

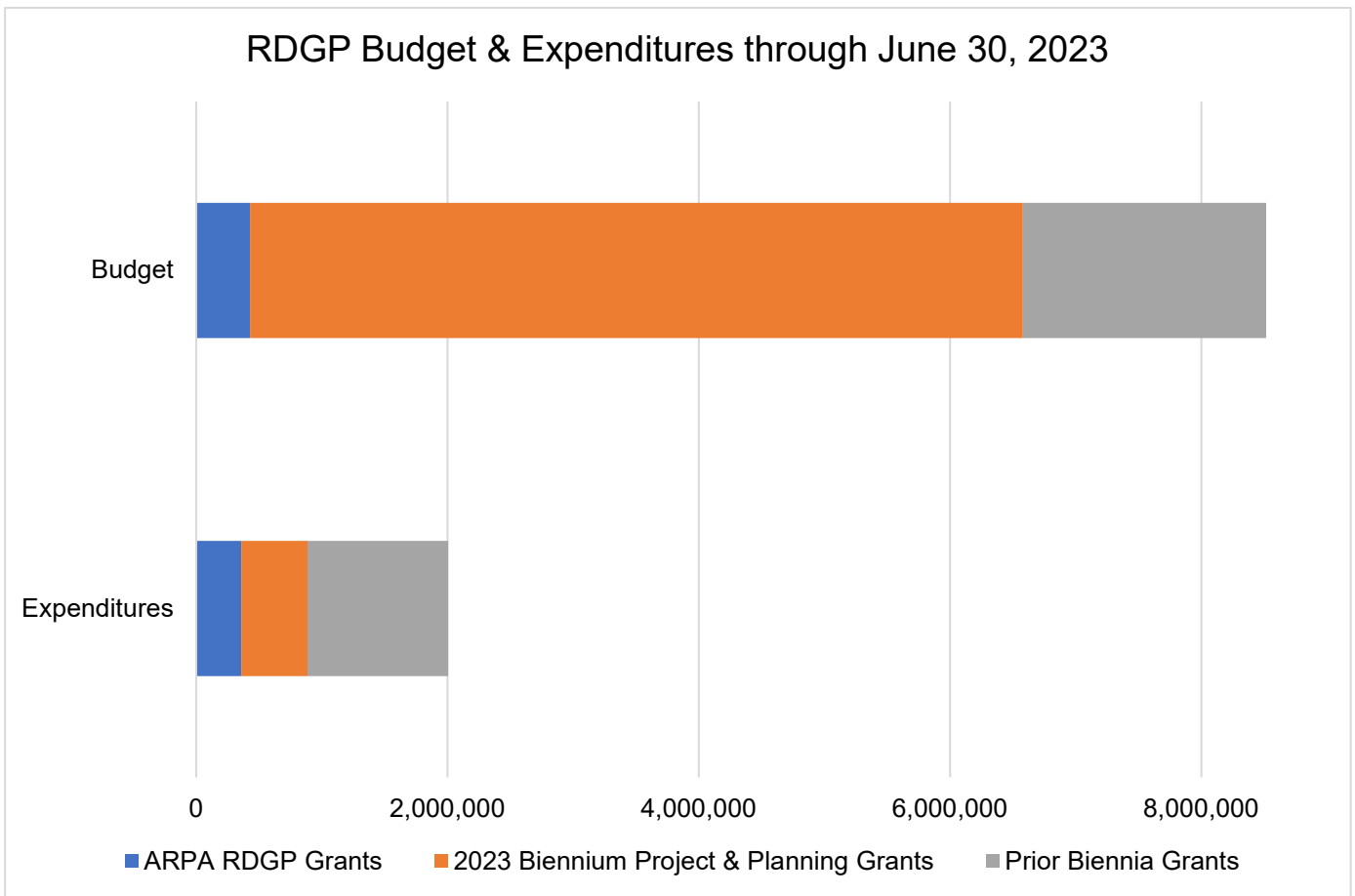
# RECLAMATION & DEVELOPMENT GRANTS PROGRAM

## PROGRAM SUMMARY

The Reclamation and Development Grants Program (RDGP) is designed to fund projects that, “...indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial state needs serving the public interest and the total environment of the citizens of Montana (90-2-1102, MCA).” The program is administered by the Department of Natural Resources and Conservation (DNRC).

## BUDGET & EXPENDITURE

The following chart and table show RDGP 2023 biennium budget and expenditure through June 30, 2023 (fiscal year-end 2023).



RDGP Budget and Expenditures through June 30, 2023				
Item	Appropriations	Expenditures	Balance	% Expended
ARPA RDGP Grants	429,000	360,106	68,894	83.9%
2023 Biennium Project Grants - HB 7&14	5,352,039	379,284	4,972,755	7.1%
2023 Biennium Planning Grants	800,000	147,360	652,640	18.4%
Prior Biennia Grants	3,975,659	1,006,147	2,969,512	25.3%
<b>Total Appropriations/Expenditures</b>	<b>10,556,698</b>	<b>1,892,897</b>	<b>8,663,801</b>	<b>17.9%</b>

Approximately \$5.4 million was appropriated in the 2023 biennium for 16 RDGP project grants authorized in HB 7 and HB 14. Additionally, \$800,000 was appropriated for planning grants. Of the 2023 biennium grant funding, approximately \$379,000 was expended for project grants and \$147,000 was expended for planning grants in FY 2023. There was one project for the Town of Philipsburg authorized under HB 7 that was eligible to be funded with American Rescue Plan Act (ARPA) federal funding totaling \$429,000. In FY 2023, \$360,000 of that authority was expended for that project grant.

About \$4.0 million of the budget was established for grants authorized in prior biennia. Of that budget, a total of \$1.0 million was expended in FY 2023. Of that expenditure, \$526,000 was expended for HB 7 and HB 14 grants from prior biennia. Additionally, \$480,000 was expended for project grants authorized under HB 652 (2019).

## **FUND BALANCE**

The following chart shows the projected fund balance for the Natural Resource Project Account, based on 2023 biennium actuals and 2025 biennium projections.

Natural Resource Project Account Fund Balance Analysis - 2025 Biennium					
Account 02577					
	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	2025 Biennium Total
Available Balance	\$9,710,996	\$14,359,730	\$18,956,192	(\$5,930,420)	\$18,956,192
Fund Balance Adjustment	<u>0</u>	<u>150</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$9,710,996	\$14,359,880	\$18,956,192	(\$5,930,420)	\$18,956,192
Revenue Projections <sup>1</sup>					
RIT Interest Earnings	2,220,602	3,146,156	2,361,663	3,200,000	5,561,663
Resource Indemnity & Groundwater	904,754	1,966,345	2,320,183	1,756,882	4,077,065
Oil and Gas Tax	1,689,528	1,789,925	1,698,657	1,670,443	3,369,100
Other Revenues	19,850	1,350	20,000	1,000	21,000
General Transfers-In	163,347	246,505	100,000	100,000	200,000
HB 6 General Fund Transfer	<u>2,099,322</u>	<u>0</u>	<u>26,000,000</u>	<u>0</u>	<u>26,000,000</u>
Total Revenues	7,097,403	7,150,281	32,500,504	6,728,325	39,228,829
RRGL Appropriations - HB 6					
Other Grants	0	56,028	9,960,000	0	9,960,000
Prior Biennia	926,634	1,038,035	4,299,228	0	4,299,228
2025 Biennium Grants	<u>75,000</u>	<u>406,763</u>	<u>6,350,000</u>	<u>0</u>	<u>6,350,000</u>
Total RRGL Expenditures/Appropriations	1,001,634	1,500,825	20,609,228	0	20,609,228
RRGL Appropriations - HB 6					
Milk River Project Loan Funding	<u>0</u>	<u>0</u>	<u>26,000,000</u>	<u>0</u>	<u>26,000,000</u>
Total Milk River Project Loan Funding	0	0	26,000,000	0	26,000,000
RDGP Appropriations - HB 7					
Other Grants	0	147,360	2,000,000	0	2,000,000
Prior Biennia	1,425,770	526,350	5,124,542	0	5,124,542
2025 Biennium Grants	<u>21,116</u>	<u>379,284</u>	<u>3,653,347</u>	<u>0</u>	<u>3,653,347</u>
Total RDGP Expenditures/Appropriations	1,446,886	1,052,994	10,777,889	0	10,777,889
Total Expenditures/Appropriations	2,448,520	2,553,819	57,387,116	0	57,387,116
Estimated Ending Fund Balance	\$14,359,879	\$18,956,192	(\$5,930,420)	\$797,904	\$797,904

<sup>1</sup>HJ 2 projections

Because grants for both the Renewable Resource Grants and Loans Program (RRGL) and RDGP are appropriated from the Natural Resources Project Account, both are included in the table to show the fund balance for the account. Additionally, HB 6 included a general fund transfer to the account of \$26.0 million and an appropriation of that funding to provide loans for the Milk River project.

Aside from authorized general fund transfers, funding for the account comes from various sources including: interest income of the resource indemnity trust fund; resource indemnity and ground water assessment tax; oil and gas tax production tax; and fees or charges collected by DNRC. Total actual revenues in FY 2023 were higher than HJ 2 (2021) projections by approximately \$421,000. The greatest difference was resource indemnity and ground water assessment tax by \$323,000. Expenditures from the account totaled \$2.6 million in the FY 2023, and the resulting ending fund balance was \$19.0 million.

For the 2025 biennium, revenue is based on HJ 2 (2023) projections and totals \$13.2 million, plus the \$26.0 million general fund transfer for the Milk River project loans. Expenditure from the fund for RRGL, RDGP, and the Milk River project are projected to be \$57.4 million.

The projected ending fund balance at the end of the 2025 biennium is approximately \$798,000.