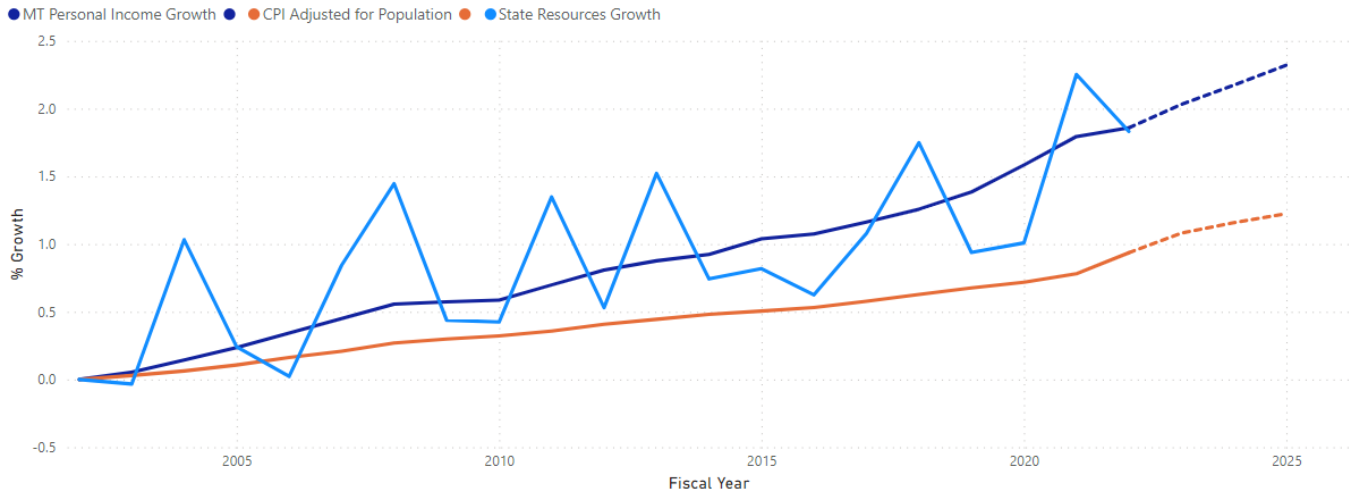


Department of Natural Resources and Conservation

This report includes a series of charts that compare state resource expenditure growth to the growth in personal income and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

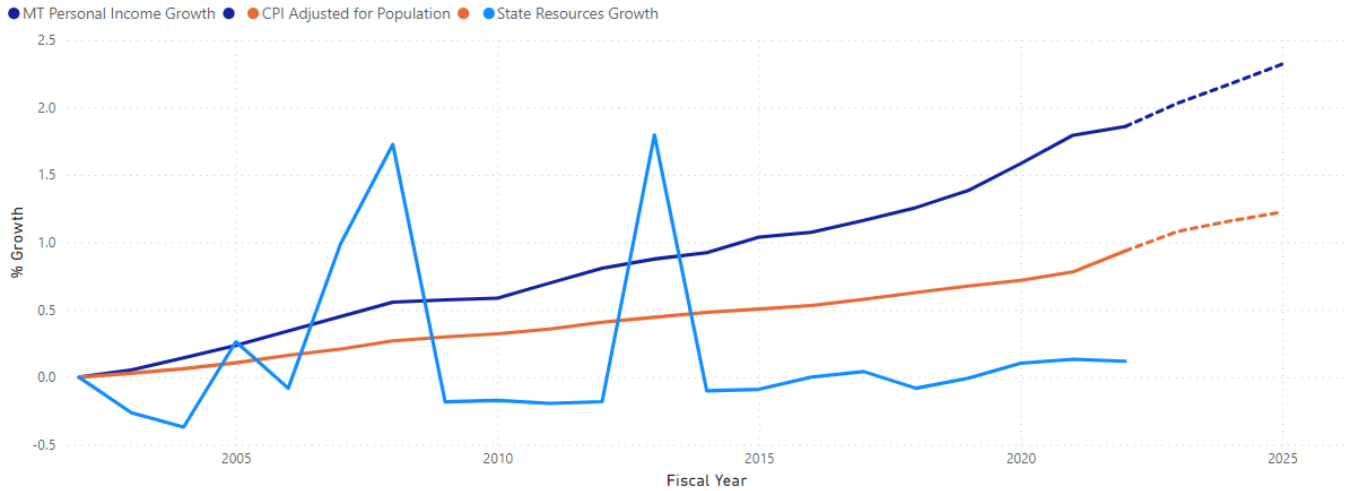
The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



Volatility in expenditures for the Department of Natural Resources and Conservation is driven by the intensity of fire season each summer. Increases in expenditures were for fire events in FY 2004, FY 2007, FY2008, FY 2018 and FY 2021. Other expenditures in FY 2021 include \$19.7 million to refinance wastewater bonds, \$15.2 million released from escrow for the water compact, and \$8.3 million in federal stimulus and covid relief funds. Higher expenditures in FY 2016 and FY 2017 were from the state revolving fund for renewable resource projects.

General Fund Only

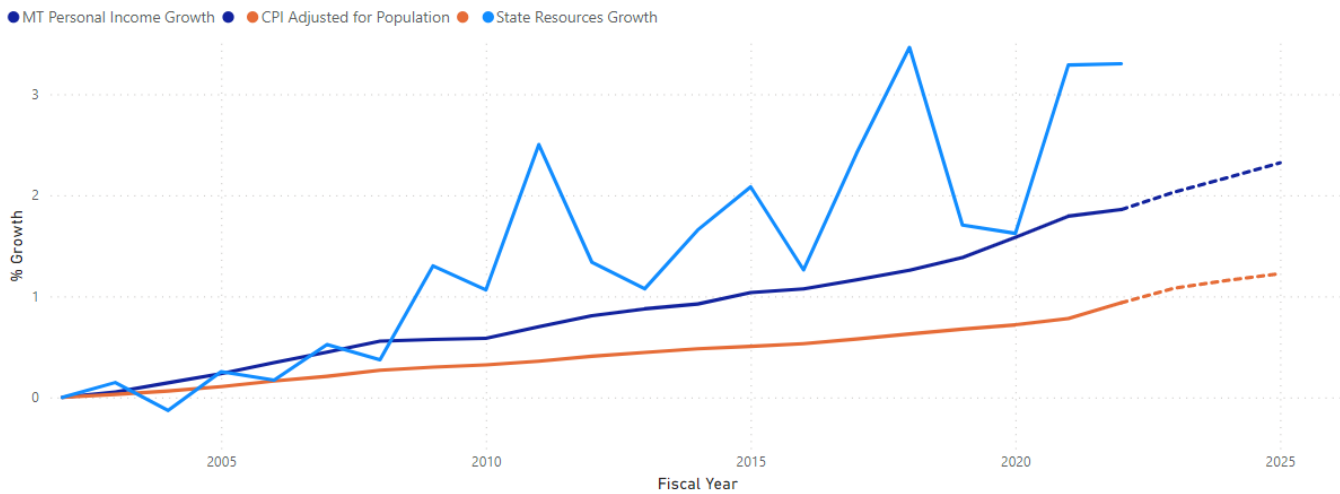
The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



General fund expenditures have grown at an annual rate of 2.0%, less than annual inflation of 3.4% over the same period. Expenditures for fire suppression from the executive's emergency appropriations and supplemental appropriations account for the increased general fund expenditures in FY 2007, FY 2008, and FY 2013. Increases in FY 2021 and FY 2022 are due to increases in HB 2 authority and expenditures for floods.

State Special Only

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



Annual growth in state special revenue during the period was 8.0% compared to the rate of inflation of 3.4%. Increases in state special resource expenditures in FY 2009 are for water and wastewater projects throughout the state. The volatility in expenditures between FY 2011 and FY 2021 are due to fire suppression efforts in high fire years.