

# 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
\$ 1,221,791	\$ 1,195,839

Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	TL-A Reduce General Fund	\$ 7,047	
2	TL-C Reduce Land Banking Account Fund 02031 SSR		\$ 150,000
3	WRD-B Eliminate any New Equipment Purchases	\$ 100,000	
4	CRD-A Reduce Operating, Equipment & Pass Thru Funding	\$ 70,207	\$ 216,940
5	FD-A Reduce and/or delay Forestry Division administrative services	\$ 158,520	
6	TL-B Reduce Trust Admin. Account Fund 02938 SSR		\$ 400,191
7	FD-C Reduce landowner opportunities for technical assistance and education in the Forest Stewardship and Urban and Community Forestry programs.	\$ 57,845	\$ 8,949
8	WRD-A Reduce State Water Projects Operating Budget		\$ 186,778
9	DO-A Reductions	\$ 167,248	\$ 79,226
10	FD-B Reduce all Fire Protection program services	\$ 369,413	\$ 153,755
11	WRD-C Operating Budget Reductions	\$ 291,511	
<b>TOTAL SAVINGS</b>		<b>\$ 1,221,791</b>	<b>\$ 1,195,839</b>
<b>DIFFERENCE</b>		<b>0</b>	<b>0</b>

Form A

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### #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 \$7,047 in general fund in operating costs for the Morrill trust activities.

### #2 THE SAVINGS THAT ARE EXPECTED:

Savings in general fund \$7,047.

### #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

*Form B*

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### #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 include private spending authority for the cabin site sales program.

### #2 THE SAVINGS THAT ARE EXPECTED:

Savings of \$150,000 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 \$150,000 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

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

There would be no additional stream gages purchased or installed.

### #2 THE SAVINGS THAT ARE EXPECTED:

WRD would expect to save \$100,000.

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

The gages are used to calculate water supply and availability, regular water rights, establish and mitigate drought impacts, establish viable water diversion scheduling, determine reservoir and hydropower operations, manage fisheries and recreation, and forecast and mitigate the impacts of floods.

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

These gages are used to support administration of the water use act and provide information and data to the state water commissioners to distribute water by court decrees. No new/additional gages limits the ability to implement the water use act and administer court decrees.

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

Yes - 85-1-203-MCA

*Form B*

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### #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 reduction 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 projects in process. Pass-thru funding for a variety of organizations would be reduced from their 2019 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 Projects, and others would have their current funding reduced.

### #2 THE SAVINGS THAT ARE EXPECTED:

\$70,207 in the general fund and \$216,940 in state special revenue funds in both FY20 and FY21.

### #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 and safety 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, Dry Prairie Central Montana, 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. Montana Salinity Association control would have to reduce their operations and field work.
5. Conservation Districts would have to reduce their field work and it may take more time to approve permits.
6. Flathead Basin Commission would have to reduce their work.
7. Sage Grouse Program would have to reduce their work.
8. Invasive Species Councils would have to reduce their work.

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

The funding of some of these activities could possibly be replaced by state special revenue (RIT) funds depending on available funding within the Natural Resource Operating Account or the Coal Tax Shared Account.

The Grass Commission would need to travel less and have meetings by conference call. The river councils could ask for additional federal funding.

Some of these groups may be able to get some other funding such as federal or private assistance. For most of these groups the reduced funding will cause reduced services or no services. There may not be funds to match other funding sources. Projects may not move forward. In some cases water, wastewater systems, and irrigation projects will not get the help to fix problems.

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

Yes for some of these groups. Grass Commission through § 76-16-101 MCA

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#1

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

Reduce administrative and business services by holding vacant positions open for longer periods of time to reduce personal services expense across the program (Bureau and Area offices) as well as offer/accept voluntary reductions (furlough, leave without pay).

- Reduce / defer regular maintenance at Forestry Division offices and facilities statewide.
- Reduce travel, training, and other operating expenses across the program.
- Reduce one fleet vehicle.

### #2 THE SAVINGS THAT ARE EXPECTED:

61000: (\$58,520)  
62000: (\$70,000)  
63000: (\$30,000)  
Total: (\$158,520)

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

- Staffing delays would impact services in business and administrative support functions and negatively affect the timeliness in the ability to process fire suppression payments and grant disbursements, perform cost recovery activities, and provide administrative services.
- Deferred maintenance for state-owned facilities will result in higher future maintenance and repair costs.
- Other operating budget reductions will reduce travel and professional development opportunities for staff.
- One less vehicle will be purchased to off-set an aging fleet.

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

The proposed reductions would inevitably slow and/or weaken the ability to adequately perform business support, administrative services, training, travel and transportation functions for the division. Consequently, the proposed reductions would lessen the availability of specific resources and staff expertise, resulting in impacts difficult to mitigate.

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

No.

Form B

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### #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 \$400,191 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 uses contracts for seasonal timber work and surveys. Extensive operation reductions could reduce the amount of timber harvested, thereby reducing timber revenues to the trust beneficiaries. Tree related services, namely tree thinning and road maintenance reductions have a long-term impacts on forest health, rehabilitation and erosion control.
- 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 impacted 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

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

Reduce opportunities for landowner education in the Forest Stewardship program and reduce grants and technical assistance in Urban and Community Forestry.

Reduce operating budgets for employee training and travel.

### #2 THE SAVINGS THAT ARE EXPECTED:

62000: (\$10,000)

66000: (\$56,794)

Total: (\$66,794)

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

Budget reductions in the Forest Stewardship Program will result in less education and technical assistance offered to private land owners in Montana, which is likely to result in a reduction in good stewardship and active management of private land.

Reducing grants and technical assistance in the Urban and Community Forestry Program will mean less assistance to small towns with tree planting and tree care.

Reducing operating budgets across the Forestry Assistance Program is likely to result in less employee travel to provide private landowners with technical forestry assistance and decreased regulatory compliance with forestry best practices.

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

The Division will work to reconfigure how it delivers services to mitigate the impact to constituents and staff. However, given the size of this reduction some loss in services seems inevitable.

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

Yes. 76-13-401-415 MCA & 77-5-301-307 MCA, 76-13-117, MCA

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

Many components of various state projects have exceeded their design life and require replacement of extensive rehabilitation. SSR-Hydro Earnings(Fund 02470) is used to rehabilitate these projects as the infrastructure ages or as improvements are needed.

### #2 THE SAVINGS THAT ARE EXPECTED:

The savings are expected to equal \$186,778.

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

The reduction would delay some of the rehab efforts that would take place in the 2021 biennium.

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

If rehabilitation is needed for an emergency issue, the division may be able to request authority to spend funds from OBPP.

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

NO

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

- Reduce all fire protection program services by holding vacant positions open for longer periods of time to reduce personal services expense across the program (Bureau and Area offices) as well as offer/accept voluntary reductions (furlough, leave without pay).
- Reduce the appropriation for the aviation program's (Air Ops) fixed costs; this would require Air Ops to earn substantially more revenue by increasing flight rates, which would increase the state's fire suppression costs.
- Reduce travel, training, and other operating expenses across the fire program.
- Reduce number of wildland fire engines and/or water tenders developed by three (3) units.

### #2 THE SAVINGS THAT ARE EXPECTED:

61000: (\$200,000)  
62000: (\$200,000)  
63000: (\$ 45,060)  
68000: (\$ 78,108)  
Total: (\$523,168)

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

Budget reductions to the DNRC Fire Protection Program would decrease training and other resources the DNRC provides to cooperating county fire departments across Montana, slow and/or weaken the response to wildland fire emergencies, and diminish the Department's ability to protect lives, property and natural resources from wildfire.

Budget reductions that result in decreased staffing levels or operating supplies will 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 2017 figures, each time a wildland fire escapes initial attack, Montana taxpayers incur, on average \$1.6 million in costs.

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

The proposed reductions would inevitably slow and/or weaken the DNRC response to wildland fire emergencies; 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; and hinder staff responsiveness to constituents. The proposed reductions would lessen the availability of specific resources and staff expertise, resulting in impacts that can not be mitigated.

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

**YES:** 76-13-102 MCA, 76-13-103 MCA, 76-13-104 MCA, 76-13-115 MCA, 76-13-145 MCA, 76-13-201 MCA, 76-13-207 MCA, 76-13-213 MCA

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

This reduction would eliminate the divisions ability to use outside contractors on projects where the division lacks the internal expertise and would eliminate any discretionary travel.

### #2 THE SAVINGS THAT ARE EXPECTED:

These reductions would generate \$291,511 in general fund savings.

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

Would impact staff workload, service cuts and project delays.

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

Some of the workload may be able to be absorbed by current staff, but the division currently is delaying projects due to a lack of staffing.

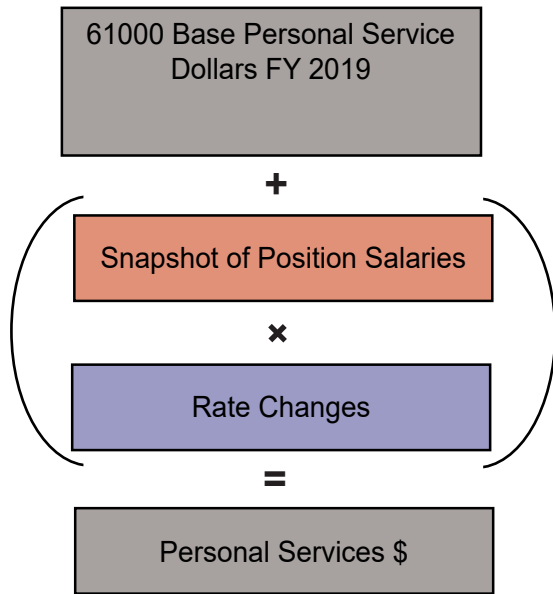
### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

NO

*Form B*

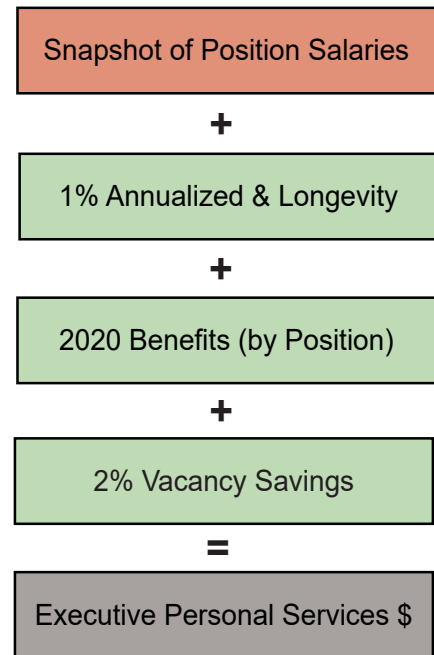
# 2021 Biennium Personal Services Comparison

## Expected PS Calculations



Personal Services  
- 61000 FY 2019 Personal Services Base  
= Compare to DP1

## Executive



Executive Personal Services  
- 61000 FY 2019 Personal Services Base  
= DP1 Statewide Present Law Adjustment

## Expected Personal Services Calculation Details

(Base 61000 Amount plus Expected-Benefit-Changes-Amount)

