

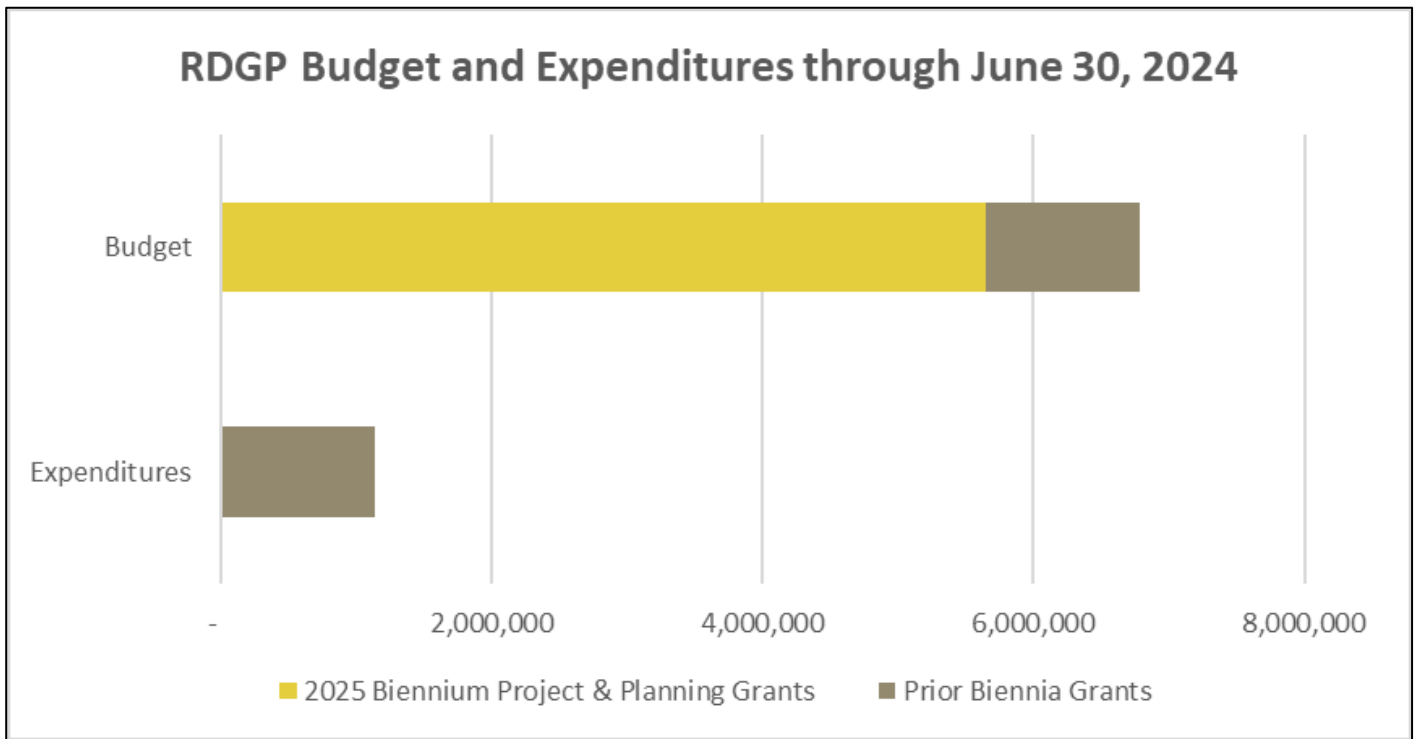
RECLAMATION & DEVELOPMENT GRANTS PROGRAM

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 shows the RDGP 2025 biennium budget and expenditures through June 30, 2024 (fiscal year-end 2024).



RDGP Budget and Expenditures through June 30, 2024				
Item	Appropriations/ Accruals	Expenditures	Balance	% Expended
2025 Biennium Project Grants - HB 7	3,653,347	13,535	1,986,465	0.7%
2025 Biennium Planning Grants	2,000,000	-	3,653,347	0.0%
Prior Biennia Grants	1,131,339	1,131,339	(0)	100.0%
Total Appropriations/Expenditures	6,784,686	1,144,874	5,639,812	16.9%

Approximately \$5.7 million was appropriated in the 2025 biennium for The Reclamation and Development Grants Program. Of this amount, \$3.7 million was appropriated for 10 RDGP project grants authorized in HB 7.

Additionally, \$2.0 million was appropriated for planning grants. In fiscal year 2024, \$1.2 million was expended with \$13,535 of that authority expended for project grants and \$1.1 million spent for grants appropriated in prior biennia.

FUND BALANCE

The following chart shows the projected fund balance for the Natural Resource Project Account, based on FY 2024 actuals and 2025 biennium projections.

Natural Resource Project Account Fund Balance Analysis - 2025 Biennium					
	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Projected	2025 Biennium Projected
Beginning Fund Balance	\$9,710,996	\$14,359,730	\$18,956,192	\$48,157,549	\$18,956,192
Fund Balance Adjustment	0	150	0	0	0
Available Balance	\$9,710,996	\$14,359,880	\$18,956,192	\$48,157,549	\$18,956,192
Revenue Projections ¹					
RIT Interest Earnings	2,220,602	3,146,156	2,529,536	3,200,000	5,729,536
Resource Indemnity & Groundwater	904,754	1,966,345	2,340,898	1,756,882	4,097,780
Oil and Gas Tax	1,689,528	1,789,925	1,509,971	1,670,443	3,180,414
Other Revenues	19,850	1,350	22,250	1,000	23,250
General Transfers-In	163,347	246,505			0
HB 6 General Fund Transfer	<u>2,099,322</u>	0	<u>26,000,000</u>	0	<u>26,000,000</u>
Total Revenues	7,097,403	7,150,281	32,402,656	6,628,325	39,030,980
RRGL Appropriations - HB 6					
Other Grants	0	56,028	445,589	9,514,411	9,960,000
Prior Biennia	926,634	1,038,035	565,772	(7,125,240)	(6,559,469)
2025 Biennium Grants	<u>75,000</u>	<u>406,763</u>	<u>668,975</u>	<u>5,681,025</u>	<u>6,350,000</u>
Total RRGL Expenditures/Appropriations	1,001,634	1,500,825	1,680,336	8,070,195	9,750,531
RRGL Appropriations - HB 6					
Milk River Project Loan Funding	0	0	0	<u>26,000,000</u>	<u>26,000,000</u>
Total Milk River Project Loan Funding	0	0	0	26,000,000	26,000,000
RDGP Appropriations - HB 7					
Other Grants	0	147,360	41833.8	1,958,166	2,000,000
Prior Biennia	1,425,770	526,350	1,131,339	0	1,131,339
2025 Biennium Grants	<u>21,116</u>	<u>379,284</u>	<u>347,790</u>	<u>3,305,557</u>	<u>3,653,347</u>
Total RDGP Expenditures/Appropriations	1,446,886	1,052,994	1,520,963	5,263,723	6,784,686
Total Expenditures/Appropriations	2,448,520	2,553,819	3,201,299	39,333,919	42,535,217
Estimated Ending Fund Balance	\$14,359,879	\$18,956,192	\$48,157,549	\$15,451,955	\$15,451,955
¹ HJ 2 projections					

Because grants for 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. HB 6 of the 68th Legislature authorized a general fund transfer to the natural resource project account of \$26.0 million to be used for loans for the Milk River Project.

Aside from authorized general fund transfers, funding for the account typically 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 2024 were approximately \$100,000 less than HJ 2 projections.

For the 2025 biennium, revenue projections for HJ 2 total \$6.5 million in state special revenue, in addition to the general fund transfer of \$26.0 million to the account. Under HB 6, the RDGP program budget was authorized at \$5.3 million; this includes funding for project grants, as well as other grants such as for planning, emergencies, irrigation, watershed management, private grants, and non-point source pollution reduction.

The current projected 2025 biennium ending fund balance is nearly \$15.5 million.