2025 biennium totals \$1.0 million to fund 6.75 FTE. The request includes present law adjustments for pay and benefits, and the executive proposes a 4.0% vacancy savings. All employees received statutory adjustments while several positions received market adjustments and adjustments for longevity. Total personal services were increased by 32.2% or \$254,000 compared to the 2023 biennium.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 90-Petro Tank Release Comp Board Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0	0.00 %	
02058 Petroleum Storage Tank Cleanup	1,729,085	0	0	10,500,000	12,229,085	100.00 %	
State Special Total	\$1,729,085	\$0	\$0	\$10,500,000	\$12,229,085	100.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,729,085	\$0	\$0	\$10,500,000	\$12,229,085		

The Board is funded entirely through a portion of the \$.0075 tax on gasoline, diesel, heating oil, and aviation fuel. Statutory appropriations pay for the reimbursement due to storage tank releases as described in 75-11-313, MCA.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	724,342	724,342	1,448,684	83.78 %
SWPL Adjustments	0	0	0	0.00 %	136,502	143,899	280,401	16.22 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$860,844	\$868,241	\$1,729,085	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	121,519	0	121,519	0.00	0	125,288	0	125,288
DP 2 - Fixed Costs	0.00	0	2,228	0	2,228	0.00	0	2,221	0	2,221
DP 3 - Inflation Deflation	0.00	0	12,755	0	12,755	0.00	0	16,390	0	16,390
Grand Total All Present Law Adjustments	0.00	\$0	\$136,502	\$0	\$136,502	0.00	\$0	\$143,899	\$0	\$143,899

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.