

# 5% Base Budget Reduction Form

17-7-111-3(f)

## AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### Minimum Requirement

**TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET**

General Fund	State Special Revenue Fund
\$ 1,511,272	\$ 1,388,063

Priority

### SERVICE(S) TO BE ELIMINATED OR REDUCED

General Fund Annual Savings      State Special Revenue Annual Savings

Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	WRD-A Water Resources Div-Elec Water Right Claims	\$ 91,099	\$ -
2	TLMD-A Trust Land Mgmt Div-General Fund Reductions	\$ 8,185	\$ -
3	WRD-B Water Resources Div-Water Adjudication Operating	\$ -	\$ 137,002
4	TLMD-B Trust Land Mgmt Div-Land Bank Private SSR	\$ -	\$ 2,588
5	WRD-E Water Resources Div-Reduce Computers, Stream Gages & Travel	\$ 24,378	\$ -
6	TLMD-C Trust Land Mgmt Div-Historic ROW SSR	\$ -	\$ 286
7	DO-A Director's Office Reductions	\$ 218,794	\$ 119,171
8	CRD-A Conservation & Resource Devel Div Reductions	\$ 73,443	\$ 278,560
9	TLMD-D Trust Land Mgmt Div-Trust Admin SSR	\$ -	\$ 654,055
10	WRD-D Water Resources Div-Water Operations Base Operating	\$ 24,130	\$ -
11	WRD-C Water Resources Div-Reduce Operating	\$ 411,678	\$ -
12	FD-A Forestry Division-Program Reductions	\$ 659,565	\$ 196,401

**TOTAL SAVINGS**

\$ 1,511,272      \$ 1,388,063

**DIFFERENCE**

\$ -      \$ -

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION OR REDUCTION*:

Move to Electronic Only Water Rights Claim Files

### #2 THE SAVINGS THAT ARE EXPECTED:

General Fund savings of \$91,099

### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION OR REDUCTION*:

Moving to electronic records will reduce mailing and storage costs.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

Files are already available to the Water Court in digital format.

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes. 85-2-243(2) Currently DNRC is required, at the expense of DNRC, to mail all water rights and claim files to the water court as requested.

# 5% Base Budget Reduction Form

## AGENCY CODE & NAME: 57060 DNRC

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

The Trust Land Management Division has minimal general fund and has mostly state special revenue. The small amount of general fund is used for funding the Morrill trust administrative costs. The division is proposing to eliminate \$8,185.00 in general fund in operating costs for the Morrill Trust activities.

### #2 THE SAVINGS THAT ARE EXPECTED:

Savings in general fund \$8,185

### #3

#### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

The reduction in funding for the Morrill Trust will reduce the division's ability to manage the Morrill Trust Lands and generate revenue for this trust beneficiary. Morrill trust activity costs can only be paid from general fund per 77-1-109(2). The division receives \$80,000 per year in HB2 general fund. The division would reduce timber sales, pre-commercial thinning, weed spraying, and agriculture and grazing lease evaluations.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

None

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION OR REDUCTION*:

Reduce Adjudication operating expenses

### #2 THE SAVINGS THAT ARE EXPECTED:

Adjudication \$137,002 in Operating

### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION OR REDUCTION*:

Reducing the operating expenses will impact our ability to make decree related enhancements to the WRIS database. This will impact staff workload and result in reduction of timely services to stakeholders and the public.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

The location change for staff will be minor and WRD will gain efficiencies by having all Helena staff in one location, as well as anticipated improvements to workplace morale.

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes.(85-2-270 & 85-2-271)

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 57060 DNRC

57060 Department of Natural Resources & Conservation

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduction in state special revenue for the land bank private spending authority fund 02031, this reduction also includes private spending authority for the cabin site sales program.

**#2 THE SAVINGS THAT ARE EXPECTED:**

Savings of \$2,588 from fund 02031

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The state special revenue account is spending authority for private funds that come to the state for land banking and cabin site sales, so that the division has the ability to spend these private funds. If \$2,588 was eliminated, the division would need to approach the Governor's Budget Office for the authority to spend private money for these types of activities.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

None

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Eliminate purchase of 3 computers. Reduce stream gage equipment budget. Reduce travel budget.

#### #2 THE SAVINGS THAT ARE EXPECTED:

General Fund savings of \$24,378

#### #3

#### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

SIISU recommended replacement of computers would be delayed impacting staff productivity. Repair or replacement of stream gaging equipment will be delayed. Stream gages will be shut down until we can purchase spare parts (batteries, solar panels, circuit boards, etc), or full replacements. Reducing travel budget will reduce the amount field work hydrologist conduct. This will impact our ability to continue with hydrologic studies we are doing in partnership with water users in the Teton and Upper Yellowstone basin

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

There is no way to mitigate potential impacts

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 57060 DNRC

57060 Department of Natural Resources & Conservation

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

State Lands historic right of way application fees collected by the department pursuant to 77-1-130(1)(a) must be deposited in state lands historic right of way state special revenue account. Money in the account must be used for the expenses of the department in administering historic right of way transactions.

**#2 THE SAVINGS THAT ARE EXPECTED:**

Savings of \$286 from fund 02681

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The reduction in the State Special Revenue historic right of way account will reduce the number of hours employees can contribute to right of way land transactions. Which in turn will diminish revenues for the trust beneficiaries.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

None

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, MCA 77-1-130

# 5% Base Budget Reduction Form

## AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Director's Office would propose to eliminate operating costs in contracted services, travel, supplies & materials, and equipment.

### #2 THE SAVINGS THAT ARE EXPECTED:

General fund savings of \$218,794 and State Special Revenue Fund savings of \$119,171.

#3

### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Director's Office is currently understaffed and already has difficulty serving the five other divisions within DNRC in the areas of Information Technology, Human Resources, Financial and Legal. This reduction of operating costs will exacerbate the existing stress on remaining staff. Reductions will place the Director's Office at further risk of incurring audit exceptions and will further impact its ability to respond to audits in a timely manner.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Director's Office would need to postpone services provided to the DNRC divisions. As a result, the divisions will have more difficulty accomplishing their duties.

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes- The agency is required to comply with the Montana Operations Manual (MOM) Policies and Procedures, the Governmental Accounting Standards Board (GASB) accounting and financial reporting, Generally Accepted Accounting Principles (GAAP), Equal Employment Opportunity Commission (EEOC) regulations (per Title VII of the Civil Rights Act of 1964), Family Medical Leave Act (FMLA), Fair Labor Standards Act (FLSA), the Montana Procurement Act and the Level Two Procurement Delegation Agreement between the Department of Administration and the Department of Natural Resources and Conservation.

# 5% Base Budget Reduction Form

## AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

The reduction of funding for the operations of the Conservation and Resource Development Division will reduce the State's support to conservation districts and other local governments. The operations would be trimmed in several ways, for example, by reductions in travel, forgoing the purchase of equipment scheduled for replacement and depending on the amount of the cut, a reduction of staff. Also, the assistance to local government with natural resource projects would be reduced or cause delays in project implementation. Pass-thru funding for a variety of organizations would be reduced from their FY2023 level. These include: Dry Prairie, North Central Water, Central Montana and Dry Red Water Regional Water Systems, Missouri and Yellowstone River Councils, Watershed Groups, Conservation Districts, Montana Salinity Control, Flathead Basin Commission, Sage Grouse Operations, and others would have their current funding reduced.

### #2 THE SAVINGS THAT ARE EXPECTED:

General fund savings of \$73,443 and State Special Revenue Fund savings of \$278,560.

### #3

#### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Reductions to operations, such as travel, contracted services, equipment purchases, reductions of a position in the division, reduction in the award of grants to local government entities would result in less technical and financial service to projects and communities. The project oversight by DNRC would be delayed and may not take place. Projects may not move forward or be completed in communities with health, safety and resource mitigation issues.

1. The Grass Commission would have to reduce their administrative costs, such as travel and perhaps cut back the hours of the executive secretary. Services to ranchers and permit fees will be reduced because the board would have funds to travel. Public land grazing is in a serious situation for the permittees land use.
2. The river councils and watershed groups would reduce work in administrative support and board member travel to accommodate the reduction. The council may not be able to access their federal funds if state funds aren't provided as match.
3. A reduction to the North Central Montana and Dry Prairie and Dry Red Regional Water Authorities would impact the authorities' ability to work with the U.S. Congress for completion of the project as well as appropriations for construction of the Water System.
4. Rangeland improvement loans would have to reduce the amount of loans they'd be allowed to loan to improve private rangeland.
5. Conservation Districts would have to reduce their field work and it may take more time to approve 310 permits.
6. Invasive Species Councils would have to reduce their work.
7. RDB proceeds would also reduce the amount of loans that would be authorized.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Some of the programs, councils and commissions may be able to get some other funding such as federal or private assistance. For most of them the reduced funding will cause reduced services or no services. The funds for many programs are matched with other funding sources, in which case, projects may not move forward or be canceled. In some cases water, wastewater systems, and irrigation projects will not get the help to fix problems for the communities. Natural Resource conservation, mitigation or reclamation will be delayed.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Grass Commission § 76-16-101 MCA

Conservation Districts § 76-15-101 MCA

Rangeland Resources § 76-14-101 MCA

Montana Invasive Species Council § 80-1-101 MCA

Drinking Water State Revolving Fund § 75-6-201 MCA

Regional Water Systems § 75-6-301 MCA

Water Pollution Control State Revolving Fund § 75-5-1103 MCA

# 5% Base Budget Reduction Form

## AGENCY CODE & NAME: 57060 DNRC

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

The state special revenue account, Trust Administration Account (02938) is the primary funding source for the Trust Lands Management Division. The division would make reductions in operating costs in four programs. The reductions would be in contracted services, crop insurance, water adjudication, forest inventory and resource management, and the cabinsite sales program.

### #2 THE SAVINGS THAT ARE EXPECTED:

Savings of \$654,055 in the Trust Administration Account (02938)

### #3

#### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

A reduction in operations would impact the following areas:

- Reductions in contracted services, impact all programs, due to trust lands contracting for weed spraying, survey work for commercial development, cabin sites, forest inventory work, road maintenance, bridge repairs, land appraisals, and many other activities.
- The Forest Management Program is now fully implementing a Land Board approved 60.0 MMBF (56.9 MMBF previous) Sustainable Yield Annual target. This objective included a department EPP for 2 additional FTE – a 5% budget reduction will jeopardize our ability to achieve this program target. The Forest Management Program uses a combination of contract services, FTE, operating budgets and capital to achieve this annual target. A reduction will manifest in reduced contracted capacity to setup and administer timber sales, administer site preparation for reforestation activities and inventory/respond to road maintenance concerns. This will have long-term impacts on forest health and resilience, rehabilitation and soil/water quality.
- Minerals Management bureau would reduce operations in the Royalty Auditor program, which would impact the amount of royalty revenue collected during the year. The bureau would also reduce the contracts for professional consultant services on riverbeds, which would restrict resources needed to analyze and defend state ownership of islands in navigable rivers. Reductions would also impact the ability to cover expenses for large oil and gas lease auctions and oversight of well activities.
- In the Ag and Grazing Management Program, the bureau would reduce the number of weed control projects in the field offices and the use of agency legal services in water adjudication cases to defend trust land water rights. These reductions have the ability to impact the productivity of the land.
- The Real Estate Management Program would limit the number of contracts for commercial lease development and administration for land exchanges, land banking and acquisitions. This would have a direct impact on the program's ability to generate revenue for the trust beneficiaries.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

None

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Reduction of contracted services funding for external engineering services for the dam safety program and floodplain mapping programs

#### #2 THE SAVINGS THAT ARE EXPECTED:

\$24,131 is 5% of total Water Operations Bureau general fund base budget

#### #3

#### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Reduction in expert external review of dam construction permits, reduction in education and outreach to public (services provided by engineering consultants)

Reduction in state program funding impacts cost share requirements of federal grants which fund the majority of the dam safety and floodplain programs. Lack of cost share could result in grant reductions; the federal grants also provide 12% indirect to the Department, thus reduction of these grants will impact the Department budget as well.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

No options for mitigation.

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Reduce Water Resources Division Operating budgets, likely elimination of travel, training, and technical assistance throughout the division.

#### #2 THE SAVINGS THAT ARE EXPECTED:

General Fund savings of \$411,678 annually.

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

This will impact staff workload and result in service cuts for stakeholders and the public. Work units will have little to no funds for travel, field work, training, in-person technical assistance, or minor equipment. In addition, the ITSD recommended replacement of computers would be delayed impacting staff productivity.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

Staff may be able to provide assistance virtually in some cases or attend virtual trainings with no fees.

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes. Ability to carry out State Water Plan (85-1-203) requires significant on the ground technical assistance for successful implementation. Ability to process Permits and Changes for water rights (85-2-302) requires technical assistance for timely and accurate processing. All statutory work directed to WRD under Title 85 requires skilled staff for successful implementation; cuts to already limited training budgets further inhibit the division's ability to recruit, retain, and continually develop competent professionals to serve the people of Montana.

# 5% Base Budget Reduction Form

## AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

**Forestry Division Office and Area Offices:** Reduce administrative and business services by holding vacant positions open for longer periods of time to reduce personal services expense at FD Office and in Area Land Offices' administrative budgets. Reduce / defer regular maintenance at Forestry Division offices and facilities statewide. Reduce travel, training, and other operating expenses, reduce one fleet vehicle.

**Fire Protection Program:** Reduce all Fire Protection program services by holding vacant positions open for longer periods of time to reduce personal services expense across the program. Reduce the appropriation for the transfer of Aviation program's (Air Operations) fixed costs; increase flight rates to earn more revenue to backfill. Reduce travel, training, and other operating expenses across the Fire Protection program. Reduce number of wildland fire engines and/or water tenders to be built or developed by Equipment Development Center.

**Forestry Assistance Program:** Reduce opportunities for landowner assistance and education in the Forest Stewardship and Forest Practices Programs. Reduce operating budgets for employee

### #2 THE SAVINGS THAT ARE EXPECTED:

61000:	(\$291,234)
62000:	(\$316,320)
63000:	(\$ 89,156)
66000:	(\$ 75,662)
<u>68000:</u>	<u>(\$ 83,594)</u>
Total:	(\$855,966)

### #3

#### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

**Forestry Division Administration:** Staffing vacancies would result in delays and negatively impact services in business and administrative support functions, including processing of vendor payments and grant disbursements. Deferred maintenance for state-owned facilities may result in increased future repair and maintenance costs. Operating reductions will impact training and employee development opportunities and a vehicle reduction would impact an already small fleet.

**Fire Protection Program:** Program budget reductions would decrease training and other resources the DNRC provides to cooperating county fire departments across Montana; delay and/or weaken the response to wildland fire emergencies; and diminish the Department's overall ability to protect lives, property and natural resources from wildfire. Decreased staffing levels or operating supplies would impede the Department's ability to meet its goal of controlling 95% of wildland fires at initial attack; thereby raising the cost of fire suppression to Montana taxpayers. Using recent 5-year average figures, each time a wildland fire escapes initial attack, Montana taxpayers incur \$875,000 in additional suppression costs. Reducing the appropriation for the Aviation program's (Air Ops) fixed costs would require Air Ops to earn more revenue by increasing flight rates, lessening the advantages gained by employing agency-owned aircraft and increasing the state's overall fire suppression costs.

**Forestry Assistance Program:** Reduced program budgets would mean reduced or possible elimination of landowner education workshops and other landowner outreach; forest management impacts including less logs to mills, less fuels reduction in and around communities, and delayed responses to landowner requests, resulting in decreased regulatory compliance with forestry best management practices.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The proposed reductions would lessen the availability of specific resources and staff expertise, resulting in negative impacts that cannot be easily mitigated. The Division would work to reconfigure delivery of services to try to mitigate impacts to constituents to the extent possible.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes: 76-13-102MCA, 76-13-103MCA, 76-13-104MCA, 76-13-115MCA, 76-13-145MCA, 76-13-201MCA, 76-13-207MCA, 76-13-213MCA, 76-13-401-415MCA, 77-5-301-307MCA, 76-13-117MCA.