

Agency Budget Comparison

| Agency Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|----------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 111,545,960 | 108,361,607 | (3,184,353) | (2.85)% |
| Operating Expenses | 71,488,985 | 77,390,117 | 5,901,132 | 8.25% |
| Equipment & Intangible Assets | 2,125,871 | 4,132,376 | 2,006,505 | 94.39% |
| Capital Outlay | 123,631 | 0 | (123,631) | (100.00)% |
| Grants | 2,655,802 | 2,635,388 | (20,414) | (0.77)% |
| Benefits & Claims | 4,900 | 1,600 | (3,300) | (67.35)% |
| Transfers | 807,514 | 807,514 | 0 | 0.00% |
| Debt Service | 29,043 | 29,042 | (1) | 0.00% |
| Total Expenditures | \$188,781,706 | \$193,357,644 | \$4,575,938 | 2.42% |
| State/Other Special Rev. Funds | 136,449,922 | 144,478,920 | 8,028,998 | 5.88% |
| Federal Spec. Rev. Funds | 52,331,784 | 48,878,724 | (3,453,060) | (6.60)% |
| Total Funds | \$188,781,706 | \$193,357,644 | \$4,575,938 | 2.42% |
| Total Ongoing | \$175,178,316 | \$189,245,745 | \$14,067,429 | 8.03% |
| Total OTO | \$13,603,390 | \$4,111,899 | (\$9,491,491) | (69.77)% |

Agency Description

Agency Mission: Montana Fish, Wildlife & Parks (FWP), through its employees and citizen commission, provides for the stewardship of the fish, wildlife, parks, and recreational resources of Montana, while contributing to the quality of life for present and future generations.

Agency Highlights

| Department of Fish, Wildlife, and Parks Major Budget Highlights |
|--|
| <p>The legislature approved an increase of 2.4% or \$4.6 million in total appropriations when compared to the 2019 biennium appropriation, and a 9.2% or \$16.2 million increase above base funding. The agency does not receive general fund appropriation. Specifically, the legislature approved:</p> <ul style="list-style-type: none"> • An increase of 12.57 FTE, including \$1.8 million in personal services and \$1.3 million in related operating and equipment expenses • A funding shift of \$2.4 million from federal sources to state special revenue within the Enforcement Division • Present law adjustments of \$8.8 million for parks operation, wildlife management, and warden overtime • A new proposal for one-time-only funding of \$1.0 million to support SB 341 Public Access Land Act • Other new proposals of \$2.2 million for one-time-only purchase of equipment for enforcement and wildlife management • Other new proposals totaling \$1.1 million are appropriated for wildlife management |

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 683.17 | 683.17 | 695.74 | 695.74 |
| Personal Services | 54,000,449 | 55,114,232 | 56,431,728 | 54,183,665 | 54,177,942 |
| Operating Expenses | 29,827,974 | 35,038,441 | 36,450,544 | 38,672,077 | 38,718,040 |
| Equipment & Intangible Assets | 1,421,818 | 1,567,933 | 557,938 | 3,084,438 | 1,047,938 |
| Capital Outlay | 123,631 | 123,631 | 0 | 0 | 0 |
| Grants | 895,482 | 1,320,608 | 1,335,194 | 1,317,694 | 1,317,694 |
| Benefits & Claims | 4,024 | 4,100 | 800 | 800 | 800 |
| Transfers | 295,228 | 403,757 | 403,757 | 403,757 | 403,757 |
| Debt Service | 14,521 | 14,522 | 14,521 | 14,521 | 14,521 |
| Total Expenditures | \$86,583,127 | \$93,587,224 | \$95,194,482 | \$97,676,952 | \$95,680,692 |
| State/Other Special Rev. Funds | 63,782,993 | 67,930,686 | 68,519,236 | 72,848,417 | 71,630,503 |
| Federal Spec. Rev. Funds | 22,800,134 | 25,656,538 | 26,675,246 | 24,828,535 | 24,050,189 |
| Total Funds | \$86,583,127 | \$93,587,224 | \$95,194,482 | \$97,676,952 | \$95,680,692 |
| Total Ongoing | \$80,062,348 | \$86,602,297 | \$88,576,019 | \$94,602,435 | \$94,643,310 |
| Total OTO | \$6,520,779 | \$6,984,927 | \$6,618,463 | \$3,074,517 | \$1,037,382 |

Summary of Legislative Action

The legislature approved a biennial budget of \$193.4 million, an increase of 2.4% or \$4.6 million. Ongoing appropriations total \$189.2 million and one-time-only (OTO) appropriations total \$4.1 million. OTO appropriations are \$9.5 million lower when compared to the 2019 biennium due primarily to OTO funding for AIS response now funded with revenues generated by HB 411.

A funding shift was approved within the Enforcement Division from federal sources to state special revenue totaling \$2.4 million. The funding switch provides the agency with more flexibility to fund personal services related to law enforcement activities. The legislature approved language that provides the agency flexibility to increase the use of federal sources from 15.0% to 17.0% of personal services expenditures within the Enforcement Division.

The budget includes an increase of 12.57 FTE, including \$1.8 million in personal services and \$1.3 million in related operating and equipment expenses. The additional FTE will work on hatchery operations, statewide native fish species coordination, wildlife management, wildlife conflict issues, weed management issues, wildlife planning, disease surveillance and response.

New proposals include \$4.3 million to support SB 341 Public Access Land Act, funding for drought resiliency, weed control at fishing access sites, new equipment for the enforcement and wildlife divisions, wildlife management programs monitoring wolves and mountain lions.

Other Legislation

HB 10 - "Long-Range Information Technology Appropriations"

HB 10 appropriates \$2.5 million in state special revenue and \$7.5 million in federal revenue to replace the Automated Licensing System. The agency may adjust appropriations between state special and federal special revenue funds if the total state special revenue authority is not increased by more than 10% of the total appropriation.

HB 411 - "Revise laws related to AIS expenditures and funding"

HB 411 revises laws related to funding Aquatic Invasive Species (AIS) prevention. HB 411 creates a new fee imposed on out of state vessels, reduces the cost of the AIS pass for out of state anglers and makes permanent the AIS pass for all anglers, allocates 1.4% of the lodging tax to the aquatic invasive species prevention, and changes fees charged to hydroelectric facilities for AIS prevention. The Aquatic Invasive Species state special

revenue account receives all revenues and the balance is subject to legislative appropriation. HB 411 appropriates \$4.9 million to FWP for AIS prevention.

HB 695 - "Appropriate funds to FWP for recreation easement"

HB 695 appropriates \$12.0 million from revenues generated by the sale of hunting and fishing licenses and certain fees derived from motor vehicle registration to purchase a permanent recreation easement at Big Arm state park from the Department of Natural Resources and Conservation.

Funding

The following table shows agency funding by source of authority.

| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
|------------------------------------|----------------------|--------------------|--------------------------|-------------------------|----------------------|-------------------|
| General Fund | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| State Special Total | 141,220,974 | 3,257,946 | 1,415,468 | 4,615,829 | 150,510,217 | 72.24 % |
| Federal Special Total | 48,024,771 | 853,953 | 0 | 625,400 | 49,504,124 | 23.76 % |
| Proprietary Total | 0 | 0 | 8,342,690 | 0 | 8,342,690 | 4.00 % |
| Other Total | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| Total All Funds | \$189,245,745 | \$4,111,899 | \$9,758,158 | \$5,241,229 | \$208,357,031 | |
| Percent - Total All Sources | 90.83 % | 1.97 % | 4.68 % | 2.52 % | | |

Fish, Wildlife, and Parks (FWP) is predominately funded by state special revenue and federal revenue sources. State special revenue is from fees for hunting, fishing, and other recreational activities. Federal sources are predominately derived from federal excise taxes on hunting and fishing equipment, grants for endangered species, and state wildlife grants.

State special revenue from 40 different funds constitutes 74.7% of the total HB 2 funding and 72.2% of total funding for the agency. The general license account provides for the majority the total funding for the agency. The largest source of federal funding is Pittman-Robertson and Dingell-Johnson funding which accounts for 17.5% of total funding.

Statutory appropriations from revenues generated by the accommodations tax support weed control and maintenance at Montana's 55 state parks. Other appropriations from the general license, state parks miscellaneous, and habitat trust interest state special revenue accounts support payment in lieu of taxes (PILT) for the acreage owned by FWP. The agency also receives federal funding for PILT payments.

FWP has non-budgeted proprietary funds for aircraft use, parks usage, copying, equipment, and warehouse inventory. These will be discussed further in the appropriate programs.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 88,576,019 | 88,576,019 | 177,152,038 | 91.62 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 849,977 | 826,498 | 1,676,475 | 0.87 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 4,759,502 | 4,533,108 | 9,292,610 | 4.81 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 3,491,454 | 1,745,067 | 5,236,521 | 2.71 % |
| Total Budget | \$0 | \$0 | \$0 | | \$97,676,952 | \$95,680,692 | \$193,357,644 | |

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

| Executive Budget Comparison | | | | | | | | |
|-----------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2019 | Executive Budget Fiscal 2020 | Legislative Budget Fiscal 2020 | Leg — Exec. Difference Fiscal 2020 | Executive Budget Fiscal 2021 | Legislative Budget Fiscal 2021 | Leg — Exec. Difference Fiscal 2021 | Biennium Difference Fiscal 20-21 |
| FTE | 683.17 | 702.70 | 695.74 | (6.96) | 702.70 | 695.74 | (6.96) | (6.96) |
| Personal Services | 56,431,728 | 54,678,026 | 54,183,665 | (494,361) | 54,675,304 | 54,177,942 | (497,362) | (991,723) |
| Operating Expenses | 36,450,544 | 38,986,612 | 38,672,077 | (314,535) | 38,346,210 | 38,718,040 | 371,830 | 57,295 |
| Equipment & Intangible Assets | 557,938 | 3,161,438 | 3,084,438 | (77,000) | 1,124,938 | 1,047,938 | (77,000) | (154,000) |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants | 1,335,194 | 1,317,694 | 1,317,694 | 0 | 1,317,694 | 1,317,694 | 0 | 0 |
| Benefits & Claims | 800 | 800 | 800 | 0 | 800 | 800 | 0 | 0 |
| Transfers | 403,757 | 456,757 | 403,757 | (53,000) | 456,757 | 403,757 | (53,000) | (106,000) |
| Debt Service | 14,521 | 14,521 | 14,521 | 0 | 14,521 | 14,521 | 0 | 0 |
| Total Costs | \$95,194,482 | \$98,615,848 | \$97,676,952 | (\$938,896) | \$95,936,224 | \$95,680,692 | (\$255,532) | (\$1,194,428) |
| General Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State/other Special Rev. Funds | 68,519,236 | 72,505,057 | 72,848,417 | 343,360 | 70,591,576 | 71,630,503 | 1,038,927 | 1,382,287 |
| Federal Spec. Rev. Funds | 26,675,246 | 26,110,791 | 24,828,535 | (1,282,256) | 25,344,648 | 24,050,189 | (1,294,459) | (2,576,715) |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$95,194,482 | \$98,615,848 | \$97,676,952 | (\$938,896) | \$95,936,224 | \$95,680,692 | (\$255,532) | (\$1,194,428) |
| Total Ongoing | \$88,576,019 | \$95,042,348 | \$94,602,435 | (\$439,913) | \$95,099,224 | \$94,643,310 | (\$455,914) | (\$895,827) |
| Total OTO | \$6,618,463 | \$3,573,500 | \$3,074,517 | (\$498,983) | \$837,000 | \$1,037,382 | \$200,382 | (\$298,601) |

The legislature approved total appropriations 0.6% or \$1.2 million lower than the executive request. The differences include:

- A funding switch from federal Pittman-Robertson funds to general license account state special revenue within the Enforcement Division
- One-time-only funding to support SB 341 Public Access Land Act
- The executive requested an increase of 19.53 FTE of which the legislature approved 15.13 FTE
- Removed from the base 2.56 FTE and the associated state special revenue totaling \$0.2 million
- Approved the inclusion of language in HB 2 that gives the agency flexibility to fund personal services in the Enforcement Division with federal funds between 15.0% and 17.0%

Language and Statutory Authority

The legislature adopted the following language to be included in HB 2:

"The department may use federal funds for the Enforcement Division in excess of the federal special revenue in the Enforcement Division appropriation up to an additional 50% of that appropriation. If federal funds are used by the department for the Enforcement Division in excess of the federal special revenue in the Enforcement Division appropriation, the state special revenue appropriation must be reduced and federal special revenue appropriation increased by the amount of federal funds used."

"If SB 341 is not passed and approved, the state special revenue appropriation for Public Access Land Act is void."

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|-----------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 33,091,703 | 25,476,345 | (7,615,358) | (23.01)% |
| Operating Expenses | 14,696,073 | 15,539,320 | 843,247 | 5.74 % |
| Equipment & Intangible Assets | 917,188 | 945,768 | 28,580 | 3.12 % |
| Grants | 532,554 | 529,140 | (3,414) | (0.64)% |
| Transfers | 4,784 | 4,784 | 0 | 0.00 % |
| Total Expenditures | \$49,242,302 | \$42,495,357 | (\$6,746,945) | (13.70)% |
| State/Other Special Rev. Funds | 22,771,466 | 20,786,318 | (1,985,148) | (8.72)% |
| Federal Spec. Rev. Funds | 26,470,836 | 21,709,039 | (4,761,797) | (17.99)% |
| Total Funds | \$49,242,302 | \$42,495,357 | (\$6,746,945) | (13.70)% |
| Total Ongoing | \$38,282,802 | \$41,995,357 | \$3,712,555 | 9.70 % |
| Total OTO | \$10,959,500 | \$500,000 | (\$10,459,500) | (95.44)% |

Program Description

The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities and aquatic wildlife stewardship. The division formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The program:

- Operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited
- Regulates angler harvests
- Monitors fish populations
- Provides adequate public access

Program Highlights

| Fisheries Division Major Budget Highlights |
|---|
| <p>The legislature approved a 13.7% or \$6.7 million decrease in total appropriations, ongoing appropriations increased 9.7% or \$3.7 million compared to the 2019 biennium. In addition to base funding of \$38.8 million, the legislature approved present law adjustments and new proposals totaling \$3.7 million, specifically:</p> <ul style="list-style-type: none"> • The personal services budget is \$7.6 million lower when compared to the 2019 biennium. The legislature did not renew one-time-only personal services expenditures for AIS response budgeted in the 2019 biennium • The legislature approved 2.00 FTE to support hatchery operations and native fish species programs |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 172.65 | 172.65 | 174.65 | 174.65 |
| Personal Services | 15,861,457 | 16,707,876 | 16,383,827 | 12,740,406 | 12,735,939 |
| Operating Expenses | 5,582,260 | 6,869,882 | 7,826,191 | 7,760,333 | 7,778,987 |
| Equipment & Intangible Assets | 622,266 | 694,304 | 222,884 | 472,884 | 472,884 |
| Grants | 73,685 | 250,484 | 282,070 | 264,570 | 264,570 |
| Transfers | 0 | 2,392 | 2,392 | 2,392 | 2,392 |
| Total Expenditures | \$22,139,668 | \$24,524,938 | \$24,717,364 | \$21,240,585 | \$21,254,772 |
| State/Other Special Rev. Funds | 11,158,209 | 11,627,084 | 11,144,382 | 10,388,245 | 10,398,073 |
| Federal Spec. Rev. Funds | 10,981,459 | 12,897,854 | 13,572,982 | 10,852,340 | 10,856,699 |
| Total Funds | \$22,139,668 | \$24,524,938 | \$24,717,364 | \$21,240,585 | \$21,254,772 |
| Total Ongoing | \$16,769,270 | \$18,862,163 | \$19,420,639 | \$20,990,585 | \$21,004,772 |
| Total OTO | \$5,370,398 | \$5,662,775 | \$5,296,725 | \$250,000 | \$250,000 |

Funding

The following table shows program funding by source of authority.

| Department of Fish, Wildlife, and Parks, 03-Fisheries Division Funding by Source of Authority | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02051 Private Contracts & Grants | 0 | 0 | 0 | 0 | 0.00 % |
| 02148 Paddlefish Roe Account | 49,828 | 0 | 0 | 49,828 | 0.24 % |
| 02171 Smith R. Corridor Enhancement | 0 | 0 | 0 | 0 | 0.00 % |
| 02333 Fishing Access Site Maint | 868,236 | 0 | 0 | 868,236 | 4.18 % |
| 02409 General License | 19,545,332 | 0 | 0 | 19,545,332 | 94.03 % |
| 02558 FAS - Vehicle Registration | 322,922 | 0 | 0 | 322,922 | 1.55 % |
| 02284 Aquatic Invasive Species | 0 | 0 | 0 | 0 | 0.00 % |
| State Special Total | \$20,786,318 | \$0 | \$0 | \$20,786,318 | 48.91 % |
| 03097 Fedl Fish(W/B) Wildlife(P/R) | 11,708,900 | 0 | 0 | 11,708,900 | 53.94 % |
| 03129 USFWS SECTION 6 | 0 | 0 | 0 | 0 | 0.00 % |
| 03403 Misc Federal Funds | 9,152,002 | 0 | 0 | 9,152,002 | 42.16 % |
| 03408 State Wildlife Grants | 848,137 | 0 | 0 | 848,137 | 3.91 % |
| Federal Special Total | \$21,709,039 | \$0 | \$0 | \$21,709,039 | 51.09 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$42,495,357 | \$0 | \$0 | \$42,495,357 | |

The Fisheries Division is funded from state special revenue and federal sources. State special revenue is almost entirely funded from the general license account. Revenues include the sale of fishing and hunting licenses, camping fees, permit sales, a portion of vehicle license fees, and other miscellaneous revenue.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 19,420,639 | 19,420,639 | 38,841,278 | 91.40 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 89,021 | 110,475 | 199,496 | 0.47 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 1,132,612 | 1,128,346 | 2,260,958 | 5.32 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 598,313 | 595,312 | 1,193,625 | 2.81 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$21,240,585 | \$21,254,772 | \$42,495,357 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|--------------------|-----------------|--------------------|-----------------------|--------------|--------------------|-----------------|--------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 3 - Inflation Deflation | 0.00 | 0 | 66,242 | 22,779 | 89,021 | 0.00 | 0 | 82,169 | 28,306 | 110,475 |
| DP 50 - Personal Services Adjustment | 0.00 | 0 | (120,004) | 616 | (119,388) | 0.00 | 0 | (123,102) | (552) | (123,654) |
| DP 301 - Fish Management Coordination | 0.00 | 0 | 558,000 | 0 | 558,000 | 0.00 | 0 | 558,000 | 0 | 558,000 |
| DP 302 - Regional Fish Management Operations | 0.00 | 0 | 182,000 | 0 | 182,000 | 0.00 | 0 | 182,000 | 0 | 182,000 |
| DP 303 - Hatchery Operations | 0.00 | 0 | 223,279 | 38,721 | 262,000 | 0.00 | 0 | 223,279 | 38,721 | 262,000 |
| DP 304 - Equipment - (BIEN/OTO) | 0.00 | 0 | 250,000 | 0 | 250,000 | 0.00 | 0 | 250,000 | 0 | 250,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$1,159,517 | \$62,116 | \$1,221,633 | 0.00 | \$0 | \$1,172,346 | \$66,475 | \$1,238,821 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

DP 301 - Fish Management Coordination -

The legislature approved an increase in state special revenue to support coordination and program management of exotic species and pathogens across the state.

DP 302 - Regional Fish Management Operations -

The legislature approved an increase in appropriation from the general license account to restore regional fisheries management activities that were reduced or eliminated during the 2019 biennium due to declining federal revenue. Management activities include enhancing public access opportunities, population surveys, population inventory. Funding would also support technical consulting for permitting and regulatory activities.

DP 303 - Hatchery Operations -

The legislature approved an increase in state special and federal revenues for hatcheries operations. This proposal will restore production to previous levels.

DP 304 - Equipment - (BIEN/OTO) -

The legislature approved a biennial and one-time-only appropriation of state special revenue to fund the purchase of equipment for the fish management and hatchery program. Equipment includes fish hauling trucks, tanks, motors, electro-fishing gear, and other miscellaneous equipment.

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | Fiscal 2020 | | | | | Fiscal 2021 | | | | |
|--|-------------|--------------|------------------|-----------------|------------------|-------------|--------------|------------------|-----------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 305 - Drought Resiliency - (BIEN) | 0.00 | 0 | 310,000 | 0 | 310,000 | 0.00 | 0 | 310,000 | 0 | 310,000 |
| DP 307 - Fisheries FTE (RST) | 2.00 | 0 | 138,313 | 0 | 138,313 | 2.00 | 0 | 135,312 | 0 | 135,312 |
| DP 3000 - Improving Fishing Access Sites | 0.00 | 0 | 150,000 | 0 | 150,000 | 0.00 | 0 | 150,000 | 0 | 150,000 |
| Total | 2.00 | \$0 | \$598,313 | \$0 | \$598,313 | 2.00 | \$0 | \$595,312 | \$0 | \$595,312 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 305 - Drought Resiliency - (BIEN) -

The legislature approved an increase in state special revenue for continuous drought management planning which informs angling restrictions and protects the state's instream water rights. It will enhance drought resiliency through the development and implementation of instream flow improvement projects (e.g. water leasing, provide matching funds for partner drought projects). It will allow the agency to form partnerships in water conservation efforts and drought planning and restore funding for critical continuous stream gauge monitoring.

DP 307 - Fisheries FTE (RST) -

The legislature approved an increase of 2.00 FTE and \$274,000 in personal services and associated operating expense to support critical native species coordination across the state, and hatchery operations. The legislature has restricted this appropriation.

DP 3000 - Improving Fishing Access Sites -

The legislature approved an increase in general license account state special revenue for at least five pilot projects to increase weed control and improve riparian habitat at the fishing access sites. The agency will report on the progress to the Environmental Quality Council (EQC) by December of each year of the 2021 Biennium. When reporting to the EQC the agency will report on actual areas sprayed, and actual habitat enhanced.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 19,264,019 | 20,104,882 | 840,863 | 4.36 % |
| Operating Expenses | 4,411,778 | 4,531,007 | 119,229 | 2.70 % |
| Equipment & Intangible Assets | 225,195 | 1,504,400 | 1,279,205 | 568.04 % |
| Transfers | 106,088 | 106,088 | 0 | 0.00 % |
| Total Expenditures | \$24,007,080 | \$26,246,377 | \$2,239,297 | 9.33 % |
| State/Other Special Rev. Funds | 19,220,189 | 23,149,422 | 3,929,233 | 20.44 % |
| Federal Spec. Rev. Funds | 4,786,891 | 3,096,955 | (1,689,936) | (35.30)% |
| Total Funds | \$24,007,080 | \$26,246,377 | \$2,239,297 | 9.33 % |
| Total Ongoing | \$23,408,248 | \$24,916,377 | \$1,508,129 | 6.44 % |
| Total OTO | \$598,832 | \$1,330,000 | \$731,168 | 122.10 % |

Program Description

The Law Enforcement Division is responsible for ensuring compliance with laws and regulations pertaining to the protection and preservation of game animals, fur-bearing animals, fish, game birds, and other protected wildlife species. The division engages in complex wildlife criminal investigations aimed at unlawful wildlife trafficking and the unlawful exploitation of fish and wildlife. It also enforces the laws and regulations relative to lands or waters under agency jurisdiction and authority of the department such as state parks, fishing access sites, and wildlife management areas, as well as those laws and regulations pertaining to outfitters/guides, boating, snowmobiles, and off-highway vehicle safety and registration. Other duties include block management area administration and patrols, stream access enforcement, commercial wildlife permitting, hunter education, license vendor contacts, game damage response, urban wildlife activities, and assisting other law enforcement agencies as requested.

Program Highlights

| Enforcement Division Major Budget Highlights |
|--|
| <p>The legislature approved a 9.3% or \$2.2 million increase in total appropriations. Ongoing appropriations increase 6.4% or \$1.5 million. In addition to base funding of \$24.1 million, the legislature approved present law adjustments and new proposals totaling \$2.2 million, specifically:</p> <ul style="list-style-type: none"> • Present law adjustments for warden overtime, inflation and personal services adjustments totaling \$848,000 • New proposals of \$1.3 million for OTO purchase of law enforcement equipment <p>The legislature approved a funding switch of \$2.4 million from federal Pittman-Robertson funds to state special general license revenue. The legislature included language in HB 2 that provides the agency the flexibility to use federal sources to fund up-to 17.0% of the total personal services budget.</p> |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 115.50 | 115.50 | 115.50 | 115.50 |
| Personal Services | 9,178,745 | 9,291,765 | 9,972,254 | 10,054,043 | 10,050,839 |
| Operating Expenses | 2,060,979 | 2,190,600 | 2,221,178 | 2,255,144 | 2,275,863 |
| Equipment & Intangible Assets | 134,792 | 137,995 | 87,200 | 1,417,200 | 87,200 |
| Transfers | 53,000 | 53,044 | 53,044 | 53,044 | 53,044 |
| Total Expenditures | \$11,427,516 | \$11,673,404 | \$12,333,676 | \$13,779,431 | \$12,466,946 |
| State/Other Special Rev. Funds | 9,287,762 | 9,320,808 | 9,899,381 | 11,977,978 | 11,171,444 |
| Federal Spec. Rev. Funds | 2,139,754 | 2,352,596 | 2,434,295 | 1,801,453 | 1,295,502 |
| Total Funds | \$11,427,516 | \$11,673,404 | \$12,333,676 | \$13,779,431 | \$12,466,946 |
| Total Ongoing | \$11,128,235 | \$11,373,988 | \$12,034,260 | \$12,449,431 | \$12,466,946 |
| Total OTO | \$299,281 | \$299,416 | \$299,416 | \$1,330,000 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Fish, Wildlife, and Parks, 04-Enforcement Division Funding by Source of Authority | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02051 Private Contracts & Grants | 0 | 0 | 0 | 0 | 0.00 % |
| 02115 Off-Highway Decal | 139,500 | 0 | 0 | 139,500 | 0.60 % |
| 02329 Snowmobile Fuel Tax-Enforcemnt | 70,518 | 0 | 0 | 70,518 | 0.30 % |
| 02334 Hunting Access | 1,044,657 | 0 | 0 | 1,044,657 | 4.51 % |
| 02409 General License | 20,388,858 | 0 | 0 | 20,388,858 | 88.08 % |
| 02411 State Parks Miscellaneous | 763,604 | 0 | 0 | 763,604 | 3.30 % |
| 02413 F & G Motorboat Cert Id | 210,480 | 0 | 0 | 210,480 | 0.91 % |
| 02414 Snowmobile Reg | 150,498 | 0 | 0 | 150,498 | 0.65 % |
| 02938 TLMD Trust Administration | 381,307 | 0 | 0 | 381,307 | 1.65 % |
| State Special Total | \$23,149,422 | \$0 | \$0 | \$23,149,422 | 88.20 % |
| 03097 Fedl Fish(W/B) Wildlife(P/R) | 1,596,846 | 0 | 0 | 1,596,846 | 51.56 % |
| 03403 Misc Federal Funds | 1,500,109 | 0 | 0 | 1,500,109 | 48.44 % |
| Federal Special Total | \$3,096,955 | \$0 | \$0 | \$3,096,955 | 11.80 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$26,246,377 | \$0 | \$0 | \$26,246,377 | |

The largest source of funding for the Enforcement Division is the general license account. General license account revenues include the sale of fishing and hunting licenses, camping fees, permit sales, a portion of vehicle license fees, and other miscellaneous revenue. Other sources of funding come from motor vehicle registrations, snowmobile permits and pass fees.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 12,034,260 | 12,034,260 | 24,068,520 | 91.70 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 85,971 | 106,690 | 192,661 | 0.73 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 329,200 | 325,996 | 655,196 | 2.50 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 1,330,000 | 0 | 1,330,000 | 5.07 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$13,779,431 | \$12,466,946 | \$26,246,377 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 3 - Inflation Deflation | 0.00 | 0 | 53,416 | 32,555 | 85,971 | 0.00 | 0 | 66,289 | 40,401 | 106,690 |
| DP 50 - Personal Services Adjustment | 0.00 | 0 | 128,953 | 46,987 | 175,940 | 0.00 | 0 | 127,254 | 45,482 | 172,736 |
| DP 402 - Warden Overtime | 0.00 | 0 | 153,260 | 0 | 153,260 | 0.00 | 0 | 153,260 | 0 | 153,260 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$335,629 | \$79,542 | \$415,171 | 0.00 | \$0 | \$346,803 | \$85,883 | \$432,686 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

DP 402 - Warden Overtime -

The legislature approved an increase in state special revenue authority to fund overtime compensation for game wardens. Aquatic invasive species enforcement, expanded shoulder seasons, and response to chronic wasting disease is driving increases in hours worked.

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|---|-----------------------|--------------|--------------------|--------------------|--------------------|-----------------------|--------------|--------------------|----------------------|-------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 401 - Enforcement Boat Replacement (BIEN/OTO) | 0.00 | 0 | 500,000 | 500,000 | 1,000,000 | 0.00 | 0 | 0 | 0 | 0 |
| DP 402 - Enforcement Equipment Replacement (BIEN/OTO) | 0.00 | 0 | 330,000 | 0 | 330,000 | 0.00 | 0 | 0 | 0 | 0 |
| DP 404 - DP 404 - Enforcement Funding Switch PR To GL | 0.00 | 0 | 1,212,384 | (1,212,384) | 0 | 0.00 | 0 | 1,224,676 | (1,224,676) | 0 |
| Total | 0.00 | \$0 | \$2,042,384 | (\$712,384) | \$1,330,000 | 0.00 | \$0 | \$1,224,676 | (\$1,224,676) | \$0 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 401 - Enforcement Boat Replacement (BIEN/OTO) -

The legislature approved a one-time-only biennial appropriation from the general license account to match federal Coast Guard grant money to replace aging and obsolete Enforcement Division watercraft across the state. The life span of watercraft purchased under this proposal is expected to be 15 to 20 years.

DP 402 - Enforcement Equipment Replacement (BIEN/OTO) -

The legislature approved a one-time-only biennial appropriation from the general license account to replace and update aging and obsolete off highway vehicle and snowmobile inventory across the state with up to 25 OHV's and 15 snowmobiles. Current equipment is up to 20 years old and requires excessive maintenance. New equipment life span expectancy is 15 years or more.

DP 404 - DP 404 - Enforcement Funding Switch PR To GL -

The legislature approved a funding switch from federal special revenue to the state special revenue within the Enforcement Division of the Department of Fish, Wildlife, and Parks. The funding switch reduces the amount of Pittman-Robertson federal special revenue and increases general license state special revenue by a like amount.

The legislature also approved HB 2 language that would require the Enforcement Division to use federal Pittman-Robertson and associated state match dollars for a minimum of 15.0% of its total personal services budget, but to allow the discretion to use additional federal funds up to 17.0% of the total personal services Enforcement Division budget.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 20,527,720 | 21,635,490 | 1,107,770 | 5.40 % |
| Operating Expenses | 26,842,480 | 27,993,374 | 1,150,894 | 4.29 % |
| Equipment & Intangible Assets | 92,434 | 562,234 | 469,800 | 508.25 % |
| Grants | 358,600 | 341,600 | (17,000) | (4.74)% |
| Benefits & Claims | 4,900 | 1,600 | (3,300) | (67.35)% |
| Total Expenditures | \$47,826,134 | \$50,534,298 | \$2,708,164 | 5.66 % |
| State/Other Special Rev. Funds | 30,102,629 | 30,655,734 | 553,105 | 1.84 % |
| Federal Spec. Rev. Funds | 17,723,505 | 19,878,564 | 2,155,059 | 12.16 % |
| Total Funds | \$47,826,134 | \$50,534,298 | \$2,708,164 | 5.66 % |
| Total Ongoing | \$46,079,826 | \$49,552,399 | \$3,472,573 | 7.54 % |
| Total OTO | \$1,746,308 | \$981,899 | (\$764,409) | (43.77)% |

Program Description

The Wildlife Division is responsible for the conservation and management of Montana’s 600+ birds, mammals, reptiles, and amphibians and their habitat for public benefit. Activities related to the Wildlife Division include program coordination and planning, monitoring the status of wildlife and habitats, conserving and enhancing wildlife habitat, and providing opportunity for public enjoyment of wildlife through hunting, trapping, and viewing. The division manages animals legislatively categorized as big game, nongame wildlife, migratory game birds, upland game, furbearers, and threatened and endangered species. Responsibilities within the Wildlife Division fall into four major themes: management, habitat, access, and wildlife conflict.

Program Highlights

| Wildlife Division Major Budget Highlights |
|---|
| <p>The legislature approved increases in total appropriation of 5.7% or \$2.7 million and an increase in ongoing expenditures of 7.5% or \$3.5 million. In addition to base funding of \$46.5 million, the legislature approved present law adjustments and new proposals totaling \$4.1 million, specifically:</p> <ul style="list-style-type: none"> • Personal service appropriations were increased by \$1.8 million and 10.32 FTE to support wildlife management programs, wildlife disease surveillance and response, and a weed bill coordinator • The legislature approved a \$2.3 million in increases for operating and equipment expense to support activities mentioned above |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 133.57 | 133.57 | 143.89 | 143.89 |
| Personal Services | 10,107,338 | 10,107,649 | 10,420,071 | 10,819,280 | 10,816,210 |
| Operating Expenses | 10,291,848 | 13,369,759 | 13,472,721 | 13,985,515 | 14,007,859 |
| Equipment & Intangible Assets | 26,187 | 44,567 | 47,867 | 484,367 | 77,867 |
| Grants | 187,741 | 187,800 | 170,800 | 170,800 | 170,800 |
| Benefits & Claims | 4,024 | 4,100 | 800 | 800 | 800 |
| Total Expenditures | \$20,617,138 | \$23,713,875 | \$24,112,259 | \$25,460,762 | \$25,073,536 |
| State/Other Special Rev. Funds | 12,379,472 | 14,958,420 | 15,144,209 | 15,375,726 | 15,280,008 |
| Federal Spec. Rev. Funds | 8,237,666 | 8,755,455 | 8,968,050 | 10,085,036 | 9,793,528 |
| Total Funds | \$20,617,138 | \$23,713,875 | \$24,112,259 | \$25,460,762 | \$25,073,536 |
| Total Ongoing | \$19,888,210 | \$22,840,514 | \$23,239,312 | \$24,766,245 | \$24,786,154 |
| Total OTO | \$728,928 | \$873,361 | \$872,947 | \$694,517 | \$287,382 |

Funding

The following table shows program funding by source of authority.

| Department of Fish, Wildlife, and Parks, 05-Wildlife Division Funding by Source of Authority | | | | | | |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02051 Private Contracts & Grants | 0 | 0 | 0 | 0 | 0.00 % | |
| 02061 Nongame Wildlife Account | 102,294 | 0 | 0 | 102,294 | 0.33 % | |
| 02084 Fish WL Forest Management | 293,982 | 0 | 0 | 293,982 | 0.96 % | |
| 02085 Waterfowl Stamp Spec. Rev. | 26,124 | 0 | 0 | 26,124 | 0.09 % | |
| 02086 Mountain Sheep Account | 295,960 | 0 | 0 | 295,960 | 0.97 % | |
| 02112 Moose Auction | 77,713 | 0 | 0 | 77,713 | 0.25 % | |
| 02113 Upland Game Bird Habitat | 420,271 | 0 | 0 | 420,271 | 1.37 % | |
| 02114 Wildlife Habitat | 0 | 0 | 0 | 0 | 0.00 % | |
| 02176 Mountain Goat Auction | 28,000 | 0 | 0 | 28,000 | 0.09 % | |
| 02334 Hunting Access | 17,200,600 | 0 | 0 | 17,200,600 | 56.11 % | |
| 02408 Coal Tax Trust Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 03408 State Wildlife Grants | 0 | 0 | 0 | 0 | 0.00 % | |
| 02409 General License | 10,179,901 | 0 | 0 | 10,179,901 | 33.21 % | |
| 02423 Wolf Management Account | 362,010 | 0 | 0 | 362,010 | 1.18 % | |
| 02424 Wolf Depredation | 423,391 | 0 | 0 | 423,391 | 1.38 % | |
| 02469 Habitat Trust Interest | 1,119,504 | 0 | 0 | 1,119,504 | 3.65 % | |
| 02559 Mule Deer Auction | 49,994 | 0 | 0 | 49,994 | 0.16 % | |
| 02560 Elk Auction | 75,990 | 0 | 0 | 75,990 | 0.25 % | |
| State Special Total | \$30,655,734 | \$0 | \$0 | \$30,655,734 | 59.80 % | |
| 03097 Fedl Fish(W/B) Wildlife(P/R) | 18,797,641 | 0 | 0 | 18,797,641 | 94.56 % | |
| 03129 USFWS SECTION 6 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03403 Misc Federal Funds | 331,295 | 0 | 0 | 331,295 | 1.67 % | |
| 03408 State Wildlife Grants | 749,628 | 0 | 0 | 749,628 | 3.77 % | |
| Federal Special Total | \$19,878,564 | \$0 | \$0 | \$19,878,564 | 38.78 % | |
| 06540 DFWP Aircraft | 0 | 729,970 | 0 | 729,970 | 100.00 % | |
| Proprietary Total | \$0 | \$729,970 | \$0 | \$729,970 | 1.42 % | |
| Total All Funds | \$50,534,298 | \$729,970 | \$0 | \$51,264,268 | | |

The program is funded with state special and federal revenues. The hunting access account receives revenue from the sale of bird, deer and big game licenses; used to support hunter access programs. The general license account receives revenues from the sale of hunting and fishing licenses, camping fees, and the sale of permits and is used to benefit both anglers and hunters. The habitat trust account receives a portion of the revenue from hunting licenses and is used to

support the Habitat Montana Program. Federal revenue comes from an excise tax on fishing equipment, sporting arms, and ammunition. Federal funds support management of fish and wildlife projects.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 23,239,312 | 23,239,312 | 46,478,624 | 91.97 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 103,220 | 128,095 | 231,315 | 0.46 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 1,083,066 | 1,078,771 | 2,161,837 | 4.28 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 1,035,164 | 627,358 | 1,662,522 | 3.29 % |
| Total Budget | \$0 | \$0 | \$0 | | \$25,460,762 | \$25,073,536 | \$50,534,298 | |

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|---|-----------------------|--------------|------------------|------------------|--------------------|-----------------------|--------------|------------------|------------------|--------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 3 - Inflation Deflation | 0.00 | 0 | 42,229 | 60,991 | 103,220 | 0.00 | 0 | 52,406 | 75,689 | 128,095 |
| DP 50 - Personal Services Adjustment | (2.56) | 0 | (72,970) | 46,031 | (26,939) | (2.56) | 0 | (72,920) | 52,926 | (19,994) |
| DP 501 - Restore Bison Containment Program (OTO) | 0.50 | 0 | 57,859 | 0 | 57,859 | 0.50 | 0 | 57,763 | 0 | 57,763 |
| DP 502 - Wildlife Disease Surveillance and Response | 1.00 | 0 | 99,593 | 298,222 | 397,815 | 1.00 | 0 | 98,756 | 296,268 | 395,024 |
| DP 504 - Wildlife Grizzly Bear Program | 4.38 | 0 | 106,336 | 317,838 | 424,174 | 4.38 | 0 | 104,090 | 312,268 | 416,358 |
| DP 505 - Wildlife Wolf Program Ongoing | 2.50 | 0 | 204,025 | 26,132 | 230,157 | 2.50 | 0 | 203,680 | 25,940 | 229,620 |
| Grand Total All Present Law Adjustments | 5.82 | \$0 | \$437,072 | \$749,214 | \$1,186,286 | 5.82 | \$0 | \$443,775 | \$763,091 | \$1,206,866 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the agency/ program. Specific adjustments to the executive request include:

- Removal of 2.56 FTE currently vacant from the base
- Reduction in state special revenue of \$250,000

DP 501 - Restore Bison Containment Program (OTO) -

The legislature approved an increase in state special revenue appropriation to support management of bison near Yellowstone Park. This proposal includes an increase of 0.50 FTE and associated personal services and operating expenses for seasonal help.

DP 502 - Wildlife Disease Surveillance and Response -

The legislature approved an increase in state special and federal authority to support Chronic Wasting Disease (CWD) surveillance and response. The proposal adds 1.00 FTE and associated personal services and operating expenses. The additional staff will coordinate sample collection and response in targeted surveillance areas.

DP 504 - Wildlife Grizzly Bear Program -

The legislature approved an increase in state special and federal authority to support bear management outreach and conflict response. The proposal adds 4.38 FTE and associated personal services and operating expense.

DP 505 - Wildlife Wolf Program Ongoing -

The legislature approved an increase of 2.50 FTE as ongoing and associated personal services and operating expense to comply with the statutory requirement to use radio-tracking collars to monitor wolf packs (87-5-132, MCA).

New Proposals

The “New Proposals” table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|------------------|------------------|--------------------|-----------------------|--------------|------------------|------------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 501 - Wildlife Planner | 1.00 | 0 | 32,463 | 97,421 | 129,884 | 1.00 | 0 | 32,389 | 97,168 | 129,557 |
| DP 502 - Mountain Lion Monitoring | 0.00 | 0 | 40,110 | 120,331 | 160,441 | 0.00 | 0 | 40,062 | 120,187 | 160,249 |
| DP 503 - Wildlife Weed Bill Coordinator | 1.00 | 0 | 27,044 | 81,137 | 108,181 | 1.00 | 0 | 26,983 | 80,950 | 107,933 |
| DP 505 - Wildlife Management Area Equipment (BIEN/OTO) | 0.00 | 0 | 101,625 | 304,875 | 406,500 | 0.00 | 0 | 0 | 0 | 0 |
| DP 5051 - Wildlife Wolf Program (OTO) | 2.50 | 0 | 205,656 | 24,502 | 230,158 | 2.50 | 0 | 205,043 | 24,576 | 229,619 |
| Total | 4.50 | \$0 | \$406,898 | \$628,266 | \$1,035,164 | 4.50 | \$0 | \$304,477 | \$322,881 | \$627,358 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 501 - Wildlife Planner -

The legislature approved an increase of 1.00 FTE funded by state special revenue and federal special revenue authority. The additional staff will work on species management plans and help direct management actions and priorities for different wildlife species in the state.

DP 502 - Mountain Lion Monitoring -

The legislature approved an increase in state special revenue and federal special revenue authority to fund mountain lion monitoring. The proposal increases the budget for personal services but does not increase FTE. Authority is needed to hire seasonal field coordinator and hounds-men to accomplish needed monitoring.

DP 503 - Wildlife Weed Bill Coordinator -

The legislature approved an increase of 1.00 FTE for a grant coordinator to help applicants develop grant applications, complete necessary NEPA requirements, implement projects, evaluate compliance, and staff the advisory council. HB 434, passed in the 2017 Legislative Session, created a Wildlife Habitat Weed Grant Program and established an 18-person advisory council. The program authorizes spending up to \$2.0 million of Pittman-Robertson funds annually for implementing weed management grants. The proposal is funded from state special revenue and federal sources.

DP 505 - Wildlife Management Area Equipment (BIEN/OTO) -

The legislature approved a one-time-only biennial appropriation of state special and federal special authority for equipment to maintain and make improvements to Wildlife Management Areas (WMA's) in Regions 1, 2, 3, 4, and 6. Equipment includes such items as UTVs, ATVs with roll cages, and hydraulic post pounders. This equipment would replace some aging equipment. A core function of the WMA Maintenance Program is to fulfill the Good Neighbor Policy while achieving WMA maintenance standards for weed control, fencing to manage livestock, signs, parking area and road maintenance, erosion control, habitat enhancement, and other infrastructure installation and maintenance (e.g., cattle guards, gates, water control structures).

DP 5051 - Wildlife Wolf Program (OTO) -

The legislature approved an increase of 2.50 FTE and associated operating expense as one-time-only to augment the statutory requirement to use radio-tracking collars to monitor wolf packs (87-5-132, MCA).

Other Issues

Proprietary Rates

06540 – Aircraft Proprietary Proposed Budget

FWP's aircraft fund provides specialized flying services using fixed wing and helicopter aircraft to employees including low level flying in various terrains to survey fish and wildlife, plant fish, and record radio telemetry locations. These users are mostly fish and wildlife biologists.

Proprietary Budget

The Biennium Report on Internal Service and Enterprise Funds for fund 06540 shows the financial information for the fund from FY 2016 through FY 2021. The report is provided as submitted by the executive, LFD has edited and reconfigured the table for clarity.

| 06540 - Aircraft Proprietary Fund Balance | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|--|
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | |
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Budgeted</u> | <u>Budgeted</u> | <u>Budgeted</u> | |
| Beginning Fund Balance | \$316,855 | \$492,045 | \$756,380 | \$893,228 | \$1,104,113 | \$1,246,498 | |
| Revenue | 571,446 | 748,429 | 583,296 | 575,000 | 586,500 | 598,230 | |
| Expenditures | <u>(396,256)</u> | <u>(484,094)</u> | <u>(446,448)</u> | <u>(364,115)</u> | <u>(444,115)</u> | <u>(444,115)</u> | |
| Ending Fund Balance | \$492,045 | \$756,380 | \$893,228 | 1,104,113 | \$1,246,498 | \$1,400,613 | |

Revenue

The revenue source is the intra-departmental reimbursement of aircraft fleet rate charges. Revenues are used to account for the costs of providing a department-owned aircraft fleet.

Expenses

The aircraft fund seeks to recover sufficient funds to cover insurance costs, fuel, repair costs, and general operational costs of the aircraft. Personal services are not covered by this fund. The two largest costs are fuel and repairs.

Proprietary Rates

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge. For the 2021 biennium the table below summarizes rates approved by the legislature.

| Rates for Fixed Wing and Rotary Aircraft (dollars per hour) | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> |
| Two place - single engine | \$150 | \$150 | \$150 | \$150 | \$201 | \$206 |
| Four place - single engine | \$500 | \$500 | \$500 | \$500 | \$282 | \$233 |
| Turbine Helicopter | \$500 | \$500 | \$500 | \$500 | \$516 | \$531 |

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 10,222,713 | 10,946,858 | 724,145 | 7.08 % |
| Operating Expenses | 3,826,067 | 4,740,539 | 914,472 | 23.90 % |
| Equipment & Intangible Assets | 714,476 | 958,476 | 244,000 | 34.15 % |
| Grants | 901,844 | 901,844 | 0 | 0.00 % |
| Total Expenditures | \$15,665,100 | \$17,547,717 | \$1,882,617 | 12.02 % |
| State/Other Special Rev. Funds | 15,324,544 | 16,627,782 | 1,303,238 | 8.50 % |
| Federal Spec. Rev. Funds | 340,556 | 919,935 | 579,379 | 170.13 % |
| Total Funds | \$15,665,100 | \$17,547,717 | \$1,882,617 | 12.02 % |
| Total Ongoing | \$15,665,100 | \$17,247,717 | \$1,582,617 | 10.10 % |
| Total OTO | \$0 | \$300,000 | \$300,000 | 100.00 % |

Program Description

Montana State Parks is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, and for providing for their use and enjoyment. The program includes 55 park units and 12 affiliated lands. The division also manages Recreational Trails, off highway vehicles, Snowmobile, and Land & Water Conservation Fund grants which provide support for recreation on local, state, and federal lands for use by all citizens.

Program Highlights

| Parks Division Major Budget Highlights |
|--|
| <p>The legislature approved increases in total appropriations of 12.0% or \$1.9 million and an increase in ongoing appropriations of 10.1% or \$1.6 million. In addition to base funding of \$15.5 million the legislature approved present law adjustments totaling \$2.1 million, specifically:</p> <ul style="list-style-type: none"> • Personal services and operating expense increase of \$1.4 million • One-time-only appropriations of \$0.3 million for equipment • Snowmobile trail grooming equipment increase of \$0.4 million • The legislature approved a \$0.4 million shift in funding from state special revenue to federal sources |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 81.68 | 81.68 | 81.68 | 81.68 |
| Personal Services | 4,953,273 | 4,995,406 | 5,227,307 | 5,473,652 | 5,473,206 |
| Operating Expenses | 1,748,031 | 1,885,957 | 1,940,110 | 2,367,026 | 2,373,513 |
| Equipment & Intangible Assets | 549,048 | 595,238 | 119,238 | 629,238 | 329,238 |
| Grants | 392,976 | 450,922 | 450,922 | 450,922 | 450,922 |
| Total Expenditures | \$7,643,328 | \$7,927,523 | \$7,737,577 | \$8,920,838 | \$8,626,879 |
| State/Other Special Rev. Funds | 7,504,136 | 7,760,785 | 7,563,759 | 8,460,951 | 8,166,831 |
| Federal Spec. Rev. Funds | 139,192 | 166,738 | 173,818 | 459,887 | 460,048 |
| Total Funds | \$7,643,328 | \$7,927,523 | \$7,737,577 | \$8,920,838 | \$8,626,879 |
| Total Ongoing | \$7,643,328 | \$7,927,523 | \$7,737,577 | \$8,620,838 | \$8,626,879 |
| Total OTO | \$0 | \$0 | \$0 | \$300,000 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Fish, Wildlife, and Parks, 06-Parks Division Funding by Source of Authority | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02051 Private Contracts & Grants | 0 | 0 | 0 | 0 | 0.00 % |
| 02171 Smith R. Corridor Enhancement | 352,259 | 0 | 0 | 352,259 | 1.78 % |
| 02213 Off Highway Vehicle Gas Tax | 185,416 | 0 | 0 | 185,416 | 0.94 % |
| 02239 Off Hwy Vehicle Acct (Parks) | 28,638 | 0 | 0 | 28,638 | 0.14 % |
| 02273 Motorboat Fees | 115,243 | 0 | 0 | 115,243 | 0.58 % |
| 02274 FWP Accommodations Tax | 0 | 0 | 3,165,229 | 3,165,229 | 15.99 % |
| 02328 Parks OHV Fuel Safety/Educ | 26,238 | 0 | 0 | 26,238 | 0.13 % |
| 02330 Parks Snomo Fuel Tax Sfty/Educ | 247,138 | 0 | 0 | 247,138 | 1.25 % |
| 02331 Motorboat Certification-Parks | 40,689 | 0 | 0 | 40,689 | 0.21 % |
| 02332 Snowmobile Registration-Parks | 525,704 | 0 | 0 | 525,704 | 2.66 % |
| 02407 Snowmobile Fuel Tax | 1,094,756 | 0 | 0 | 1,094,756 | 5.53 % |
| 02408 Coal Tax Trust Account | 1,699,656 | 0 | 0 | 1,699,656 | 8.59 % |
| 02409 General License | 2,000,000 | 0 | 0 | 2,000,000 | 10.10 % |
| 02411 State Parks Miscellaneous | 7,934,772 | 0 | 0 | 7,934,772 | 40.09 % |
| 02412 Motorboat Fuel Tax | 2,198,206 | 0 | 0 | 2,198,206 | 11.11 % |
| 02055 Snowmobile Trail Pass | 168,312 | 0 | 0 | 168,312 | 0.85 % |
| 02059 OHV Education | 10,755 | 0 | 0 | 10,755 | 0.05 % |
| State Special Total | \$16,627,782 | \$0 | \$3,165,229 | \$19,793,011 | 92.86 % |
| 03097 Fedl Fish(W/B) Wildlife(P/R) | 767,935 | 0 | 0 | 767,935 | 83.48 % |
| 03098 Parks Federal Revenue | 152,000 | 0 | 0 | 152,000 | 16.52 % |
| 03403 Misc Federal Funds | 0 | 0 | 0 | 0 | 0.00 % |
| Federal Special Total | \$919,935 | \$0 | \$0 | \$919,935 | 4.32 % |
| 06068 MFWP Visitor Services | 0 | 600,858 | 0 | 600,858 | 100.00 % |
| Proprietary Total | \$0 | \$600,858 | \$0 | \$600,858 | 2.82 % |
| Total All Funds | \$17,547,717 | \$600,858 | \$3,165,229 | \$21,313,804 | |

The program is funded with revenue from day-use park entry fees, camping fees, cabin site rentals, a portion of state gasoline dealers license and distribution tax, coal tax dollars, recreational and commercial user fees for floating and camping on the Smith River, and other miscellaneous taxes, fees, and permit revenue. Statutory appropriations come from 6.5% of the total bed accommodation tax and is used for the maintenance of facilities in state parks that have both resident and non-resident use. The revenue is statutorily appropriated as provided in 17-7-502, MCA.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 7,737,577 | 7,737,577 | 15,475,154 | 88.19 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 26,916 | 33,403 | 60,319 | 0.34 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 1,156,345 | 855,899 | 2,012,244 | 11.47 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$8,920,838 | \$8,626,879 | \$17,547,717 | | |

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|--------------------|-----------------|--------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 3 - Inflation Deflation | 0.00 | 0 | 26,177 | 739 | 26,916 | 0.00 | 0 | 32,485 | 918 | 33,403 |
| DP 50 - Personal Services Adjustment | 0.00 | 0 | 161,015 | 85,330 | 246,345 | 0.00 | 0 | 160,587 | 85,312 | 245,899 |
| DP 601 - Parks Operations Increase | 0.00 | 0 | 400,000 | 0 | 400,000 | 0.00 | 0 | 400,000 | 0 | 400,000 |
| DP 603 - Parks Equipment (BIEN/OTO) | 0.00 | 0 | 300,000 | 0 | 300,000 | 0.00 | 0 | 0 | 0 | 0 |
| DP 605 - Parks Snowmobile Groomers (BIEN) | 0.00 | 0 | 210,000 | 0 | 210,000 | 0.00 | 0 | 210,000 | 0 | 210,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$1,097,192 | \$86,069 | \$1,183,261 | 0.00 | \$0 | \$803,072 | \$86,230 | \$889,302 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

DP 601 - Parks Operations Increase -

The legislature approved an increase of state special revenue to support higher maintenance cost at state parks. The higher cost is due to an increase in visitation and increased operational costs.

DP 603 - Parks Equipment (BIEN/OTO) -

The legislature approved a one-time-only biennial increase in state special revenue authority to purchase heavy equipment to maintain and repair infrastructure such as drain fields, campsite leveling, road maintenance and repair, removal of hazards, and snow removal at parks statewide.

DP 605 - Parks Snowmobile Groomers (BIEN) -

The legislature approved an increase in state special revenue to purchase snowmobile trail groomers at the level authorized during the 2017 session. The funding was fully spent in FY 2018 and therefore not captured as part of the 2019 base.

New Proposals

The “New Proposals” table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|----------------------------|-----------------------|--------------|--------------------|------------------|-------------|-----------------------|--------------|--------------------|------------------|-------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 604 - Parks Fund Switch | 0.00 | 0 | (200,000) | 200,000 | 0 | 0.00 | 0 | (200,000) | 200,000 | 0 |
| Total | 0.00 | \$0 | (\$200,000) | \$200,000 | \$0 | 0.00 | \$0 | (\$200,000) | \$200,000 | \$0 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 604 - Parks Fund Switch -

The legislature approved a switch of \$0.4 million in funding from state special revenue to federal sources. This proposal will change appropriations as follows:

- Decrease state special revenue appropriations from 02411 (parks earned revenue) by \$2.4 million
- Increase state special revenue appropriations from 02409 (general license account) by \$2.0 million
- Increase federal special revenue appropriation from 03097 (federal Dingell Johnson) by \$0.4 million

The state parks system is heavily utilized by hunters and anglers as demonstrated by a survey conducted by the department. This request will support those activities with the funding designated for them.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 4,308,788 | 4,352,960 | 44,172 | 1.03 % |
| Operating Expenses | 2,865,810 | 2,871,264 | 5,454 | 0.19 % |
| Grants | 862,804 | 862,804 | 0 | 0.00 % |
| Total Expenditures | \$8,037,402 | \$8,087,028 | \$49,626 | 0.62 % |
| State/Other Special Rev. Funds | 6,125,716 | 6,121,916 | (3,800) | (0.06)% |
| Federal Spec. Rev. Funds | 1,911,686 | 1,965,112 | 53,426 | 2.79 % |
| Total Funds | \$8,037,402 | \$8,087,028 | \$49,626 | 0.62 % |
| Total Ongoing | \$7,871,982 | \$8,087,028 | \$215,046 | 2.73 % |
| Total OTO | \$165,420 | \$0 | (\$165,420) | (100.00)% |

Program Description

The Communication & Education Division coordinates the department's information and education programs, administers a statewide shooting range grants program, and oversees a wild animal rehabilitation center. Specific responsibilities include:

- Distribution of public information through various media outlets, including Montana Outdoors Magazine
- Coordination of youth education programs
- Coordination of the production of hunting, fishing, and trapping regulations
- Coordination of the hunter, bow-hunter, trapper, boat education, and safety programs
- Oversight of the Montana Wild education center
- Provision of reception services at the department's Helena Headquarters
- Management of FWP's website and social media platform

Program Highlights

**Communication and Education Division
Major Budget Highlights**

The legislature approved increases in total appropriation of 1.0% or \$50,000 and an increase in ongoing appropriation of 2.7% or \$215,000 compared to the 2019 biennium. In addition to base funding of \$7.9 million, the legislature approved present law adjustments totaling \$140,000 for personal service and operating expense and an increase of 0.25 FTE to support education services.

The legislature did not re-authorize one-time-only appropriations totaling \$165,000 in personal services and operating expense for aquatic invasive species response, funding for invasive species is now funded through HB 411.

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 25.75 | 25.75 | 26.00 | 26.00 |
| Personal Services | 2,047,711 | 2,113,031 | 2,195,757 | 2,177,875 | 2,175,085 |
| Operating Expenses | 1,388,575 | 1,436,542 | 1,429,268 | 1,436,073 | 1,435,191 |
| Grants | 241,080 | 431,402 | 431,402 | 431,402 | 431,402 |
| Total Expenditures | \$3,677,366 | \$3,980,975 | \$4,056,427 | \$4,045,350 | \$4,041,678 |
| State/Other Special Rev. Funds | 2,840,625 | 3,032,579 | 3,093,137 | 3,062,753 | 3,059,163 |
| Federal Spec. Rev. Funds | 836,741 | 948,396 | 963,290 | 982,597 | 982,515 |
| Total Funds | \$3,677,366 | \$3,980,975 | \$4,056,427 | \$4,045,350 | \$4,041,678 |
| Total Ongoing | \$3,621,573 | \$3,898,265 | \$3,973,717 | \$4,045,350 | \$4,041,678 |
| Total OTO | \$55,793 | \$82,710 | \$82,710 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Fish, Wildlife, and Parks, 08-Communication and Education Division Funding by Source of Authority | | | | | |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02409 General License | 6,061,916 | 0 | 0 | 6,061,916 | 99.02 % |
| 02411 State Parks Miscellaneous | 60,000 | 0 | 0 | 60,000 | 0.98 % |
| State Special Total | \$6,121,916 | \$0 | \$0 | \$6,121,916 | 75.70 % |
| 03097 Fedl Fish(W/B) Wildlife(P/R) | 1,894,079 | 0 | 0 | 1,894,079 | 96.39 % |
| 03403 Misc Federal Funds | 71,033 | 0 | 0 | 71,033 | 3.61 % |
| Federal Special Total | \$1,965,112 | \$0 | \$0 | \$1,965,112 | 24.30 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$8,087,028 | \$0 | \$0 | \$8,087,028 | |

The program is funded almost entirely from the state general license account and federal sources. State special revenues are from the sale of fishing and hunting licenses, camping fees, permit sales, commercial use fees, and other miscellaneous state revenues. Federal revenue sources are from an excise tax on the sale of fishing gear, sporting arms, and ammunition.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 3,973,717 | 3,973,717 | 7,947,434 | 98.27 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 7,955 | 9,873 | 17,828 | 0.22 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 35,701 | 35,691 | 71,392 | 0.88 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 27,977 | 22,397 | 50,374 | 0.62 % |
| Total Budget | \$0 | \$0 | \$0 | | \$4,045,350 | \$4,041,678 | \$8,087,028 | |

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | Fiscal 2020 | | | | | Fiscal 2021 | | | | |
|--|-------------|--------------|-----------------|-----------------|-----------------|-------------|--------------|-----------------|-----------------|-----------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 3 - Inflation Deflation | 0.00 | 0 | 7,955 | 0 | 7,955 | 0.00 | 0 | 9,873 | 0 | 9,873 |
| DP 50 - Personal Services Adjustment | 0.00 | 0 | 30,408 | 5,293 | 35,701 | 0.00 | 0 | 30,047 | 5,644 | 35,691 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$38,363 | \$5,293 | \$43,656 | 0.00 | \$0 | \$39,920 | \$5,644 | \$45,564 |

**Total Funds” amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

New Proposals

The “New Proposals” table shows new changes to spending.

| New Proposals | Fiscal 2020 | | | | | Fiscal 2021 | | | | |
|-------------------------|-------------|--------------|-----------------|-----------------|-----------------|-------------|--------------|----------------|-----------------|-----------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 8011 - Education FTE | 0.25 | 0 | 13,963 | 14,014 | 27,977 | 0.25 | 0 | 8,816 | 13,581 | 22,397 |
| Total | 0.25 | \$0 | \$13,963 | \$14,014 | \$27,977 | 0.25 | \$0 | \$8,816 | \$13,581 | \$22,397 |

**Total Funds” amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 8011 - Education FTE -

The legislature approved an increase of 0.25 FTE and associated personal services and operating expense. It is the intent of the legislature that this funding be used to support education services in Miles City, Montana.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 11,970,668 | 12,767,995 | 797,327 | 6.66 % |
| Operating Expenses | 14,946,697 | 16,680,208 | 1,733,511 | 11.60 % |
| Equipment & Intangible Assets | 131,502 | 131,502 | 0 | 0.00 % |
| Capital Outlay | 123,631 | 0 | (123,631) | (100.00)% |
| Transfers | 415,388 | 415,388 | 0 | 0.00 % |
| Total Expenditures | \$27,587,886 | \$29,995,093 | \$2,407,207 | 8.73 % |
| State/Other Special Rev. Funds | 26,974,816 | 29,175,875 | 2,201,059 | 8.16 % |
| Federal Spec. Rev. Funds | 613,070 | 819,218 | 206,148 | 33.63 % |
| Total Funds | \$27,587,886 | \$29,995,093 | \$2,407,207 | 8.73 % |
| Total Ongoing | \$27,517,072 | \$29,995,093 | \$2,478,021 | 9.01 % |
| Total OTO | \$70,814 | \$0 | (\$70,814) | (100.00)% |

Program Description

The Administration Division manages the administrative branch of the department. This branch is responsible for providing consistent, quality direction to the division and regions throughout the agency. The division is centralized to provide services including accounting, information technology services, fiscal management and budget preparation, procurement and property management, managing federal aid, maintaining internal control procedures, selling hunting, fishing and other recreational licenses and maintaining biological and GIS applications.

Program Highlights

| Administration Division Major Budget Highlights |
|---|
| <p>The legislature approved an increase in total appropriation of 8.7% or \$2.4 million and an increase in ongoing appropriations of 9.0% or \$2.5 million. In addition to base funding of \$27.8 million; the legislature approved present law adjustments totaling \$2.2 million.</p> <p>The legislature did not re-authorize \$71,000 in one-time-only appropriations for personal services supporting aquatic invasive species response, funding for invasive species is now funded through HB 411.</p> |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 74.81 | 74.81 | 74.81 | 74.81 |
| Personal Services | 5,829,626 | 5,875,988 | 6,094,680 | 6,379,678 | 6,388,317 |
| Operating Expenses | 6,906,958 | 7,392,684 | 7,554,013 | 8,352,037 | 8,328,171 |
| Equipment & Intangible Assets | 59,447 | 65,751 | 65,751 | 65,751 | 65,751 |
| Capital Outlay | 123,631 | 123,631 | 0 | 0 | 0 |
| Transfers | 102,839 | 207,694 | 207,694 | 207,694 | 207,694 |
| Total Expenditures | \$13,022,501 | \$13,665,748 | \$13,922,138 | \$15,005,160 | \$14,989,933 |
| State/Other Special Rev. Funds | 12,754,817 | 13,371,006 | 13,603,810 | 14,602,841 | 14,573,034 |
| Federal Spec. Rev. Funds | 267,684 | 294,742 | 318,328 | 402,319 | 416,899 |
| Total Funds | \$13,022,501 | \$13,665,748 | \$13,922,138 | \$15,005,160 | \$14,989,933 |
| Total Ongoing | \$12,987,101 | \$13,630,341 | \$13,886,731 | \$15,005,160 | \$14,989,933 |
| Total OTO | \$35,400 | \$35,407 | \$35,407 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Fish, Wildlife, and Parks, 09-Administration Funding by Source of Authority | | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02061 Nongame Wildlife Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 02084 Fish WL Forest Management | 0 | 0 | 0 | 0 | 0.00 % | |
| 02085 Waterfowl Stamp Spec. Rev. | 0 | 0 | 0 | 0 | 0.00 % | |
| 02086 Mountain Sheep Account | 64,000 | 0 | 0 | 64,000 | 0.21 % | |
| 02112 Moose Auction | 4,666 | 0 | 0 | 4,666 | 0.02 % | |
| 02113 Upland Game Bird Habitat | 0 | 0 | 0 | 0 | 0.00 % | |
| 02114 Wildlife Habitat | 0 | 0 | 0 | 0 | 0.00 % | |
| 02115 Off-Highway Decal | 0 | 0 | 0 | 0 | 0.00 % | |
| 02148 Paddlefish Roe Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 02149 River Restoration Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 02171 Smith R. Corridor Enhancement | 0 | 0 | 0 | 0 | 0.00 % | |
| 02176 Mountain Goat Auction | 3,000 | 0 | 0 | 3,000 | 0.01 % | |
| 02213 Off Highway Vehicle Gas Tax | 0 | 0 | 0 | 0 | 0.00 % | |
| 02239 Off Hwy Vehicle Acct (Parks) | 0 | 0 | 0 | 0 | 0.00 % | |
| 02273 Motorboat Fees | 0 | 0 | 0 | 0 | 0.00 % | |
| 02274 FWP Accommodations Tax | 0 | 0 | 0 | 0 | 0.00 % | |
| 02328 Parks OHV Fuel Safety/Educ | 0 | 0 | 0 | 0 | 0.00 % | |
| 02329 Snowmobile Fuel Tax-Enforcemnt | 0 | 0 | 0 | 0 | 0.00 % | |
| 02330 Parks Snomo Fuel Tax Sfty/Educ | 0 | 0 | 0 | 0 | 0.00 % | |
| 02331 Motorboat Certification-Parks | 0 | 0 | 0 | 0 | 0.00 % | |
| 02332 Snowmobile Registration-Parks | 0 | 0 | 0 | 0 | 0.00 % | |
| 02333 Fishing Access Site Maint | 0 | 0 | 0 | 0 | 0.00 % | |
| 02334 Hunting Access | 0 | 0 | 0 | 0 | 0.00 % | |
| 02407 Snowmobile Fuel Tax | 0 | 0 | 0 | 0 | 0.00 % | |
| 02408 Coal Tax Trust Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 02409 General License | 28,324,575 | 0 | 0 | 28,324,575 | 92.59 % | |
| 02410 Real Estate Trust Earnings | 0 | 0 | 0 | 0 | 0.00 % | |
| 02411 State Parks Miscellaneous | 400,000 | 1,415,468 | 0 | 1,815,468 | 5.93 % | |
| 02412 Motorboat Fuel Tax | 0 | 0 | 0 | 0 | 0.00 % | |
| 02413 F & G Motorboat Cert Id | 0 | 0 | 0 | 0 | 0.00 % | |
| 02414 Snowmobile Reg | 0 | 0 | 0 | 0 | 0.00 % | |
| 02415 Fishing Access Site Acq. | 0 | 0 | 0 | 0 | 0.00 % | |
| 02423 Wolf Management Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 02424 Wolf Depredation | 0 | 0 | 0 | 0 | 0.00 % | |
| 02469 Habitat Trust Interest | 0 | 0 | 0 | 0 | 0.00 % | |
| 02547 Search & Rescue | 200,000 | 0 | 0 | 200,000 | 0.65 % | |
| 02558 FAS - Vehicle Registration | 0 | 0 | 0 | 0 | 0.00 % | |
| 02559 Mule Deer Auction | 2,800 | 0 | 0 | 2,800 | 0.01 % | |
| 02560 Elk Auction | 6,666 | 0 | 0 | 6,666 | 0.02 % | |
| 02600 Hunters Against Hunger | 160,000 | 0 | 0 | 160,000 | 0.52 % | |
| 02687 Upland Game Bird Planting | 0 | 0 | 0 | 0 | 0.00 % | |
| 02938 TLMD Trust Administration | 0 | 0 | 0 | 0 | 0.00 % | |
| 02055 Snowmobile Trail Pass | 0 | 0 | 0 | 0 | 0.00 % | |
| 02059 OHV Education | 0 | 0 | 0 | 0 | 0.00 % | |
| 02543 Search and Rescue - General | 10,168 | 0 | 0 | 10,168 | 0.03 % | |
| State Special Total | \$29,175,875 | \$1,415,468 | \$0 | \$30,591,343 | 79.62 % | |
| 03097 Fedl Fish(W/B) Wildlife(P/R) | 423,799 | 0 | 0 | 423,799 | 51.73 % | |
| 03129 USFWS SECTION 6 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03403 Misc Federal Funds | 395,419 | 0 | 0 | 395,419 | 48.27 % | |
| 03408 State Wildlife Grants | 0 | 0 | 0 | 0 | 0.00 % | |
| Federal Special Total | \$819,218 | \$0 | \$0 | \$819,218 | 2.13 % | |
| 06501 Duplicating Center | 0 | 162,328 | 0 | 162,328 | 2.32 % | |
| 06502 Equipment Enterprise Fund | 0 | 6,570,848 | 0 | 6,570,848 | 93.71 % | |
| 06503 F & G Warehouse Inventory | 0 | 278,686 | 0 | 278,686 | 3.97 % | |
| 06540 DFWP Aircraft | 0 | 0 | 0 | 0 | 0.00 % | |
| Proprietary Total | \$0 | \$7,011,862 | \$0 | \$7,011,862 | 18.25 % | |
| Total All Funds | \$29,995,093 | \$8,427,330 | \$0 | \$38,422,423 | | |

The program is funded primarily with state special revenue from the sale of hunting and fishing licenses. Proprietary revenue includes charges for duplicating service, vehicle fleet, and warehouse fees.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 13,886,731 | 13,886,731 | 27,773,462 | 92.59 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 526,481 | 425,042 | 951,523 | 3.17 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 591,948 | 678,160 | 1,270,108 | 4.23 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$0 | \$0 | \$0 | | \$15,005,160 | \$14,989,933 | \$29,995,093 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|--------------------|-----------------|--------------------|-----------------------|--------------|--------------------|-----------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 0 | 505,340 | 17,961 | 523,301 | 0.00 | 0 | 407,483 | 13,612 | 421,095 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 3,180 | 0 | 3,180 | 0.00 | 0 | 3,947 | 0 | 3,947 |
| DP 50 - Personal Services Adjustment | 0.00 | 0 | 308,072 | 12,333 | 320,405 | 0.00 | 0 | 316,294 | 12,750 | 329,044 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 54,208 | 2,410 | 56,618 | 0.00 | 0 | 54,207 | 2,411 | 56,618 |
| DP 904 - Fleet Program Rate Adjustment | 0.00 | 0 | 163,638 | 51,287 | 214,925 | 0.00 | 0 | 222,700 | 69,798 | 292,498 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$1,034,438 | \$83,991 | \$1,118,429 | 0.00 | \$0 | \$1,004,631 | \$98,571 | \$1,103,202 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 904 - Fleet Program Rate Adjustment -

The legislature approved an increase in general license authority and federal revenue to support fleet rate adjustments proposed in the proprietary rates.

Other Issues

Proprietary Rates

06501 – Duplicating Center

FWP’s duplicating center provides duplicating and bindery services to employees.

Proprietary Budget

The Biennium Report on Internal Service and Enterprise Funds for fund 06501 shows the financial information for the fund from FY 2016 through FY 2021. The report is provided as submitted by the executive, LFD has edited and reconfigured the figure for clarity.

| 06501 - Duplicating Center | | | | | | |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Budgeted</u> | <u>Budgeted</u> | <u>Budgeted</u> |
| Beginning Fund Balance | \$6,498 | \$5,107 | \$3,194 | (\$8,084) | \$9,335 | \$26,754 |
| Revenue | 75,710 | 87,348 | 84,378 | 97,000 | 97,000 | 97,000 |
| Expenditures | <u>(77,101)</u> | <u>(89,261)</u> | <u>(95,656)</u> | <u>(79,581)</u> | <u>(79,581)</u> | <u>(79,581)</u> |
| Ending Fund Balance | \$5,107 | \$3,194 | (\$8,084) | \$9,335 | \$26,754 | \$44,173 |

Revenue

Revenues are generated from charges on a per page basis for both copying and binding.

Expenses

Expenses recovered in the rates are the personal services, operating expenses, and the raw materials needed for duplicating.

Proprietary Rates

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge. For the 2021 biennium the table below summarizes rates approved by the legislature.

| | Duplication Rates | | | | | |
|-------------------------------|-------------------|---------|---------|---------|---------|---------|
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| Per Copy | | | | | | |
| 1-20 | \$0.08 | \$0.08 | \$0.08 | \$0.08 | \$0.08 | \$0.08 |
| 21-100 | \$0.06 | \$0.06 | \$0.06 | \$0.06 | \$0.06 | \$0.06 |
| 101-1000 | \$0.06 | \$0.06 | \$0.06 | \$0.06 | \$0.06 | \$0.06 |
| 1,001-5,000 | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 |
| Color - per sheet | \$0.25 | \$0.25 | \$0.25 | \$0.25 | \$0.25 | \$0.25 |
| Binding | | | | | | |
| Collating - per sheet | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 |
| Hand Stapling - per set | \$0.02 | \$0.02 | \$0.02 | \$0.02 | \$0.02 | \$0.02 |
| Saddle Stitch - per set | \$0.04 | \$0.04 | \$0.04 | \$0.04 | \$0.04 | \$0.04 |
| Folding - per sheet | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 |
| Punching - per sheet | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 |
| Cutting - per minute | \$0.60 | \$0.60 | \$0.60 | \$0.60 | \$0.60 | \$0.60 |
| Desktop Publishing - Per Hour | \$0.00 | \$0.00 | \$46.36 | \$46.36 | \$46.36 | \$46.36 |

Proprietary Rates

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge. For the 2021 biennium the table below summarizes rates approved by the legislature.

Vehicles

Tier one:

| | | |
|-------------------------------|---------|---------|
| a. Class 210 (Sedan) | FY 2020 | FY 2021 |
| Per Hour Assigned | \$0.452 | \$0.389 |
| Per Mile Operated | \$0.141 | \$0.149 |
| b. Class 310 (Van) | | |
| Per Hour Assigned | \$0.236 | \$0.243 |
| Per Mile Operated | \$0.410 | \$0.418 |
| c. Class 410 (Utility) | | |
| Per Hour Assigned | \$0.909 | \$0.888 |
| Per Mile Operated | \$0.196 | \$0.204 |
| d. Class 610 (1/2 Ton Pickup) | | |

| | | | |
|-----------|----------------------------|---------|---------|
| | Per Hour Assigned | \$0.741 | \$0.828 |
| | Per Mile Operated | \$0.268 | \$0.276 |
| e. | Class 710 (3/4 Ton Pickup) | | |
| | Per Hour Assigned | \$1.049 | \$1.035 |
| | Per Mile Operated | \$0.314 | \$0.322 |
| Tier two: | | | |
| a. | Class 210 (Sedan) | FY 2020 | FY 2021 |
| | Per Hour Assigned | \$0.452 | \$0.389 |
| | Per Mile Operated | \$0.157 | \$0.165 |
| b. | Class 310 (Van) | | |
| | Per Hour Assigned | \$0.236 | \$0.243 |
| | Per Mile Operated | \$0.438 | \$0.446 |
| c. | Class 410 (Utility) | | |
| | Per Hour Assigned | \$0.909 | \$0.888 |
| | Per Mile Operated | \$0.222 | \$0.230 |
| d. | Class 610 (1/2 Ton Pickup) | | |
| | Per Hour Assigned | \$0.741 | \$0.828 |
| | Per Mile Operated | \$0.302 | \$0.310 |
| e. | Class 710 (3/4 Ton Pickup) | | |
| | Per Hour Assigned | \$1.049 | \$1.035 |
| | Per Mile Operated | \$0.358 | \$0.366 |

Tier three:

| | | | |
|----|-------------------|---------|---------|
| a. | Class 210 (Sedan) | FY 2020 | FY 2021 |
| | Per Hour Assigned | \$0.452 | \$0.389 |
| | Per Mile Operated | \$0.173 | \$0.181 |
| b. | Class 310 (Van) | | |
| | Per Hour Assigned | \$0.236 | \$0.243 |

| | | | |
|----|----------------------------|---------|---------|
| | Per Mile Operated | \$0.466 | \$0.474 |
| c. | Class 410 (Utility) | | |
| | Per Hour Assigned | \$0.909 | \$0.888 |
| | Per Mile Operated | \$0.248 | \$0.256 |
| d. | Class 610 (1/2 Ton Pickup) | | |
| | Per Hour Assigned | \$0.741 | \$0.828 |
| | Per Mile Operated | \$0.336 | \$0.344 |
| e. | Class 710 (3/4 Ton Pickup) | | |
| | Per Hour Assigned | \$1.049 | \$1.035 |
| | Per Mile Operated | \$0.401 | \$0.409 |

Proprietary Rates

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge.

- 25.0% added to the cost of the inventory items

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 12,160,349 | 13,077,077 | 916,728 | 7.54 % |
| Operating Expenses | 3,900,080 | 5,034,405 | 1,134,325 | 29.08 % |
| Equipment & Intangible Assets | 45,076 | 29,996 | (15,080) | (33.45)% |
| Transfers | 281,254 | 281,254 | 0 | 0.00 % |
| Debt Service | 29,043 | 29,042 | (1) | 0.00 % |
| Total Expenditures | \$16,415,802 | \$18,451,774 | \$2,035,972 | 12.40 % |
| State/Other Special Rev. Funds | 15,930,562 | 17,961,873 | 2,031,311 | 12.75 % |
| Federal Spec. Rev. Funds | 485,240 | 489,901 | 4,661 | 0.96 % |
| Total Funds | \$16,415,802 | \$18,451,774 | \$2,035,972 | 12.40 % |
| Total Ongoing | \$16,353,286 | \$17,451,774 | \$1,098,488 | 6.72 % |
| Total OTO | \$62,516 | \$1,000,000 | \$937,484 | 1,499.59 % |

Program Description

Department Management provides oversight of the Enforcement, Wildlife, Fisheries, Communication and Education, and Parks Divisions, and the seven regional offices that are responsible for program implementation. The program also includes a strategic planning section to support division wide planning needs, the Design and Construction Bureau which oversees the department's capital construction, and the Lands Section.

Program Highlights

| Department Management Major Budget Highlights |
|--|
| <p>The legislature approved an increase in total appropriation of 12.4% or \$2.0 million and an increase in ongoing appropriations of 6.7% or \$1.1 million. In addition to base funding of \$16.6 million, the legislature approved</p> <ul style="list-style-type: none"> • Present law adjustments totaling \$0.9 million • A new one-time-only appropriation of \$1.0 million to fund SB 341, the Public Access Land Act • The legislature did not re-authorize \$63,000 in one-time-only appropriations for aquatic invasive species response, funding for invasive species is now funded through HB 411 |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 79.21 | 79.21 | 79.21 | 79.21 |
| Personal Services | 6,022,299 | 6,022,517 | 6,137,832 | 6,538,731 | 6,538,346 |
| Operating Expenses | 1,849,323 | 1,893,017 | 2,007,063 | 2,515,949 | 2,518,456 |
| Equipment & Intangible Assets | 30,078 | 30,078 | 14,998 | 14,998 | 14,998 |
| Transfers | 139,389 | 140,627 | 140,627 | 140,627 | 140,627 |
| Debt Service | 14,521 | 14,522 | 14,521 | 14,521 | 14,521 |
| Total Expenditures | \$8,055,610 | \$8,100,761 | \$8,315,041 | \$9,224,826 | \$9,226,948 |
| State/Other Special Rev. Funds | 7,857,972 | 7,860,004 | 8,070,558 | 8,979,923 | 8,981,950 |
| Federal Spec. Rev. Funds | 197,638 | 240,757 | 244,483 | 244,903 | 244,998 |
| Total Funds | \$8,055,610 | \$8,100,761 | \$8,315,041 | \$9,224,826 | \$9,226,948 |
| Total Ongoing | \$8,024,631 | \$8,069,503 | \$8,283,783 | \$8,724,826 | \$8,726,948 |
| Total OTO | \$30,979 | \$31,258 | \$31,258 | \$500,000 | \$500,000 |

Funding

The following table shows program funding by source of authority.

| Department of Fish, Wildlife, and Parks, 12-Department Management Funding by Source of Authority | | | | | |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02408 Coal Tax Trust Account | 10,000 | 0 | 0 | 10,000 | 0.05 % |
| 02409 General License | 17,887,478 | 0 | 1,114,600 | 19,002,078 | 97.89 % |
| 02411 State Parks Miscellaneous | 0 | 0 | 109,702 | 109,702 | 0.57 % |
| 02469 Habitat Trust Interest | 64,395 | 0 | 226,298 | 290,693 | 1.50 % |
| State Special Total | \$17,961,873 | \$0 | \$1,450,600 | \$19,412,473 | 94.57 % |
| 03097 Fedl Fish(W/B) Wildlife(P/R) | 489,901 | 0 | 625,400 | 1,115,301 | 100.00 % |
| Federal Special Total | \$489,901 | \$0 | \$625,400 | \$1,115,301 | 5.43 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$18,451,774 | \$0 | \$2,076,000 | \$20,527,774 | |

The program is primarily funded with state special revenue. State revenue is from the sale of hunting license, fishing licenses and various permit sales and fees. Federal revenue is from excise tax on the sale of sporting arms, ammunition, and fishing gear.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 8,283,783 | 8,283,783 | 16,567,566 | 89.79 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 10,413 | 12,920 | 23,333 | 0.13 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 430,630 | 430,245 | 860,875 | 4.67 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 500,000 | 500,000 | 1,000,000 | 5.42 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$9,224,826 | \$9,226,948 | \$18,451,774 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 3 - Inflation Deflation | 0.00 | 0 | 10,247 | 166 | 10,413 | 0.00 | 0 | 12,714 | 206 | 12,920 |
| DP 50 - Personal Services Adjustment | 0.00 | 0 | 430,376 | 254 | 430,630 | 0.00 | 0 | 429,936 | 309 | 430,245 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$440,623 | \$420 | \$441,043 | 0.00 | \$0 | \$442,650 | \$515 | \$443,165 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | | | | | | | | | | |
|---|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1201 - Public Access Land Act (RST/BIEN/OTO) | 0.00 | 0 | 500,000 | 0 | 500,000 | 0.00 | 0 | 500,000 | 0 | 500,000 |
| Total | 0.00 | \$0 | \$500,000 | \$0 | \$500,000 | 0.00 | \$0 | \$500,000 | \$0 | \$500,000 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1201 - Public Access Land Act (RST/BIEN/OTO) -

The legislature approved an appropriation of \$1.0 million for the biennium from the state special revenue general license account. The appropriation is to fund public access land agreements authorized in SB 341. The legislature approved the inclusion of language in HB 2 that would void this appropriation should SB 341 not be passed and approved.

Agency Budget Comparison

| Agency Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|----------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 57,386,465 | 63,085,411 | 5,698,946 | 9.93 % |
| Operating Expenses | 58,456,632 | 61,280,368 | 2,823,736 | 4.83 % |
| Equipment & Intangible Assets | 221,394 | 203,480 | (17,914) | (8.09)% |
| Grants | 3,375,036 | 3,371,726 | (3,310) | (0.10)% |
| Transfers | 7,479,211 | 5,464,796 | (2,014,415) | (26.93)% |
| Total Expenditures | \$126,918,738 | \$133,405,781 | \$6,487,043 | 5.11 % |
| General Fund | 9,765,835 | 10,804,099 | 1,038,264 | 10.63 % |
| State/Other Special Rev. Funds | 71,523,431 | 75,203,837 | 3,680,406 | 5.15 % |
| Federal Spec. Rev. Funds | 45,629,472 | 47,397,845 | 1,768,373 | 3.88 % |
| Total Funds | \$126,918,738 | \$133,405,781 | \$6,487,043 | 5.11 % |
| Total Ongoing | \$124,918,738 | \$133,405,781 | \$8,487,043 | 6.79 % |
| Total OTO | \$2,000,000 | \$0 | (\$2,000,000) | (100.00)% |

Agency Description

The department is responsible for regulating air quality, water quality, underground storage tanks, automobile wrecking facilities, hazardous waste facilities, solid waste management systems, and mining operations; and for the siting and needs analyses of large-scale energy facilities. In addition, the department is the lead agency for reclamation and cleanup activities related to the federal and state superfund programs and leaking underground storage tanks, and for regulation and permitting of mining conducted on private, state, and federal lands. This work is completed through four programs - Central Management, Water Quality, Waste Management & Remediation, and Air, Energy, & Mining. The Petroleum Tank Compensation Board is also attached for administrative purposes.

The department works in partnership with the federal Environmental Protection Agency (EPA). Congress gave the EPA the initial responsibility for development and implementation of environmental protection, but many federal statutes contain preference for delegation of the program to the states when the state can demonstrate capacity to carry it out. This arrangement establishes state-federal environmental goals and priorities with the funding and flexibility to achieve desired results. These joint activities become the basis of future agreements and long-term strategic planning.

Agency Highlights

| Department of Environmental Quality Major Budget Highlights |
|---|
| <p>The legislature approved a budget of \$133.4 million an increase of 5.1% or \$6.5 million when compared to the 2019 biennium appropriation. In addition to base funding of \$127.4 million, the legislature approved \$6.0 million in present law adjustments and new proposals, including:</p> <ul style="list-style-type: none"> • The legislature approved \$4.5 million in present law adjustments including the elimination of 1.00 FTE • The legislature approved a one-time-only \$1.0 million appropriation of state special revenue Petroleum Tank Cleanup funds to the Waste Management & Remediation Division for tank clean up • The legislature approved the expanded use of the Orphan Share Account by \$0.5 million for hazardous waste clean up. |

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 366.54 | 366.54 | 365.54 | 365.54 |
| Personal Services | 27,500,825 | 27,924,196 | 29,462,269 | 31,543,787 | 31,541,624 |
| Operating Expenses | 18,434,383 | 28,739,601 | 29,717,031 | 30,636,375 | 30,643,993 |
| Equipment & Intangible Assets | 17,914 | 119,654 | 101,740 | 101,740 | 101,740 |
| Grants | 1,768,298 | 1,689,173 | 1,685,863 | 1,685,863 | 1,685,863 |
| Transfers | 2,901,651 | 3,746,813 | 3,732,398 | 2,732,398 | 2,732,398 |
| Total Expenditures | \$50,623,071 | \$62,219,437 | \$64,699,301 | \$66,700,163 | \$66,705,618 |
| General Fund | 4,541,231 | 4,566,124 | 5,199,711 | 5,402,889 | 5,401,210 |
| State/Other Special Rev. Funds | 28,007,786 | 35,062,631 | 36,460,800 | 37,592,244 | 37,611,593 |
| Federal Spec. Rev. Funds | 18,074,054 | 22,590,682 | 23,038,790 | 23,705,030 | 23,692,815 |
| Total Funds | \$50,623,071 | \$62,219,437 | \$64,699,301 | \$66,700,163 | \$66,705,618 |
| Total Ongoing | \$50,297,463 | \$61,219,437 | \$63,699,301 | \$66,700,163 | \$66,705,618 |
| Total OTO | \$325,608 | \$1,000,000 | \$1,000,000 | \$0 | \$0 |

Summary of Legislative Action

The legislature approved an increase of 5.1% or \$6.5 million in total appropriation including a 10.6% or \$1.0 million increase in general fund. In addition to present law adjustments the legislature increased appropriations by \$0.5 million and expanded allowable uses from the orphan share state special revenue account allowing the agency to evaluate and take remedial actions to respond to a release or threatened release at petroleum or hazardous substance sites. Also approved, a one-time-only appropriation of \$1.0 million from the petroleum storage tank cleanup (02058) to the Waste Management and Remediation Division for petroleum tank cleanup. The legislature approved a budget funded 8.1% general fund, an increase of 0.4% compared to the 2019 biennium. The remainder of the budget is 56.4% state special revenue, and 35.5% federal revenue.

Funding

The following table shows agency funding by source of authority.

| Total Department of Environmental Quality Funding by Source of Authority 2021 Biennium Budget Request - Department of Environmental Quality | | | | | | |
|--|----------------------|---------------|--------------------------|-------------------------|----------------------|-------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 10,804,099 | 0 | 0 | 0 | 10,804,099 | 6.60 % |
| State Special Total | 75,203,837 | 0 | 2,400,000 | 9,980,000 | 87,583,837 | 53.54 % |
| Federal Special Total | 47,397,845 | 0 | 0 | 0 | 47,397,845 | 28.97 % |
| Proprietary Total | 0 | 0 | 17,802,519 | 0 | 17,802,519 | 10.88 % |
| Other Total | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| Total All Funds | \$133,405,781 | \$0 | \$20,202,519 | \$9,980,000 | \$163,588,300 | |
| Percent - Total All Sources | 81.55 % | 0.00 % | 12.35 % | 6.10 % | | |

The department's largest source of funding is state special revenue. This revenue is derived from permitting fees, fines, and bond proceeds utilized to support specific department functions such as permitting, enforcement, and remediation. The federal revenue is provided from the U.S. Environmental Protection Agency (EPA) performance partnership grant, the Super Fund Program, and other federal grant resources. General fund is utilized for personal services, travel, communications, and equipment.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 5,199,711 | 5,199,711 | 10,399,422 | 96.25 % | 63,699,301 | 63,699,301 | 127,398,602 | 95.50 % |
| SWPL Adjustments | 26,675 | 26,926 | 53,601 | 0.50 % | 169,344 | 176,962 | 346,306 | 0.26 % |
| PL Adjustments | 176,503 | 174,573 | 351,076 | 3.25 % | 2,081,518 | 2,079,355 | 4,160,873 | 3.12 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 750,000 | 750,000 | 1,500,000 | 1.12 % |
| Total Budget | \$5,402,889 | \$5,401,210 | \$10,804,099 | | \$66,700,163 | \$66,705,618 | \$133,405,781 | |

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

| Budget Item | Approp. Fiscal 2019 | Executive Budget Fiscal 2020 | Legislative Budget Fiscal 2020 | Leg — Exec. Difference Fiscal 2020 | Executive Budget Fiscal 2021 | Legislative Budget Fiscal 2021 | Leg — Exec. Difference Fiscal 2021 | Biennium Difference Fiscal 20-21 |
|--------------------------------|---------------------|------------------------------|--------------------------------|------------------------------------|------------------------------|--------------------------------|------------------------------------|----------------------------------|
| FTE | 366.54 | 366.54 | 365.54 | (1.00) | 366.54 | 365.54 | (1.00) | (1.00) |
| Personal Services | 29,462,269 | 31,593,787 | 31,543,787 | (50,000) | 31,591,624 | 31,541,624 | (50,000) | (100,000) |
| Operating Expenses | 29,717,031 | 30,136,375 | 30,636,375 | 500,000 | 30,143,993 | 30,643,993 | 500,000 | 1,000,000 |
| Equipment & Intangible Assets | 101,740 | 101,740 | 101,740 | 0 | 101,740 | 101,740 | 0 | 0 |
| Grants | 1,685,863 | 1,685,863 | 1,685,863 | 0 | 1,685,863 | 1,685,863 | 0 | 0 |
| Transfers | 3,732,398 | 2,732,398 | 2,732,398 | 0 | 2,732,398 | 2,732,398 | 0 | 0 |
| Total Costs | \$64,699,301 | \$66,250,163 | \$66,700,163 | \$450,000 | \$66,255,618 | \$66,705,618 | \$450,000 | \$900,000 |
| General Fund | 5,199,711 | 5,452,889 | 5,402,889 | (50,000) | 5,451,210 | 5,401,210 | (50,000) | (100,000) |
| State/other Special Rev. Funds | 36,460,800 | 37,092,244 | 37,592,244 | 500,000 | 37,111,593 | 37,611,593 | 500,000 | 1,000,000 |
| Federal Spec. Rev. Funds | 23,038,790 | 23,705,030 | 23,705,030 | 0 | 23,692,815 | 23,692,815 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$64,699,301 | \$66,250,163 | \$66,700,163 | \$450,000 | \$66,255,618 | \$66,705,618 | \$450,000 | \$900,000 |
| Total Ongoing | \$63,699,301 | \$66,250,163 | \$66,700,163 | \$450,000 | \$66,255,618 | \$66,705,618 | \$450,000 | \$900,000 |
| Total OTO | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The legislature approved total appropriations 0.7% or \$0.9 million higher than the executive request and approved a reduction in general fund of \$100,000, an increase in state special revenue of \$1.0 million, and federal special revenue at the level requested by the executive, including:

- Removal from the base of 1.00 FTE and the associated general fund of \$100,000
- A \$1.0 million appropriation of state special revenue from the petroleum tank cleanup to the Waste Management & Remediation Division not proposed by the executive
- HB 2 language and proprietary rates as proposed by the executive

Language and Statutory Authority

The following language was adopted by the legislature for HB 2:

"The department is appropriated up to \$1,000,000 of the funds recovered under the Petroleum Tank Release Compensation Board subrogation program in the 2021 biennium for the purpose of paying contract expenses related to the recovery of funds."

"If the Carpenter/Snow Creek site is approved for federal superfund funding by the Environmental Protection Agency, the department is appropriated \$2.2 million in state special revenue from the CERCLA bond proceeds account."

"The Water Quality Division is authorized to decrease federal special revenue and increase state special revenue in the drinking water and/or water pollution control revolving loan programs by a like amount within the administration account, when the amount of federal capitalization funds have been expended or when federal funds and bond proceeds will be used for other program purposes."

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 3,634,961 | 3,697,862 | 62,901 | 1.73 % |
| Operating Expenses | 5,788,447 | 5,833,549 | 45,102 | 0.78 % |
| Total Expenditures | \$9,423,408 | \$9,531,411 | \$108,003 | 1.15 % |
| General Fund | 1,406,665 | 1,574,778 | 168,113 | 11.95 % |
| State/Other Special Rev. Funds | 6,456,120 | 6,499,308 | 43,188 | 0.67 % |
| Federal Spec. Rev. Funds | 1,560,623 | 1,457,325 | (103,298) | (6.62)% |
| Total Funds | \$9,423,408 | \$9,531,411 | \$108,003 | 1.15 % |
| Total Ongoing | \$9,423,408 | \$9,531,411 | \$108,003 | 1.15 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Central Services Division is responsible for agency-wide administration, management, planning, evaluation, and support. It consists of the Director’s Office and the Centralized Services Division.

- The Director’s Office includes the director’s staff, a centralized legal pool, the Montana Environmental Policy Act and the Montana Facility Siting Act functions, public affairs, and the enforcement program.
- The Centralized Services Division is an extension of the Director’s Office and provides overall policy direction and support services to the agency in the areas of human resources, information management and technology, fiscal, safety, emergency management, and continuous process improvement.

Program Highlights

| Centralized Services Division Major Budget Highlights |
|--|
| The legislature approved a budget of \$9.5 million, an increase of 1.2% or \$108,000 compared to the 2019 biennium. In addition to base funding of \$9.5 million, the legislature approved present law adjustments decreasing total appropriations by \$3,100. |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 20.58 | 20.58 | 20.58 | 20.58 |
| Personal Services | 1,667,875 | 1,776,938 | 1,858,023 | 1,848,688 | 1,849,174 |
| Operating Expenses | 1,808,474 | 2,879,212 | 2,909,235 | 2,916,733 | 2,916,816 |
| Total Expenditures | \$3,476,349 | \$4,656,150 | \$4,767,258 | \$4,765,421 | \$4,765,990 |
| General Fund | 619,282 | 625,577 | 781,088 | 787,481 | 787,297 |
| State/Other Special Rev. Funds | 2,219,966 | 3,220,827 | 3,235,293 | 3,249,434 | 3,249,874 |
| Federal Spec. Rev. Funds | 637,101 | 809,746 | 750,877 | 728,506 | 728,819 |
| Total Funds | \$3,476,349 | \$4,656,150 | \$4,767,258 | \$4,765,421 | \$4,765,990 |
| Total Ongoing | \$3,476,349 | \$4,656,150 | \$4,767,258 | \$4,765,421 | \$4,765,990 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Environmental Quality, 10-Centralized Services Division Funding by Source of Authority | | | | | |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 1,574,778 | 0 | 0 | 1,574,778 | 5.76 % |
| 02070 Hazardous Waste-CERCLA | 51,300 | 0 | 0 | 51,300 | 0.79 % |
| 02075 UST Leak Prevention Program | 80,682 | 0 | 0 | 80,682 | 1.24 % |
| 02097 Environmental Rehab & Response | 500,000 | 0 | 0 | 500,000 | 7.69 % |
| 02157 Solid Waste Management Fee | 122,676 | 0 | 0 | 122,676 | 1.89 % |
| 02201 Air Quality-Operating Fees | 407,068 | 0 | 0 | 407,068 | 6.26 % |
| 02202 Asbestos Control | 126,290 | 0 | 0 | 126,290 | 1.94 % |
| 02204 Public Drinking Water | 285,690 | 0 | 0 | 285,690 | 4.40 % |
| 02223 Wastewater SRF Special Admin | 5,430 | 0 | 0 | 5,430 | 0.08 % |
| 02278 MPDES Permit Program | 406,430 | 0 | 0 | 406,430 | 6.25 % |
| 02418 Subdivision Plat Review | 144,176 | 0 | 0 | 144,176 | 2.22 % |
| 02428 Major Facility Siting | 1,500,000 | 0 | 0 | 1,500,000 | 23.08 % |
| 02542 MT Environ Policy Act Fee | 2,712,666 | 0 | 0 | 2,712,666 | 41.74 % |
| 02576 Natural Resources Operations | 40,704 | 0 | 0 | 40,704 | 0.63 % |
| 02845 Junk Vehicle Disposal | 102,420 | 0 | 0 | 102,420 | 1.58 % |
| 02955 STATE ENERGY CONSERVATION ARRA | 13,776 | 0 | 0 | 13,776 | 0.21 % |
| State Special Total | \$6,499,308 | \$0 | \$0 | \$6,499,308 | 23.78 % |
| 03015 2013 Exchange Network Grant | 0 | 0 | 0 | 0 | 0.00 % |
| 03046 2015 Exchange Network | 200,000 | 0 | 0 | 200,000 | 13.72 % |
| 03067 DSL Federal Reclamation Grant | 108,925 | 0 | 0 | 108,925 | 7.47 % |
| 03071 2016 Exchange Network | 0 | 0 | 0 | 0 | 0.00 % |
| 03262 EPA PPG | 974,248 | 0 | 0 | 974,248 | 66.85 % |
| 03436 NPS Staffing & Support | 41,312 | 0 | 0 | 41,312 | 2.83 % |
| 03691 Non Pt Source Staffing/Support | 0 | 0 | 0 | 0 | 0.00 % |
| 03816 DOI OSM A&E GRANT | 132,840 | 0 | 0 | 132,840 | 9.12 % |
| 03025 2014 Exchange Network Grant | 0 | 0 | 0 | 0 | 0.00 % |
| Federal Special Total | \$1,457,325 | \$0 | \$0 | \$1,457,325 | 5.33 % |
| 06509 DEQ Indirects | 0 | 17,802,519 | 0 | 17,802,519 | 100.00 % |
| Proprietary Total | \$0 | \$17,802,519 | \$0 | \$17,802,519 | 65.13 % |
| Total All Funds | \$9,531,411 | \$17,802,519 | \$0 | \$27,333,930 | |

Most of the activities in the Central Management Program are funded with non-budgeted proprietary funds that are not appropriated through HB 2. The proprietary funding is based upon a negotiated indirect rate with the Environmental Protection Agency (EPA). The indirect rate is assessed against personal services and operations.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 781,088 | 781,088 | 1,562,176 | 99.20 % | 4,767,258 | 4,767,258 | 9,534,516 | 100.03 % |
| SWPL Adjustments | 6,393 | 6,209 | 12,602 | 0.80 % | 7,498 | 7,581 | 15,079 | 0.16 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | (9,335) | (8,849) | (18,184) | (0.19)% |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$787,481 | \$787,297 | \$1,574,778 | | \$4,765,421 | \$4,765,990 | \$9,531,411 | |

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|----------------|-----------------|-------------------|------------------|-----------------------|----------------|-----------------|-------------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 6,393 | 0 | 0 | 6,393 | 0.00 | 6,209 | 0 | 0 | 6,209 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 0 | 1,105 | 1,105 | 0.00 | 0 | 0 | 1,372 | 1,372 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | 0 | 14,141 | (23,476) | (9,335) | 0.00 | 0 | 14,581 | (23,430) | (8,849) |
| Grand Total All Present Law Adjustments | 0.00 | \$6,393 | \$14,141 | (\$22,371) | (\$1,837) | 0.00 | \$6,209 | \$14,581 | (\$22,058) | (\$1,268) |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. For the division the legislature approved the executive proposal for statewide present law adjustments for personal services.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 21,390,740 | 23,465,149 | 2,074,409 | 9.70 % |
| Operating Expenses | 11,502,946 | 11,647,965 | 145,019 | 1.26 % |
| Equipment & Intangible Assets | 17,914 | 0 | (17,914) | (100.00)% |
| Grants | 327,350 | 324,040 | (3,310) | (1.01)% |
| Transfers | 8,002 | 8,002 | 0 | 0.00 % |
| Total Expenditures | \$33,246,952 | \$35,445,156 | \$2,198,204 | 6.61 % |
| General Fund | 4,823,580 | 5,141,434 | 317,854 | 6.59 % |
| State/Other Special Rev. Funds | 13,285,221 | 14,103,003 | 817,782 | 6.16 % |
| Federal Spec. Rev. Funds | 15,138,151 | 16,200,719 | 1,062,568 | 7.02 % |
| Total Funds | \$33,246,952 | \$35,445,156 | \$2,198,204 | 6.61 % |
| Total Ongoing | \$33,246,952 | \$35,445,156 | \$2,198,204 | 6.61 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Water Quality Division oversees all aspects of water pollution control in Montana and develops plans to protect Montana's water resources. Water Quality is responsible for:

- Regulating public drinking water and providing certification of public water and wastewater operators;
- Developing water quality standards and monitoring conditions of state waters;
- Preventing surface and ground water pollution by reviewing pollution sources, issuing discharge permits, developing total maximum daily Loads, and providing technical and financial assistance; and
- Administering the water pollution control state revolving fund, the drinking water state revolving fund, subdivision review, and public water and wastewater design plan review.

Program Highlights

| Water Quality Division Major Budget Highlights |
|--|
| The legislature approved a budget of \$35.4 million an increase in total appropriation of 6.6% or \$2.2 million compared to the 2019 biennium. In addition to base funding of \$33.7 million, the legislature approved present law adjustments of \$1.8 million including a reduction of 1.00 FTE. |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 134.67 | 134.67 | 133.67 | 133.67 |
| Personal Services | 10,360,455 | 10,491,651 | 10,899,089 | 11,731,555 | 11,733,594 |
| Operating Expenses | 4,325,277 | 5,730,164 | 5,772,782 | 5,823,666 | 5,824,299 |
| Equipment & Intangible Assets | 17,914 | 17,914 | 0 | 0 | 0 |
| Grants | 201,701 | 165,330 | 162,020 | 162,020 | 162,020 |
| Transfers | 10,817 | 4,001 | 4,001 | 4,001 | 4,001 |
| Total Expenditures | \$14,916,164 | \$16,409,060 | \$16,837,892 | \$17,721,242 | \$17,723,914 |
| General Fund | 2,325,153 | 2,327,934 | 2,495,646 | 2,570,053 | 2,571,381 |
| State/Other Special Rev. Funds | 6,338,387 | 6,590,892 | 6,694,329 | 7,051,153 | 7,051,850 |
| Federal Spec. Rev. Funds | 6,252,624 | 7,490,234 | 7,647,917 | 8,100,036 | 8,100,683 |
| Total Funds | \$14,916,164 | \$16,409,060 | \$16,837,892 | \$17,721,242 | \$17,723,914 |
| Total Ongoing | \$14,916,164 | \$16,409,060 | \$16,837,892 | \$17,721,242 | \$17,723,914 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Environmental Quality, 20-Water Quality Division | | | | | | |
|--|---------------------|--------------------------|-------------------------|---------------------|-------------------|--|
| Funding by Source of Authority | | | | | | |
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 5,141,434 | 0 | 0 | 5,141,434 | 14.51 % | |
| 02070 Hazardous Waste-CERCLA | 0 | 0 | 0 | 0 | 0.00 % | |
| 02204 Public Drinking Water | 2,093,568 | 0 | 0 | 2,093,568 | 14.84 % | |
| 02206 Agriculture Monitoring | 10,898 | 0 | 0 | 10,898 | 0.08 % | |
| 02223 Wastewater SRF Special Admin | 2,197,103 | 0 | 0 | 2,197,103 | 15.58 % | |
| 02278 MPDES Permit Program | 6,294,975 | 0 | 0 | 6,294,975 | 44.64 % | |
| 02316 SRF Bonds State Administration | 0 | 0 | 0 | 0 | 0.00 % | |
| 02418 Subdivision Plat Review | 1,904,611 | 0 | 0 | 1,904,611 | 13.50 % | |
| 02420 Bd of Cert For W&WW OP | 308,402 | 0 | 0 | 308,402 | 2.19 % | |
| 02491 Drinking Water Spec Admin Cost | 1,293,446 | 0 | 0 | 1,293,446 | 9.17 % | |
| State Special Total | \$14,103,003 | \$0 | \$0 | \$14,103,003 | 39.79 % | |
| 03070 BLM Water Quality Monitoring | 0 | 0 | 0 | 0 | 0.00 % | |
| 03091 106 Monitor Suppl Initiative | 312,360 | 0 | 0 | 312,360 | 1.93 % | |
| 03101 106 Supplemental Monitor | 0 | 0 | 0 | 0 | 0.00 % | |
| 03149 WPC SRF FY09 GRANT | 100,000 | 0 | 0 | 100,000 | 0.62 % | |
| 03152 DW14 SRF Grant | 242,748 | 0 | 0 | 242,748 | 1.50 % | |
| 03190 Water 106 Monitoring Init. | 90,000 | 0 | 0 | 90,000 | 0.56 % | |
| 03229 Wetland Voluntary Restoration | 246,374 | 0 | 0 | 246,374 | 1.52 % | |
| 03245 WPC15 SRF Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03262 EPA PPG | 8,012,177 | 0 | 0 | 8,012,177 | 49.46 % | |
| 03311 FY16 NPS Project Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03312 FY17 NPS Project Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03318 FY13 Water Quality 604B Grant | 200,000 | 0 | 0 | 200,000 | 1.23 % | |
| 03409 WPC14 SRF Grant | 302,126 | 0 | 0 | 302,126 | 1.86 % | |
| 03436 NPS Staffing & Support | 2,094,276 | 0 | 0 | 2,094,276 | 12.93 % | |
| 03444 FY13 NPS Project Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03457 WPC SRF FY13 Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03481 NPS14 Project Grant | 70 | 0 | 0 | 70 | 0.00 % | |
| 03482 NPS15 Project Grant | 3,168 | 0 | 0 | 3,168 | 0.02 % | |
| 03676 Bureau of Land Management | 361,488 | 0 | 0 | 361,488 | 2.23 % | |
| 03687 DW15 SRF Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03691 Non Pt Source Staffing/Support | 428,785 | 0 | 0 | 428,785 | 2.65 % | |
| 03695 SRF St Tribal Rel Agrmt Grant | 116,800 | 0 | 0 | 116,800 | 0.72 % | |
| 03812 DW SRF 07 Grant | 1,716,201 | 0 | 0 | 1,716,201 | 10.59 % | |
| 03814 EPA Water Quality 205J | 200,000 | 0 | 0 | 200,000 | 1.23 % | |
| 03952 DW16 SRF Grant | 400,000 | 0 | 0 | 400,000 | 2.47 % | |
| 03953 DW17 SRF Grant | 1,374,146 | 0 | 0 | 1,374,146 | 8.48 % | |
| Federal Special Total | \$16,200,719 | \$0 | \$0 | \$16,200,719 | 45.71 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$35,445,156 | \$0 | \$0 | \$35,445,156 | | |

The Water Quality Division is funded primarily with state special and federal funds. State special and federal funds constitute 85.3% of the total budget. The divisions primary state special revenue funds are the fees collected for montana pollutant discharge elimination system permits, wastewater revolving funds, drinking water revolving funds, and fees for subdivision plat reviews. The largest portion of federal funds is provided through the Environmental Protection Agency (EPA) programs, including the performance partnership grant and funds for non-point source water projects under the federal Clean Water Act. General fund supports personal services and operating expenses.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 2,495,646 | 2,495,646 | 4,991,292 | 97.08 % | 16,837,892 | 16,837,892 | 33,675,784 | 95.01 % |
| SWPL Adjustments | 10,293 | 10,372 | 20,665 | 0.40 % | 50,884 | 51,517 | 102,401 | 0.29 % |
| PL Adjustments | 64,114 | 65,363 | 129,477 | 2.52 % | 832,466 | 834,505 | 1,666,971 | 4.70 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$2,570,053 | \$2,571,381 | \$5,141,434 | | \$17,721,242 | \$17,723,914 | \$35,445,156 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|-----------------|------------------|------------------|------------------|-----------------------|-----------------|------------------|------------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 8,905 | 15,423 | 18,768 | 43,096 | 0.00 | 8,648 | 14,978 | 18,227 | 41,853 |
| DP 3 - Inflation Deflation | 0.00 | 1,388 | 3,618 | 2,782 | 7,788 | 0.00 | 1,724 | 4,488 | 3,452 | 9,664 |
| DP 50 - SWPL Personal Services Adjustment | (1.00) | 64,114 | 337,783 | 430,569 | 832,466 | (1.00) | 65,363 | 338,055 | 431,087 | 834,505 |
| Grand Total All Present Law Adjustments | (1.00) | \$74,407 | \$356,824 | \$452,119 | \$883,350 | (1.00) | \$75,735 | \$357,521 | \$452,766 | \$886,022 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. Specific adjustments to the executive request include:

- Removal of 1.00 FTE from the base
- Reduction in general fund of \$100,000

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|----------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 13,988,294 | 16,491,158 | 2,502,864 | 17.89 % |
| Operating Expenses | 19,369,774 | 21,007,521 | 1,637,747 | 8.46 % |
| Grants | 3,047,686 | 3,047,686 | 0 | 0.00 % |
| Transfers | 7,429,398 | 5,429,398 | (2,000,000) | (26.92)% |
| Total Expenditures | \$43,835,152 | \$45,975,763 | \$2,140,611 | 4.88 % |
| General Fund | 595,706 | 665,884 | 70,178 | 11.78 % |
| State/Other Special Rev. Funds | 23,535,887 | 24,885,460 | 1,349,573 | 5.73 % |
| Federal Spec. Rev. Funds | 19,703,559 | 20,424,419 | 720,860 | 3.66 % |
| Total Funds | \$43,835,152 | \$45,975,763 | \$2,140,611 | 4.88 % |
| Total Ongoing | \$41,835,152 | \$45,975,763 | \$4,140,611 | 9.90 % |
| Total OTO | \$2,000,000 | \$0 | (\$2,000,000) | (100.00)% |

Program Description

The Waste Management and Remediation Division protects human health and the environment by preventing exposure to contaminants, working with Montana communities and businesses to implement effective material management and cleanup strategies, and overseeing compliance with state and federal laws and regulations. It oversees and conducts or supports remedial investigation and efficient, cost-effective cleanup activities at state and federal Superfund sites; supervises voluntary cleanup activities; reclaims abandoned mine lands; implements corrective actions at sites; and administrators regulatory waste management programs.

Program Highlights

| Waste Management & Remediation Division Major Budget Highlights |
|---|
| <p>The legislature approved a budget of \$46.0 million, an increase in total appropriation of 4.9% or \$2.1 million compared to the 2019 biennium. In addition to base funding of \$42.4 million, the legislature approved present law adjustments and new proposals totaling \$3.6 million, including;</p> <ul style="list-style-type: none"> • Present law adjustments totaling \$2.1 million • New proposals totaling \$1.5 million for: <ul style="list-style-type: none"> ◦ Increase of \$1.0 million one-time-only appropriation for petroleum tank cleanup ◦ Increase of \$0.5 million for expanded use of the orphan share account |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

53010 - Department of Environmental Quality 40-Waste Management & Remediation Division

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 100.01 | 100.01 | 100.01 | 100.01 |
| Personal Services | 7,144,683 | 6,735,350 | 7,252,944 | 8,247,700 | 8,243,458 |
| Operating Expenses | 6,283,303 | 9,661,057 | 9,708,717 | 10,503,440 | 10,504,081 |
| Grants | 1,566,597 | 1,523,843 | 1,523,843 | 1,523,843 | 1,523,843 |
| Transfers | 2,872,750 | 3,714,699 | 3,714,699 | 2,714,699 | 2,714,699 |
| Total Expenditures | \$17,867,333 | \$21,634,949 | \$22,200,203 | \$22,989,682 | \$22,986,081 |
| General Fund | 249,396 | 262,764 | 332,942 | 332,942 | 332,942 |
| State/Other Special Rev. Funds | 10,173,168 | 11,606,474 | 11,929,413 | 12,444,017 | 12,441,443 |
| Federal Spec. Rev. Funds | 7,444,769 | 9,765,711 | 9,937,848 | 10,212,723 | 10,211,696 |
| Total Funds | \$17,867,333 | \$21,634,949 | \$22,200,203 | \$22,989,682 | \$22,986,081 |
| Total Ongoing | \$17,541,725 | \$20,634,949 | \$21,200,203 | \$22,989,682 | \$22,986,081 |
| Total OTO | \$325,608 | \$1,000,000 | \$1,000,000 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

53010 - Department of Environmental Quality 40-Waste Management & Remediation Division

| Department of Environmental Quality, 40-Waste Management & Remediation Division | | | | | | |
|---|---------------------|--------------------------|-------------------------|---------------------|-------------------|--|
| Funding by Source of Authority | | | | | | |
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 665,884 | 0 | 0 | 665,884 | 1.38 % | |
| 02054 UST-Installer Lic & Permit Acc | 198,086 | 0 | 0 | 198,086 | 0.73 % | |
| 02058 Petroleum Storage Tank Cleanup | 4,204,193 | 0 | 0 | 4,204,193 | 15.41 % | |
| 02070 Hazardous Waste-CERCLA | 948,470 | 0 | 0 | 948,470 | 3.48 % | |
| 02075 UST Leak Prevention Program | 1,335,290 | 0 | 0 | 1,335,290 | 4.89 % | |
| 02157 Solid Waste Management Fee | 2,010,414 | 0 | 0 | 2,010,414 | 7.37 % | |
| 02162 Environmental Quality Protecti | 8,480,201 | 0 | 0 | 8,480,201 | 31.08 % | |
| 02202 Asbestos Control | 305,714 | 0 | 0 | 305,714 | 1.12 % | |
| 02206 Agriculture Monitoring | 19,992 | 0 | 0 | 19,992 | 0.07 % | |
| 02314 DNRC Grants - REMediation | 257,060 | 0 | 0 | 257,060 | 0.94 % | |
| 02421 Hazardous Waste Fees | 249,964 | 0 | 0 | 249,964 | 0.92 % | |
| 02438 Pegasus - Beal Mountain | 1,988 | 0 | 0 | 1,988 | 0.01 % | |
| 02472 Orphan Share Fund | 522,530 | 2,400,000 | 0 | 2,922,530 | 10.71 % | |
| 02565 LUST Cost Recovery | 760,000 | 0 | 0 | 760,000 | 2.79 % | |
| 02845 Junk Vehicle Disposal | 5,378,376 | 0 | 0 | 5,378,376 | 19.71 % | |
| 02940 Pegasus - Basin | 77,964 | 0 | 0 | 77,964 | 0.29 % | |
| 02954 Septage Fees | 135,218 | 0 | 0 | 135,218 | 0.50 % | |
| 02519 CERCLA CSC Bond Proceeds | 0 | 0 | 0 | 0 | 0.00 % | |
| State Special Total | \$24,885,460 | \$2,400,000 | \$0 | \$27,285,460 | 56.40 % | |
| 03028 UST Energy Policy Act Prov | 664,408 | 0 | 0 | 664,408 | 3.25 % | |
| 03036 DEQ - Federal Aml Grant | 1,013,700 | 0 | 0 | 1,013,700 | 4.96 % | |
| 03058 DW SRF FY09 Stimulus | 403,169 | 0 | 0 | 403,169 | 1.97 % | |
| 03158 BLM Interagency Projects | 1,023,294 | 0 | 0 | 1,023,294 | 5.01 % | |
| 03221 EPA LUST Trust | 178,358 | 0 | 0 | 178,358 | 0.87 % | |
| 03222 EPA Milltown Remedial Action | 0 | 0 | 0 | 0 | 0.00 % | |
| 03228 L.U.S.T./Trust | 986,000 | 0 | 0 | 986,000 | 4.83 % | |
| 03232 FY08 Exchange Network Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03249 OSM Trust Fund - Acid Mine | 0 | 0 | 0 | 0 | 0.00 % | |
| 03259 Superfund Multisite TechAssist | 416,000 | 0 | 0 | 416,000 | 2.04 % | |
| 03260 Carpenter Snow Creek Superfund | 2,200,072 | 0 | 0 | 2,200,072 | 10.77 % | |
| 03261 Superfund Multisite TA Bulk | 400,000 | 0 | 0 | 400,000 | 1.96 % | |
| 03262 EPA PPG | 1,184,432 | 0 | 0 | 1,184,432 | 5.80 % | |
| 03351 Tech Assist - Butte Mine Flood | 500,000 | 0 | 0 | 500,000 | 2.45 % | |
| 03353 MANAGEMENT ASSIST - SPEC ACCT | 917,624 | 0 | 0 | 917,624 | 4.49 % | |
| 03360 MANAGEMENT ASSISTANCE - BULK | 500,000 | 0 | 0 | 500,000 | 2.45 % | |
| 03447 Belt Water Treatment Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 03463 MINE LEASE/RECLAMATION | 125,518 | 0 | 0 | 125,518 | 0.61 % | |
| 03468 Core Cooperative Grant | 431,152 | 0 | 0 | 431,152 | 2.11 % | |
| 03663 Abandoned Mines Lands Grant | 6,435,188 | 0 | 0 | 6,435,188 | 31.51 % | |
| 03667 Abandoned Mines | 0 | 0 | 0 | 0 | 0.00 % | |
| 03721 Libby Sitewide | 1,566,490 | 0 | 0 | 1,566,490 | 7.67 % | |
| 03798 EPA OECA WPB 9/30/13 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03973 EPA Brownfields Grant | 1,479,014 | 0 | 0 | 1,479,014 | 7.24 % | |
| 03342 Butte Mine Flooding | 0 | 0 | 0 | 0 | 0.00 % | |
| Federal Special Total | \$20,424,419 | \$0 | \$0 | \$20,424,419 | 42.22 % | |
| 06509 DEQ Indirects | 0 | 0 | 0 | 0 | 0.00 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$45,975,763 | \$2,400,000 | \$0 | \$48,375,763 | | |

The Waste Management and Remediation Division is funded with general fund, state special and federal revenue. State special revenue comes from a \$0.0075 gas tax for petroleum tank cleanup, registration fees for underground storage tanks, and interest proceeds from the Resource Indemnity Trust (RIT). Federal special revenue is derived from the federal EPA for superfund oversight and various other activities. Other federal revenue sources include the Office of Surface Mining for the Abandoned Mine Lands Program.

53010 - Department of Environmental Quality 40-Waste Management & Remediation Division

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 332,942 | 332,942 | 665,884 | 100.00 % | 21,200,203 | 21,200,203 | 42,400,406 | 92.22 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 44,723 | 45,364 | 90,087 | 0.20 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 994,756 | 990,514 | 1,985,270 | 4.32 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 750,000 | 750,000 | 1,500,000 | 3.26 % |
| Total Budget | \$332,942 | \$332,942 | \$665,884 | | \$22,989,682 | \$22,986,081 | \$45,975,763 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|------------------|------------------|--------------------|-----------------------|--------------|------------------|------------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 0 | 26,269 | 11,301 | 37,570 | 0.00 | 0 | 24,494 | 11,993 | 36,487 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 5,739 | 1,414 | 7,153 | 0.00 | 0 | 7,122 | 1,755 | 8,877 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | 0 | 732,596 | 262,160 | 994,756 | 0.00 | 0 | 730,414 | 260,100 | 990,514 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$764,604 | \$274,875 | \$1,039,479 | 0.00 | \$0 | \$762,030 | \$273,848 | \$1,035,878 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. For the division the legislature approved the executive proposal for statewide present law adjustments for personal services.

53010 - Department of Environmental Quality 40-Waste Management & Remediation Division

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 5 - Orphan Share Expanded Use (Restricted/Bien) | 0.00 | 0 | 250,000 | 0 | 250,000 | 0.00 | 0 | 250,000 | 0 | 250,000 |
| DP 40 - Petroleum Tank Cleanup (RST/OTO) | 0.00 | 0 | 500,000 | 0 | 500,000 | 0.00 | 0 | 500,000 | 0 | 500,000 |
| Total | 0.00 | \$0 | \$750,000 | \$0 | \$750,000 | 0.00 | \$0 | \$750,000 | \$0 | \$750,000 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5 - Orphan Share Expanded Use (Restricted/Bien) -

The legislature approved an expanded use of the orphan share account to allow the Department of Environmental Quality (DEQ) to evaluate and take remedial actions to respond to a release or threatened release at petroleum or hazardous substance sites.

DP 40 - Petroleum Tank Cleanup (RST/OTO) -

The legislature approved a \$1.0 million, one-time-only, and restricted appropriation from the state special revenue petroleum storage tank cleanup account. The appropriation is to be used for petroleum tank cleanup.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 17,679,099 | 18,652,627 | 973,528 | 5.51 % |
| Operating Expenses | 21,294,965 | 22,287,533 | 992,568 | 4.66 % |
| Equipment & Intangible Assets | 203,480 | 203,480 | 0 | 0.00 % |
| Transfers | 41,811 | 27,396 | (14,415) | (34.48)% |
| Total Expenditures | \$39,219,355 | \$41,171,036 | \$1,951,681 | 4.98 % |
| General Fund | 2,939,884 | 3,422,003 | 482,119 | 16.40 % |
| State/Other Special Rev. Funds | 27,052,332 | 28,433,651 | 1,381,319 | 5.11 % |
| Federal Spec. Rev. Funds | 9,227,139 | 9,315,382 | 88,243 | 0.96 % |
| Total Funds | \$39,219,355 | \$41,171,036 | \$1,951,681 | 4.98 % |
| Total Ongoing | \$39,219,355 | \$41,171,036 | \$1,951,681 | 4.98 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Air, Energy and Mining Division (AEMD) permits and regulates environmentally-protective and productive operations in air, hard rock mining, opencut mining, and coal mining industries according to program statutory authority. The permitting and regulatory work includes extensive coordination with other programs to develop environmental review documents that comply with the Montana Environmental Policy Act (MEPA), including environmental assessments and environmental impact statements. AEMD includes the State Energy Office, or Energy Bureau, which promotes and improves Montanan’s access to energy efficiency and alternative energy sources while improving the state’s energy security by offering financing mechanisms, technical assistance, and education for public and private entities.

Program Highlights

| |
|---|
| <p>Air Energy & Mining Division Major Budget Highlights</p> |
| <p>The legislature approved a budget of \$41.2 million, an increase of 5.0% or \$2.0 million compared to the 2019 biennium. In addition to base funding of \$40.6 million, the legislature approved present law adjustments of \$0.6 million.</p> |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 105.53 | 105.53 | 105.53 | 105.53 |
| Personal Services | 7,953,910 | 8,581,860 | 9,097,239 | 9,326,392 | 9,326,235 |
| Operating Expenses | 5,886,849 | 10,218,926 | 11,076,039 | 11,140,625 | 11,146,908 |
| Equipment & Intangible Assets | 0 | 101,740 | 101,740 | 101,740 | 101,740 |
| Transfers | 18,084 | 28,113 | 13,698 | 13,698 | 13,698 |
| Total Expenditures | \$13,858,843 | \$18,930,639 | \$20,288,716 | \$20,582,455 | \$20,588,581 |
| General Fund | 1,347,400 | 1,349,849 | 1,590,035 | 1,712,413 | 1,709,590 |
| State/Other Special Rev. Funds | 8,771,883 | 13,055,799 | 13,996,533 | 14,206,277 | 14,227,374 |
| Federal Spec. Rev. Funds | 3,739,560 | 4,524,991 | 4,702,148 | 4,663,765 | 4,651,617 |
| Total Funds | \$13,858,843 | \$18,930,639 | \$20,288,716 | \$20,582,455 | \$20,588,581 |
| Total Ongoing | \$13,858,843 | \$18,930,639 | \$20,288,716 | \$20,582,455 | \$20,588,581 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Environmental Quality, 50-Air, Energy & Mining Division Funding by Source of Authority | | | | | |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 3,422,003 | 0 | 0 | 3,422,003 | 8.31 % |
| 02036 Opencut permit Fees | 576,660 | 0 | 0 | 576,660 | 2.03 % |
| 02095 Opencut Bond Forfeitures | 229,248 | 0 | 0 | 229,248 | 0.81 % |
| 02096 Reclamation - Bond Forfeitures | 347,688 | 0 | 0 | 347,688 | 1.22 % |
| 02201 Air Quality-Operating Fees | 8,831,559 | 0 | 0 | 8,831,559 | 31.06 % |
| 02291 Alternative Energy Loan ARRA | 215,611 | 0 | 0 | 215,611 | 0.76 % |
| 02370 Energy Conserv Repayment Acct | 24,862 | 0 | 0 | 24,862 | 0.09 % |
| 02521 Pegasus Bankruptcy/Operations | 1,462,642 | 0 | 0 | 1,462,642 | 5.14 % |
| 02555 Alternative Energy Rev Loan | 414,045 | 0 | 0 | 414,045 | 1.46 % |
| 02576 Natural Resources Operations | 4,310,855 | 0 | 0 | 4,310,855 | 15.16 % |
| 02579 Coal & Uranium Mine Account | 562,314 | 0 | 0 | 562,314 | 1.98 % |
| 02676 Reclamation - OSM Trust Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02955 STATE ENERGY CONSERVATION ARRA | 1,049,441 | 0 | 0 | 1,049,441 | 3.69 % |
| 02973 Univ System Benefits Program | 506,100 | 0 | 0 | 506,100 | 1.78 % |
| 02988 Hard Rock Mining Reclamation | 9,902,626 | 0 | 0 | 9,902,626 | 34.83 % |
| State Special Total | \$28,433,651 | \$0 | \$0 | \$28,433,651 | 69.06 % |
| 03052 WW SRF FY09 Stimulus | 34,640 | 0 | 0 | 34,640 | 0.37 % |
| 03067 DSL Federal Reclamation Grant | 17,371 | 0 | 0 | 17,371 | 0.19 % |
| 03199 Stripper Wells | 9,000 | 0 | 0 | 9,000 | 0.10 % |
| 03262 EPA PPG | 3,166,478 | 0 | 0 | 3,166,478 | 33.99 % |
| 03289 FY 14 State Clean Diesel | 392,878 | 0 | 0 | 392,878 | 4.22 % |
| 03325 EPA 103 PM 2.5 | 138,650 | 0 | 0 | 138,650 | 1.49 % |
| 03326 BLM For Zortman & Landusky | 0 | 0 | 0 | 0 | 0.00 % |
| 03435 PM 2.5 Fiscal Year 2004 | 627,743 | 0 | 0 | 627,743 | 6.74 % |
| 03437 DOE-State Energy Program | 759,380 | 0 | 0 | 759,380 | 8.15 % |
| 03465 DOE Washington State Univ | 33,876 | 0 | 0 | 33,876 | 0.36 % |
| 03723 Clean Diesel DS-97867001 | 416,490 | 0 | 0 | 416,490 | 4.47 % |
| 03816 DOI OSM A&E GRANT | 3,718,876 | 0 | 0 | 3,718,876 | 39.92 % |
| 03492 Coal ePermitting System | 0 | 0 | 0 | 0 | 0.00 % |
| 03087 ePermitting-Proj Mngr | 0 | 0 | 0 | 0 | 0.00 % |
| 03614 BLM-L17AC00009 O&M | 0 | 0 | 0 | 0 | 0.00 % |
| 03981 BLM Air Monitoring 06/22/2022 | 0 | 0 | 0 | 0 | 0.00 % |
| 03029 SEEDS - EE0007672 | 0 | 0 | 0 | 0 | 0.00 % |
| 03223 Smart Schools DE-EE0007783 | 0 | 0 | 0 | 0 | 0.00 % |
| 03238 EPA MULTIPURPOSE | 0 | 0 | 0 | 0 | 0.00 % |
| Federal Special Total | \$9,315,382 | \$0 | \$0 | \$9,315,382 | 22.63 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$41,171,036 | \$0 | \$0 | \$41,171,036 | |

The Air and Mining Division is funded primarily with state special and federal revenues. State special revenue consists of forfeited mining and reclamation bonds, and air quality fees. The agency also receives Resource Indemnity Trust (RIT) interest via the natural resources operations fund. Hard rock mining reclamation revenue is primarily from interest earned with the state Board of Investments and funds transferred from the hard rock mining reclamation debt service fund. Federal revenues come primarily from EPA, Department of Energy, and Department of Interior grants. General fund supports personal services and operating expense.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 1,590,035 | 1,590,035 | 3,180,070 | 92.93 % | 20,288,716 | 20,288,716 | 40,577,432 | 98.56 % |
| SWPL Adjustments | 9,989 | 10,345 | 20,334 | 0.59 % | 64,586 | 70,869 | 135,455 | 0.33 % |
| PL Adjustments | 112,389 | 109,210 | 221,599 | 6.48 % | 229,153 | 228,996 | 458,149 | 1.11 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$1,712,413 | \$1,709,590 | \$3,422,003 | | \$20,582,455 | \$20,588,581 | \$41,171,036 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|------------------|------------------|-------------------|------------------|-----------------------|------------------|------------------|-------------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 6,517 | 8,288 | 19,589 | 34,394 | 0.00 | 6,217 | 8,795 | 18,390 | 33,402 |
| DP 3 - Inflation Deflation | 0.00 | 3,472 | 6,977 | 19,743 | 30,192 | 0.00 | 4,128 | 10,341 | 22,998 | 37,467 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | 112,389 | 194,479 | (77,715) | 229,153 | 0.00 | 109,210 | 211,705 | (91,919) | 228,996 |
| Grand Total All Present Law Adjustments | 0.00 | \$122,378 | \$209,744 | (\$38,383) | \$293,739 | 0.00 | \$119,555 | \$230,841 | (\$50,531) | \$299,865 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. For the division the legislature approved the executive proposal for statewide present law adjustments for personal services.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|-----------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 693,371 | 778,615 | 85,244 | 12.29 % |
| Operating Expenses | 500,500 | 503,800 | 3,300 | 0.66 % |
| Total Expenditures | \$1,193,871 | \$1,282,415 | \$88,544 | 7.42 % |
| State/Other Special Rev. Funds | 1,193,871 | 1,282,415 | 88,544 | 7.42 % |
| Total Funds | \$1,193,871 | \$1,282,415 | \$88,544 | 7.42 % |
| Total Ongoing | \$1,193,871 | \$1,282,415 | \$88,544 | 7.42 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Petroleum Tank Release Compensation Board is responsible for administering the petroleum tank release cleanup fund. This includes reimbursement to petroleum storage tank owners and operators for corrective action costs and compensation paid to third parties for bodily injury and property damage resulting from a release of petroleum from a petroleum storage tank. The board is responsible for responding to and working with private individuals, corporations, other state agencies, the Governor’s Office, the legislature, federal agencies, and other interested parties with activities relative to petroleum storage tanks. It is attached to DEQ for administrative purposes.

Program Highlights

| Petroleum Tank Release Compensation Board Major Budget Highlights |
|--|
| <p>The legislature approved a budget of \$1.3 million, an increase of 7.4% or \$89,000 compared to the 2019 biennium. In addition to base funding of \$1.2 million, the legislature approved statewide present law adjustments of \$72,000.</p> <p>Within the Waste Management & Remediation Division the legislature approved new proposal for a one-time-only \$1.0 million appropriation of state special revenue from Petroleum Tank Cleanup funds to the Waste Management & Remediation Division for petroleum tank clean up. This reduces the funds available to the Petroleum Tank Release Compensation Board for the same purpose.</p> |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

53010 - Department of Environmental Quality 90-Petroleum Tank Release Compensation Board

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 5.75 | 5.75 | 5.75 | 5.75 |
| Personal Services | 373,902 | 338,397 | 354,974 | 389,452 | 389,163 |
| Operating Expenses | 130,480 | 250,242 | 250,258 | 251,911 | 251,889 |
| Total Expenditures | \$504,382 | \$588,639 | \$605,232 | \$641,363 | \$641,052 |
| State/Other Special Rev. Funds | 504,382 | 588,639 | 605,232 | 641,363 | 641,052 |
| Total Funds | \$504,382 | \$588,639 | \$605,232 | \$641,363 | \$641,052 |
| Total Ongoing | \$504,382 | \$588,639 | \$605,232 | \$641,363 | \$641,052 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Environmental Quality, 90-Petroleum Tank Release Compensation Board Funding by Source of Authority | | | | | | |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02058 Petroleum Storage Tank Cleanup | 1,282,415 | 0 | 9,980,000 | 11,262,415 | 100.00 % | |
| State Special Total | \$1,282,415 | \$0 | \$9,980,000 | \$11,262,415 | 100.00 % | |
| Federal Special Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$1,282,415 | \$0 | \$9,980,000 | \$11,262,415 | | |

The program is funded entirely through a portion of the \$0.0075 tax on gasoline, diesel, heating oil, and aviation fuel. Statutory appropriations pay for the reimbursement due to storage tank releases as described in 75-11-313, MCA.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 605,232 | 605,232 | 1,210,464 | 94.39 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 1,653 | 1,631 | 3,284 | 0.26 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 34,478 | 34,189 | 68,667 | 5.35 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$0 | \$0 | \$0 | | \$641,363 | \$641,052 | \$1,282,415 | |

53010 - Department of Environmental Quality 90-Petroleum Tank Release Compensation Board

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|-----------------|-----------------|-----------------|-----------------------|--------------|-----------------|-----------------|-----------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 0 | 1,554 | 0 | 1,554 | 0.00 | 0 | 1,508 | 0 | 1,508 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 99 | 0 | 99 | 0.00 | 0 | 123 | 0 | 123 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | 0 | 34,478 | 0 | 34,478 | 0.00 | 0 | 34,189 | 0 | 34,189 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$36,131 | \$0 | \$36,131 | 0.00 | \$0 | \$35,820 | \$0 | \$35,820 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. For the division the legislature approved the executive proposal for statewide present law adjustments for personal services.

Agency Budget Comparison

| Agency Budget Comparison | | | | |
|--------------------------------|------------------------------|-----------------------------|---------------------|----------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 321,029,659 | 340,130,772 | 19,101,113 | 5.95 % |
| Operating Expenses | 934,919,006 | 941,552,882 | 6,633,876 | 0.71 % |
| Equipment & Intangible Assets | 6,520,316 | 7,972,316 | 1,452,000 | 22.27 % |
| Capital Outlay | 25,913,930 | 25,913,730 | (200) | 0.00 % |
| Grants | 53,812,036 | 47,710,640 | (6,101,396) | (11.34)% |
| Transfers | 4,509,894 | 3,660,156 | (849,738) | (18.84)% |
| Debt Service | 170,540 | 170,540 | 0 | 0.00 % |
| Total Expenditures | \$1,346,875,381 | \$1,367,111,036 | \$20,235,655 | 1.50 % |
| State/Other Special Rev. Funds | 505,174,709 | 512,812,274 | 7,637,565 | 1.51 % |
| Federal Spec. Rev. Funds | 841,700,672 | 854,298,762 | 12,598,090 | 1.50 % |
| Total Funds | \$1,346,875,381 | \$1,367,111,036 | \$20,235,655 | 1.50 % |
| Total Ongoing | \$1,346,875,381 | \$1,366,206,036 | \$19,330,655 | 1.44 % |
| Total OTO | \$0 | \$905,000 | \$905,000 | 100.00 % |

Agency Description

Agency Mission: To serve the public by providing a transportation system and services that emphasize quality, safety, cost effectiveness, economic vitality, and sensitivity to the environment.

The Department of Transportation is the agency responsible for administering the multimodal transportation network in Montana. The department plans, designs, builds, and maintains the statewide network of highways. It is responsible for collecting and distributing highway user fees and fuel taxes. The department enforces state and federal laws for commercial motor carriers and registers interstate fleet vehicles. The department also facilitates the operation and infrastructure of airports and airways in Montana, registers aircraft and pilots, and maintains several state-owned airports. The department represents Montana interests in railroad planning issues and supports local entities in overall transportation planning and transit assistance.

The Department of Transportation constructs and maintains the state highway infrastructure. The department also provides for the other aspects of a statewide multimodal transportation system through:

- o Aeronautics safety protection and promotion
- o General aviation airport planning, promotion, and maintenance facilitation
- o Rail infrastructure coordination, monitoring, and planning
- o Highway traffic safety promotion, planning, and administration
- o Vehicle weight and dimension permitting and law enforcement
- o Transit assistance

The five-member transportation commission, whose members are appointed by the Governor, establishes department priorities and apportions funding among the five state financial districts according to statutory guidelines, department recommendations, and community input. The nine-member Board of Aeronautics, whose members are appointed by the Governor, establishes priorities for department aeronautics activities.

The department provides the above services through the following programs:

- o General Operations Program
- o Construction Program
- o Maintenance Program
- o State Motor Pool (entirely funded with non-budgeted proprietary funds)
- o Equipment Program (entirely funded with non-budgeted proprietary funds)
- o Motor Carrier Services Division
- o Aeronautics Program (a portion of this program is funded with non-budgeted proprietary funds)
- o Rail, Transit, and Planning Division

Agency Highlights

| Department of Transportation Major Budget Highlights | |
|---|--|
| <ul style="list-style-type: none"> • The legislature adopted a budget for the Department of Transportation (MDT) with appropriations of \$1.4 billion in the 2021 biennium, an increase of \$20.2 million or 1.5% from the 2019 biennium budget • The legislature reduced the executive request by \$0.9 million, mainly from the reduction of funding for 5.00 FTE in each year of the biennium • \$19.1 million of the total increase is in personal services costs resulting from changes in the 2019 biennium pay plan, a reduced rate of vacancy savings, and the addition of 7.00 FTE in a new proposal in FY 2021 • \$12.0 million in biennial present law adjustments result in 59.3% of the total change, and are substantially made up of two adjustments: <ul style="list-style-type: none"> ◦ The Maintenance Program includes \$4.0 million for materials and overtime for winter maintenance functions ◦ The Rail, Transit, and Planning Program includes \$3.9 million to provide buses and bus facilities from increased federal authority • Two new proposals net to a biennial reduction of \$4.4 million and consist of: <ul style="list-style-type: none"> ◦ A reduction of \$6.0 million in grant funding in the Construction Program ◦ \$1.6 million of funding for a new Rural Traffic Management Center in the Maintenance Program | |

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 1,990.27 | 1,990.27 | 1,986.27 | 1,992.27 |
| Personal Services | 152,210,150 | 157,482,539 | 163,547,120 | 169,893,139 | 170,237,633 |
| Operating Expenses | 421,201,157 | 467,655,778 | 467,263,228 | 470,490,138 | 471,062,744 |
| Equipment & Intangible Assets | 1,705,715 | 3,262,658 | 3,257,658 | 4,044,658 | 3,927,658 |
| Capital Outlay | 6,493,807 | 12,957,065 | 12,956,865 | 12,956,865 | 12,956,865 |
| Grants | 19,655,328 | 28,993,112 | 24,818,924 | 23,805,320 | 23,905,320 |
| Transfers | 1,710,726 | 2,679,816 | 1,830,078 | 1,830,078 | 1,830,078 |
| Debt Service | 63,953 | 85,270 | 85,270 | 85,270 | 85,270 |
| Total Expenditures | \$603,040,836 | \$673,116,238 | \$673,759,143 | \$683,105,468 | \$684,005,568 |
| State/Other Special Rev. Funds | 224,460,662 | 256,480,955 | 248,693,754 | 256,331,223 | 256,481,051 |
| Federal Spec. Rev. Funds | 378,580,174 | 416,635,283 | 425,065,389 | 426,774,245 | 427,524,517 |
| Total Funds | \$603,040,836 | \$673,116,238 | \$673,759,143 | \$683,105,468 | \$684,005,568 |
| Total Ongoing | \$603,040,836 | \$673,116,238 | \$673,759,143 | \$682,645,468 | \$683,560,568 |
| Total OTO | \$0 | \$0 | \$0 | \$460,000 | \$445,000 |

Summary of Legislative Action

The major changes to the MDT budget as passed by the legislature include the reduction of 5.0 FTE between the General Operations and Construction Programs which was offset by the addition of 7.0 total FTE in the Maintenance Program: 1.0 FTE in FY 2020 and the remaining 6.0 FTE in FY 2021, to staff the newly established 24/7 Rural Traffic Management Center (TMC). The TMC was also established through legislative action. Significant changes to the funding of the Aeronautics Program were established in HB 661, and are detailed below. One-time-only appropriations of \$0.5 million each year of the biennium fund special projects in the Aeronautics Program. Roughly \$1.0 million in the second year of the biennium was appropriated to the Rail, Transit and Planning Program (RTP) to support IT projects.

Other impacting legislation to the MDT budget include:

Several memorial highways were approved, each with a fiscal note estimating between \$1,200-\$1,300 in costs. Appropriations were not included in the bills. These include:

- HB 156- Mason Moore Memorial Highway
- HB 285- Pearl Harbor Veterans Memorial Highway
- SB 175- David Thatcher Memorial Highway
- SB 196-Brent Witham Memorial Highway
- SB 260-Trenton Johnson Memorial Highway

Other bills adjusted fuel taxes, truck speed limits, and established a separate transportation interim committee. These include:

HB 661- Revise Aviation Fuel Taxation- HB 661 will increase Aviation Fuel Tax from \$0.04 per gallon to \$0.05 per gallon and directs the revenue generated from this tax to the Montana Department of Transportation (MDT) Aeronautics Operations Account and the Airport Grant Account. The operations account will receive \$0.005 per gallon and the grant account will receive the balance of \$0.045 per gallon. HB 661 also repeals the \$0.02 per gallon of aviation fuel refunded to scheduled passenger air carriers certified under 14 CFR, Part 121 or 135 and makes those funds available for state assistance grants to local public use airports. Additionally, HB 661 sunsets the Pavement Preservation Program for airports with scheduled passenger air carriers certified under 14 CFR, Part 121 or 135. The Montana Department of Transportation's Aeronautics Division will continue to use the funds for pavement preservation projects until the end of FY 2019 and transfer any remaining budget authority where needed in the 2021 biennium. Further, HB 661 will change the percentage of aircraft registration fees that are allocated to the state general fund from 90% to 0%. The aircraft registration fees will be increased by 50% and 100% will go to the MDT Aeronautics Operations Account.

SB 226 - Establish Transportation Interim Committee- SB 226 splits the Revenue and Transportation Interim Committee (RTIC) into two committees, which establishes a separate interim committee for transportation issues. This is projected to have minimal impact to the legislative branch as costs associated with this legislation will be absorbed within the branch's Program 21 Interim Committees and Activities budget.

SB 317 - Revise Transportation Weight Limits and Permits- Changes to the permit process are expected to cost an additional \$20,000 in FY 2020 but are expected to generate an extra \$137,500 of revenue in each year of the biennium.

HB 393 - Change Truck Speed Limits - Changes to truck speed limit will incur an estimated \$171,000 in expenses to MDT for fabrication, materials and installation of new signs. According to the fiscal note expenses will consist of approximately \$74,000 in personal services and \$97,000 in operating expenses. While there is no appropriation in HB 393, aggregate appropriation authority was provided in HB 715, some of which may be used for this purpose.

Funding

The following table shows agency funding by source of authority.

| Total Department of Transportation Funding by Source of Authority 2021 Biennium Budget Request - Department of Transportation | | | | | | |
|--|------------------------|------------------|--------------------------|-------------------------|------------------------|-------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| State Special Total | 512,632,274 | 180,000 | 0 | 80,260,066 | 593,072,340 | 38.47 % |
| Federal Special Total | 853,573,762 | 725,000 | 0 | 19,335,900 | 873,634,662 | 56.67 % |
| Proprietary Total | 0 | 0 | 74,785,170 | 0 | 74,785,170 | 4.85 % |
| Other Total | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| Total All Funds | \$1,366,206,036 | \$905,000 | \$74,785,170 | \$99,595,966 | \$1,541,492,172 | |
| Percent - Total All Sources | 88.63 % | 0.06 % | 4.85 % | 6.46 % | | |

The department is funded from a combination of state special revenue and federal special revenue. Included in the figure above is the funding for the three proprietary programs: the State Motor Pool internal service program, the MDT Equipment internal service program, and the Yellowstone Airport enterprise program. Statutory appropriations consist of distributions of gasoline taxes to local and tribal governments (state special funds) and federal debt service payments.

MDT is primarily financed through three state special revenue accounts. The three major accounts make up 98.0% of the agency's HB 2 state special revenues. The revenues that fund the accounts can be grouped in two general categories, constitutionally restricted and non-restricted revenues.

Restricted revenues are derived from gross vehicle weight fees and excise and license taxes on gasoline, fuel, and other energy sources that are used to propel vehicles on public highways. These funds are deposited into the highway state special restricted account (HSSRA) and the bridge and road safety and accountability act/account (BaRSAA).

Non-restricted revenues are derived from special use permits and motor fuel penalties and interest payments. The funds are deposited into the highway state special non-restricted account (HSSRA-Non-Restricted). MDT relies on these funds for maintenance and other functions not directly related to road and highway construction and maintenance, such as emergency services and transit grants.

| 2021 Biennium Projected Working Capital Balances | | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | HSSRA - Non-Rest. | HSSRA - Restricted | BaRSAA - Restricted | All Major Funds |
| Beginning Balance | \$568,268 | \$59,697,109 | \$2,394,760 | \$62,660,137 |
| Revenues ¹ | | | | |
| Gasoline Tax | 0 | 198,234,298 | 0 | 198,234,298 |
| Diesel Tax | 0 | 127,737,152 | 0 | 127,737,152 |
| BaRSAA Fuel Tax | | 0 | 21,333,441 | 21,333,441 |
| Gross Vehicle Weight Fees (GVW) | 15,661,950 | 51,757,079 | 0 | 67,419,029 |
| Federal Cost Recovery | 0 | 87,427,007 | 0 | 87,427,007 |
| Other Revenues | 331,781 | 10,858,725 | 0 | 11,190,506 |
| Total Revenue | 15,993,731 | 476,014,261 | 21,333,441 | 513,341,432 |
| HB 2 | | | | |
| Department of Transportation (MDT) | | | | |
| General Operations Program | 0 | 62,903,559 | 0 | 62,903,559 |
| Construction Program | 290,000 | 120,359,790 | 25,600,000 | 146,249,790 |
| Maintenance Program | 15,204,326 | 248,478,032 | 0 | 263,682,358 |
| Motor Carrier Services | 89,056 | 16,226,841 | 0 | 16,315,897 |
| Rail, Transit, & Planning Program | 2,632,317 | 9,778,638 | 0 | 12,410,955 |
| HB 175 Pay Plan Adjustment | 1,422 | 3,534,575 | 0 | 3,535,997 |
| Non-Budgeted Authority | 200,000 | 0 | 0 | 200,000 |
| Total MDT HB 2 | 18,417,121 | 461,281,435 | 25,600,000 | 505,298,556 |
| Total Department of Justice HB 2 | 782,916 | 0 | 0 | 782,916 |
| Total MDT Other Leg. (HB5, HB 10, HB 393) | 0 | 12,871,281 | 0 | 12,871,281 |
| Total Expenditures / Appropriations | 19,200,037 | 474,152,716 | 25,600,000 | 518,952,753 |
| Revenue less Expenditures/Appropriations | (3,206,306) | 1,861,545 | (4,266,559) | (5,611,321) |
| Actual / Projected Ending Balance | (\$2,638,038) | \$61,558,653 | (\$1,871,799) | \$57,048,816 |

¹Revenues based HJ 2 projections. Other revenues and federal indirect cost recovery are projected by MDT.

MDT Major State Special Revenue Accounts Working Capital Analysis

The table provides the working capital balance for the two-restricted highway state special revenue accounts (HSSRA and BaRSAA) and the highway state special revenue non-restricted account (HSSRA-NR). This analysis differs from a

regular fund balance analysis because it includes only those actual expenditures in the year when they occur. It does not include amounts that are encumbered for projects started in the current year but completed in the next. In such a case, the continued project costs would be included in the following year. As such, the analysis provides a more accurate assessment of funding availability.

To some degree, the MDT major accounts are managed in tandem. As such, a combined balance is included for informational purposes. The combined balance of the MDT major accounts is projected to be \$62.7 million at the beginning of the 2021 biennium. If the agency fully expends all appropriations requested in the 2021 budgets and the anticipated revenues are realized as projected, the combined balance would be \$57.0 million at the end of the 2021 biennium.

Constitutionally Restricted HSSRA

As shown in the Working Capital Balances table, HSSRA is expected to start the 2021 biennium with a positive working capital balance of nearly \$60.0 million. The revenue estimates included in HJ 2 would provide \$476.0 million in the biennium. The budget requests include \$474.2 million of appropriations. The difference between anticipated revenues and requested appropriations would amount to \$1.9 million, increasing the available working capital balance to \$61.6 million. Included in this analysis are the effects of the HB 175 pay plan.

Constitutionally Restricted BaRSAA

BaRSAA is a new account established in the HB 473 from the 2017 Session (fuel tax legislation). When the legislature increased fuel taxes, 35% of the new revenues were directed to MDT. The new revenue was designated to a separate account and are to be expended only as a match to federal-aid highway funding. BaRSAA is expected to start the 2021 biennium with a balance of \$2.4 million. The revenue estimates included in HJ 2 would provide \$21.3 million in the biennium. Budget requests are \$25.6 million, reducing the balance to negative \$1.9 million by the end of the biennium. As a result, MDT will need to manage appropriations within the available revenues of the account.

Non-restricted HSSRA-NR

HSSRA-NR supports the operations of four programs in MDT and several programs in the Department of Justice. As shown in the figure, HSSRA-NR is expected to start the 2021 biennium with a balance of \$568,000. Total revenue in the biennium is projected to be \$16.0 million and total appropriations requested are \$19.2 million, providing a negative fund balance of \$2.6 million by the end of biennium.

The table on the previous page provides a high-level view of the working capital balances of the highway state special revenue accounts, a more detailed view of account activities and budgeting is found in the appendix

Federal Aid Highway Funding

Montana continues to receive approximately \$2 dollars of federal gas taxes for every \$1 dollar of federal fuel tax raised in Montana. The Fixing America's Surface Transportation or FAST Act was passed by Congress in 2015 and is at this time directing the allocation of federal funds to MDT. The federal legislation will expire September 30, 2020, and as a result there is a level of uncertainty about the amount of federal funds the state can expect beyond the 2021 biennium.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|----------------------|------------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 673,759,143 | 673,759,143 | 1,347,518,286 | 98.57 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 6,148,791 | 5,866,994 | 12,015,785 | 0.88 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 5,424,091 | 6,582,600 | 12,006,691 | 0.88 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | (2,226,557) | (2,203,169) | (4,429,726) | (0.32)% |
| Total Budget | \$0 | \$0 | \$0 | | \$683,105,468 | \$684,005,568 | \$1,367,111,036 | |

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|----------------------|------------------------------|--------------------------------|------------------------------------|------------------------------|--------------------------------|------------------------------------|----------------------------------|
| Budget Item | Approp. Fiscal 2019 | Executive Budget Fiscal 2020 | Legislative Budget Fiscal 2020 | Leg — Exec. Difference Fiscal 2020 | Executive Budget Fiscal 2021 | Legislative Budget Fiscal 2021 | Leg — Exec. Difference Fiscal 2021 | Biennium Difference Fiscal 20-21 |
| FTE | 1,990.27 | 1,991.27 | 1,986.27 | (5.00) | 1,997.27 | 1,992.27 | (5.00) | (5.00) |
| Personal Services | 163,547,120 | 170,296,777 | 169,893,139 | (403,638) | 170,641,272 | 170,237,633 | (403,639) | (807,277) |
| Operating Expenses | 467,263,228 | 470,484,813 | 470,490,138 | 5,325 | 471,062,419 | 471,062,744 | 325 | 5,650 |
| Equipment & Intangible Assets | 3,257,658 | 4,044,658 | 4,044,658 | 0 | 3,927,658 | 3,927,658 | 0 | 0 |
| Capital Outlay | 12,956,865 | 12,956,865 | 12,956,865 | 0 | 12,956,865 | 12,956,865 | 0 | 0 |
| Grants | 24,818,924 | 23,805,320 | 23,805,320 | 0 | 23,905,320 | 23,905,320 | 0 | 0 |
| Transfers | 1,830,078 | 1,890,078 | 1,830,078 | (60,000) | 1,890,078 | 1,830,078 | (60,000) | (120,000) |
| Debt Service | 85,270 | 85,270 | 85,270 | 0 | 85,270 | 85,270 | 0 | 0 |
| Total Costs | \$673,759,143 | \$683,563,781 | \$683,105,468 | (\$458,313) | \$684,468,882 | \$684,005,568 | (\$463,314) | (\$921,627) |
| State/other Special Rev. Funds | 248,693,754 | 257,459,183 | 256,331,223 | (1,127,960) | 257,634,260 | 256,481,051 | (1,153,209) | (2,281,169) |
| Federal Spec. Rev. Funds | 425,065,389 | 426,104,598 | 426,774,245 | 669,647 | 426,834,622 | 427,524,517 | 689,895 | 1,359,542 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$673,759,143 | \$683,563,781 | \$683,105,468 | (\$458,313) | \$684,468,882 | \$684,005,568 | (\$463,314) | (\$921,627) |
| Total Ongoing | \$673,759,143 | \$683,103,781 | \$682,645,468 | (\$458,313) | \$684,023,882 | \$683,560,568 | (\$463,314) | (\$921,627) |
| Total OTO | \$0 | \$460,000 | \$460,000 | \$0 | \$445,000 | \$445,000 | \$0 | \$0 |

The legislatively adopted budget for MDT is \$0.9 million, or 0.1% less than the executive recommendation in the 2021 biennium. The primary change was a reduction of personal services of \$807,000 over the biennium, the costs associated with 5.00 FTE.

Language and Statutory Authority

"The department may adjust appropriations between state special revenue and federal special revenue funds if the total state special revenue authority by program is not increased by more than 10% of the total appropriations established by the legislature.

All appropriations in the department are biennial.

The state motor pool shall grant up to two surplus vehicles per year for courtesy cars to municipal airports as defined in 67-10-903."

Statutory Authority

In the 2021 biennium, MDT has budgeted approximately \$99.6 million of statutory appropriation authority. Most of the authority is related to distributions of fuel taxes to town and city, county, and tribal governments. MDT also pays debt service on a federally supported highway bond. The 2021 biennium budgeted statutory appropriations include:

- \$69.1 million – City and county governments fuel tax distributions and grants
- \$10.7 million – Tribal governments gas tax revenue sharing agreements
- \$0.3 million – Local Technical Assistance Program at Montana State University
- \$19.3 million – Bond issue debt service (FY 2023 is final year)
- \$0.1 million – Shared use path construction and maintenance

In addition to the statutory appropriations listed above MDT will also receive funding from HB 661. This bill was passed at the end of the 2019 session and includes a new statutory appropriation of \$3.3 million for the biennium to fund grants in the Aeronautics division.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 31,769,194 | 33,981,259 | 2,212,065 | 6.96 % |
| Operating Expenses | 30,929,980 | 32,066,568 | 1,136,588 | 3.67 % |
| Equipment & Intangible Assets | 96,606 | 91,606 | (5,000) | (5.18)% |
| Capital Outlay | 200 | 0 | (200) | (100.00)% |
| Grants | 150,000 | 150,000 | 0 | 0.00 % |
| Transfers | 16,777 | 0 | (16,777) | (100.00)% |
| Debt Service | 170,540 | 170,540 | 0 | 0.00 % |
| Total Expenditures | \$63,133,297 | \$66,459,973 | \$3,326,676 | 5.27 % |
| State/Other Special Rev. Funds | 60,050,686 | 62,903,559 | 2,852,873 | 4.75 % |
| Federal Spec. Rev. Funds | 3,082,611 | 3,556,414 | 473,803 | 15.37 % |
| Total Funds | \$63,133,297 | \$66,459,973 | \$3,326,676 | 5.27 % |
| Total Ongoing | \$63,133,297 | \$66,459,973 | \$3,326,676 | 5.27 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The General Operations Program provides overall policy direction and management to the agency, administers motor fuel taxes, and provides administrative support services for the department, including general administration and management, accounting and budgeting, ensuring civil rights and equal opportunity, legal services, public affairs, information technology services, human resources activities, compliance review, and goods and services procurement.

Program Highlights

| General Operations Program Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The General Operations Program budget is \$3.3 million, or 5.3%, higher than the 2019 biennium • \$2.6 million of the growth results from the statewide present law adjustments: <ul style="list-style-type: none"> ◦ Personal services cost increases of \$2.2 million result primarily from the annualization of the 2019 biennium pay plan and the biennial change in the vacancy savings rate approved by the legislature ◦ The legislature adopted a reduction of 2.0 FTE ◦ \$782,000 in fixed costs adjustments, including an additional adjustment of \$151,000 to the Statewide Cost Allocation Plan for MDT are primarily funded in this program |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 179.80 | 179.80 | 177.80 | 177.80 |
| Personal Services | 14,608,030 | 15,627,062 | 16,142,132 | 16,989,380 | 16,991,879 |
| Operating Expenses | 14,115,363 | 15,554,577 | 15,375,403 | 16,135,861 | 15,930,707 |
| Equipment & Intangible Assets | 50,789 | 50,803 | 45,803 | 45,803 | 45,803 |
| Capital Outlay | 8 | 200 | 0 | 0 | 0 |
| Grants | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Transfers | 16,770 | 16,777 | 0 | 0 | 0 |
| Debt Service | 63,953 | 85,270 | 85,270 | 85,270 | 85,270 |
| Total Expenditures | \$28,929,913 | \$31,409,689 | \$31,723,608 | \$33,331,314 | \$33,128,659 |
| State/Other Special Rev. Funds | 27,866,711 | 29,864,597 | 30,186,089 | 31,556,258 | 31,347,301 |
| Federal Spec. Rev. Funds | 1,063,202 | 1,545,092 | 1,537,519 | 1,775,056 | 1,781,358 |
| Total Funds | \$28,929,913 | \$31,409,689 | \$31,723,608 | \$33,331,314 | \$33,128,659 |
| Total Ongoing | \$28,929,913 | \$31,409,689 | \$31,723,608 | \$33,331,314 | \$33,128,659 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 01-General Operations Program Funding by Source of Authority | | | | | |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02301 Tribal Motor Fuels Admin. | 0 | 0 | 32,000 | 32,000 | 0.02 % |
| 02303 Tribal Motor Fuels Tax Acct | 0 | 0 | 10,640,202 | 10,640,202 | 7.46 % |
| 02349 Highway Non-Restricted Account | 0 | 0 | 0 | 0 | 0.00 % |
| 02422 Highways Special Revenue | 62,903,559 | 0 | 0 | 62,903,559 | 44.07 % |
| 02447 BaRSAA MDT Fuel Tax | 0 | 0 | 0 | 0 | 0.00 % |
| 02440 Refunds/IFTA Suspense | 0 | 0 | 0 | 0 | 0.00 % |
| 02439 BaRSAA Local Fuel Tax | 0 | 0 | 35,813,286 | 35,813,286 | 25.09 % |
| 02437 Local Gvt/LTAP | 0 | 0 | 33,332,000 | 33,332,000 | 23.35 % |
| State Special Total | \$62,903,559 | \$0 | \$79,817,488 | \$142,721,047 | 97.57 % |
| 03407 Highway Trust - Sp Rev | 3,556,414 | 0 | 0 | 3,556,414 | 100.00 % |
| 03828 Traffic Safety | 0 | 0 | 0 | 0 | 0.00 % |
| Federal Special Total | \$3,556,414 | \$0 | \$0 | \$3,556,414 | 2.43 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$66,459,973 | \$0 | \$79,817,488 | \$146,277,461 | |

The General Operations Program is primarily funded from the restricted highway state special revenue account and federal highway trust special revenue. The restricted highway state special revenue account receives revenue from motor fuel taxes, gross vehicle weight permit fees, and reimbursements for indirect costs associated with the federal-aid highway program via a Federal Highways Administration (FHWA) approved indirect cost plan. Federal funding is available for assistance for disadvantaged businesses, on-the-job training programs, fuel tax evasion prevention efforts, and direct administrative expenses associated with the federal-aid highway program.

The General Operations Program is also responsible for \$79.8 million of statutory appropriations. Most, \$69.1 million, are the distributions of fuel taxes to cities, towns, counties, and consolidated city-county governments. The \$10.7 million of statutory distributions through the tribal motor fuels accounts are a function of the revenue sharing agreements between the tribes and the state.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 31,723,608 | 31,723,608 | 63,447,216 | 95.47 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 1,449,892 | 1,182,417 | 2,632,309 | 3.96 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 157,814 | 222,634 | 380,448 | 0.57 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$0 | \$0 | \$0 | | \$33,331,314 | \$33,128,659 | \$66,459,973 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|---|-----------------------|--------------|--------------------|------------------|--------------------|-----------------------|--------------|--------------------|------------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 882,248 | 109,827 | 992,075 | 0.00 | 0 | 882,360 | 112,214 | 994,574 |
| DP 2 - Fixed Costs | 0.00 | 0 | 451,247 | 0 | 451,247 | 0.00 | 0 | 179,690 | 0 | 179,690 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 6,176 | 394 | 6,570 | 0.00 | 0 | 7,664 | 489 | 8,153 |
| DP 50 - Personal Services Adjustment (2.00) | (2.00) | 0 | (144,827) | 0 | (144,827) | (2.00) | 0 | (144,827) | 0 | (144,827) |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 75,325 | 0 | 75,325 | 0.00 | 0 | 75,325 | 0 | 75,325 |
| DP 106 - Fuel Tax Evasion Grant | 0.00 | 0 | 0 | 127,316 | 127,316 | 0.00 | 0 | 0 | 131,136 | 131,136 |
| DP 107 - Adobe Software Funding/Replacement | 0.00 | 0 | 100,000 | 0 | 100,000 | 0.00 | 0 | 75,000 | 0 | 75,000 |
| DP 108 - MCS- Customer Credentialing and Automated Routing Software | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 86,000 | 0 | 86,000 |
| Grand Total All Present Law Adjustments | (2.00) | \$0 | \$1,370,169 | \$237,537 | \$1,607,706 | (2.00) | \$0 | \$1,161,212 | \$243,839 | \$1,405,051 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted statewide adjustments to the present law personal services budget, and made adjustments in DP 50.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts.

DP 50 - Personal Services Adjustment -

The legislature adopted this adjustment to personal services that reduces 2.00 FTE and the associated funding from the program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 106 - Fuel Tax Evasion Grant -

The legislature adopted an increase of ongoing authority for the federal fuel tax evasion grant program. The authority adds federal funding in the following areas: administration division, audit services, and legal services. The fuel tax evasion grants funding has been sustained in the 2019 biennium through budget amendments.

DP 107 - Adobe Software Funding/Replacement -

The legislature adopted an increase in state special revenue authority to replace Adobe software currently used within the agency. This appropriation will continue the provision of either Adobe PDF, or some similar software, in FY 2021.

DP 108 - MCS- Customer Credentialing and Automated Routing Software -

The legislature adopted an appropriation of state special revenue in FY 2021 for the ongoing costs of the Customer Credentialing System (CCS) and Automated Routing System (ARS).

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 144,461,048 | 151,843,138 | 7,382,090 | 5.11 % |
| Operating Expenses | 722,529,459 | 724,239,096 | 1,709,637 | 0.24 % |
| Equipment & Intangible Assets | 5,330,524 | 5,330,524 | 0 | 0.00 % |
| Capital Outlay | 25,913,730 | 25,913,730 | 0 | 0.00 % |
| Grants | 14,261,256 | 8,261,256 | (6,000,000) | (42.07)% |
| Total Expenditures | \$912,496,017 | \$915,587,744 | \$3,091,727 | 0.34 % |
| State/Other Special Rev. Funds | 152,683,466 | 146,249,790 | (6,433,676) | (4.21)% |
| Federal Spec. Rev. Funds | 759,812,551 | 769,337,954 | 9,525,403 | 1.25 % |
| Total Funds | \$912,496,017 | \$915,587,744 | \$3,091,727 | 0.34 % |
| Total Ongoing | \$912,496,017 | \$915,587,744 | \$3,091,727 | 0.34 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction of the project. Program responsibilities include such tasks as project designs, right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. Contract administration is responsible for the documentation, inspection, and testing of highway construction projects from the time the contract is awarded to a private contractor until the project is completed and the work is approved. The program also provides traffic improvement and educational programs to promote public safety, health, and welfare.

Program Highlights

| Construction Program Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The Construction Program budget is \$3.0 million, or 0.3%, higher than the 2019 biennium • The program has the greatest number of FTE in the agency and the highest personal services budget <ul style="list-style-type: none"> ◦ Personal services cost increases of \$7.4 million result primarily from the annualization of the 2019 biennium pay plan and the biennial change in the vacancy savings rate adopted by the legislature ◦ The legislature removed funding for 3.0 FTE • The legislature adopted a decrease to federally funded grants of \$3.2 million and increased state special grants by \$0.2 million annually <ul style="list-style-type: none"> ◦ The Federal Highway Administration discontinued its support for the Community Transportation Enhancement Program ◦ State grant funding provides a match for equipment in the Congestion Mitigation & Air Quality program • The legislature increased the clarity of the appropriation of BaRSAA funds by segregating that component of the budget as its own HB 2 line item |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 849.72 | 849.72 | 846.72 | 846.72 |
| Personal Services | 68,023,711 | 70,917,358 | 73,543,690 | 75,926,835 | 75,916,303 |
| Operating Expenses | 325,508,401 | 361,230,811 | 361,298,648 | 362,084,508 | 362,154,588 |
| Equipment & Intangible Assets | 1,358,895 | 2,665,262 | 2,665,262 | 2,665,262 | 2,665,262 |
| Capital Outlay | 6,493,799 | 12,956,865 | 12,956,865 | 12,956,865 | 12,956,865 |
| Grants | 932,660 | 7,130,628 | 7,130,628 | 4,130,628 | 4,130,628 |
| Total Expenditures | \$402,317,466 | \$454,900,924 | \$457,595,093 | \$457,764,098 | \$457,823,646 |
| State/Other Special Rev. Funds | 58,502,565 | 81,103,488 | 71,579,978 | 73,098,306 | 73,151,484 |
| Federal Spec. Rev. Funds | 343,814,901 | 373,797,436 | 386,015,115 | 384,665,792 | 384,672,162 |
| Total Funds | \$402,317,466 | \$454,900,924 | \$457,595,093 | \$457,764,098 | \$457,823,646 |
| Total Ongoing | \$402,317,466 | \$454,900,924 | \$457,595,093 | \$457,764,098 | \$457,823,646 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 02-Construction Program Funding by Source of Authority | | | | | | |
|---|----------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02349 Highway Non-Restricted Account | 290,000 | 0 | 0 | 290,000 | 0.20 % | |
| 02422 Highways Special Revenue | 120,359,790 | 0 | 0 | 120,359,790 | 82.13 % | |
| 02447 BaRSAA MDT Fuel Tax | 25,600,000 | 0 | 0 | 25,600,000 | 17.47 % | |
| 02437 Local Gvt/LTAP | 0 | 0 | 300,000 | 300,000 | 0.20 % | |
| State Special Total | \$146,249,790 | \$0 | \$300,000 | \$146,549,790 | 15.67 % | |
| 03407 Highway Trust - Sp Rev | 769,337,954 | 0 | 19,335,900 | 788,673,854 | 100.00 % | |
| Federal Special Total | \$769,337,954 | \$0 | \$19,335,900 | \$788,673,854 | 84.33 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$915,587,744 | \$0 | \$19,635,900 | \$935,223,644 | | |

Costs eligible for reimbursement under the federal-aid construction program are funded with the restricted highway state special revenue accounts and federal special revenue funds distributed by the U.S. Department of Transportation and apportioned to Montana. Construction design, construction, and construction management costs, as well as indirect administrative costs for construction activities, are generally eligible for federal reimbursement. The state match requirement is based on a sliding scale match, which is currently 86.6% federal with a 13.4% state match for most direct construction related costs. The primary sources of revenues in the restricted state special revenue accounts are highway-user fees derived from motor fuel taxes and gross vehicle weight fees.

The Construction Program is also responsible for \$19.6 million of statutory appropriations. Statutory appropriations include \$300,000 to be distributed for the purposes and functions of the Montana Local Technical Assistance Transportation Program at Montana State University and \$19.3 million, federally funded, for the debt service costs associated with previous work on Hwy 93. The federal debt service obligation will reach maturity in FY 2023.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|----------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 457,595,093 | 457,595,093 | 915,190,186 | 99.96 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 2,657,099 | 2,648,993 | 5,306,092 | 0.58 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 511,906 | 579,560 | 1,091,466 | 0.12 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | (3,000,000) | (3,000,000) | (6,000,000) | (0.66)% |
| Total Budget | \$0 | \$0 | \$0 | | \$457,764,098 | \$457,823,646 | \$915,587,744 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|---|-----------------------|--------------|--------------------|--------------------|--------------------|-----------------------|--------------|--------------------|--------------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 959,543 | 1,682,413 | 2,641,956 | 0.00 | 0 | 956,260 | 1,675,164 | 2,631,424 |
| DP 2 - Fixed Costs | 0.00 | 0 | 4,886 | 189 | 5,075 | 0.00 | 0 | 4,886 | 189 | 5,075 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 3,261 | 6,807 | 10,068 | 0.00 | 0 | 4,047 | 8,447 | 12,494 |
| DP 50 - Personal Services Adjustment | (3.00) | 0 | (258,811) | 0 | (258,811) | (3.00) | 0 | (258,811) | 0 | (258,811) |
| DP 208 - Engineering Software Licensing & Maintenance Contracts | 0.00 | 0 | 630,773 | 139,944 | 770,717 | 0.00 | 0 | 686,448 | 151,923 | 838,371 |
| Grand Total All Present Law Adjustments | (3.00) | \$0 | \$1,339,652 | \$1,829,353 | \$3,169,005 | (3.00) | \$0 | \$1,392,830 | \$1,835,723 | \$3,228,553 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted statewide adjustments to the present law personal services budget, and made adjustments in DP 50.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts.

DP 50 - Personal Services Adjustment -

The legislature adopted this adjustment to personal services that reduces 3.00 FTE and the associated funding from the program.

DP 208 - Engineering Software Licensing & Maintenance Contracts -

The legislature adopted an increase in state special and federal special revenue appropriation for engineering software licensing and maintenance IT contract increases. The Engineering division has experienced additional software acquisition, licensing, and maintenance agreement costs and the price of existing contracts has been increasing by 2.0% to 5.0% each year.

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|-------------------------------|-----------------------|--------------|------------------|----------------------|----------------------|-----------------------|--------------|------------------|----------------------|----------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 206 - FHWA Grant Reduction | 0.00 | 0 | 178,676 | (3,178,676) | (3,000,000) | 0.00 | 0 | 178,676 | (3,178,676) | (3,000,000) |
| Total | 0.00 | \$0 | \$178,676 | (\$3,178,676) | (\$3,000,000) | 0.00 | \$0 | \$178,676 | (\$3,178,676) | (\$3,000,000) |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 206 - FHWA Grant Reduction -

The legislature adopted a reduction in federal appropriation for the elimination of the Community Transportation Enhancement Program (CTEP), which is no longer a federally funded program. This request shifts a small portion of the funding from federal authority for the Congestion Mitigation & Air Quality (CMAQ) program to state special revenue authority to ensure the appropriate level of matching funds are available for CMAQ grants.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|---------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 108,900,732 | 116,245,543 | 7,344,811 | 6.74 % |
| Operating Expenses | 160,204,345 | 163,802,421 | 3,598,076 | 2.25 % |
| Equipment & Intangible Assets | 450,416 | 1,247,416 | 797,000 | 176.95 % |
| Grants | 25,000 | 50,000 | 25,000 | 100.00 % |
| Total Expenditures | \$269,580,493 | \$281,345,380 | \$11,764,887 | 4.36 % |
| State/Other Special Rev. Funds | 253,158,387 | 263,682,358 | 10,523,971 | 4.16 % |
| Federal Spec. Rev. Funds | 16,422,106 | 17,663,022 | 1,240,916 | 7.56 % |
| Total Funds | \$269,580,493 | \$281,345,380 | \$11,764,887 | 4.36 % |
| Total Ongoing | \$269,580,493 | \$281,345,380 | \$11,764,887 | 4.36 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Maintenance Program is responsible for the repair, maintenance, and preservation of approximately 25,000 lane miles of roadways. Activities include but are not limited to: winter maintenance, reactive and preventive pavement preservation, pavement marking, signing, roadway striping, noxious weed control, traveler information, disaster and emergency services coordination, MDT’s long-range building program and state funded construction program, communications program, quality control, and any other necessary roadway and roadside repairs and maintenance. The Maintenance program is authorized by 2-15-2501(1), MCA; Title 60, MCA, and 23 USC 116.

Program Highlights

| Maintenance Program Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The Maintenance Program appropriation is \$11.8 million, or 4.4%, higher than the 2019 biennium • Personal services was increased by \$7.3 million as a result of: <ul style="list-style-type: none"> ◦ The annualization of the 2019 biennium pay plan and the biennial change in the vacancy savings rate approved by the legislature ◦ An increase of 1.00 FTE in FY 2020 and an additional 6.00 FTE in FY 2021 for the newly established Rural Traffic Management Center ◦ The addition of \$1.0 million per year for overtime pay for snowplow drivers • Other significant changes in the Maintenance Program budget include: <ul style="list-style-type: none"> ◦ A budget increase of \$1.0 million per year to fund the restocking of winter maintenance supplies inventory ◦ An increase of \$220,000 in operating expenses, and \$797,000 in equipment costs for the new 24/7 rural traffic management center |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 733.55 | 733.55 | 734.55 | 740.55 |
| Personal Services | 53,036,596 | 53,323,913 | 55,576,819 | 57,943,703 | 58,301,840 |
| Operating Expenses | 74,810,482 | 79,719,747 | 80,484,598 | 81,710,538 | 82,091,883 |
| Equipment & Intangible Assets | 128,276 | 225,208 | 225,208 | 902,208 | 345,208 |
| Grants | 0 | 0 | 25,000 | 25,000 | 25,000 |
| Total Expenditures | \$127,975,354 | \$133,268,868 | \$136,311,625 | \$140,581,449 | \$140,763,931 |
| State/Other Special Rev. Funds | 119,737,178 | 124,985,702 | 128,172,685 | 131,760,071 | 131,922,287 |
| Federal Spec. Rev. Funds | 8,238,176 | 8,283,166 | 8,138,940 | 8,821,378 | 8,841,644 |
| Total Funds | \$127,975,354 | \$133,268,868 | \$136,311,625 | \$140,581,449 | \$140,763,931 |
| Total Ongoing | \$127,975,354 | \$133,268,868 | \$136,311,625 | \$140,581,449 | \$140,763,931 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 03-Maintenance Program Funding by Source of Authority | | | | | |
|--|----------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02349 Highway Non-Restricted Account | 15,204,326 | 0 | 0 | 15,204,326 | 5.76 % |
| 02422 Highways Special Revenue | 248,478,032 | 0 | 0 | 248,478,032 | 94.19 % |
| 02121 Shared-Use Path | 0 | 0 | 114,062 | 114,062 | 0.04 % |
| State Special Total | \$263,682,358 | \$0 | \$114,062 | \$263,796,420 | 93.72 % |
| 03407 Highway Trust - Sp Rev | 17,663,022 | 0 | 0 | 17,663,022 | 100.00 % |
| Federal Special Total | \$17,663,022 | \$0 | \$0 | \$17,663,022 | 6.28 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$281,345,380 | \$0 | \$114,062 | \$281,459,442 | |

The state special revenue funding of the Maintenance Program is derived from highway state special revenue accounts. Federal special revenue funds qualifying highway maintenance activities determined by the Federal Highway Administration to extend the life of the highway system.

The Maintenance Program administers a statutory appropriation that funds activities related to shared-use paths. The funding for this appropriation is derived from an opt-in vehicle license fee for the maintenance and construction of shared use paths.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|----------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 136,311,625 | 136,311,625 | 272,623,250 | 96.90 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 1,291,893 | 1,289,952 | 2,581,845 | 0.92 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 2,204,488 | 2,365,523 | 4,570,011 | 1.62 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 773,443 | 796,831 | 1,570,274 | 0.56 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$140,581,449 | \$140,763,931 | \$281,345,380 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|--------------------|-----------------|--------------------|-----------------------|--------------|--------------------|-----------------|--------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 1,257,778 | 12,663 | 1,270,441 | 0.00 | 0 | 1,255,541 | 12,649 | 1,268,190 |
| DP 2 - Fixed Costs | 0.00 | 0 | 20,169 | 0 | 20,169 | 0.00 | 0 | 20,169 | 0 | 20,169 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 1,155 | 128 | 1,283 | 0.00 | 0 | 1,434 | 159 | 1,593 |
| DP 301 - Maintenance Program Fund Switch | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| DP 306 - Secondary Roads | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 105,214 | 0 | 105,214 |
| DP 307 - Restore Winter Maintenance - RST | 0.00 | 0 | 2,000,000 | 0 | 2,000,000 | 0.00 | 0 | 2,000,000 | 0 | 2,000,000 |
| DP 308 - Rest Area Contracts | 0.00 | 0 | 204,488 | 0 | 204,488 | 0.00 | 0 | 260,309 | 0 | 260,309 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$3,483,590 | \$12,791 | \$3,496,381 | 0.00 | \$0 | \$3,642,667 | \$12,808 | \$3,655,475 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts.

DP 301 - Maintenance Program Fund Switch -

The legislature adopted a funding switch of \$7,602,163 per year in budget authority from the restricted highway state special revenue account to the non-restricted highway state special revenue account.

DP 306 - Secondary Roads -

The legislature adopted an increase in state special revenue appropriation for the assumption of the maintenance responsibility on state secondary roads. Each year counties nominate secondary roads for improvement. Many of the projects result in gravel roads becoming paved, and in the 2021 biennium MDT anticipates that 10.8 miles of additional secondary roads would become eligible for MDT maintenance.

DP 307 - Restore Winter Maintenance - RST -

The legislature adopted an increase in appropriation for winter maintenance materials (brining salt, liquid de-icer, road salt, sand) and overtime costs. The legislature restricted this appropriation to the uses described here.

DP 308 - Rest Area Contracts -

The legislature adopted an increase in state special revenue appropriation for the service and upkeep of rest areas. This request would support the contract costs that will be rebid for the 2021 biennium, which are expected to increase by 3.0% per year.

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|------------------|------------------|------------------|-----------------------|--------------|------------------|------------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 310 - Rural Traffic Management Center | 1.00 | 0 | 103,796 | 669,647 | 773,443 | 7.00 | 0 | 106,935 | 689,896 | 796,831 |
| Total | 1.00 | \$0 | \$103,796 | \$669,647 | \$773,443 | 7.00 | \$0 | \$106,935 | \$689,896 | \$796,831 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 310 - Rural Traffic Management Center -

The legislature adopted state and federal special revenue appropriations to establish a 24/7 Traffic Management Center (TMC) at a central location to handle road reporting, maintenance call outs, incident and construction reporting, and to enable notification of emergency personnel of incidents on state maintained highways. The FY 2020 costs include the addition of 1.00 FTE (a communication tech) and one-time-only operating costs to upgrade the communications equipment. The FY 2021 costs represent the new annual costs of the TMC, which will include the addition of another 6.00 FTE to operate the facility. The TMC is funded 86.6% with federal special revenue.

Program Budget Comparison

| Program Budget Comparison | | | | |
|-------------------------------|---------------------------|--------------------------|------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 838,055 | 858,834 | 20,779 | 2.48 % |
| Operating Expenses | 4,551,292 | 4,453,660 | (97,632) | (2.15)% |
| Equipment & Intangible Assets | 7,213,506 | 7,603,506 | 390,000 | 5.41 % |
| Debt Service | 228,898 | 38,898 | (190,000) | (83.01)% |
| Total Expenditures | \$12,831,751 | \$12,954,898 | \$123,147 | 0.96 % |
| Proprietary Funds | 12,831,751 | 12,954,898 | 123,147 | 0.96 % |
| Total Funds | \$12,831,751 | \$12,954,898 | \$123,147 | 0.96 % |

Program Description

Note: The State Motor Pool Program is a non-HB 2 proprietary internal services program. Numbers included in this section of the report including the number of FTE, budget, and funding are not included in the MDT program summary figures.

The State Motor Pool operates and maintains a fleet of vehicles available to all state offices and employees who conduct official state business. The State Motor Pool has two basic components: 1) the daily rental fleet and 2) the out-stationed lease fleet. The daily rental program operates out of the Helena headquarters facility and provides vehicles for short-term use. The leasing program provides vehicles for extended assignment to agencies statewide. The Motor Pool supports 6.00 FTE. Section 2-17-411, MCA, establishes that the Department of Transportation’s Motor Pool is responsible for the acquisition, operations, maintenance, repair, and administration of all motor vehicles in the custody of the Motor Pool (this does not apply to motor vehicles used in the service of the Governor, Attorney General or the Montana Highway Patrol).

Use of the program is optional to agencies when personnel are required to travel by vehicle for official state business but is encouraged in the Montana Operations Manual (MOM). Other options to use by state employees are: 1) other state-owned vehicles not part of the State Motor Pool fleet; 2) personal vehicles, with authorization provided by the agency director; or 3) vehicles from a private rental agency contract. The rate for the use of personal vehicles, for state business travel, are set at \$0.545 per mile by the Internal Revenue Service for the current year if the state employee qualifies according to the conditions as discussed in the employee travel policy of the MOM manual.

The program does not expect any major changes to the customer base in the 2021 biennium.

Program Highlights

| State Motor Pool Program Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • Rate increases are primarily driven by expected increases in the cost of gasoline • The rates represent the highest amounts that the program will charge, however if the cost of gasoline is lower than expected, the program will reduce the charges to the rate payers (agencies) |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Personal Services | 395,008 | 415,933 | 422,122 | 429,021 | 429,813 |
| Operating Expenses | 2,293,173 | 2,329,385 | 2,221,907 | 2,226,911 | 2,226,749 |
| Equipment & Intangible Assets | 0 | 3,411,753 | 3,801,753 | 3,801,753 | 3,801,753 |
| Debt Service | 209,304 | 209,449 | 19,449 | 19,449 | 19,449 |
| Total Expenditures | \$2,897,485 | \$6,366,520 | \$6,465,231 | \$6,477,134 | \$6,477,764 |
| Proprietary Funds | 2,897,485 | 6,366,520 | 6,465,231 | 6,477,134 | 6,477,764 |
| Total Funds | \$2,897,485 | \$6,366,520 | \$6,465,231 | \$6,477,134 | \$6,477,764 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 07-Motor Pool Program Funding by Source of Authority | | | | | | |
|---|------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| State Special Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Federal Special Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| 06506 Motor Pool - Int Svc | 0 | 12,954,898 | 0 | 12,954,898 | 100.00 % | |
| 06508 Highway Equipment - Int Svc. | 0 | 0 | 0 | 0 | 0.00 % | |
| Proprietary Total | \$0 | \$12,954,898 | \$0 | \$12,954,898 | 100.00 % | |
| Total All Funds | \$0 | \$12,954,898 | \$0 | \$12,954,898 | | |

Funding for the State Motor Pool is generated through rental and lease fees charged to the state agencies, which are deposited in a proprietary fund.

Funding Sources: The following sources of funding were used to pay for the services provided by this program in FY 2018:

- General fund (54.9%)
- State special revenue (21.3%)
- Federal special revenue (21.2%)
- Proprietary (2.1%)
- Other (0.5%)

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 6,465,231 | 6,465,231 | 12,930,462 | 99.81 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 11,903 | 12,533 | 24,436 | 0.19 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$6,477,134 | \$6,477,764 | \$12,954,898 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|---------------|-----------------|-----------------|-----------------------|--------------|---------------|-----------------|-----------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 0 | 0 | 6,899 | 0.00 | 0 | 0 | 0 | 7,691 |
| DP 2 - Fixed Costs | 0.00 | 0 | 0 | 0 | 5,004 | 0.00 | 0 | 0 | 0 | 4,842 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$0 | \$0 | \$11,903 | 0.00 | \$0 | \$0 | \$0 | \$12,533 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

Other Issues

Proprietary Rates

The legislature adopted the rates for the Motor Pool Program as requested by the executive.

Motor Pool users pay a usage rate and an assigned rate. The usage rate is charged for actual miles driven and allows the program to recover costs directly related to the operation of the vehicle, such as repairs, parts, fuel, lubricants, and tires. The assigned rate is charged for hours the vehicle was used and allows the program to cover fixed costs associated with state ownership, such as insurance, interest payments on BOI loans, depreciation, and utilities. The rates approved by the legislature are the maximum the program may charge during the biennium, not the rates the program must charge. The state motor pool rates are shown in the table below and are also included in HB 2, Section R.

State Motor Pool rental rates use a dual rate structure based on 1. assigned rate per hour of usage and 2. usage rates per mile operated based on the current price of gasoline. Below are the rates approved by the legislature

| Vehicle Class | Assigned rate per hour of usage | | usage rate per mile operated | | | | | |
|-----------------------------|---------------------------------|---------|------------------------------|---------|---|---------|----------------------------|---------|
| | | | Gasoline < \$3.22 / gallon | | Gasoline >= \$3.22 / gallon < 3.72/gall | | Gasoline > \$3.72 / gallon | |
| | FY 2020 | FY 2021 | FY 2020 | FY 2021 | FY 2020 | FY 2021 | FY 2020 | FY 2021 |
| Small utilities (class 02) | \$ 1.49 | \$ 1.59 | \$ 0.14 | \$ 0.14 | \$ 0.16 | \$ 0.16 | \$ 0.18 | \$ 0.18 |
| Large utilities (class 04) | \$ 1.74 | \$ 1.76 | \$ 0.19 | \$ 0.19 | \$ 0.22 | \$ 0.22 | \$ 0.25 | \$ 0.25 |
| Hybrid sedans (class 05) | \$ 0.99 | \$ 1.01 | \$ 0.11 | \$ 0.11 | \$ 0.12 | \$ 0.12 | \$ 0.14 | \$ 0.14 |
| Midsize compacts (class 06) | \$ 1.24 | \$ 1.25 | \$ 0.13 | \$ 0.13 | \$ 0.15 | \$ 0.15 | \$ 0.16 | \$ 0.17 |
| Small pickups (class 07) | \$ 0.43 | \$ 0.45 | \$ 0.20 | \$ 0.20 | \$ 0.23 | \$ 0.23 | \$ 0.26 | \$ 0.26 |
| Large pickups (class 11) | \$ 1.15 | \$ 1.28 | \$ 0.21 | \$ 0.21 | \$ 0.24 | \$ 0.24 | \$ 0.28 | \$ 0.28 |
| Vans – all types (class 12) | \$ 1.35 | \$ 1.51 | \$ 0.16 | \$ 0.16 | \$ 0.18 | \$ 0.18 | \$ 0.21 | \$ 0.21 |
| | | | tier 1 | | tier 2 | | tier 3 | |

Program Budget Comparison

| Program Budget Comparison | | | | |
|-------------------------------|---------------------------|--------------------------|-----------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 18,328,377 | 18,860,104 | 531,727 | 2.90 % |
| Operating Expenses | 29,183,761 | 28,040,290 | (1,143,471) | (3.92)% |
| Equipment & Intangible Assets | 13,530,256 | 14,230,256 | 700,000 | 5.17 % |
| Total Expenditures | \$61,042,394 | \$61,130,650 | \$88,256 | 0.14 % |
| Proprietary Funds | 61,042,394 | 61,130,650 | 88,256 | 0.14 % |
| Total Funds | \$61,042,394 | \$61,130,650 | \$88,256 | 0.14 % |

Program Description

Note: The Equipment Program is a non-HB 2 proprietary internal services program. Numbers included in this section of the report including the number of FTE, budget, and funding are not included in the MDT program summary figures.

The Equipment Program is responsible for the acquisition, disposal, repair and maintenance of a fleet of approximately 4,700 individual units. The fleet is comprised of light duty vehicles, single and tandem axle dump trucks, specialized snow removal units, roadway maintenance units, and other specialized equipment. Exclusively, the various programs within MDT such as the Construction, Motor Carrier Services, and Maintenance Programs use the fleet. All units are assigned to the various user programs and are charged rent on a bi-weekly basis. The Equipment Program supports 123.00 FTE. Alternate sources for vehicles and equipment include renting heavy equipment from a rental company and renting or leasing light duty vehicles from a private rental agency contract.

The Equipment program is funded under the rules and guidelines of proprietary funded programs. No specific statutory authority is established for the program as the program is strictly internal to the Department of Transportation and is not used by any outside entity.

Program Highlights

| Equipment Program Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The Equipment Program budget increased by \$88,256 or 0.1% compared to 2019 biennium • Reductions in operating expenses are offset by increases in personal services and equipment |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 123.00 | 123.00 | 123.00 | 123.00 |
| Personal Services | 8,913,455 | 9,093,403 | 9,234,974 | 9,431,895 | 9,428,209 |
| Operating Expenses | 15,009,694 | 15,159,803 | 14,023,958 | 14,025,121 | 14,015,169 |
| Equipment & Intangible Assets | 6,377,707 | 6,415,128 | 7,115,128 | 7,115,128 | 7,115,128 |
| Total Expenditures | \$30,300,856 | \$30,668,334 | \$30,374,060 | \$30,572,144 | \$30,558,506 |
| Proprietary Funds | 30,300,856 | 30,668,334 | 30,374,060 | 30,572,144 | 30,558,506 |
| Total Funds | \$30,300,856 | \$30,668,334 | \$30,374,060 | \$30,572,144 | \$30,558,506 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 08-Equipment Program Funding by Source of Authority | | | | | | |
|--|------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| State Special Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Federal Special Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| 06508 Highway Equipment - Int Svc. | 0 | 61,130,650 | 0 | 61,130,650 | 100.00 % | |
| Proprietary Total | \$0 | \$61,130,650 | \$0 | \$61,130,650 | 100.00 % | |
| Total All Funds | \$0 | \$61,130,650 | \$0 | \$61,130,650 | | |

Funding for the Equipment Program is generated through user fees charged to programs and divisions in MDT, which are deposited in a proprietary fund.

Funding Sources: The following sources of funding were used to pay for the equipment rentals from this program in FY 2018:

- 89.9% State special revenues
- 10.1% Federal special revenues

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 30,374,060 | 30,374,060 | 60,748,120 | 99.37 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 198,084 | 184,446 | 382,530 | 0.63 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$0 | \$0 | \$0 | | \$30,572,144 | \$30,558,506 | \$61,130,650 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|---------------|-----------------|------------------|-----------------------|--------------|---------------|-----------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 0 | 0 | 196,921 | 0.00 | 0 | 0 | 0 | 193,235 |
| DP 2 - Fixed Costs | 0.00 | 0 | 0 | 0 | 1,043 | 0.00 | 0 | 0 | 0 | (8,938) |
| DP 3 - Inflation Deflation | 0.00 | 0 | 0 | 0 | 120 | 0.00 | 0 | 0 | 0 | 149 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$0 | \$0 | \$198,084 | 0.00 | \$0 | \$0 | \$0 | \$184,446 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts.

Other Issues

Proprietary Rates

The legislature adopted a 60-day working capital rate for the Equipment Program.

The Equipment Program rental rates are based on a dual rate structure. The users pay a usage rate and an assigned rate. The usage rate is a mileage rate that is applied according to the actual miles/hours of use for vehicle or piece of equipment. The usage rate is designed to recover "direct costs" that include labor, parts, fuel, lubricants, and tires. The assigned rate is a per hour rate designed to recover "fixed costs" such as insurance, depreciation, and administrative overhead costs. Rental rates are adjusted yearly.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 17,506,349 | 18,683,046 | 1,176,697 | 6.72 % |
| Operating Expenses | 5,867,272 | 5,940,043 | 72,771 | 1.24 % |
| Equipment & Intangible Assets | 395,432 | 395,432 | 0 | 0.00 % |
| Transfers | 99,432 | 99,432 | 0 | 0.00 % |
| Total Expenditures | \$23,868,485 | \$25,117,953 | \$1,249,468 | 5.23 % |
| State/Other Special Rev. Funds | 18,114,004 | 19,041,329 | 927,325 | 5.12 % |
| Federal Spec. Rev. Funds | 5,754,481 | 6,076,624 | 322,143 | 5.60 % |
| Total Funds | \$23,868,485 | \$25,117,953 | \$1,249,468 | 5.23 % |
| Total Ongoing | \$23,868,485 | \$25,117,953 | \$1,249,468 | 5.23 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Motor Carrier Services Program (MCS) enforces state and federal commercial motor carrier laws including laws on vehicle size and weight, insurance, licensing, dyed fuel, and vehicle and driver safety. The Licensing and Permit Bureau registers interstate fleet vehicles, issues commercial vehicle licenses and oversize/overweight permits, and collects and distributes fees and taxes. The Enforcement Bureau operates a statewide weigh station and mobile enforcement program and assigns uniformed officers to inspect commercial vehicles for compliance with state and federal safety, registration, fuel, insurance, and size/weight laws. The Motor Carrier Safety Assistance Program (MCSAP) conducts commercial motor carrier safety compliance reviews and safety audits to ensure commercial vehicles, drivers, and motor carriers are compliant with state safety laws and federal regulations by conducting vehicle and driver inspections and motor carrier compliance reviews and safety audits.

Program Highlights

| Motor Carrier Services Program (MCS) Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The MCS Program budget as approved by the legislature is \$1.2 million or 5.2%, higher than the 2019 biennium • Personal services cost increased by \$1.2 million • Increases primarily result from the annualization of the 2019 biennium pay plan and the biennial change in the vacancy savings rate approved by the legislature |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 123.44 | 123.44 | 123.44 | 123.44 |
| Personal Services | 7,876,788 | 8,583,869 | 8,922,480 | 9,344,543 | 9,338,503 |
| Operating Expenses | 2,156,212 | 2,929,260 | 2,938,012 | 2,969,943 | 2,970,100 |
| Equipment & Intangible Assets | 116,955 | 197,716 | 197,716 | 197,716 | 197,716 |
| Transfers | 33,772 | 49,716 | 49,716 | 49,716 | 49,716 |
| Total Expenditures | \$10,183,727 | \$11,760,561 | \$12,107,924 | \$12,561,918 | \$12,556,035 |
| State/Other Special Rev. Funds | 7,844,114 | 8,897,054 | 9,216,950 | 9,523,065 | 9,518,264 |
| Federal Spec. Rev. Funds | 2,339,613 | 2,863,507 | 2,890,974 | 3,038,853 | 3,037,771 |
| Total Funds | \$10,183,727 | \$11,760,561 | \$12,107,924 | \$12,561,918 | \$12,556,035 |
| Total Ongoing | \$10,183,727 | \$11,760,561 | \$12,107,924 | \$12,561,918 | \$12,556,035 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 22-Motor Carrier Services Program Funding by Source of Authority | | | | | | |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02294 Uniform Carrier Registration | 2,725,432 | 0 | 0 | 2,725,432 | 14.31 % | |
| 02349 Highway Non-Restricted Account | 89,056 | 0 | 0 | 89,056 | 0.47 % | |
| 02422 Highways Special Revenue | 16,226,841 | 0 | 0 | 16,226,841 | 85.22 % | |
| State Special Total | \$19,041,329 | \$0 | \$0 | \$19,041,329 | 75.81 % | |
| 03292 MCS FEDERAL GRANTS | 6,016,392 | 0 | 0 | 6,016,392 | 99.01 % | |
| 03407 Highway Trust - Sp Rev | 60,232 | 0 | 0 | 60,232 | 0.99 % | |
| Federal Special Total | \$6,076,624 | \$0 | \$0 | \$6,076,624 | 24.19 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$25,117,953 | \$0 | \$0 | \$25,117,953 | | |

MCS is funded by the highway state special revenue accounts and federal special revenue. Most of the funding in the 2021 biennium is provided in the constitutionally restricted highway state special revenue account. Other state special revenues supporting program activities include unified carrier registration fees and the highway non-restricted account. Federal funds are derived from federal grant programs and distributions from the federal highway trust.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 12,107,924 | 12,107,924 | 24,215,848 | 96.41 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 423,994 | 418,111 | 842,105 | 3.35 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 30,000 | 30,000 | 60,000 | 0.24 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$12,561,918 | \$12,556,035 | \$25,117,953 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|------------------|------------------|------------------|-----------------------|--------------|------------------|------------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 304,472 | 117,591 | 422,063 | 0.00 | 0 | 299,558 | 116,465 | 416,023 |
| DP 2 - Fixed Costs | 0.00 | 0 | 1,171 | 106 | 1,277 | 0.00 | 0 | 1,171 | 106 | 1,277 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 472 | 182 | 654 | 0.00 | 0 | 585 | 226 | 811 |
| DP 2207 - Fuel Tax Evasion Grant | 0.00 | 0 | 0 | 30,000 | 30,000 | 0.00 | 0 | 0 | 30,000 | 30,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$306,115 | \$147,879 | \$453,994 | 0.00 | \$0 | \$301,314 | \$146,797 | \$448,111 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts.

DP 2207 - Fuel Tax Evasion Grant -

The legislature adopted an increase in federal special revenue appropriation for the fuel tax evasion program. The fuel tax evasion grants have increased over the years and have been sustained through additional grants and budget amendments.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 1,593,258 | 1,619,891 | 26,633 | 1.67 % |
| Operating Expenses | 2,666,381 | 2,542,041 | (124,340) | (4.66)% |
| Equipment & Intangible Assets | 0 | 110,000 | 110,000 | 0.00 % |
| Grants | 781,687 | 848,000 | 66,313 | 8.48 % |
| Transfers | 13,802 | 13,802 | 0 | 0.00 % |
| Total Expenditures | \$5,055,128 | \$5,133,734 | \$78,606 | 1.55 % |
| State/Other Special Rev. Funds | 3,645,356 | 4,018,167 | 372,811 | 10.23 % |
| Federal Spec. Rev. Funds | 1,409,772 | 1,115,567 | (294,205) | (20.87)% |
| Total Funds | \$5,055,128 | \$5,133,734 | \$78,606 | 1.55 % |
| Total Ongoing | \$5,055,128 | \$4,228,734 | (\$826,394) | (16.35)% |
| Total OTO | \$0 | \$905,000 | \$905,000 | 100.00 % |

Program Description

The Aeronautics Program: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations, and fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; and 4) coordinates and supervises aerial search and rescue operations. The program administers a loan and grant program to municipal governments to fund airport improvement projects. The Aeronautics Board approves all loan and grant requests and advises on matters pertaining to aeronautics.

The program serves as a liaison between the State of Montana and various other entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA), other federal and state entities, and commercial airlines in order to assure the retention and continuation of airline service to Montana's rural communities. The program is also responsible for operation of the air carrier airport at West Yellowstone and for 15 other state-owned airports.

Program Highlights

| Aeronautics Program Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The Aeronautics Program budget is \$78,606 or 1.6% higher than the 2019 biennium • Personal services costs increased by \$26,633 • The budget for the Aeronautics Program includes four one-time-only (OTO) projects totaling \$0.9 million; \$180,000 state special funds and \$725,000 in federal funds • HB 661 provided additional funding for the Aeronautics operations account and the airport grant account. This bill is discussed in the summary of legislative action in the agency summary section • The grants budget will be reduced in the 2023 biennium as HB 661 creates a statutory appropriation that will replace most of the grants base budget. |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Personal Services | 713,885 | 784,252 | 809,006 | 810,424 | 809,467 |
| Operating Expenses | 377,703 | 1,862,543 | 803,838 | 1,223,236 | 1,318,805 |
| Equipment & Intangible Assets | 0 | 0 | 0 | 110,000 | 0 |
| Grants | 291,514 | 378,687 | 403,000 | 424,000 | 424,000 |
| Transfers | 5,878 | 6,901 | 6,901 | 6,901 | 6,901 |
| Total Expenditures | \$1,388,980 | \$3,032,383 | \$2,022,745 | \$2,574,561 | \$2,559,173 |
| State/Other Special Rev. Funds | 1,426,634 | 1,817,557 | 1,827,799 | 2,064,115 | 1,954,052 |
| Federal Spec. Rev. Funds | (37,654) | 1,214,826 | 194,946 | 510,446 | 605,121 |
| Total Funds | \$1,388,980 | \$3,032,383 | \$2,022,745 | \$2,574,561 | \$2,559,173 |
| Total Ongoing | \$1,388,980 | \$3,032,383 | \$2,022,745 | \$2,114,561 | \$2,114,173 |
| Total OTO | \$0 | \$0 | \$0 | \$460,000 | \$445,000 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 40-Aeronautics Program Funding by Source of Authority | | | | | | |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02286 Aeronautical Loan Account | 700,000 | 0 | 0 | 700,000 | 17.42 % | |
| 02287 Aeronautical Grant Account | 700,000 | 0 | 0 | 700,000 | 17.42 % | |
| 02827 Aeronautics Division | 2,478,167 | 0 | 0 | 2,478,167 | 61.67 % | |
| 02962 Airport Pvmnt. Preservation | 140,000 | 0 | 0 | 140,000 | 3.48 % | |
| State Special Total | \$4,018,167 | \$0 | \$0 | \$4,018,167 | 68.88 % | |
| 03060 Aeronautics Division | 1,115,567 | 0 | 0 | 1,115,567 | 100.00 % | |
| Federal Special Total | \$1,115,567 | \$0 | \$0 | \$1,115,567 | 19.12 % | |
| 06007 West Yellowstone Airport | 0 | 699,622 | 0 | 699,622 | 100.00 % | |
| Proprietary Total | \$0 | \$699,622 | \$0 | \$699,622 | 11.99 % | |
| Total All Funds | \$5,133,734 | \$699,622 | \$0 | \$5,833,356 | | |

The Aeronautics Program is funded with state and federal special revenues. State special revenue funds are derived primarily from state aviation fuel taxes and aviation license fees. Federal special revenue comes from Federal Aviation Administration grants. Proprietary funding supports the Yellowstone Airport enterprise program, a non-HB 2 budget.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 2,022,745 | 2,022,745 | 4,045,490 | 78.80 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | (2,671) | (3,059) | (5,730) | (0.11)% | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 554,487 | 539,487 | 1,093,974 | 21.31 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$2,574,561 | \$2,559,173 | \$5,133,734 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|--------------|------------------|------------------|------------------|-----------------------|--------------|------------------|------------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 918 | 500 | 1,418 | 0.00 | 0 | 286 | 175 | 461 |
| DP 2 - Fixed Costs | 0.00 | 0 | (4,141) | 0 | (4,141) | 0.00 | 0 | (3,585) | 0 | (3,585) |
| DP 3 - Inflation Deflation | 0.00 | 0 | 52 | 0 | 52 | 0.00 | 0 | 65 | 0 | 65 |
| DP 4006 - Cessna 206 Engine Rebuild - OTO | 0.00 | 0 | 110,000 | 0 | 110,000 | 0.00 | 0 | 0 | 0 | 0 |
| DP 4007 - Precision Approach Path Indicator (PAPI) - OTO | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 275,000 | 275,000 |
| DP 4008 - Lincoln Airport Federally Supported Projects - OTO | 0.00 | 0 | 35,000 | 315,000 | 350,000 | 0.00 | 0 | 15,000 | 135,000 | 150,000 |
| DP 4009 - Grant & Loan Increase | 0.00 | 0 | 94,487 | 0 | 94,487 | 0.00 | 0 | 94,487 | 0 | 94,487 |
| DP 4010 - Aeronautical Charts - OTO | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 20,000 | 0 | 20,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$236,316 | \$315,500 | \$551,816 | 0.00 | \$0 | \$126,253 | \$410,175 | \$536,428 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts.

DP 4006 - Cessna 206 Engine Rebuild - OTO -

The legislature adopted a state special revenue appropriation to rebuild the engine on the 1999 Cessna 206 aircraft. The engine is due to be overhauled. The aircraft is used primarily for air search and rescue and the Division is the first responder in case of a missing or overdue aircraft.

DP 4007 - Precision Approach Path Indicator (PAPI) - OTO -

The legislature adopted a federal special revenue appropriation for the construction of a Precision Approach Path Indicator (PAPI) at the Yellowstone Airport, a visual guidance system required by the FAA and the airline to continue commercial air carrier operations. The federal special revenues would be matched with \$25,000 of proprietary funding from the Yellowstone Airport budget.

DP 4008 - Lincoln Airport Federally Supported Projects - OTO -

The legislature adopted state and federal special revenue appropriations for maintenance activities at the Lincoln Airport. The appropriations will also provide funding for an airport master plan, which needs to be updated every ten years, a wildlife hazard assessment, and an Airport Geographic Information System (AGIS) survey, as recommended by the Federal Aviation Administration (FAA).

DP 4009 - Grant & Loan Increase -

The legislature adopted an increase of state special revenue appropriation for the program's grants, loans, and pavement preservation grants. This request will also increase the program operating budget for search and rescue, aviation education, maintenance of state-owned airports, and aviation support services.

DP 4010 - Aeronautical Charts - OTO -

The legislature adopted a state special revenue appropriation for the production of aeronautical charts. The chart is produced in a digital format for the MDT website. Due to the unique aspects of the chart, it is not possible for MDT to produce this chart in house.

Other Issues**Yellowstone Airport Proprietary Program**

The Yellowstone Airport is an enterprise proprietary fund. As such, the legislature neither appropriates funds for the program nor approves rates. Instead the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

Proprietary Rates

There will be slight increases in fees and rates in the 2021 biennium.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 16,799,078 | 17,757,895 | 958,817 | 5.71 % |
| Operating Expenses | 12,721,569 | 12,962,713 | 241,144 | 1.90 % |
| Equipment & Intangible Assets | 247,338 | 797,338 | 550,000 | 222.37 % |
| Grants | 38,594,093 | 38,401,384 | (192,709) | (0.50)% |
| Transfers | 4,379,883 | 3,546,922 | (832,961) | (19.02)% |
| Total Expenditures | \$72,741,961 | \$73,466,252 | \$724,291 | 1.00 % |
| State/Other Special Rev. Funds | 17,522,810 | 16,917,071 | (605,739) | (3.46)% |
| Federal Spec. Rev. Funds | 55,219,151 | 56,549,181 | 1,330,030 | 2.41 % |
| Total Funds | \$72,741,961 | \$73,466,252 | \$724,291 | 1.00 % |
| Total Ongoing | \$72,741,961 | \$73,466,252 | \$724,291 | 1.00 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Rail, Transit, and Planning Program provides: 1) a continuous statewide multimodal transportation planning process used to allocate highway program resources to ensure highway system performance goals are maintained and federal-aid highway and transit grant eligibility is maintained within the federal surface transportation programs; 2) an inventory of transportation infrastructure for the allocation of state fuel taxes to local governments; 3) support for the state's comprehensive statewide highway safety plan including technical analysis, performance tracking, and coordination with multiple administrative agencies and jurisdictions; 4) the point of contact for MDT for major developers seeking access onto the state's highway system; 5) mapping functions to aid in the publication of the state tourist map and geo-spatial infrastructure inventories; 6) transportation planning and programming assistance to metropolitan and urban areas; 7) administration and implementation of safety programs that help reduce traffic deaths, injuries, and property losses resulting from traffic crashes; 8) administration and implementation of environmental services that assure environmental compliance with all applicable laws, rules, regulations, policies, orders, and agreements; and 9) responses to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US Department of Transportation, the Surface Transportation Board, and others.

Program Highlights

| Rail, Transit, and Planning (RTP) Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The RTP Program budget approved by the legislature is \$724,000 or 1.0%, higher than the 2019 biennium • Personal services increased \$1.0 million or 5.7% as a result of the annualization of the 2019 biennium pay plan and the biennial change in the vacancy savings rate adopted by the legislature • The legislature approved \$3.9 million for bus and bus facility funding, \$3.0 million in federal special revenue and \$0.9 million in state special revenue • The legislature approved an additional \$780,000 in FY 2021 to the RTP base budget for the implementation of IT projects |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 94.76 | 94.76 | 94.76 | 94.76 |
| Personal Services | 7,951,140 | 8,246,085 | 8,552,993 | 8,878,254 | 8,879,641 |
| Operating Expenses | 4,232,996 | 6,358,840 | 6,362,729 | 6,366,052 | 6,596,661 |
| Equipment & Intangible Assets | 50,800 | 123,669 | 123,669 | 123,669 | 673,669 |
| Grants | 18,356,154 | 21,408,797 | 17,185,296 | 19,150,692 | 19,250,692 |
| Transfers | 1,654,306 | 2,606,422 | 1,773,461 | 1,773,461 | 1,773,461 |
| Total Expenditures | \$32,245,396 | \$38,743,813 | \$33,998,148 | \$36,292,128 | \$37,174,124 |
| State/Other Special Rev. Funds | 9,083,460 | 9,812,557 | 7,710,253 | 8,329,408 | 8,587,663 |
| Federal Spec. Rev. Funds | 23,161,936 | 28,931,256 | 26,287,895 | 27,962,720 | 28,586,461 |
| Total Funds | \$32,245,396 | \$38,743,813 | \$33,998,148 | \$36,292,128 | \$37,174,124 |
| Total Ongoing | \$32,245,396 | \$38,743,813 | \$33,998,148 | \$36,292,128 | \$37,174,124 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Transportation, 50-Rail Transit and Planning Program Funding by Source of Authority | | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02282 FTA Local Match | 1,608,512 | 0 | 0 | 1,608,512 | 9.49 % | |
| 02349 Highway Non-Restricted Account | 2,632,317 | 0 | 0 | 2,632,317 | 15.53 % | |
| 02422 Highways Special Revenue | 9,778,638 | 0 | 0 | 9,778,638 | 57.71 % | |
| 02436 County DUI Prevention Programs | 990,250 | 0 | 0 | 990,250 | 5.84 % | |
| 02795 TransADE Special Revenue | 1,907,354 | 0 | 0 | 1,907,354 | 11.26 % | |
| 02411 State Parks Miscellaneous | 0 | 0 | 0 | 0 | 0.00 % | |
| 02121 Shared-Use Path | 0 | 0 | 28,516 | 28,516 | 0.17 % | |
| State Special Total | \$16,917,071 | \$0 | \$28,516 | \$16,945,587 | 23.06 % | |
| 03147 FTA Grants | 26,821,853 | 0 | 0 | 26,821,853 | 47.43 % | |
| 03407 Highway Trust - Sp Rev | 19,744,052 | 0 | 0 | 19,744,052 | 34.91 % | |
| 03828 Traffic Safety | 9,983,276 | 0 | 0 | 9,983,276 | 17.65 % | |
| Federal Special Total | \$56,549,181 | \$0 | \$0 | \$56,549,181 | 76.94 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$73,466,252 | \$0 | \$28,516 | \$73,494,768 | | |

The Rail, Transit, and Planning Division is funded with a combination of state and federal special revenue funds. Highway state special revenue from both the restricted and non-restricted highway state special revenue accounts support the overall administrative and operational costs of the program. Federal funding is derived from Federal Transit Authority (FTA), the federal highway trust fund and the National Highway Traffic Safety Administration (NHTSA).

The RTP Program also administers a statutory appropriation that allows expenditures for shared-use paths. The funding for this appropriation is derived from an opt-in vehicle license fee for the maintenance and construction of shared use paths.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|--|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 33,998,148 | 33,998,148 | 67,996,296 | 92.55 % | |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 328,584 | 330,580 | 659,164 | 0.90 % | |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 1,965,396 | 2,845,396 | 4,810,792 | 6.55 % | |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % | |
| Total Budget | \$0 | \$0 | \$0 | | \$36,292,128 | \$37,174,124 | \$73,466,252 | | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|---|-----------------------|--------------|------------------|--------------------|--------------------|-----------------------|--------------|------------------|--------------------|--------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 150,436 | 174,825 | 325,261 | 0.00 | 0 | 152,082 | 174,566 | 326,648 |
| DP 2 - Fixed Costs | 0.00 | 0 | 792 | 0 | 792 | 0.00 | 0 | 792 | 0 | 792 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 2,531 | 0 | 2,531 | 0.00 | 0 | 3,140 | 0 | 3,140 |
| DP 5006 - Linear Referencing System Maintenance and Updates | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 16,000 | 64,000 | 80,000 |
| DP 5007 - Program and Project Management System Maintenance & License | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 140,000 | 560,000 | 700,000 |
| DP 5008 - Bus & Bus Facilities Funding | 0.00 | 0 | 400,000 | 1,500,000 | 1,900,000 | 0.00 | 0 | 500,000 | 1,500,000 | 2,000,000 |
| DP 5009 - Local Transit Provider Funding | 0.00 | 0 | 65,396 | 0 | 65,396 | 0.00 | 0 | 65,396 | 0 | 65,396 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$619,155 | \$1,674,825 | \$2,293,980 | 0.00 | \$0 | \$877,410 | \$2,298,566 | \$3,175,976 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts.

DP 5006 - Linear Referencing System Maintenance and Updates -

The legislature adopted state and federal special revenue appropriations in FY 2021 for the annual license, maintenance, and operation for the new Advanced Linear Transportation Information System. This system aligns data between the agency's major management systems.

DP 5007 - Program and Project Management System Maintenance & License -

The legislature adopted state and federal special revenue appropriations in FY 2021 for the annual license, maintenance, and operation for the new Program and Project Management System. This system will be used to initiate and manage the federally funded program of projects from concept to completion.

DP 5008 - Bus & Bus Facilities Funding -

The legislature adopted state and federal special revenue appropriations to increase the budget for buses and bus facilities. The federal apportionment for buses and facilities has increased. State special revenue in this item is provided by local government agencies, which provide the matching funds upfront that are held in a state special revenue account.

DP 5009 - Local Transit Provider Funding -

The legislature adopted state special revenue appropriations to increase available funding in the local transit provider's matching funds for the anticipated levels in the Federal Transit Administration (FTA) program allocations and grants.

Agency Budget Comparison

| Agency Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 16,627,287 | 18,487,951 | 1,860,664 | 11.19 % |
| Operating Expenses | 5,537,625 | 7,171,113 | 1,633,488 | 29.50 % |
| Equipment & Intangible Assets | 0 | 249,572 | 249,572 | 0.00 % |
| Transfers | 774,954 | 798,962 | 24,008 | 3.10 % |
| Total Expenditures | \$22,939,866 | \$26,707,598 | \$3,767,732 | 16.42 % |
| General Fund | 4,810,777 | 5,974,862 | 1,164,085 | 24.20 % |
| State/Other Special Rev. Funds | 14,666,504 | 16,999,944 | 2,333,440 | 15.91 % |
| Federal Spec. Rev. Funds | 3,460,579 | 3,732,792 | 272,213 | 7.87 % |
| Proprietary Funds | 2,006 | 0 | (2,006) | (100.00)% |
| Total Funds | \$22,939,866 | \$26,707,598 | \$3,767,732 | 16.42 % |
| Total Ongoing | \$22,924,866 | \$26,055,115 | \$3,130,249 | 13.65 % |
| Total OTO | \$15,000 | \$652,483 | \$637,483 | 4,249.89 % |

Agency Description

The Department of Livestock is responsible for controlling and eradicating animal diseases; preventing the transmission of animal diseases to humans; protecting the livestock industry from theft and predatory animals; meat, milk, and egg inspection; and regulating the milk industry relative to producer pricing. The department, which is provided for in 2-15-3101, MCA, consists of the Board of Livestock and its appointed Executive Officer, the Livestock Crimestoppers Commission, the Milk Control Board, the Livestock Loss Board. The department is organized into three divisions: Animal Health & Food Safety, Centralized Services and Brand Enforcement. The Board of Livestock, which is the statutory head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

Agency Highlights

| |
|---|
| Department of Livestock Major Budget Highlights |
| <p>The legislature approved a budget of \$26.7 million, an increase of 16.4% or \$3.8 million when compared to the 2019 biennium appropriation, and a 14.0% or \$3.3 million increase above base funding. The approved budget includes a shift towards general fund when compared to the previous biennium. The portion of the budget funded with general fund is 22.4%, the previous biennium general fund supported 21.0 % of the budget.</p> <p>Total appropriation for the 2021 biennium of \$26.7 million includes:</p> <ul style="list-style-type: none"> • Base funding of \$23.4 million • Present law adjustments totaling \$3.1 million including a \$1.2 million general fund appropriation for brucellosis surveillance in the Animal Health Division • New proposals totaling \$0.2 million including a reduction of 3.25 FTE, specifically: <ul style="list-style-type: none"> ◦ Removing 4.75 FTE from HB 2 and switching their funding to proprietary sources within the Animal Health Division ◦ The legislature approved a one-time-only increase of 1.50 FTE over the biennium in the Brands Enforcement Division ◦ The legislature approved one-time-only appropriations for the purchase of laboratory equipment, veterinary truck, updates to the MSU Bozeman's fiber optic network, and expanded brucellosis surveillance |

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 137.63 | 137.63 | 133.63 | 134.38 |
| Personal Services | 7,488,372 | 7,726,300 | 8,900,987 | 9,228,990 | 9,258,961 |
| Operating Expenses | 3,018,840 | 3,109,097 | 2,428,528 | 3,574,715 | 3,596,398 |
| Equipment & Intangible Assets | 0 | 0 | 0 | 219,572 | 30,000 |
| Transfers | 394,834 | 390,473 | 384,481 | 399,481 | 399,481 |
| Total Expenditures | \$10,902,046 | \$11,225,870 | \$11,713,996 | \$13,422,758 | \$13,284,840 |
| General Fund | 2,228,890 | 2,248,445 | 2,562,332 | 2,962,777 | 3,012,085 |
| State/Other Special Rev. Funds | 7,004,224 | 7,270,776 | 7,395,728 | 8,594,072 | 8,405,872 |
| Federal Spec. Rev. Funds | 1,668,932 | 1,704,643 | 1,755,936 | 1,865,909 | 1,866,883 |
| Proprietary Funds | 0 | 2,006 | 0 | 0 | 0 |
| Total Funds | \$10,902,046 | \$11,225,870 | \$11,713,996 | \$13,422,758 | \$13,284,840 |
| Total Ongoing | \$10,890,167 | \$11,210,870 | \$11,713,996 | \$13,051,194 | \$13,003,921 |
| Total OTO | \$11,879 | \$15,000 | \$0 | \$371,564 | \$280,919 |

Summary of Legislative Action

The legislature approved the Department of Livestock budget with an increase of \$3.8 million or 16.4%, compared to the 2019 biennium. The general fund appropriation increased by 24.2% or \$1.2 million and state special revenue increased by 15.9% or \$2.3 million over the biennium. The budget includes \$3.1 million in present law adjustments and \$0.2 million in new proposals.

The approved budget includes a slight shift from state special revenue and federal sources to general fund. The portion of the budget funded with general fund increased by 1.4% compared to the previous biennium due primarily to increases in general fund appropriation for brucellosis surveillance programs in the Animal Health Division. The portion of the budget funded by state special revenue declined by 0.3% and federal sources declined by 1.1% compared to the previous biennium.

The legislature approved a total reduction of 3.25 FTE over the biennium. Within the diagnostic laboratory, 4.75 FTE were moved from HB 2 funding and are now funded with revenues generated from fees for service. Within the Brands Enforcement Division the legislature approved a one-time-only increase of 1.50 FTE over the biennium to assist with data entry and the decennial brands re-record.

The legislature included one-time-only appropriations for equipment and network upgrades.

Other Legislation

HB 520 - Revise funding for livestock loss board.

HB 520 amends section 15-1-122, MCA, increasing the general fund appropriation to the livestock loss reduction and mitigation state special revenue account by \$100,000 each fiscal year.

Funding

The following table shows agency funding by source of authority.

| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
|------------------------------------|---------------------|------------------|--------------------------|-------------------------|---------------------|-------------------|
| General Fund | 5,724,862 | 250,000 | 0 | 0 | 5,974,862 | 19.63 % |
| State Special Total | 16,597,461 | 402,483 | 0 | 1,349,980 | 18,349,924 | 60.28 % |
| Federal Special Total | 3,732,792 | 0 | 0 | 0 | 3,732,792 | 12.26 % |
| Proprietary Total | 0 | 0 | 2,383,269 | 0 | 2,383,269 | 7.83 % |
| Other Total | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| Total All Funds | \$26,055,115 | \$652,483 | \$2,383,269 | \$1,349,980 | \$30,440,847 | |
| Percent - Total All Sources | 85.59 % | 2.14 % | 7.83 % | 4.43 % | | |

The Department of Livestock is funded with general fund, state special revenue, and federal special revenue. General fund provides 22.4% of total HB 2 funds and 19.6% of total funding. General fund supports some administrative functions, the diagnostic lab, and provides matching funds for federal revenue expended on meat and poultry inspections. One-time-only (OTO) general funds support brucellosis surveillance.

State special revenue provides 63.7% of total HB 2 funds and 60.3% of total funding. State special revenue is primarily from taxes and fees assessed to livestock owners. Two state special revenue funds comprise 55.6% of HB 2, the livestock per capita fee assessed on a per animal basis, and fees charged for inspections and brand recording fees. The agency expends statutory appropriations of state special revenue for livestock loss prevention and compensation.

Federal special revenue provides 14.0% of the total HB 2 budget and 12.3% of total funding. The majority of federal funds are U.S. Department of Agriculture matching funds for meat and poultry inspections and federal support for animal health programs. Other federal sources include the bison operations cooperative agreement and the Greater Yellowstone Inter-agency Brucellosis Committee grant for contracted research.

Proprietary revenue provides 7.8% of the total funding and is not included in HB 2. Proprietary revenues are generated by fee-for-service laboratory testing.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 2,562,332 | 2,562,332 | 5,124,664 | 85.77 % | 11,713,996 | 11,713,996 | 23,427,992 | 87.72 % |
| SWPL Adjustments | 10,887 | 12,643 | 23,530 | 0.39 % | 209,724 | 171,586 | 381,310 | 1.43 % |
| PL Adjustments | 415,378 | 413,150 | 828,528 | 13.87 % | 1,349,874 | 1,341,132 | 2,691,006 | 10.08 % |
| New Proposals | (25,820) | 23,960 | (1,860) | (0.03)% | 149,164 | 58,126 | 207,290 | 0.78 % |
| Total Budget | \$2,962,777 | \$3,012,085 | \$5,974,862 | | \$13,422,758 | \$13,284,840 | \$26,707,598 | |

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

| Executive Budget Comparison | | | | | | | | |
|-----------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2019 | Executive Budget Fiscal 2020 | Legislative Budget Fiscal 2020 | Leg — Exec. Difference Fiscal 2020 | Executive Budget Fiscal 2021 | Legislative Budget Fiscal 2021 | Leg — Exec. Difference Fiscal 2021 | Biennium Difference Fiscal 20-21 |
| FTE | 137.63 | 133.63 | 133.63 | 0.00 | 134.38 | 134.38 | 0.00 | 0.00 |
| Personal Services | 8,900,987 | 9,241,490 | 9,228,990 | (12,500) | 9,271,461 | 9,258,961 | (12,500) | (25,000) |
| Operating Expenses | 2,428,528 | 3,764,465 | 3,574,715 | (189,750) | 3,736,148 | 3,596,398 | (139,750) | (329,500) |
| Equipment & Intangible Assets | 0 | 219,572 | 219,572 | 0 | 30,000 | 30,000 | 0 | 0 |
| Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Benefits & Claims | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 384,481 | 399,481 | 399,481 | 0 | 399,481 | 399,481 | 0 | 0 |
| Total Costs | \$11,713,996 | \$13,625,008 | \$13,422,758 | (\$202,250) | \$13,437,090 | \$13,284,840 | (\$152,250) | (\$354,500) |
| General Fund | 2,562,332 | 3,112,088 | 2,962,777 | (149,311) | 3,111,396 | 3,012,085 | (99,311) | (248,622) |
| State/other Special Rev. Funds | 7,395,728 | 8,647,704 | 8,594,072 | (53,632) | 8,459,504 | 8,405,872 | (53,632) | (107,264) |
| Federal Spec. Rev. Funds | 1,755,936 | 1,865,216 | 1,865,909 | 693 | 1,866,190 | 1,866,883 | 693 | 1,386 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$11,713,996 | \$13,625,008 | \$13,422,758 | (\$202,250) | \$13,437,090 | \$13,284,840 | (\$152,250) | (\$354,500) |
| Total Ongoing | \$11,713,996 | \$13,353,444 | \$13,051,194 | (\$302,250) | \$13,306,171 | \$13,003,921 | (\$302,250) | (\$604,500) |
| Total OTO | \$0 | \$271,564 | \$371,564 | \$100,000 | \$130,919 | \$280,919 | \$150,000 | \$250,000 |

The legislature approved total appropriations 1.3% or \$355,000 lower than the executive request. The legislature approved a reduction in general fund of \$249,000, and \$107,000 in state special revenue compared to the executive request. Federal special revenue increased by \$1,400. Significant differences include:

- The legislature reduced state special revenue for personal services by \$25,000
- The legislature approved a general fund appropriation of \$350,000 for brucellosis surveillance, \$250,000 less than the executive request
- Funding for brucellosis surveillance was appropriated \$100,000 as ongoing, and \$250,000 as one-time-only
- The legislature did not approve the executive request of \$100,000 in state special revenue to support public information services
- The legislature approved increases in SWPL adjustments for fixed costs of \$20,000 in general, state, and federal funds

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 2,567,362 | 2,809,610 | 242,248 | 9.44 % |
| Operating Expenses | 1,388,810 | 1,465,403 | 76,593 | 5.52 % |
| Transfers | 252,954 | 204,962 | (47,992) | (18.97)% |
| Total Expenditures | \$4,209,126 | \$4,479,975 | \$270,849 | 6.43 % |
| General Fund | 175,726 | 223,278 | 47,552 | 27.06 % |
| State/Other Special Rev. Funds | 4,033,400 | 4,256,697 | 223,297 | 5.54 % |
| Total Funds | \$4,209,126 | \$4,479,975 | \$270,849 | 6.43 % |
| Total Ongoing | \$4,209,126 | \$4,479,975 | \$270,849 | 6.43 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Centralized Services Division is responsible for overall department administration, budgeting, accounting, payroll, personnel, legal services, purchasing, information technology, public information, risk management, contract administration, and general services for the department. The Board of Milk Control and the Livestock Loss Board are administratively attached to the department. The Milk Control Bureau staff and the Livestock Loss Board (LLB) staff are part of the Centralized Services Division. The Livestock Loss Board provides compensation and prevention funding for predation losses to livestock producers from wolves and grizzlies. The Board of Milk Control regulates producer pricing of milk (prices paid to dairy farmers) and fair-trade practices for the sale of all dairy products in Montana. The Predator Control Program is administered by the Board of Livestock and the executive officer. The Livestock Crime Stoppers Commission and the Beef Research and Marketing Committee are also administratively attached to the department.

Program Highlights

**Centralized Services Division
Major Budget Highlights**

The legislature approved total budget of \$4.5 million, an increase in total appropriation of 6.4% or \$271,000 compared to the 2019 biennium. In addition to base funding of \$3.9 million, the legislature approve \$546,000 present law adjustments and new proposals, specifically:

- The legislature approved present law adjustments totaling \$533,000:
 - Increase of \$252,000 for personal services,
 - Increase of \$251,000 in for fixed costs and inflation,
 - Increase of \$30,000 for fees paid to the Department of Revenue,
- The legislature approved new proposals for Milk Bureau legal costs totaling \$13,000 in state special revenue
- The \$4.5 million budget is funded with general fund and state special revenue
 - General Fund supports 5.0% of the budget,
 - State special revenue support 95.0% of the budget

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 17.00 | 17.00 | 17.00 | 17.00 |
| Personal Services | 1,153,029 | 1,288,784 | 1,278,578 | 1,404,866 | 1,404,744 |
| Operating Expenses | 738,483 | 787,942 | 600,868 | 755,202 | 710,201 |
| Transfers | 175,977 | 165,473 | 87,481 | 102,481 | 102,481 |
| Total Expenditures | \$2,067,489 | \$2,242,199 | \$1,966,927 | \$2,262,549 | \$2,217,426 |
| General Fund | 82,252 | 82,661 | 93,065 | 111,712 | 111,566 |
| State/Other Special Rev. Funds | 1,985,237 | 2,159,538 | 1,873,862 | 2,150,837 | 2,105,860 |
| Total Funds | \$2,067,489 | \$2,242,199 | \$1,966,927 | \$2,262,549 | \$2,217,426 |
| Total Ongoing | \$2,067,489 | \$2,242,199 | \$1,966,927 | \$2,262,549 | \$2,217,426 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Livestock, 01-Centralized Services Division Funding by Source of Authority | | | | | |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 223,278 | 0 | 0 | 223,278 | 3.83 % |
| 02117 Predatory Animal SSR | 0 | 0 | 849,980 | 849,980 | 15.16 % |
| 02124 LLB Restricted Special Revenue | 0 | 0 | 400,000 | 400,000 | 7.13 % |
| 02426 LvstK Per Capita | 3,681,686 | 0 | 0 | 3,681,686 | 65.67 % |
| 02817 Milk Control Bureau | 575,011 | 0 | 0 | 575,011 | 10.26 % |
| 02125 LL Restricted | 0 | 0 | 100,000 | 100,000 | 1.78 % |
| State Special Total | \$4,256,697 | \$0 | \$1,349,980 | \$5,606,677 | 96.17 % |
| 03345 LLRMB Fed Spec Rev Fund | 0 | 0 | 0 | 0 | 0.00 % |
| Federal Special Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$4,479,975 | \$0 | \$1,349,980 | \$5,829,955 | |

The program is funded primarily with state special revenue, of which the primary source are fees assessed on each head of livestock in the state, commonly known as the livestock per-capita fund. The Milk Control Bureau and the Milk Control Board are funded from fees charged to producers, distributors, and producer-distributors. General fund supports the activities of the Livestock Loss Board. Statutory appropriations do not require re-authorization by the legislature, the division expends state special revenue that is statutorily appropriated to the agency for livestock loss prevention and livestock loss compensation.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 93,065 | 93,065 | 186,130 | 83.36 % | 1,966,927 | 1,966,927 | 3,933,854 | 87.81 % |
| SWPL Adjustments | (84) | 20 | (64) | (0.03)% | 146,425 | 101,424 | 247,849 | 5.53 % |
| PL Adjustments | 18,731 | 18,481 | 37,212 | 16.67 % | 142,697 | 142,575 | 285,272 | 6.37 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 6,500 | 6,500 | 13,000 | 0.29 % |
| Total Budget | \$111,712 | \$111,566 | \$223,278 | | \$2,262,549 | \$2,217,426 | \$4,479,975 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|-----------------|------------------|-----------------|------------------|-----------------------|-----------------|------------------|-----------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | (84) | 146,484 | 0 | 146,400 | 0.00 | 20 | 101,373 | 0 | 101,393 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 25 | 0 | 25 | 0.00 | 0 | 31 | 0 | 31 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | 18,674 | 107,614 | 0 | 126,288 | 0.00 | 18,424 | 107,742 | 0 | 126,166 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 57 | 1,352 | 0 | 1,409 | 0.00 | 57 | 1,352 | 0 | 1,409 |
| DP 101 - DOR Fee Increase | 0.00 | 0 | 15,000 | 0 | 15,000 | 0.00 | 0 | 15,000 | 0 | 15,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$18,647 | \$270,475 | \$0 | \$289,122 | 0.00 | \$18,501 | \$225,498 | \$0 | \$243,999 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide to fund increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. For the centralized services division the legislature approved the executive proposal for statewide present law adjustments for personal services.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 101 - DOR Fee Increase -

The legislature approved an increase in appropriation of state special revenue for administrative fees paid to the Department of Revenue (DOR) for administering the per-capita fee account. The agency pays DOR an administrative fee of 2.0% to collect per-capita fee revenues.

New Proposals

The "New Proposals" table shows new changes to spending.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|----------------------------------|-----------------------|--------------|----------------|-----------------|----------------|-----------------------|--------------|----------------|-----------------|----------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 104 - Milk Bureau Legal Costs | 0.00 | 0 | 6,500 | 0 | 6,500 | 0.00 | 0 | 6,500 | 0 | 6,500 |
| Total | 0.00 | \$0 | \$6,500 | \$0 | \$6,500 | 0.00 | \$0 | \$6,500 | \$0 | \$6,500 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 104 - Milk Bureau Legal Costs -

The legislature approved an increase in state special revenue appropriation for legal expenses.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 8,039,165 | 8,651,366 | 612,201 | 7.62 % |
| Operating Expenses | 3,073,884 | 4,337,228 | 1,263,344 | 41.10 % |
| Equipment & Intangible Assets | 0 | 249,572 | 249,572 | 0.00 % |
| Transfers | 522,000 | 594,000 | 72,000 | 13.79 % |
| Total Expenditures | \$11,635,049 | \$13,832,166 | \$2,197,117 | 18.88 % |
| General Fund | 4,635,051 | 5,751,584 | 1,116,533 | 24.09 % |
| State/Other Special Rev. Funds | 3,537,413 | 4,347,790 | 810,377 | 22.91 % |
| Federal Spec. Rev. Funds | 3,460,579 | 3,732,792 | 272,213 | 7.87 % |
| Proprietary Funds | 2,006 | 0 | (2,006) | (100.00)% |
| Total Funds | \$11,635,049 | \$13,832,166 | \$2,197,117 | 18.88 % |
| Total Ongoing | \$11,620,049 | \$13,322,594 | \$1,702,545 | 14.65 % |
| Total OTO | \$15,000 | \$509,572 | \$494,572 | 3,297.15 % |

Program Description

The Animal Health & Food Safety Division (State Veterinarian Office) works with animal owners and veterinarians to prevent, control, and eradicate animal diseases, including those in bison and alternative livestock animals. The program cooperates with the Departments of Public Health and Human Services and Fish, Wildlife and Parks and the U.S. Department of Agriculture to protect human health from animal diseases transmissible to humans including rabies and brucellosis by monitoring testing and enforcing animal quarantines. The division also regulates the importation of animals into Montana; ensures the production and sale of safe and wholesome products of animal agriculture including meat, poultry, and milk and their products; and enforces the laws of Montana relating to animal health and producing a safe and wholesome food supply.

Program Highlights

| Animal Health Division Major Budget Highlights |
|---|
| <p>The legislature approved total budget of \$13.8 million, an increase in total appropriation of 18.9% or \$2.2 million compared to the 2019 biennium. In addition to base funding of \$12.4, million the legislature approve \$1.4 million present law adjustments and new proposals, specifically:</p> <ul style="list-style-type: none"> • The legislature approved present law adjustments totaling \$1.5 million primarily for an increase of \$1.4 million for brucellosis surveillance • The legislature approved new proposals decreasing appropriations by \$19,000: <ul style="list-style-type: none"> ◦ Decrease of \$628,000 and the elimination of 4.75 FTE from HB 2 appropriations. The FTE are now funded with proprietary funds from the diagnostic laboratory ◦ Increase of \$100,000 in base funding for brucellosis surveillance ◦ Increase of \$250,000 in one-time-only funding for brucellosis surveillance ◦ Increase of \$259,000 in one-time-only funding for lab equipment, veterinary trucks, and network upgrades • The budget is funded with general fund and state special revenue: <ul style="list-style-type: none"> ◦ General fund supports 41.6% of the budget, a 1.7% increase from the previous biennium ◦ State special revenue support 31.4% of the budget, ◦ Federal special revenue support 27.0% of the budget |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 67.52 | 67.52 | 62.77 | 62.77 |
| Personal Services | 3,285,817 | 3,375,013 | 4,664,152 | 4,328,976 | 4,322,390 |
| Operating Expenses | 1,796,378 | 1,837,209 | 1,236,675 | 2,141,626 | 2,195,602 |
| Equipment & Intangible Assets | 0 | 0 | 0 | 219,572 | 30,000 |
| Transfers | 218,857 | 225,000 | 297,000 | 297,000 | 297,000 |
| Total Expenditures | \$5,301,052 | \$5,437,222 | \$6,197,827 | \$6,987,174 | \$6,844,992 |
| General Fund | 2,146,638 | 2,165,784 | 2,469,267 | 2,851,065 | 2,900,519 |
| State/Other Special Rev. Funds | 1,485,482 | 1,564,789 | 1,972,624 | 2,270,200 | 2,077,590 |
| Federal Spec. Rev. Funds | 1,668,932 | 1,704,643 | 1,755,936 | 1,865,909 | 1,866,883 |
| Proprietary Funds | 0 | 2,006 | 0 | 0 | 0 |
| Total Funds | \$5,301,052 | \$5,437,222 | \$6,197,827 | \$6,987,174 | \$6,844,992 |
| Total Ongoing | \$5,289,173 | \$5,422,222 | \$6,197,827 | \$6,662,602 | \$6,659,992 |
| Total OTO | \$11,879 | \$15,000 | \$0 | \$324,572 | \$185,000 |

Funding

The following table shows program funding by source of authority.

| Department of Livestock, 04-Animal Health Division Funding by Source of Authority | | | | | |
|--|---------------------|--------------------------|-------------------------|---------------------|-------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 5,751,584 | 0 | 0 | 5,751,584 | 35.47 % |
| 02262 Egg Shielded Grading Program | 696,039 | 0 | 0 | 696,039 | 16.01 % |
| 02426 Lvstk Per Capita | 2,788,376 | 0 | 0 | 2,788,376 | 64.13 % |
| 02427 Animal Health | 11,442 | 0 | 0 | 11,442 | 0.26 % |
| 02701 Milk and Egg Inspection | 851,933 | 0 | 0 | 851,933 | 19.59 % |
| State Special Total | \$4,347,790 | \$0 | \$0 | \$4,347,790 | 26.81 % |
| 03032 Animal Health Sp. Rev | 45,867 | 0 | 0 | 45,867 | 1.23 % |
| 03209 Meat/Poultry Inspection Sp Rev | 2,071,201 | 0 | 0 | 2,071,201 | 55.49 % |
| 03427 AH Federal Umbrella | 1,554,554 | 0 | 0 | 1,554,554 | 41.65 % |
| 03673 Small Federal Grants | 61,170 | 0 | 0 | 61,170 | 1.64 % |
| 03710 NAIS | 0 | 0 | 0 | 0 | 0.00 % |
| Federal Special Total | \$3,732,792 | \$0 | \$0 | \$3,732,792 | 23.02 % |
| 06026 MT Veterinary Diagnostic Lab | 0 | 2,383,269 | 0 | 2,383,269 | 100.00 % |
| Proprietary Total | \$0 | \$2,383,269 | \$0 | \$2,383,269 | 14.70 % |
| Total All Funds | \$13,832,166 | \$2,383,269 | \$0 | \$16,215,435 | |

Animal Health Division is primarily funded with federal funds supporting bison operations and the Greater Yellowstone Interagency Brucellosis Committee (GYIBC) research and cooperative efforts. Animal health is also supported with a state special revenue fund via the per-capita livestock fee to support disease control, import/export activities, and alternative livestock activities.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 2,469,267 | 2,469,267 | 4,938,534 | 85.86 % | 6,197,827 | 6,197,827 | 12,395,654 | 89.61 % |
| SWPL Adjustments | 10,971 | 12,623 | 23,594 | 0.41 % | 25,226 | 28,925 | 54,151 | 0.39 % |
| PL Adjustments | 396,647 | 394,669 | 791,316 | 13.76 % | 703,513 | 697,597 | 1,401,110 | 10.13 % |
| New Proposals | (25,820) | 23,960 | (1,860) | (0.03)% | 60,608 | (79,357) | (18,749) | (0.14)% |
| Total Budget | \$2,851,065 | \$2,900,519 | \$5,751,584 | | \$6,987,174 | \$6,844,992 | \$13,832,166 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 4,306 | 4,626 | 1,563 | 10,495 | 0.00 | 4,352 | 4,673 | 1,620 | 10,645 |
| DP 3 - Inflation Deflation | 0.00 | 6,665 | 1,401 | 6,665 | 14,731 | 0.00 | 8,271 | 1,738 | 8,271 | 18,280 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | (206,225) | 203,924 | (18,911) | (21,212) | 0.00 | (208,203) | 200,675 | (19,877) | (27,405) |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 632 | 1,197 | 693 | 2,522 | 0.00 | 632 | 1,197 | 693 | 2,522 |
| DP 401 - DSA Budget Correction | 0.00 | 602,240 | 0 | 119,963 | 722,203 | 0.00 | 602,240 | 0 | 120,240 | 722,480 |
| Grand Total All Present Law Adjustments | 0.00 | \$407,618 | \$211,148 | \$109,973 | \$728,739 | 0.00 | \$407,292 | \$208,283 | \$110,947 | \$726,522 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide to fund increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature reduced state special revenue by \$25,000 compared to the executive request.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 401 - DSA Budget Correction -

The legislature approved an increase to general fund and federal fund appropriations to align the budget with anticipated expenditures for Montana’s Designated Surveillance Area (DSA) for brucellosis.

New Proposals

The “New Proposals” table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|---|-----------------------|-------------------|-----------------|-----------------|-----------------|-----------------------|-----------------|--------------------|-----------------|-------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 402 - Proprietary Positions Reallocation | (4.75) | (175,820) | (138,144) | 0 | (313,964) | (4.75) | (176,040) | (138,317) | 0 | (314,357) |
| DP 404 - Lab Equipment (RST/OTO) | 0.00 | 0 | 159,572 | 0 | 159,572 | 0.00 | 0 | 30,000 | 0 | 30,000 |
| DP 405 - MVDL Network Upgrade (OTO) | 0.00 | 0 | 40,000 | 0 | 40,000 | 0.00 | 0 | 5,000 | 0 | 5,000 |
| DP 406 - Vet Truck Purchase (OTO) | 0.00 | 0 | 25,000 | 0 | 25,000 | 0.00 | 0 | 0 | 0 | 0 |
| DP 4031 - DSA Expansion Ongoing | 0.00 | 50,000 | 0 | 0 | 50,000 | 0.00 | 50,000 | 0 | 0 | 50,000 |
| DP 4032 - DSA Expansion (RST/OTO) | 0.00 | 100,000 | 0 | 0 | 100,000 | 0.00 | 150,000 | 0 | 0 | 150,000 |
| Total | (4.75) | (\$25,820) | \$86,428 | \$0 | \$60,608 | (4.75) | \$23,960 | (\$103,317) | \$0 | (\$79,357) |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 402 - Proprietary Positions Reallocation -

The legislature approved the removal 4.75 FTE and associated expenditures from HB 2 and fund them with proprietary revenue from the department’s diagnostic laboratory.

DP 404 - Lab Equipment (RST/OTO) -

The legislature approved a one-time-only increase in state special revenue to purchase laboratory equipment at the Montana Veterinary Diagnostic Lab.

DP 405 - MVDL Network Upgrade (OTO) -

The legislature approved a one-time-only increase of state special revenue to update the Montana Veterinary Diagnostic Lab (MVDL) to MSU Bozeman’s new fiber network.

DP 406 - Vet Truck Purchase (OTO) -

The legislature approved a one-time-only increase in state special revenue to replace one veterinary truck.

DP 4031 - DSA Expansion Ongoing -

The legislature approved an increase in general fund appropriation for Montana's Designated Surveillance Area (DSA) for brucellosis. This decision package addresses the proposed DSA expansion in Beaverhead County that will include \$100,000 in each year of the biennium to test an additional 12,000 animals.

DP 4032 - DSA Expansion (RST/OTO) -

The legislature approved an increase in general fund appropriation of \$250,000 for Montana's Designated Surveillance Area (DSA) for brucellosis. This decision package addresses the proposed DSA expansion in Beaverhead County. The appropriation is one-time-only and restricted to address annual increases in testing.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 6,020,760 | 7,026,975 | 1,006,215 | 16.71 % |
| Operating Expenses | 1,074,931 | 1,368,482 | 293,551 | 27.31 % |
| Total Expenditures | \$7,095,691 | \$8,395,457 | \$1,299,766 | 18.32 % |
| State/Other Special Rev. Funds | 7,095,691 | 8,395,457 | 1,299,766 | 18.32 % |
| Total Funds | \$7,095,691 | \$8,395,457 | \$1,299,766 | 18.32 % |
| Total Ongoing | \$7,095,691 | \$8,252,546 | \$1,156,855 | 16.30 % |
| Total OTO | \$0 | \$142,911 | \$142,911 | 100.00 % |

Program Description

The Brands Enforcement Division provides the livestock industry with professional law enforcement and investigative work in tracking livestock ownership and in the deterrence and/or resolution of related criminal activities. It conducts, collects, documents, audits, and evaluates compliance on brand inspections and permits for Montana livestock. It also maintains the official record of Montana brands and security interest filings of branded livestock, and licenses livestock markets and dealers. The Livestock Crimestoppers Commission is administratively attached to the department.

Program Highlights

| Brands Enforcement Division Major Budget Highlights |
|--|
| <p>The legislature approved total budget of \$8.4 million, an increase in total appropriation of 18.3% or \$1.3 million compared to the 2019 biennium. In addition to base funding of \$7.1 million, the legislature approved \$1.3 million in present law adjustments and new proposals, including:</p> <ul style="list-style-type: none"> • Present law adjustments \$1.1 million • New proposals increasing appropriations by \$213,000 including an: <ul style="list-style-type: none"> ◦ Increase of \$126,000 in one-time-only appropriation for temporary brands workers totaling 0.75 FTE in FY 2020 and 1.50 FTE in FY 2021 ◦ Increase of \$48,000 to replace for agency vehicles with vehicles leased from the state motor pool ◦ Increase of \$22,000 for brands enforcement training ◦ Increase of \$17,000 in one-time-only funding for law enforcement safety equipment • The \$8.4 million budget is funded entirely with state special revenue |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 53.11 | 53.11 | 53.86 | 54.61 |
| Personal Services | 3,049,526 | 3,062,503 | 2,958,257 | 3,495,148 | 3,531,827 |
| Operating Expenses | 483,979 | 483,946 | 590,985 | 677,887 | 690,595 |
| Total Expenditures | \$3,533,505 | \$3,546,449 | \$3,549,242 | \$4,173,035 | \$4,222,422 |
| State/Other Special Rev. Funds | 3,533,505 | 3,546,449 | 3,549,242 | 4,173,035 | 4,222,422 |
| Total Funds | \$3,533,505 | \$3,546,449 | \$3,549,242 | \$4,173,035 | \$4,222,422 |
| Total Ongoing | \$3,533,505 | \$3,546,449 | \$3,549,242 | \$4,126,043 | \$4,126,503 |
| Total OTO | \$0 | \$0 | \$0 | \$46,992 | \$95,919 |

Funding

The following table shows program funding by source of authority.

| Department of Livestock, 06-Brands Enforcement Division Funding by Source of Authority | | | | | |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % |
| 02425 Inspection and Control | 7,044,197 | 0 | 0 | 7,044,197 | 83.90 % |
| 02426 Lvstk Per Capita | 1,351,260 | 0 | 0 | 1,351,260 | 16.10 % |
| State Special Total | \$8,395,457 | \$0 | \$0 | \$8,395,457 | 100.00 % |
| Federal Special Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$8,395,457 | \$0 | \$0 | \$8,395,457 | |

The program is funded with revenue generated from fee charged for brand recording and market and local inspections as well as fees charged to stockowners on each head of livestock commonly referred to as per-capita fees.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 3,549,242 | 3,549,242 | 7,098,484 | 84.55 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 38,073 | 41,237 | 79,310 | 0.94 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 503,664 | 500,960 | 1,004,624 | 11.97 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 82,056 | 130,983 | 213,039 | 2.54 % |
| Total Budget | \$0 | \$0 | \$0 | | \$4,173,035 | \$4,222,422 | \$8,395,457 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 0 | 25,637 | 0 | 25,637 | 0.00 | 0 | 25,804 | 0 | 25,804 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 12,436 | 0 | 12,436 | 0.00 | 0 | 15,433 | 0 | 15,433 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | 0 | 497,345 | 0 | 497,345 | 0.00 | 0 | 494,641 | 0 | 494,641 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 6,319 | 0 | 6,319 | 0.00 | 0 | 6,319 | 0 | 6,319 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$541,737 | \$0 | \$541,737 | 0.00 | \$0 | \$542,197 | \$0 | \$542,197 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide to fund increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. For the centralized services division the legislature approved the executive proposal for statewide present law adjustments for personal services.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals

The "New Proposals" table shows new changes to spending.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|---|-----------------------|--------------|-----------------|-----------------|-----------------|-----------------------|--------------|------------------|-----------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 601 - Law Enforcement Safety Equipment (OTO) | 0.00 | 0 | 7,446 | 0 | 7,446 | 0.00 | 0 | 9,450 | 0 | 9,450 |
| DP 602 - Brands Temp Workers (OTO) | 0.75 | 0 | 39,546 | 0 | 39,546 | 1.50 | 0 | 86,469 | 0 | 86,469 |
| DP 603 - Brands Enforcement Training | 0.00 | 0 | 10,900 | 0 | 10,900 | 0.00 | 0 | 10,900 | 0 | 10,900 |
| DP 604 - Leased Vehicles | 0.00 | 0 | 24,164 | 0 | 24,164 | 0.00 | 0 | 24,164 | 0 | 24,164 |
| Total | 0.75 | \$0 | \$82,056 | \$0 | \$82,056 | 1.50 | \$0 | \$130,983 | \$0 | \$130,983 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 601 - Law Enforcement Safety Equipment (OTO) -

The legislature approved a one-time-only increase in state special revenue to replace handguns and ballistic vests for law enforcement.

DP 602 - Brands Temp Workers (OTO) -

The legislature approved a one-time-only increase of 0.75 FTE in FY 2020 and 0.75 FTE in FY 2021 (an increase of 1.50 FTE for the biennium). The additional FTE will assist with data entry work while the bureau implements new electronic inspection methods. Also in the Brands office, temporary staff are required for the decennial brands re-record. One full-time, temporary employee from October 1, 2020 through June 30, 2021 and one full-time temporary employee through a staffing agency from January 1- March 31, 2021.

DP 603 - Brands Enforcement Training -

The legislature approved an increase in state special revenue to fund training for law enforcement staff. Training is required for staff to be certified by the Peace Officers Standards and Training Council, commonly referred to as POST.

DP 604 - Leased Vehicles -

The legislature approved an increase in state special revenue to fund four leased vehicles to replace four vehicles owned by the department.

Agency Budget Comparison

| Agency Budget Comparison | | | | |
|--------------------------------|------------------------------|-----------------------------|----------------------|----------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 76,025,979 | 85,386,243 | 9,360,264 | 12.31 % |
| Operating Expenses | 36,213,204 | 44,058,486 | 7,845,282 | 21.66 % |
| Equipment & Intangible Assets | 2,522,033 | 2,706,132 | 184,099 | 7.30 % |
| Capital Outlay | 40,000 | 0 | (40,000) | (100.00)% |
| Local Assistance | 8,096,180 | 8,116,180 | 20,000 | 0.25 % |
| Grants | 2,718,299 | 3,794,268 | 1,075,969 | 39.58 % |
| Benefits & Claims | 400,000 | 800,000 | 400,000 | 100.00 % |
| Transfers | 3,411,686 | 3,448,486 | 36,800 | 1.08 % |
| Debt Service | 1,464,866 | 1,570,682 | 105,816 | 7.22 % |
| Total Expenditures | \$130,892,247 | \$149,880,477 | \$18,988,230 | 14.51 % |
| General Fund | 52,109,118 | 61,765,529 | 9,656,411 | 18.53 % |
| State/Other Special Rev. Funds | 74,011,815 | 81,795,262 | 7,783,447 | 10.52 % |
| Federal Spec. Rev. Funds | 4,771,314 | 6,319,686 | 1,548,372 | 32.45 % |
| Total Funds | \$130,892,247 | \$149,880,477 | \$18,988,230 | 14.51 % |
| Total Ongoing | \$127,484,435 | \$147,609,477 | \$20,125,042 | 15.79 % |
| Total OTO | \$3,407,812 | \$2,271,000 | (\$1,136,812) | (33.36)% |

Agency Description

The department is responsible for managing state trust land; protecting Montana's natural resources from wildfire; promoting stewardship of state water, soil, forest, and rangeland resources; providing assistance to the conservation districts; providing natural resource conservation education; and providing support to the Montana Invasive Species Council.

The department consists of six divisions with the following functions:

The Director's Office provides management and administrative services for the department. This includes such activities as accounting, budgeting, human resources, department leadership, information technology, and legal services.

The Oil and Gas Conservation Division is responsible for programs operated for the prevention of resource waste through regulation of oil and gas exploration and production. This division supports the quasi-judicial Board of Oil and Gas that is charged with regulation of the industry.

The Conservation and Resources Development Division provides administrative, legal, and technical assistance and financial grants to the conservation districts and manages natural resource conservation and development grant and loan programs for local governments, state agencies, and private individuals.

The Water Resource Division is responsible for the administration of all water use within the state, including: maintaining the database for all water rights, providing technical and legal support for implementation of approved water compacts for Indian tribes and federal agencies, managing state water projects, investigating water use violations, ensuring dam safety compliance, and providing water adjudication support to the Water Court.

The Forestry Division is responsible for planning and implementing forestry programs statewide. Forestry responsibilities include protecting Montana's natural resources from wildfire; regulating forest practices, providing a variety of services to private forest landowners, enforcing streamside management zone regulations; administering Montana's Fire Hazard Reduction Law; providing technical forestry assistance to private landowners, businesses, and communities; and growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The Trust Land Management Division is responsible for the management of the state trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land. This work is done under the direction of the State Board of Land Commissioners (comprised of

the Governor, State Auditor, Attorney General, Superintendent of Public Instruction, and Secretary of State), who are constitutionally charged to oversee trust resources. The department director is the chief administrative officer of the board.

Agency Highlights

| Department of Natural Resources and Conservation Major Budget Highlights |
|---|
| <p>The legislature approved a budget of \$149.9 million, an increase of 14.5% or \$19.0 million when compared to the 2019 biennium appropriation, and a 14.8% or \$19.3 million increase above base funding. The primary changes include:</p> <ul style="list-style-type: none"> • An increase of 9.5 FTE over the biennium • Present law adjustments totaling \$11.5 • New proposals totaling \$7.8 million of which \$2.3 million was approved as one-time-only, notable changes include: <ul style="list-style-type: none"> ◦ Good Neighbor Authority, \$2.2 million general fund and \$1.5 million federal funds, ◦ Dam rehabilitation projects, \$2.1 million in state special revenue |

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 525.11 | 525.11 | 534.61 | 534.61 |
| Personal Services | 36,016,011 | 37,201,921 | 38,824,058 | 42,638,094 | 42,748,149 |
| Operating Expenses | 16,517,088 | 17,641,833 | 18,571,371 | 21,767,305 | 22,291,181 |
| Equipment & Intangible Assets | 813,713 | 1,132,967 | 1,389,066 | 1,353,066 | 1,353,066 |
| Capital Outlay | 11,067 | 40,000 | 0 | 0 | 0 |
| Local Assistance | 1,437,875 | 4,038,090 | 4,058,090 | 4,058,090 | 4,058,090 |
| Grants | 1,411,014 | 1,336,165 | 1,382,134 | 1,972,134 | 1,822,134 |
| Benefits & Claims | 0 | 200,000 | 200,000 | 400,000 | 400,000 |
| Transfers | 1,765,856 | 1,687,443 | 1,724,243 | 1,724,243 | 1,724,243 |
| Debt Service | 679,063 | 679,525 | 785,341 | 785,341 | 785,341 |
| Total Expenditures | \$58,651,687 | \$63,957,944 | \$66,934,303 | \$74,698,273 | \$75,182,204 |
| General Fund | 24,709,942 | 24,981,294 | 27,127,824 | 30,909,058 | 30,856,471 |
| State/Other Special Rev. Funds | 31,747,315 | 36,696,628 | 37,315,187 | 40,882,024 | 40,913,238 |
| Federal Spec. Rev. Funds | 2,194,430 | 2,280,022 | 2,491,292 | 2,907,191 | 3,412,495 |
| Total Funds | \$58,651,687 | \$63,957,944 | \$66,934,303 | \$74,698,273 | \$75,182,204 |
| Total Ongoing | \$57,137,805 | \$62,204,038 | \$65,280,397 | \$73,525,273 | \$74,084,204 |
| Total OTO | \$1,513,882 | \$1,753,906 | \$1,653,906 | \$1,173,000 | \$1,098,000 |

Summary of Legislative Action

The legislature approved a total budget of \$149.9 million, an increase of 14.5% or \$19.0 million. General fund appropriations increased by 18.5% or \$9.7 million. In addition to base funding of \$130.6 million the legislature approved \$19.3 million in present law and new proposals, of which \$7.9 million was general fund. The legislature also approved an increase of 9.50 FTE, 3.00 FTE ongoing and 6.50 FTE as one-time-only.

Statewide present law adjustments for personal services, fixed costs, and inflation total \$8.5 million funded primarily with general fund and state special revenue. Statewide present law adjustments for personal services, which reflects changes in pay plan and benefits, totaled \$6.5 million for the 525.11 FTE in the base funding. Adjustments for personal services are funded with \$3.2 million in general fund, \$3.2 million in state special revenue, and the remainder with federal sources. Statewide present law adjustments for fixed costs and inflation total \$2.0 million and cover changes in an agency's base budget which are generally fixed in quantity but may need adjustment related to increases in cost of services or allocation of expenses. Inflation accounts for the change in the cost of consumables such as fuel, electricity, postage, and motor pool rates. Adjustments for fixed costs and inflation were funded with \$1.1 million in general fund, \$0.8 million state special revenue, and a small amount of federal funding.

The Good Neighbor Authority (GNA) was appropriated \$2.2 million in general fund and \$1.5 million in federal funding. Ongoing funding of \$0.4 million general fund for 2.00 FTE that will act as liaisons between the state and the United States Forest Service (USFS). The remaining general fund of \$1.8 million is appropriated as one-time-only and will support 6.50 FTE that will manage the day to day operation of the GNA. In future biennium it is anticipated the OTO 6.50 FTE will be supported by federal revenues generated by the program. The GNA allows the USFS to enter into sole source contracts with state agencies to perform forest, range-land and watershed restoration services, fuels reduction projects, and timber sales on federal lands managed by the state.

Various water resource projects received appropriations totaling \$3.1 million in general fund and state special revenue. A general fund appropriation of \$0.7 million will support the state share in operating about 42 stream gauges in cooperation with the United States Geological Survey. General fund appropriations of \$0.2 million would support the state's responsibilities in implementing the eighteen reserved water right compacts ratified by the Montana Legislature. Appropriations of \$2.1 million primarily state special revenue will support external engineering review of state dams and water projects as well as the rehabilitation of Painted Rocks and East Fork Dam.

The legislature approved \$0.7 million in state special revenue to support conservation district administration, pollinator grants and the Flathead Basin Commission operations.

The legislature approved \$0.2 million in general fund and state special revenue for 1.00 FTE to support efforts to increase public access to state and federal lands. Other appropriations totaling \$0.2 million support prescribed burn projects and the World Mining Museum.

Other Legislation

HB 3 "Supplemental Appropriations Bill"

HB 3 transferred \$21.5 million from the general fund and \$15.0 million from the private correctional facility contract renegotiation account to the fire suppression fund.

HB 34 "Create a statutory appropriation for Good Neighbor Authority agreement income"

HB 34 provides the Department of Natural Resources and Conservation with a statutory appropriation as revenues are received to expend federal revenues generated from the Good Neighbor Authority.

HB 10 "Long-Range Information Technology Appropriations"

HB 10 appropriates \$5.4 million in general fund and state special revenue to fund two information technology systems, the Water Rights Information System and Trust Land Management System II.

HB 411 "Revise laws related to AIS expenditures and funding"

HB 411 appropriates \$650,000 invasive species state special revenue to the agency to support 2.00 FTE to staff advisory on invasive species council and to administer grants in accordance with 80-7-1018, MCA.

Funding

The following table shows agency funding by source of authority.

| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
|------------------------------------|----------------------|--------------------|--------------------------|-------------------------|----------------------|-------------------|
| General Fund | 59,859,529 | 1,906,000 | 0 | 0 | 61,765,529 | 38.36 % |
| State Special Total | 81,430,262 | 365,000 | 0 | 4,064,616 | 85,859,878 | 53.32 % |
| Federal Special Total | 6,319,686 | 0 | 0 | 0 | 6,319,686 | 3.92 % |
| Proprietary Total | 0 | 0 | 7,088,441 | 0 | 7,088,441 | 4.40 % |
| Other Total | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| Total All Funds | \$147,609,477 | \$2,271,000 | \$7,088,441 | \$4,064,616 | \$161,033,534 | |
| Percent - Total All Sources | 91.66 % | 1.41 % | 4.40 % | 2.52 % | | |

The Department of Natural Resources and Conservation (DNRC) is primarily funded with general fund and state special revenue funds. General funds are 41.2% of the HB 2 appropriation and 38.4% of total funding. State special revenue is 54.5% of the HB 2 funding and 53.3% of total funding, the largest sources of state special appropriation is the state trust lands administration account.

Federal revenue funds and proprietary funds associated with air operations and the state nursery make up the remainder of funding for DNRC.

DNRC has multiple statutory appropriations:

- Oil and gas production damage mitigation state special revenue fund is statutorily appropriated and under the authority of the Board of Oil and Gas. It receives \$650,000 from the resource indemnity trust interest each biennium for the reclamation of drill sites and production areas associated with oil and natural gas production. Over the past five fiscal years, DNRC has expended an average of \$132,000 per year
- The Morrill trust land administration state special revenue fund which receives an \$80,000 transfer each biennium from the general fund for the purposes of administering the Morrill trust lands. Over the past five fiscal years DNRC has expended an average of \$32,000 per year
- The wildfire suppression state special revenue fund which pays for the state share of wildfire suppression. The fund receives revenue from the Governor’s unspent emergency general fund appropriation and general fund reversions in excess of 0.5% of the state general fund budget. Historically, the 10-year average for state wildfire costs is \$25.0 million
- The fire hazard reduction state special revenue fund which receives forfeited performance bonds on fire hazard reduction work and is used by DNRC to control timber debris. Over the past five fiscal years, DNRC has expended an average of \$15,900 per year
- The federal fire reimbursement federal special revenue fund allows DNRC to spend federal fire reimbursements. Over the past five fiscal years, DNRC has expended an average of \$9.1 million per year

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|---------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 26,920,824 | 26,920,824 | 53,841,648 | 87.17 % | 65,280,397 | 65,280,397 | 130,560,794 | 87.11 % |
| SWPL Adjustments | 607,189 | 539,812 | 1,147,001 | 1.86 % | 962,415 | 942,402 | 1,904,817 | 1.27 % |
| PL Adjustments | 1,705,550 | 1,700,178 | 3,405,728 | 5.51 % | 4,787,463 | 4,795,769 | 9,583,232 | 6.39 % |
| New Proposals | 1,675,495 | 1,695,657 | 3,371,152 | 5.46 % | 3,667,998 | 4,163,636 | 7,831,634 | 5.23 % |
| Total Budget | \$30,909,058 | \$30,856,471 | \$61,765,529 | | \$74,698,273 | \$75,182,204 | \$149,880,477 | |

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|---------------------|------------------------------|--------------------------------|------------------------------------|------------------------------|--------------------------------|------------------------------------|----------------------------------|
| Budget Item | Approp. Fiscal 2019 | Executive Budget Fiscal 2020 | Legislative Budget Fiscal 2020 | Leg — Exec. Difference Fiscal 2020 | Executive Budget Fiscal 2021 | Legislative Budget Fiscal 2021 | Leg — Exec. Difference Fiscal 2021 | Biennium Difference Fiscal 20-21 |
| FTE | 525.11 | 533.61 | 534.61 | 1.00 | 533.61 | 534.61 | 1.00 | 1.00 |
| Personal Services | 38,824,058 | 42,548,080 | 42,638,094 | 90,014 | 42,656,233 | 42,748,149 | 91,916 | 181,930 |
| Operating Expenses | 18,571,371 | 21,847,320 | 21,767,305 | (80,015) | 22,496,196 | 22,291,181 | (205,015) | (285,030) |
| Equipment & Intangible Assets | 1,389,066 | 1,353,066 | 1,353,066 | 0 | 1,353,066 | 1,353,066 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Assistance | 4,058,090 | 4,058,090 | 4,058,090 | 0 | 4,058,090 | 4,058,090 | 0 | 0 |
| Grants | 1,382,134 | 1,472,134 | 1,972,134 | 500,000 | 1,472,134 | 1,822,134 | 350,000 | 850,000 |
| Benefits & Claims | 200,000 | 400,000 | 400,000 | 0 | 400,000 | 400,000 | 0 | 0 |
| Transfers | 1,724,243 | 1,724,243 | 1,724,243 | 0 | 1,724,243 | 1,724,243 | 0 | 0 |
| Debt Service | 785,341 | 785,341 | 785,341 | 0 | 785,341 | 785,341 | 0 | 0 |
| Total Costs | \$66,934,303 | \$74,188,274 | \$74,698,273 | \$509,999 | \$74,945,303 | \$75,182,204 | \$236,901 | \$746,900 |
| General Fund | 27,127,824 | 31,228,017 | 30,909,058 | (318,959) | 31,174,747 | 30,856,471 | (318,276) | (637,235) |
| State/other Special Rev. Funds | 37,315,187 | 40,053,385 | 40,882,024 | 828,639 | 40,358,380 | 40,913,238 | 554,858 | 1,383,497 |
| Federal Spec. Rev. Funds | 2,491,292 | 2,906,872 | 2,907,191 | 319 | 3,412,176 | 3,412,495 | 319 | 638 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$66,934,303 | \$74,188,274 | \$74,698,273 | \$509,999 | \$74,945,303 | \$75,182,204 | \$236,901 | \$746,900 |
| Total Ongoing | \$65,280,397 | \$73,210,274 | \$73,525,273 | \$314,999 | \$73,717,303 | \$74,084,204 | \$366,901 | \$681,900 |
| Total OTO | \$1,653,906 | \$978,000 | \$1,173,000 | \$195,000 | \$1,228,000 | \$1,098,000 | (\$130,000) | \$65,000 |

The legislature approved total appropriations \$747,000 higher than the executive request. The legislature approved a reduction in general fund of \$637,000, and an increase in state special revenue of \$1.4 million compared to the executive request. Legislative differences include:

- Reserved water right compacts implementation reduced by \$200,000
- Drought mitigation reduced by \$50,000
- State water projects planning reduced by \$125,000
- Approved 1.00 FTE to support public access to state and federal lands, increase \$182,000
- Increased appropriation for conservation districts by \$700,000 compared to the executive request
- Approved \$40,000 for the operation of the Flathead Basin Commission
- Included \$150,000 for the World Mining Museum
- Approved \$50,000 in fixed costs above the executive request

In addition to the executive proposal for HB 2, the legislature approved language reducing federal funding for Good Neighbor Authority should HB 34 become law.

The legislature approved internal service rates as proposed by the executive.

Language and Statutory Authority

The following language was adopted by the legislature for HB 2:

"The department is authorized to decrease federal special revenue in the pollution control and/or drinking water revolving fund loan programs and increase state special revenue by a like amount within administration accounts when the amount of federal EPA CAP grant funds allocated for administration of the grant have been expended or federal funds and bond proceeds will be used for other program purposes as authorized in law providing for the distribution of funds."

"During the 2021 biennium, up to \$600,000 from the loan loss reserve account of the private loan program established in 85-1-603 is appropriated to the department for the purchase of prior liens on property held as loan security as provided in 85-1-615."

"During the 2021 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility."

"During the 2021 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project."

"During the 2021 biennium, up to \$500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated for the purpose of repairing, improving, or rehabilitating department state water projects."

"During the 2021 biennium, up to \$1 million of funds currently in or to be deposited in the contract timber harvest account is appropriated to the department for contract harvesting, a tool to improve forest health and generate revenue for trust beneficiaries."

"During the 2021 biennium, up to \$500,000 of funds from the trust administration and/or forest improvement accounts are appropriated to the department for unexpected or emergency road system maintenance and/or repairs due to damage from erosion, public use, flooding, fire or other natural disasters. This appropriation would be limited to earthwork, gravel replacement, emergency repair, or replacement of stream crossing structures such as culverts and bridges."

"If HB 34 is passed and approved, federal appropriations within the Forestry & Trust Lands Division is reduced by \$500,000 in FY 2020 and \$1,000,000 in FY 2021."

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 9,460,028 | 10,134,775 | 674,747 | 7.13 % |
| Operating Expenses | 2,650,270 | 4,262,636 | 1,612,366 | 60.84 % |
| Equipment & Intangible Assets | 62,554 | 125,108 | 62,554 | 100.00 % |
| Transfers | 1,000 | 1,000 | 0 | 0.00 % |
| Debt Service | 27,184 | 43,400 | 16,216 | 59.65 % |
| Total Expenditures | \$12,201,036 | \$14,566,919 | \$2,365,883 | 19.39 % |
| General Fund | 7,126,922 | 8,164,507 | 1,037,585 | 14.56 % |
| State/Other Special Rev. Funds | 4,329,143 | 5,677,278 | 1,348,135 | 31.14 % |
| Federal Spec. Rev. Funds | 744,971 | 725,134 | (19,837) | (2.66)% |
| Total Funds | \$12,201,036 | \$14,566,919 | \$2,365,883 | 19.39 % |
| Total Ongoing | \$12,201,036 | \$14,566,919 | \$2,365,883 | 19.39 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Director's Office is comprised of the Director's Office, Legal Services Office, Financial Services Office, Office of Information Technology, and the Human Resources Office. The director is responsible for the administration of all the functions vested by law in the department and for establishing policy to be followed by the department. In addition, the work units in the Director's Office provide legal, personnel, financial, budgetary, procurement and contracting, information technology, and communications services to the director and the divisions within the agency.

Program Highlights

| |
|---|
| Director's Office Major Budget Highlights |
| <p>The legislature approved a budget of \$14.6 million, an increase of 19.4% or \$2.4 million compared to the 2019 biennium. In addition to base funding of \$12.1 million, the legislature approved present law adjustments \$2.4 million, specifically:</p> <ul style="list-style-type: none"> • Statewide present law adjustments of \$2.0 million, • Rent adjustment for the director's office of \$0.4 million |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 57.00 | 57.00 | 57.00 | 57.00 |
| Personal Services | 4,613,583 | 4,747,780 | 4,712,248 | 5,069,805 | 5,064,970 |
| Operating Expenses | 1,374,661 | 1,373,313 | 1,276,957 | 2,148,179 | 2,114,457 |
| Equipment & Intangible Assets | 0 | 0 | 62,554 | 62,554 | 62,554 |
| Transfers | 95 | 500 | 500 | 500 | 500 |
| Debt Service | 5,483 | 5,484 | 21,700 | 21,700 | 21,700 |
| Total Expenditures | \$5,993,822 | \$6,127,077 | \$6,073,959 | \$7,302,738 | \$7,264,181 |
| General Fund | 3,412,082 | 3,545,336 | 3,581,586 | 4,124,356 | 4,040,151 |
| State/Other Special Rev. Funds | 2,138,966 | 2,138,967 | 2,190,176 | 2,818,510 | 2,858,768 |
| Federal Spec. Rev. Funds | 442,774 | 442,774 | 302,197 | 359,872 | 365,262 |
| Total Funds | \$5,993,822 | \$6,127,077 | \$6,073,959 | \$7,302,738 | \$7,264,181 |
| Total Ongoing | \$5,993,822 | \$6,127,077 | \$6,073,959 | \$7,302,738 | \$7,264,181 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Natural Resources and Conservation, 21-Director's Office Funding by Source of Authority | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 8,164,507 | 0 | 0 | 8,164,507 | 56.05 % |
| 02039 Forestry-Fire Protection Taxes | 617,383 | 0 | 0 | 617,383 | 10.87 % |
| 02052 Rangeland Improvement Loans | 52,864 | 0 | 0 | 52,864 | 0.93 % |
| 02073 Forestry - Slash Disposal | 10,718 | 0 | 0 | 10,718 | 0.19 % |
| 02145 Broadwater O & M | 75,137 | 0 | 0 | 75,137 | 1.32 % |
| 02216 Water Storage St Sp Rev Acct | 0 | 0 | 0 | 0 | 0.00 % |
| 02223 Wastewater SRF Special Admin | 130,000 | 0 | 0 | 130,000 | 2.29 % |
| 03255 CSD Federal Indirect | 0 | 0 | 0 | 0 | 0.00 % |
| 02430 Water Right Appropriation | 259,509 | 0 | 0 | 259,509 | 4.57 % |
| 02431 Water Adjudication | 820,265 | 0 | 0 | 820,265 | 14.45 % |
| 02432 Oil & Gas ERA | 361,480 | 0 | 0 | 361,480 | 6.37 % |
| 02470 State Project Hydro Earnings | 0 | 0 | 0 | 0 | 0.00 % |
| 02491 Drinking Water Spec Admin Cost | 135,237 | 0 | 0 | 135,237 | 2.38 % |
| 02576 Natural Resources Operations | 505,329 | 0 | 0 | 505,329 | 8.90 % |
| 02825 Water Well Contractors | 16,457 | 0 | 0 | 16,457 | 0.29 % |
| 02910 CST 14A BAN Proceeds (Exmp) | 0 | 0 | 0 | 0 | 0.00 % |
| 02938 TLMD Trust Administration | 2,523,139 | 0 | 0 | 2,523,139 | 44.44 % |
| 02048 Conservation District Acct | 29,760 | 0 | 0 | 29,760 | 0.52 % |
| 02284 Aquatic Invasive Species | 40,000 | 0 | 0 | 40,000 | 0.70 % |
| 02500 GNA STATE SPECIAL REVENUE | 100,000 | 0 | 0 | 100,000 | 1.76 % |
| State Special Total | \$5,677,278 | \$0 | \$0 | \$5,677,278 | 38.97 % |
| 03255 CSD Federal Indirect | 725,134 | 0 | 0 | 725,134 | 100.00 % |
| Federal Special Total | \$725,134 | \$0 | \$0 | \$725,134 | 4.98 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$14,566,919 | \$0 | \$0 | \$14,566,919 | |

The Director's Office is funded mostly with general fund and state special revenue generated from timber sales, taxes on oil and gas, fire protection taxes, and other taxes and fees. State special revenue is used to cover the costs of services provided to other programs in the department. The remaining federal revenue is a portion of the federal funds provided for overhead costs.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 3,581,586 | 3,581,586 | 7,163,172 | 87.74 % | 6,073,959 | 6,073,959 | 12,147,918 | 83.39 % |
| SWPL Adjustments | 436,598 | 356,866 | 793,464 | 9.72 % | 670,127 | 636,405 | 1,306,532 | 8.97 % |
| PL Adjustments | 106,172 | 101,699 | 207,871 | 2.55 % | 558,652 | 553,817 | 1,112,469 | 7.64 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$4,124,356 | \$4,040,151 | \$8,164,507 | | \$7,302,738 | \$7,264,181 | \$14,566,919 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|------------------|------------------|-----------------|--------------------|-----------------------|------------------|------------------|-----------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 436,492 | 205,345 | 28,111 | 669,948 | 0.00 | 356,735 | 245,759 | 33,689 | 636,183 |
| DP 3 - Inflation Deflation | 0.00 | 106 | 62 | 11 | 179 | 0.00 | 131 | 78 | 13 | 222 |
| DP 50 - Personal Services Adjustment | 0.00 | (6,580) | 345,294 | 18,843 | 357,557 | 0.00 | (11,053) | 345,122 | 18,653 | 352,722 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 963 | 132 | 1,095 | 0.00 | 0 | 963 | 132 | 1,095 |
| DP 211002 - DO-Rent Adjustment | 0.00 | 112,752 | 76,670 | 10,578 | 200,000 | 0.00 | 112,752 | 76,670 | 10,578 | 200,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$542,770 | \$628,334 | \$57,675 | \$1,228,779 | 0.00 | \$458,565 | \$668,592 | \$63,065 | \$1,190,222 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the agency/program. Adjustments to the executive proposal include the shift of \$0.4 million from general fund to state special revenue sources.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 211002 - DO-Rent Adjustment -

The legislature approved an increase in general fund, state special revenue, and federal funds for rent on the DNRC Director's Office portion of the headquarters office located in Helena.

Program Budget Comparison

| Program Budget Comparison | | | | | |
|--------------------------------|---------------------------|--------------------------|------------------|-------------------|--|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change | |
| Personal Services | 3,052,977 | 3,227,738 | 174,761 | 5.72 % | |
| Operating Expenses | 1,034,401 | 1,041,859 | 7,458 | 0.72 % | |
| Equipment & Intangible Assets | 113,100 | 113,100 | 0 | 0.00 % | |
| Total Expenditures | \$4,200,478 | \$4,382,697 | \$182,219 | 4.34 % | |
| State/Other Special Rev. Funds | 3,997,376 | 4,169,333 | 171,957 | 4.30 % | |
| Federal Spec. Rev. Funds | 203,102 | 213,364 | 10,262 | 5.05 % | |
| Total Funds | \$4,200,478 | \$4,382,697 | \$182,219 | 4.34 % | |
| Total Ongoing | \$4,200,478 | \$4,382,697 | \$182,219 | 4.34 % | |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % | |

Program Description

The Oil and Gas Conservation Division administers the Montana oil and gas conservation laws to promote conservation and prevent waste in the recovery of these resources through regulation of exploration and production of oil and gas. The division’s responsibilities include the following:

- Issue drilling permits
- Require measures to be taken to prevent damage to land and underground strata
- Classify wells
- Establish well spacing units and pooling orders
- Inspect drilling, production, and seismic operations
- Investigate complaints
- Perform engineering studies
- Determine incremental production for enhanced recovery and horizontal wells to implement the tax incentive program for those projects
- Operate the underground injection control program
- Plug orphan wells
- Collect and maintain complete well data and production information

Program Highlights

| Oil & Gas Conservation Division Major Budget Highlights |
|---|
| The legislature approved a budget of \$4.4 million, an increase of 4.3% or \$182,000 compared to the 2019 biennium. In addition to base funding of \$4.3 million, the legislature approved present law adjustments totaling \$97,000. |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

57060 - Department of Natural Resources and Conservation 22-Oil & Gas Conservation Division

| Program Actuals and Budget Comparison | | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|-------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 | |
| FTE | 0.00 | 19.50 | 19.50 | 19.50 | 19.50 | 19.50 |
| Personal Services | 1,296,134 | 1,484,322 | 1,568,655 | 1,614,141 | 1,613,597 | |
| Operating Expenses | 362,011 | 516,931 | 517,470 | 520,511 | 521,348 | |
| Equipment & Intangible Assets | 29,850 | 56,550 | 56,550 | 56,550 | 56,550 | |
| Total Expenditures | \$1,687,995 | \$2,057,803 | \$2,142,675 | \$2,191,202 | \$2,191,495 | |
| State/Other Special Rev. Funds | 1,633,143 | 1,961,383 | 2,035,993 | 2,084,520 | 2,084,813 | |
| Federal Spec. Rev. Funds | 54,852 | 96,420 | 106,682 | 106,682 | 106,682 | |
| Total Funds | \$1,687,995 | \$2,057,803 | \$2,142,675 | \$2,191,202 | \$2,191,495 | |
| Total Ongoing | \$1,687,995 | \$2,057,803 | \$2,142,675 | \$2,191,202 | \$2,191,495 | |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | |

Funding

The following table shows program funding by source of authority.

| Department of Natural Resources and Conservation, 22-Oil & Gas Conservation Division Funding by Source of Authority | | | | | | |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02010 Oil & Gas Damage Mitigation | 0 | 0 | 380,000 | 380,000 | 8.35 % | |
| 02432 Oil & Gas ERA | 4,169,333 | 0 | 0 | 4,169,333 | 91.65 % | |
| State Special Total | \$4,169,333 | \$0 | \$380,000 | \$4,549,333 | 95.52 % | |
| 03356 Oil & Gas Federal | 213,364 | 0 | 0 | 213,364 | 100.00 % | |
| Federal Special Total | \$213,364 | \$0 | \$0 | \$213,364 | 4.48 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$4,382,697 | \$0 | \$380,000 | \$4,762,697 | | |

The division is funded through taxes levied on oil and gas production and fees paid by operators of class II injection wells.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 0 | 0 | 0 | 0.00 % | 2,142,675 | 2,142,675 | 4,285,350 | 97.78 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 1,851 | 2,688 | 4,539 | 0.10 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 46,676 | 46,132 | 92,808 | 2.12 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$0 | \$0 | \$0 | | \$2,191,202 | \$2,191,495 | \$4,382,697 | |

Present Law Adjustments

57060 - Department of Natural Resources and Conservation22-Oil & Gas Conservation Division

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-------------|--------------|-----------------|-----------------|-----------------|-----------------------|--------------|-----------------|-----------------|-----------------|
| -----Fiscal 2020----- | | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 0 | 1,851 | 0 | 1,851 | 0.00 | 0 | 2,688 | 0 | 2,688 |
| DP 50 - Personal Services Adjustment | 0.00 | 0 | 45,486 | 0 | 45,486 | 0.00 | 0 | 44,942 | 0 | 44,942 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 1,190 | 0 | 1,190 | 0.00 | 0 | 1,190 | 0 | 1,190 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$48,527 | \$0 | \$48,527 | 0.00 | \$0 | \$48,820 | \$0 | \$48,820 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

Program Budget Comparison

| Program Budget Comparison | | | | | |
|--------------------------------|---------------------------|--------------------------|----------------------|-------------------|--|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change | |
| Personal Services | 4,523,515 | 4,781,878 | 258,363 | 5.71 % | |
| Operating Expenses | 5,692,389 | 5,758,559 | 66,170 | 1.16 % | |
| Equipment & Intangible Assets | 87,486 | 87,486 | 0 | 0.00 % | |
| Local Assistance | 8,096,180 | 8,116,180 | 20,000 | 0.25 % | |
| Grants | 2,331,383 | 3,249,338 | 917,955 | 39.37 % | |
| Benefits & Claims | 400,000 | 800,000 | 400,000 | 100.00 % | |
| Transfers | 1,325 | 0 | (1,325) | (100.00)% | |
| Total Expenditures | \$21,132,278 | \$22,793,441 | \$1,661,163 | 7.86 % | |
| General Fund | 3,256,235 | 3,414,550 | 158,315 | 4.86 % | |
| State/Other Special Rev. Funds | 17,160,386 | 18,800,803 | 1,640,417 | 9.56 % | |
| Federal Spec. Rev. Funds | 715,657 | 578,088 | (137,569) | (19.22)% | |
| Total Funds | \$21,132,278 | \$22,793,441 | \$1,661,163 | 7.86 % | |
| Total Ongoing | \$19,730,994 | \$22,603,441 | \$2,872,447 | 14.56 % | |
| Total OTO | \$1,401,284 | \$190,000 | (\$1,211,284) | (86.44)% | |

Program Description

The Conservation and Resource Development Division (CARDD) provides technical, administrative, financial, and legal assistance to Montana's 58 conservation districts by administering the Conservation District Act, Montana Rangeland Resources Act, and the Natural Streambed and Land Preservation Act. The division also manages several loan and grant programs for local communities, local governments, state agencies, and private citizens. The programs include the state revolving fund, which at the end of FY 2018 included \$853 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$20 million, and private loans for \$10 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs. Administratively attached to the division are the Montana Sage Grouse Program, Flathead Basin Commission, Upper Columbia Conservation Commission, and the Montana Invasive Species Council which work to protect Montana's natural resources.

Program Highlights

| Conservation & Resource Development Division Major Budget Highlights |
|---|
| <p>The legislature approved a budget of \$22.8 million, an increase of 7.9% or \$1.7 million compared to the 2019 biennium. In addition to base funding of \$19.9 million, the legislature approved present law adjustments and new proposals totaling \$2.8 million, specifically:</p> <ul style="list-style-type: none"> • Present law adjustments totaling \$2.0 million • New proposals totaling \$840,000 in state special revenue, including: <ul style="list-style-type: none"> ◦ Support conservation district operations and grants: \$650,000 ◦ World Mining Museum in Butte, Montana: \$150,000 from the coal bed methane protection account ◦ Operations of the Flathead Basin Commission: \$40,000 |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Devel

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 27.17 | 27.17 | 27.17 | 27.17 |
| Personal Services | 2,150,154 | 2,260,689 | 2,262,826 | 2,388,484 | 2,393,394 |
| Operating Expenses | 2,540,561 | 2,791,511 | 2,900,878 | 2,879,376 | 2,879,183 |
| Equipment & Intangible Assets | 0 | 43,743 | 43,743 | 43,743 | 43,743 |
| Local Assistance | 1,437,875 | 4,038,090 | 4,058,090 | 4,058,090 | 4,058,090 |
| Grants | 1,241,049 | 1,171,714 | 1,159,669 | 1,674,669 | 1,574,669 |
| Benefits & Claims | 0 | 200,000 | 200,000 | 400,000 | 400,000 |
| Transfers | 1,324 | 1,325 | 0 | 0 | 0 |
| Total Expenditures | \$7,370,963 | \$10,507,072 | \$10,625,206 | \$11,444,362 | \$11,349,079 |
| General Fund | 1,519,135 | 1,528,342 | 1,727,893 | 1,706,745 | 1,707,805 |
| State/Other Special Rev. Funds | 5,582,909 | 8,709,812 | 8,450,574 | 9,448,573 | 9,352,230 |
| Federal Spec. Rev. Funds | 268,919 | 268,918 | 446,739 | 289,044 | 289,044 |
| Total Funds | \$7,370,963 | \$10,507,072 | \$10,625,206 | \$11,444,362 | \$11,349,079 |
| Total Ongoing | \$6,620,339 | \$9,756,430 | \$9,974,564 | \$11,274,362 | \$11,329,079 |
| Total OTO | \$750,624 | \$750,642 | \$650,642 | \$170,000 | \$20,000 |

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Devel

Funding

The following table shows program funding by source of authority.

| Department of Natural Resources and Conservation, 23-Conservation & Resource Devel | | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funding by Source of Authority | | | | | | |
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 3,414,550 | 0 | 0 | 3,414,550 | 12.90 % | |
| 02015 TSEP Regional Water System | 2,018,766 | 0 | 0 | 2,018,766 | 8.98 % | |
| 02052 Rangeland Improvement Loans | 162,412 | 0 | 0 | 162,412 | 0.72 % | |
| 02152 Wtr Pol. Ctr Revolv Loan Acct | 0 | 0 | 0 | 0 | 0.00 % | |
| 02224 SRF Wastewater Investment Acct | 0 | 0 | 0 | 0 | 0.00 % | |
| 02255 SRF Principal Sub Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 02316 SRF Bonds State Administration | 65,044 | 0 | 0 | 65,044 | 0.29 % | |
| 02326 CST 10C PROCEEDS (TAXABLE) | 0 | 0 | 0 | 0 | 0.00 % | |
| 02340 Coal Sev. Tax Shared SSR | 0 | 0 | 0 | 0 | 0.00 % | |
| 02432 Oil & Gas ERA | 1,292,587 | 0 | 0 | 1,292,587 | 5.75 % | |
| 02433 Grazing District Fees | 48,768 | 0 | 0 | 48,768 | 0.22 % | |
| 02488 Drinking Water Loan Account | 0 | 0 | 0 | 0 | 0.00 % | |
| 02489 Drinking Water Principal Acct | 0 | 0 | 0 | 0 | 0.00 % | |
| 02490 Drinking Water Investment | 800,186 | 0 | 0 | 800,186 | 3.56 % | |
| 02532 WW RAN Proceeds | 0 | 0 | 0 | 0 | 0.00 % | |
| 02576 Natural Resources Operations | 277,826 | 0 | 0 | 277,826 | 1.24 % | |
| 02577 Natural Resources Projects | 0 | 0 | 0 | 0 | 0.00 % | |
| 02620 2015B DW SRF BAN Proceeds | 0 | 0 | 0 | 0 | 0.00 % | |
| 02684 GO2015C WW SRF Proceeds | 0 | 0 | 0 | 0 | 0.00 % | |
| 02694 Coal Bed Methane Protection | 500,486 | 0 | 0 | 500,486 | 2.23 % | |
| 02967 GO 2013D Bond Proceeds Taxable | 0 | 0 | 0 | 0 | 0.00 % | |
| 02971 RDB PROCEEDS | 7,969,880 | 0 | 0 | 7,969,880 | 35.44 % | |
| 02845 Junk Vehicle Disposal | 0 | 0 | 0 | 0 | 0.00 % | |
| 02318 Sage Grouse Stewardship | 0 | 0 | 3,684,616 | 3,684,616 | 16.39 % | |
| 02048 Conservation District Acct | 5,664,848 | 0 | 0 | 5,664,848 | 25.19 % | |
| 02284 Aquatic Invasive Species | 0 | 0 | 0 | 0 | 0.00 % | |
| 02682 2017C CW SRF GO BAN PROCEEDS | 0 | 0 | 0 | 0 | 0.00 % | |
| 02951 2017B WW SRF GO BAN PROCEEDS | 0 | 0 | 0 | 0 | 0.00 % | |
| State Special Total | \$18,800,803 | \$0 | \$3,684,616 | \$22,485,419 | 84.92 % | |
| 03149 WPC SRF FY09 GRANT | 128,556 | 0 | 0 | 128,556 | 22.24 % | |
| 03152 DW14 SRF Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03178 Res Dev & Cons - Fed | 0 | 0 | 0 | 0 | 0.00 % | |
| 03245 WPC15 SRF Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03409 WPC14 SRF Grant | 112 | 0 | 0 | 112 | 0.02 % | |
| 03457 WPC SRF FY13 Grant | 128,556 | 0 | 0 | 128,556 | 22.24 % | |
| 03687 DW15 SRF Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03812 DW SRF 07 Grant | 140 | 0 | 0 | 140 | 0.02 % | |
| 03815 DW SRF FY09 GRANT | 160,362 | 0 | 0 | 160,362 | 27.74 % | |
| 03818 DW SRF FY10 GRANT | 160,362 | 0 | 0 | 160,362 | 27.74 % | |
| 03952 DW16 SRF Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03953 DW17 SRF Grant | 0 | 0 | 0 | 0 | 0.00 % | |
| 03384 Aquatic Invasive Species | 0 | 0 | 0 | 0 | 0.00 % | |
| Federal Special Total | \$578,088 | \$0 | \$0 | \$578,088 | 2.18 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$22,793,441 | \$0 | \$3,684,616 | \$26,478,057 | | |

State special revenue is used to fund the Conservation Districts Bureau, Resources Development Bureau, and sage grouse conservation programs. Sources of revenue include interest and earnings from the resource indemnity trust, resource indemnity tax distributions, bond proceeds, and production taxes on oil and gas.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Devel

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 1,612,893 | 1,612,893 | 3,225,786 | 94.47 % | 9,974,564 | 9,974,564 | 19,949,128 | 87.52 % |
| SWPL Adjustments | 8,213 | 8,151 | 16,364 | 0.48 % | 23,550 | 23,357 | 46,907 | 0.21 % |
| PL Adjustments | 85,639 | 86,761 | 172,400 | 5.05 % | 976,248 | 981,158 | 1,957,406 | 8.59 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 470,000 | 370,000 | 840,000 | 3.69 % |
| Total Budget | \$1,706,745 | \$1,707,805 | \$3,414,550 | | \$11,444,362 | \$11,349,079 | \$22,793,441 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|---|-----------------------|-----------------|------------------|-----------------|------------------|-----------------------|-----------------|------------------|-----------------|--------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 7,876 | 14,710 | 0 | 22,586 | 0.00 | 7,732 | 14,428 | 0 | 22,160 |
| DP 3 - Inflation Deflation | 0.00 | 337 | 627 | 0 | 964 | 0.00 | 419 | 778 | 0 | 1,197 |
| DP 50 - Personal Services Adjustment | 0.00 | 85,639 | 240,019 | 0 | 325,658 | 0.00 | 86,761 | 243,807 | 0 | 330,568 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 5,464 | 126 | 5,590 | 0.00 | 0 | 5,464 | 126 | 5,590 |
| DP 231001 - CARDD-Operating Adjustments- | 0.00 | 0 | 15,000 | 20,000 | 35,000 | 0.00 | 0 | 15,000 | 20,000 | 35,000 |
| DP 231003 - CARDD-CD Administration | 0.00 | 0 | 100,000 | 0 | 100,000 | 0.00 | 0 | 100,000 | 0 | 100,000 |
| DP 231004 - CARDD 223 Program | 0.00 | 0 | 50,000 | 0 | 50,000 | 0.00 | 0 | 50,000 | 0 | 50,000 |
| DP 231005 - CARDD-Salinity Control | 0.00 | 0 | 30,000 | 0 | 30,000 | 0.00 | 0 | 30,000 | 0 | 30,000 |
| DP 231006 - CARDD-Montana Rural Water | 0.00 | 0 | 180,000 | 0 | 180,000 | 0.00 | 0 | 180,000 | 0 | 180,000 |
| DP 231007 - CARDD-Drinking Water Loan Forgiveness | 0.00 | 0 | 200,000 | 0 | 200,000 | 0.00 | 0 | 200,000 | 0 | 200,000 |
| DP 231009 - CARDD-Regional Water Administration | 0.00 | 0 | 50,000 | 0 | 50,000 | 0.00 | 0 | 50,000 | 0 | 50,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$93,852 | \$885,820 | \$20,126 | \$999,798 | 0.00 | \$94,912 | \$889,477 | \$20,126 | \$1,004,515 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Devel

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 231001 - CARDD-Operating Adjustments--

The legislature approved an increases in state special and federal revenue for operating expenses for the Conservation District and Desource Development Bureaus. This will be used to cover contracted service expenses that are expected to increase over the biennium.

DP 231003 - CARDD-CD Administration -

The legislature approved an increase in state special revenue to fund grants to conservation districts to assist with expenses related to the operation of the district.

DP 231004 - CARDD 223 Program -

The legislature approved an increase in state special revenue to support the Conservation District Grant 223 program. Additional funding is proposed to respond to flooding, forest fires, and the mitigation of these natural resource events.

DP 231005 - CARDD-Salinity Control -

The legislature approved an increase in state special revenue to assist the Conservation District Bureaus in the abatement of the statewide saline seep and to reclaim land affected by elevated groundwater levels.

DP 231006 - CARDD-Montana Rural Water -

The legislature approved an increase in state special revenue to support training and operating expenses of the Montana Rural Water staff. Montana Rural Water Systems staff provide training and technical assistance to insure rural communities operating drinking water and waste water systems comply with federal regulations.

DP 231007 - CARDD-Drinking Water Loan Forgiveness -

The legislature approved an increase in state special revenue in the form of loan forgiveness. This change package allows the state to provide local assistance to borrowers in the form of loan forgiveness. This is provided for in federal legislation.

DP 231009 - CARDD-Regional Water Administration -

The legislature approved an increase in state special revenue appropriation for the Regional Water Systems. This is to pay for operating expenses associated with the communication, travel, and other expenses of the Regional Water Board and state staff.

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Devel

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|---|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 231010 - Yellowstone River Conservation District Council | 0.00 | 0 | 15,000 | 0 | 15,000 | 0.00 | 0 | 15,000 | 0 | 15,000 |
| DP 231011 - Missouri River Conservation District Council | 0.00 | 0 | 15,000 | 0 | 15,000 | 0.00 | 0 | 15,000 | 0 | 15,000 |
| DP 231012 - CARDD Pollinator Grants | 0.00 | 0 | 50,000 | 0 | 50,000 | 0.00 | 0 | 50,000 | 0 | 50,000 |
| DP 231013 - World Mining Museum (OTO/Bien) | 0.00 | 0 | 150,000 | 0 | 150,000 | 0.00 | 0 | 0 | 0 | 0 |
| DP 231014 - Flathead Basin Commission Operations (OTO/RST) | 0.00 | 0 | 20,000 | 0 | 20,000 | 0.00 | 0 | 20,000 | 0 | 20,000 |
| DP 2310031 - CARDD-CD Administration New Proposal | 0.00 | 0 | 220,000 | 0 | 220,000 | 0.00 | 0 | 270,000 | 0 | 270,000 |
| Total | 0.00 | \$0 | \$470,000 | \$0 | \$470,000 | 0.00 | \$0 | \$370,000 | \$0 | \$370,000 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 231010 - Yellowstone River Conservation District Council -

The legislature approved an increase in conservation district special revenue appropriation for grants to support the Yellowstone River Conservation District Council.

DP 231011 - Missouri River Conservation District Council -

The legislature approved an increase in appropriation of conservation district state special revenue for grants to support the Missouri River conservation district council. The funding is for collaboration in coordinating irrigators, AIS prevention, and responding to national issues that affect water supply.

DP 231012 - CARDD Pollinator Grants -

The legislature approved an increase in conservation district state special revenue appropriation for grants to support the pollination grants.

DP 231013 - World Mining Museum (OTO/Bien) -

The legislature approved a one-time-only, biennial increase in appropriation of coal bed methane protection state special revenue for the World Mining Museum in Butte Montana.

DP 231014 - Flathead Basin Commission Operations (OTO/RST) -

The legislature approved one-time-only appropriation of natural resource operations state special revenue for grants to support the operations of the Flathead Basin Commission.

DP 2310031 - CARDD-CD Administration New Proposal -

The legislature approved an increase in conservation district state special revenue to fund grants for conservation district to assist with district operations.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|------------------------------|-----------------------------|--------------------|----------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 19,950,796 | 22,156,281 | 2,205,485 | 11.05 % |
| Operating Expenses | 9,137,465 | 13,298,258 | 4,160,793 | 45.54 % |
| Equipment & Intangible Assets | 165,439 | 266,998 | 101,559 | 61.39 % |
| Transfers | 65,057 | 83,182 | 18,125 | 27.86 % |
| Debt Service | 1,387,808 | 1,477,408 | 89,600 | 6.46 % |
| Total Expenditures | \$30,706,565 | \$37,282,127 | \$6,575,562 | 21.41 % |
| General Fund | 17,079,059 | 21,177,134 | 4,098,075 | 23.99 % |
| State/Other Special Rev. Funds | 13,243,876 | 15,551,485 | 2,307,609 | 17.42 % |
| Federal Spec. Rev. Funds | 383,630 | 553,508 | 169,878 | 44.28 % |
| Total Funds | \$30,706,565 | \$37,282,127 | \$6,575,562 | 21.41 % |
| Total Ongoing | \$30,706,565 | \$37,017,127 | \$6,310,562 | 20.55 % |
| Total OTO | \$0 | \$265,000 | \$265,000 | 100.00 % |

Program Description

The Water Resources Division is responsible for programs associated with the uses, development, and protection of Montana's water.

The division consists of an administration unit and five bureaus:

- Water Management Bureau
- Water Rights Bureau
- Water Adjudication Bureau
- State Water Projects Bureau
- Water Operations Bureau

Responsibilities of the division include:

- To manage and maintain the state-owned dams, reservoirs, and canals
- To develop and recommend in-state, interstate, and international water policy to the director, Governor, and legislature
- To administer the Dam Safety, Floodplain Management, and Water Management programs
- To conduct coordinated water resource planning, hydrologic assessments, water measurement and implementation of federal and tribal water compacts
- To provide support to the Board of Water Well Contractors
- To assist the Water Court with the adjudication of pre-July 1, 1973, water rights
- To administer applications for new water rights, changes in historic water rights, and ownership updates
- To maintain centralized water rights records

Program Highlights

| Water Resources Division Major Budget Highlights |
|--|
| <p>The legislature approved a total budget of \$37.3 million, an increase of 21.4% or \$6.6 million compared to the 2019 biennium. In addition to base funding of \$32.1 million, the legislature approved present law adjustments and new proposals totaling \$5.2 million, including:</p> <ul style="list-style-type: none"> • Present law adjustments totaling \$2.1 million • New proposals totaling \$3.1 million <ul style="list-style-type: none"> ◦ Dam rehabilitation and water projects: \$2.1 million, ◦ USGS Coop Stream Gage Program: \$0.7 million, ◦ Support water right compacts implementation: \$0.2 million ◦ Drought mitigation, response and recovery: \$0.1 million one-time-only |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 133.76 | 133.76 | 133.76 | 133.76 |
| Personal Services | 9,279,190 | 9,833,025 | 10,117,771 | 11,076,569 | 11,079,712 |
| Operating Expenses | 3,966,790 | 4,118,167 | 5,019,298 | 6,574,771 | 6,723,487 |
| Equipment & Intangible Assets | 31,191 | 31,940 | 133,499 | 133,499 | 133,499 |
| Transfers | 17,136 | 23,466 | 41,591 | 41,591 | 41,591 |
| Debt Service | 673,580 | 649,104 | 738,704 | 738,704 | 738,704 |
| Total Expenditures | \$13,967,887 | \$14,655,702 | \$16,050,863 | \$18,565,134 | \$18,716,993 |
| General Fund | 7,830,224 | 7,949,644 | 9,129,415 | 10,577,101 | 10,600,033 |
| State/Other Special Rev. Funds | 6,023,176 | 6,590,306 | 6,653,570 | 7,711,236 | 7,840,249 |
| Federal Spec. Rev. Funds | 114,487 | 115,752 | 267,878 | 276,797 | 276,711 |
| Total Funds | \$13,967,887 | \$14,655,702 | \$16,050,863 | \$18,565,134 | \$18,716,993 |
| Total Ongoing | \$13,967,887 | \$14,655,702 | \$16,050,863 | \$18,495,134 | \$18,521,993 |
| Total OTO | \$0 | \$0 | \$0 | \$70,000 | \$195,000 |

Funding

The following table shows program funding by source of authority.

| Department of Natural Resources and Conservation, 24-Water Resources Division Funding by Source of Authority | | | | | | |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 21,177,134 | 0 | 0 | 21,177,134 | 56.80 % | |
| 02104 Miscellaneous State Spec Rev | 0 | 0 | 0 | 0 | 0.00 % | |
| 02145 Broadwater O & M | 1,060,470 | 0 | 0 | 1,060,470 | 6.82 % | |
| 02146 Broadwater Irrigation | 0 | 0 | 0 | 0 | 0.00 % | |
| 02147 Broadwater R & R | 0 | 0 | 0 | 0 | 0.00 % | |
| 02216 Water Storage St Sp Rev Acct | 1,644,978 | 0 | 0 | 1,644,978 | 10.58 % | |
| 02305 Blackfeet Mitigation | 0 | 0 | 0 | 0 | 0.00 % | |
| 02351 Water Project Lands Lease Acct | 119,686 | 0 | 0 | 119,686 | 0.77 % | |
| 02404 Water Project Loans | 616,956 | 0 | 0 | 616,956 | 3.97 % | |
| 02430 Water Right Appropriation | 1,352,624 | 0 | 0 | 1,352,624 | 8.70 % | |
| 02431 Water Adjudication | 4,521,607 | 0 | 0 | 4,521,607 | 29.08 % | |
| 02470 State Project Hydro Earnings | 5,765,304 | 0 | 0 | 5,765,304 | 37.07 % | |
| 02576 Natural Resources Operations | 252,209 | 0 | 0 | 252,209 | 1.62 % | |
| 02825 Water Well Contractors | 217,651 | 0 | 0 | 217,651 | 1.40 % | |
| 02307 Blackfeet Birch CK Agmt-Escrow | 0 | 0 | 0 | 0 | 0.00 % | |
| State Special Total | \$15,551,485 | \$0 | \$0 | \$15,551,485 | 41.71 % | |
| 03034 Yellowstone Groundwater NPS | 43,590 | 0 | 0 | 43,590 | 7.88 % | |
| 03094 FEMA Federal Grants | 509,918 | 0 | 0 | 509,918 | 92.12 % | |
| 03308 Water Resources - Federal | 0 | 0 | 0 | 0 | 0.00 % | |
| 03724 AA Miscellaneous Federal | 0 | 0 | 0 | 0 | 0.00 % | |
| Federal Special Total | \$553,508 | \$0 | \$0 | \$553,508 | 1.48 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$37,282,127 | \$0 | \$0 | \$37,282,127 | | |

The Water Resources Division is predominantly funded with general fund and state special revenue. Most of the state special revenue comes from state owned hydroelectric projects for the repair and rehabilitation of state owned water projects. Other state special revenue come from funds set aside for water adjudication.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 9,129,415 | 9,129,415 | 18,258,830 | 86.22 % | 16,050,863 | 16,050,863 | 32,101,726 | 86.10 % |
| SWPL Adjustments | 84,257 | 89,132 | 173,389 | 0.82 % | 87,155 | 92,135 | 179,290 | 0.48 % |
| PL Adjustments | 850,445 | 849,766 | 1,700,211 | 8.03 % | 964,132 | 967,275 | 1,931,407 | 5.18 % |
| New Proposals | 512,984 | 531,720 | 1,044,704 | 4.93 % | 1,462,984 | 1,606,720 | 3,069,704 | 8.23 % |
| Total Budget | \$10,577,101 | \$10,600,033 | \$21,177,134 | | \$18,565,134 | \$18,716,993 | \$37,282,127 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|------------------|------------------|-----------------|--------------------|-----------------------|------------------|------------------|-----------------|--------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 67,276 | 2,275 | 0 | 69,551 | 0.00 | 68,013 | 2,275 | 0 | 70,288 |
| DP 3 - Inflation Deflation | 0.00 | 16,981 | 623 | 0 | 17,604 | 0.00 | 21,119 | 728 | 0 | 21,847 |
| DP 50 - Personal Services Adjustment | 0.00 | 850,445 | 99,495 | 8,858 | 958,798 | 0.00 | 849,766 | 103,403 | 8,772 | 961,941 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 5,273 | 61 | 5,334 | 0.00 | 0 | 5,273 | 61 | 5,334 |
| Grand Total All Present Law Adjustments | 0.00 | \$934,702 | \$107,666 | \$8,919 | \$1,051,287 | 0.00 | \$938,898 | \$111,679 | \$8,833 | \$1,059,410 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | Fiscal 2020 | | | | | Fiscal 2021 | | | | |
|--|-------------|------------------|------------------|-----------------|--------------------|-------------|------------------|--------------------|-----------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 241003 - WRD-Reserved Water Right Compacts Implementation Funding | 0.00 | 100,000 | 0 | 0 | 100,000 | 0.00 | 100,000 | 0 | 0 | 100,000 |
| DP 241004 - WRD-Cost Share Support for USGS Coop Stream Gage Program | 0.00 | 342,984 | 0 | 0 | 342,984 | 0.00 | 361,720 | 0 | 0 | 361,720 |
| DP 241006 - WRD- MT Drought Mitigation, Resp. & Recovery (OTO) | 0.00 | 50,000 | 0 | 0 | 50,000 | 0.00 | 50,000 | 0 | 0 | 50,000 |
| DP 241007 - WRD-External Engineering Review - Dam Designs (OTO) | 0.00 | 20,000 | 0 | 0 | 20,000 | 0.00 | 20,000 | 0 | 0 | 20,000 |
| DP 241008 - WRD-State Water Projects Planning Document (OTO) | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 125,000 | 0 | 125,000 |
| DP 241009 - WRD-State Water Projects-Painted Rocks Dam Rehab Environme | 0.00 | 0 | 250,000 | 0 | 250,000 | 0.00 | 0 | 250,000 | 0 | 250,000 |
| DP 241010 - WRD-E. Fork Dam Rehabilitation Environmental Planning | 0.00 | 0 | 250,000 | 0 | 250,000 | 0.00 | 0 | 250,000 | 0 | 250,000 |
| DP 241011 - WRD-Painted Rocks Dam Access Road and Bridge | 0.00 | 0 | 450,000 | 0 | 450,000 | 0.00 | 0 | 450,000 | 0 | 450,000 |
| Total | 0.00 | \$512,984 | \$950,000 | \$0 | \$1,462,984 | 0.00 | \$531,720 | \$1,075,000 | \$0 | \$1,606,720 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 241003 - WRD-Reserved Water Right Compacts Implementation Funding -

The legislature approved an increase the general fund appropriation of the Water Resources Division/Water Management Bureau. Funding would support the state's responsibilities in implementing the eighteen reserved water right compacts ratified by the Montana Legislature.

DP 241004 - WRD-Cost Share Support for USGS Coop Stream Gage Program -

The legislature approved an increase in general fund appropriation to the Water Resources Division/Water Management Bureau to fund its participation in the USGS Cooperative Stream Gage Program. The funding would meet the state's financial obligation to operate and maintain a network of 42 stream gages across Montana through the USGS Cooperative Stream Gage Program.

DP 241006 - WRD- MT Drought Mitigation, Resp. & Recovery (OTO) -

The legislature approved a one-time-only appropriation of general fund to update the Montana State Drought Mitigation, Response and Recovery Plan. Funds will be used to secure the contracted services necessary to develop a comprehensive State Drought Mitigation, Response and Recovery Plan. The current plan was last updated in 1995.

DP 241007 - WRD-External Engineering Review - Dam Designs (OTO) -

The legislature approved an increase in general fund appropriation to contract for the review of large and/or complex dam rehab designs. The complexity of many designs requires expert peer review that exceeds the in-house knowledge and experience of program staff.

DP 241008 - WRD-State Water Projects Planning Document (OTO) -

The legislature approved a one-time-only appropriation of general fund to contract for a full inventory, condition assessment, repair cost estimates, and economic analysis of state owned water storage projects. Deliverables would include a priority list of projects for rehabilitation and identification of state-owned projects with minimal benefit to the state.

DP 241009 - WRD-State Water Projects-Painted Rocks Dam Rehab Environme -

The legislature approved an increase of state special revenue authority to complete environmental compliance documents for the rehabilitation of Painted Rocks Dam. A feasibility study is currently in progress and scheduled for completion in 2019. To implement recommendations from the feasibility study, an environmental assessment or environmental impact statement is required.

DP 241010 - WRD-E. Fork Dam Rehabilitation Environmental Planning -

The legislature approved an increase of state special revenue appropriation to complete required environmental assessment or environmental impact statement prior to completing rehabilitation of the dam.

DP 241011 - WRD-Painted Rocks Dam Access Road and Bridge -

The legislature approved an increase in state special revenue appropriation for the construction of an access road and bridge to the downstream toe of the Painted Rocks Dam. The road will provide year-round access to facilitate maintenance, repair, and inspection of the dam.

57060 - Department of Natural Resources and Conservation 35-Forestry & Trust Lands Division

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|------------------------------|-----------------------------|--------------------|----------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 39,038,663 | 45,085,571 | 6,046,908 | 15.49 % |
| Operating Expenses | 17,698,679 | 19,697,174 | 1,998,495 | 11.29 % |
| Equipment & Intangible Assets | 2,093,454 | 2,113,440 | 19,986 | 0.95 % |
| Capital Outlay | 40,000 | 0 | (40,000) | (100.00)% |
| Grants | 386,916 | 544,930 | 158,014 | 40.84 % |
| Transfers | 3,344,304 | 3,364,304 | 20,000 | 0.60 % |
| Debt Service | 49,874 | 49,874 | 0 | 0.00 % |
| Total Expenditures | \$62,651,890 | \$70,855,293 | \$8,203,403 | 13.09 % |
| General Fund | 24,646,902 | 29,009,338 | 4,362,436 | 17.70 % |
| State/Other Special Rev. Funds | 35,281,034 | 37,596,363 | 2,315,329 | 6.56 % |
| Federal Spec. Rev. Funds | 2,723,954 | 4,249,592 | 1,525,638 | 56.01 % |
| Total Funds | \$62,651,890 | \$70,855,293 | \$8,203,403 | 13.09 % |
| Total Ongoing | \$60,645,362 | \$69,039,293 | \$8,393,931 | 13.84 % |
| Total OTO | \$2,006,528 | \$1,816,000 | (\$190,528) | (9.50)% |

Program Description

The Forestry Division is responsible for planning and implementing forestry programs statewide. Forestry responsibilities include protecting natural resources from wildfire, regulating forest practices, and providing a variety of services to private forest landowners.

Specific programs include:

- Fire Protection Bureau: Protecting 50 million acres of state and private forest and watershed lands from wildfire through a combination of direct protection and county support
- Forest Practice Regulation: Enforcing Montana's streamside management zone regulations and monitoring the voluntary best management practices program on all forests in Montana
- Administering Montana Fire Hazard Reduction Law: Ensuring that the fire hazard created by logging and other forest management operations on private forest lands is adequately reduced, or that additional fire protection is provided until the hazard is reduced
- Providing Forestry Services: Providing technical forestry assistance to private landowners, businesses and communities
- Tree and Shrub Nursery: Growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The Trust Lands Management Division administers and manages the state trust timber, surface, and mineral resources for the benefit of the common schools (K-12), and other endowed institutions under the direction of the Board of Land Commissioners. Most state trust lands were granted to the State of Montana by the Enabling Act of 1889 and total approximately 5.2 million surface acres and 6.2 million mineral acres. Additionally, the division is responsible for the administration of approximately 3,400 miles (210,000+ acres) of the beds of navigable waterways. The Trust Land Management Division is divided into four primary programs:

- Forest Management: Responsible for the preparation, sale, and administration of 56.9 million board feet of timber through timber sales and permits. Forest Management also performs over \$1.0 million per year in forest improvement work, such as planting, thinning, and road maintenance activities on over 700,000 acres of classified forest land
- Real Estate Management: Responsible for commercial and residential land leases, rights-of-way grants and acquisitions, land sales, land acquisitions, and land exchanges
- Minerals Management: Responsible for oil and gas, coal, and other mineral leasing activities

57060 - Department of Natural Resources and Conservation 35-Forestry & Trust Lands Division

- Agriculture and Grazing Management: Responsible for overseeing agricultural and grazing activities on 4.7 million acres. There are approximately 8,900 agreements to lease land for grazing and crop production. The Agriculture and Grazing Bureau also manages the Recreational Use Program on trust lands

Program Highlights

| Forestry and Trust Lands Division Major Budget Highlights |
|---|
| <p>The legislature approved an increase in total appropriation of 13.1% or \$8.2 million and an increase in ongoing appropriations of 13.8% or \$8.4 million compared to the 2019 biennium. In addition to base funding of \$62.1 million, the legislature approved present law adjustments and new proposals totaling \$8.8 million and an increase of 9.50 FTE, specifically:</p> <ul style="list-style-type: none"> • Present law adjustments totaling \$4.9 million • New proposals totaling \$3.9 million primarily to support the Good Neighbor Authority (GNA), specifically the legislature approved; <ul style="list-style-type: none"> ◦ Permanently fund 3.00 FTE to work on issues related to public access issues and the GNA: \$0.6 million general fund ◦ One-time-only appropriation for 6.5 FTE to support the GNA: \$1.8 million ◦ Increase in federal appropriation for the GNA: \$1.5 million |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 287.68 | 287.68 | 297.18 | 297.18 |
| Personal Services | 18,676,950 | 18,876,105 | 20,162,558 | 22,489,095 | 22,596,476 |
| Operating Expenses | 8,273,065 | 8,841,911 | 8,856,768 | 9,644,468 | 10,052,706 |
| Equipment & Intangible Assets | 752,672 | 1,000,734 | 1,092,720 | 1,056,720 | 1,056,720 |
| Capital Outlay | 11,067 | 40,000 | 0 | 0 | 0 |
| Grants | 169,965 | 164,451 | 222,465 | 297,465 | 247,465 |
| Transfers | 1,747,301 | 1,662,152 | 1,682,152 | 1,682,152 | 1,682,152 |
| Debt Service | 0 | 24,937 | 24,937 | 24,937 | 24,937 |
| Total Expenditures | \$29,631,020 | \$30,610,290 | \$32,041,600 | \$35,194,837 | \$35,660,456 |
| General Fund | 11,948,501 | 11,957,972 | 12,688,930 | 14,500,856 | 14,508,482 |
| State/Other Special Rev. Funds | 16,369,121 | 17,296,160 | 17,984,874 | 18,819,185 | 18,777,178 |
| Federal Spec. Rev. Funds | 1,313,398 | 1,356,158 | 1,367,796 | 1,874,796 | 2,374,796 |
| Total Funds | \$29,631,020 | \$30,610,290 | \$32,041,600 | \$35,194,837 | \$35,660,456 |
| Total Ongoing | \$28,867,762 | \$29,607,026 | \$31,038,336 | \$34,261,837 | \$34,777,456 |
| Total OTO | \$763,258 | \$1,003,264 | \$1,003,264 | \$933,000 | \$883,000 |

Funding

The following table shows program funding by source of authority.

57060 - Department of Natural Resources and Conservation 35-Forestry & Trust Lands Division

| Department of Natural Resources and Conservation, 35-Forestry & Trust Lands Division | | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funding by Source of Authority | | | | | | |
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 29,009,338 | 0 | 0 | 29,009,338 | 37.22 % | |
| 02031 LAND BANKING PRVT CLOSNG COSTS | 540,784 | 0 | 0 | 540,784 | 1.44 % | |
| 02039 Forestry-Fire Protection Taxes | 7,243,629 | 0 | 0 | 7,243,629 | 19.27 % | |
| 02073 Forestry - Slash Disposal | 153,514 | 0 | 0 | 153,514 | 0.41 % | |
| 02104 Miscellaneous State Spec Rev | 0 | 0 | 0 | 0 | 0.00 % | |
| 02119 Non Land Grant Income - NB | 0 | 0 | 0 | 0 | 0.00 % | |
| 02173 FORESTRY-SLASH FORFEITED BONDS | 0 | 0 | 0 | 0 | 0.00 % | |
| 02297 Morrill Trust Land Admin | 0 | 0 | 0 | 0 | 0.00 % | |
| 02449 Forest Resources-Forest Improv | 2,707,298 | 0 | 0 | 2,707,298 | 7.20 % | |
| 02576 Natural Resources Operations | 187,144 | 0 | 0 | 187,144 | 0.50 % | |
| 02623 Contract Timber Harvesting | 0 | 0 | 0 | 0 | 0.00 % | |
| 02681 Historic Right-of-Way Acct | 23,758 | 0 | 0 | 23,758 | 0.06 % | |
| 02847 Fire Suppression Fund | 0 | 0 | 0 | 0 | 0.00 % | |
| 02912 TLMD LAND EXCHANGE ADMIN | 100,000 | 0 | 0 | 100,000 | 0.27 % | |
| 02938 TLMD Trust Administration | 26,490,236 | 0 | 0 | 26,490,236 | 70.46 % | |
| 02048 Conservation District Acct | 50,000 | 0 | 0 | 50,000 | 0.13 % | |
| 02500 GNA STATE SPECIAL REVENUE | 100,000 | 0 | 0 | 100,000 | 0.27 % | |
| State Special Total | \$37,596,363 | \$0 | \$0 | \$37,596,363 | 48.24 % | |
| 03049 Consolidated Grant FY20 | 7,000 | 0 | 0 | 7,000 | 0.16 % | |
| 03050 Non-Consolidated Grant FY20 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03283 Consolidated Grant - FY21 | 7,000 | 0 | 0 | 7,000 | 0.16 % | |
| 03284 Non-Consolidated Grant - FY21 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03471 Consolidated Grant FY14 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03472 Non-Consolidated Grant FY14 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03483 Consolidated Grant FY15 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03484 Non-Consolidated Grant FY15 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03564 CONSOLIDATED GRANT-FY 16 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03565 NON-CONSOLIDATED GRANT FY16 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03567 CONSOLIDATED GRANT-FY17 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03568 NON-CONSOLIDATED GRANT-FY 17 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03724 AA Miscellaneous Federal | 0 | 0 | 0 | 0 | 0.00 % | |
| 03809 CONSOLIDATED GRANT-FY13 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03810 NON-CONSOLIDATED GRANT-FY13 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03971 Trust Land Division - Federal | 0 | 0 | 0 | 0 | 0.00 % | |
| 03469 CONSOLIDATED GRANT-FY18 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03470 NON-CONSOLIDATED GRANT-FY18 | 0 | 0 | 0 | 0 | 0.00 % | |
| 03493 CONSOLIDATED GRANT-FY19 | 2,135,592 | 0 | 0 | 2,135,592 | 50.25 % | |
| 03494 NON-CONSOLIDATED GRANT-FY19 | 600,000 | 0 | 0 | 600,000 | 14.12 % | |
| 03500 GNA FEDERAL SPECIAL REVENUE | 1,500,000 | 0 | 0 | 1,500,000 | 35.30 % | |
| Federal Special Total | \$4,249,592 | \$0 | \$0 | \$4,249,592 | 5.45 % | |
| 06003 State Nursery Enterprise Fund | 0 | 1,635,254 | 0 | 1,635,254 | 23.07 % | |
| 06538 Air Operations Internal Svc. | 0 | 5,453,187 | 0 | 5,453,187 | 76.93 % | |
| Proprietary Total | \$0 | \$7,088,441 | \$0 | \$7,088,441 | 9.09 % | |
| Total All Funds | \$70,855,293 | \$7,088,441 | \$0 | \$77,943,734 | | |

General fund provides general division support as well as the fixed costs of the Fire and Aviation Management Program. Approximately 48.2% of all funding is from state special revenue. The primary source of state special funding comes from the fire protection taxes fund and the timber sales, forest resources fees, and Trust Lands Management Division (TLMD) administration fund revenue.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

57060 - Department of Natural Resources and Conservation 35-Forestry & Trust Lands Division

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|---------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 12,596,930 | 12,596,930 | 25,193,860 | 86.85 % | 31,038,336 | 31,038,336 | 62,076,672 | 87.61 % |
| SWPL Adjustments | 78,121 | 85,663 | 163,784 | 0.56 % | 179,732 | 187,817 | 367,549 | 0.52 % |
| PL Adjustments | 663,294 | 661,952 | 1,325,246 | 4.57 % | 2,241,755 | 2,247,387 | 4,489,142 | 6.34 % |
| New Proposals | 1,162,511 | 1,163,937 | 2,326,448 | 8.02 % | 1,735,014 | 2,186,916 | 3,921,930 | 5.54 % |
| Total Budget | \$14,500,856 | \$14,508,482 | \$29,009,338 | | \$35,194,837 | \$35,660,456 | \$70,855,293 | |

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|------------------|--------------------|-----------------|--------------------|-----------------------|------------------|--------------------|-----------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 71,646 | 90,636 | 0 | 162,282 | 0.00 | 77,626 | 88,534 | 0 | 166,160 |
| DP 3 - Inflation Deflation | 0.00 | 6,475 | 10,975 | 0 | 17,450 | 0.00 | 8,037 | 13,620 | 0 | 21,657 |
| DP 50 - Personal Services Adjustment | 0.00 | 663,294 | 898,421 | 7,000 | 1,568,715 | 0.00 | 661,952 | 905,395 | 7,000 | 1,574,347 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 11,776 | 0 | 11,776 | 0.00 | 0 | 11,776 | 0 | 11,776 |
| DP 352001 - TL-Restoration of Trust Administration Appropriation | 0.00 | 0 | 661,264 | 0 | 661,264 | 0.00 | 0 | 661,264 | 0 | 661,264 |
| Grand Total All Present Law Adjustments | 0.00 | \$741,415 | \$1,673,072 | \$7,000 | \$2,421,487 | 0.00 | \$747,615 | \$1,680,589 | \$7,000 | \$2,435,204 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. Adjustments to the executive proposal include the shift or \$0.5 million from general fund to state special revenue sources.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

57060 - Department of Natural Resources and Conservation 35-Forestry & Trust Lands Division

DP 352001 - TL-Restoration of Trust Administration Appropriation -

The legislature approved an increase in state special revenue for the Trust Lands Management Division. The Trust Administration Account supports projects related to timber sales, forest inventory, sustainable yield data collection, weed control projects, water rights adjudication on trust lands, land acquisition/sales, and cabin site sales.

New Proposals

The "New Proposals" table shows new changes to spending.

| New Proposals | Fiscal 2020 | | | | | Fiscal 2021 | | | | |
|--|-------------|--------------------|-----------------|------------------|--------------------|-------------|--------------------|-----------------|--------------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 35111 - Public Access Opportunity Specialist | 1.00 | 67,511 | 22,503 | 0 | 90,014 | 1.00 | 68,937 | 22,979 | 0 | 91,916 |
| DP 351001 - FD-GNA Federal Engagement | 2.00 | 212,000 | 0 | 0 | 212,000 | 2.00 | 212,000 | 0 | 0 | 212,000 |
| DP 351002 - FD-GNA - (OTO) | 6.50 | 883,000 | 0 | 0 | 883,000 | 6.50 | 883,000 | 0 | 0 | 883,000 |
| DP 351003 - FD-GNA Program Income | 0.00 | 0 | 0 | 500,000 | 500,000 | 0.00 | 0 | 0 | 1,000,000 | 1,000,000 |
| DP 352002 - Prescribed Burn Pilot Project (BIEN/OTO) | 0.00 | 0 | 50,000 | 0 | 50,000 | 0.00 | 0 | 0 | 0 | 0 |
| Total | 9.50 | \$1,162,511 | \$72,503 | \$500,000 | \$1,735,014 | 9.50 | \$1,163,937 | \$22,979 | \$1,000,000 | \$2,186,916 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 35111 - Public Access Opportunity Specialist -

The legislature approved 1.00 FTE to support efforts to increase public access to state and federal lands.

DP 351001 - FD-GNA Federal Engagement -

The legislature approved an increase in general fund appropriation to support the addition of 2.00 FTE, USFS Liaison position (1.00 FTE) Local Government Forest Advisor position (1.00 FTE) along with their associated operating and grants budgets. These two positions serve as the state's primary liaisons to federal and local government in coordinating and implementing Good Neighbor Authority (GNA) projects. The grants budget is used to assist local government entities with covering costs of engaging in federal forest management projects in their areas.

DP 351002 - FD-GNA - (OTO) -

The legislature approved a one-time-only increase of 6.50 FTE funded with general fund. The funding would support the expansion of the Good Neighbor Authority (GNA) projects to all seven national forests in Montana. The agency anticipates that future program revenue will support these position beyond the 2021 biennium.

DP 351003 - FD-GNA Program Income -

The legislature approved an increase in federal appropriation to utilize federal revenue generated through the Good Neighbor Authority (GNA) program. This funding will be eliminated from HB 2 should HB 34 be passed and approved, HB 34 will statutorily appropriate all federal revenues generated by GNA.

DP 352002 - Prescribed Burn Pilot Project (BIEN/OTO) -

The legislature approved an increase in appropriation of conservation district state special revenue for a prescribed burn pilot project to address conifer encroachment.

Agency Budget Comparison

| Agency Budget Comparison | | | | |
|--------------------------------|------------------------------|-----------------------------|----------------------|----------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 15,581,958 | 17,169,732 | 1,587,774 | 10.19 % |
| Operating Expenses | 9,481,127 | 9,030,543 | (450,584) | (4.75)% |
| Equipment & Intangible Assets | 871,713 | 847,778 | (23,935) | (2.75)% |
| Grants | 10,995,056 | 9,844,734 | (1,150,322) | (10.46)% |
| Transfers | 280,514 | 280,514 | 0 | 0.00 % |
| Total Expenditures | \$37,210,368 | \$37,173,301 | (\$37,067) | (0.10)% |
| General Fund | 1,417,366 | 1,649,328 | 231,962 | 16.37 % |
| State/Other Special Rev. Funds | 32,479,407 | 31,785,768 | (693,639) | (2.14)% |
| Federal Spec. Rev. Funds | 2,373,330 | 2,627,620 | 254,290 | 10.71 % |
| Proprietary Funds | 940,265 | 1,110,585 | 170,320 | 18.11 % |
| Total Funds | \$37,210,368 | \$37,173,301 | (\$37,067) | (0.10)% |
| Total Ongoing | \$35,210,368 | \$37,173,301 | \$1,962,933 | 5.57 % |
| Total OTO | \$2,000,000 | \$0 | (\$2,000,000) | (100.00)% |

Agency Description

The mission of the Montana Department of Agriculture is to protect producers and consumers, and to enhance and develop agriculture and allied industries.

The Department of Agriculture, required by Article XII, Section 1, of the Montana Constitution, was established to encourage and promote the interests of agricultural and allied industries in Montana. To this end, the department:

- Strengthens and diversifies the Montana agriculture industry through private-public partnerships for the betterment of agricultural industries of the state, improvement of rural life, and promotion of equality of opportunity for the farmers of the state.
- Collects and publishes agricultural production and statistics relating to agricultural production and products
- Assists, encourages, and promotes the organization of farmers' institutes, agricultural societies, fairs, and other exhibitions of agriculture
- Adopts standards for grade and other classifications of farm products
- Coordinates the planning and maintenance of economical and efficient marketing distribution systems
- Gathers, distributes, and markets information concerning domestic and international trade of farm products
- Regulates production and marketing of food and fiber products
- Registers and licenses pesticides and fertilizers, and enforces laws pertaining to them
- Works to prevent the spread of invasive species and noxious weeds that may negatively impact the industry

Agency Highlights

| Department of Agriculture Major Budget Highlights |
|--|
| <p>The legislature approved a budget of \$37.2 million, a reduction of 0.1% or \$37,000 when compared to the 2019 biennium appropriation, and a 4.2% or \$1.5 million increase above base funding of \$35.7 million. This adjustment includes;</p> <ul style="list-style-type: none"> • Statewide present law adjustments of \$1.1 million for fixed costs, inflation, rent and personal services, including the reduction of 0.97 FTE, • Addition of 1.00 FTE and \$0.2 million for a state pesticide weed coordinator, • Increase in state special revenue of \$0.1 million for noxious weed grants, • Increase in state special revenue of \$0.1 million to support the Growth Through Agriculture program within the Agricultural Development Division |

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 115.04 | 115.04 | 115.07 | 115.07 |
| Personal Services | 7,248,643 | 7,551,373 | 8,030,585 | 8,582,338 | 8,587,394 |
| Operating Expenses | 3,040,516 | 5,066,174 | 4,414,953 | 4,540,785 | 4,489,758 |
| Equipment & Intangible Assets | 203,851 | 447,824 | 423,889 | 423,889 | 423,889 |
| Grants | 5,590,802 | 6,164,339 | 4,830,717 | 4,913,367 | 4,931,367 |
| Transfers | 90,218 | 140,257 | 140,257 | 140,257 | 140,257 |
| Total Expenditures | \$16,174,030 | \$19,369,967 | \$17,840,401 | \$18,600,636 | \$18,572,665 |
| General Fund | 675,726 | 679,829 | 737,537 | 848,313 | 801,015 |
| State/Other Special Rev. Funds | 14,000,890 | 17,061,357 | 15,418,050 | 15,883,892 | 15,901,876 |
| Federal Spec. Rev. Funds | 1,094,598 | 1,166,382 | 1,206,948 | 1,313,190 | 1,314,430 |
| Proprietary Funds | 402,816 | 462,399 | 477,866 | 555,241 | 555,344 |
| Total Funds | \$16,174,030 | \$19,369,967 | \$17,840,401 | \$18,600,636 | \$18,572,665 |
| Total Ongoing | \$16,174,030 | \$17,369,967 | \$17,840,401 | \$18,600,636 | \$18,572,665 |
| Total OTO | \$0 | \$2,000,000 | \$0 | \$0 | \$0 |

Summary of Legislative Action

The legislature approved the Department of Agriculture budget with a decrease of \$37,000 or 0.1%, compared to the 2019 biennium. The general fund appropriation increased by 13.4% or \$232,000 over the biennium. The budget includes \$1.5 million in present law adjustments, and there were no new proposals. Statewide present law adjustments include increases for fixed costs, inflation, and personal services. Present law adjustments include appropriation increases for rent, growth through agriculture programs, noxious weed grants and the addition of 1.00 FTE for a state pesticide weed coordinator.

Other Legislation

HB 151 increases the maximum amount of the wheat and barley check-off, however any change in the current assessment would require action by the Wheat and Barley Committee and a rule change by the Department of Agriculture.

HB 52 extends the sunset date on the Cooperative Development Center and the Growth Through Agriculture programs to June 30, 2027 and increases the appropriation of the Coal Severance Tax interest to these programs.

HB 443 creates a new requirement that hobbyist bee keepers register with the Department of Agriculture, administrative costs will be covered by fees charged by the agency.

SB 176 allows the agency to implement a state hemp certification program. The agency may collect fees to offset the administrative costs of the program.

Funding

The following table shows agency funding by source of authority.

| Total Department of Agriculture Funding by Source of Authority 2021 Biennium Budget Request - Department of Agriculture | | | | | | | |
|--|---------------------|---------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 1,649,328 | 0 | 0 | 2,130,969 | 3,780,297 | 8.08 % | |
| State Special Total | 31,785,768 | 0 | 0 | 5,699,074 | 37,484,842 | 80.16 % | |
| Federal Special Total | 2,627,620 | 0 | 0 | 0 | 2,627,620 | 5.62 % | |
| Proprietary Total | 1,110,585 | 0 | 116,400 | 1,640,000 | 2,866,985 | 6.13 % | |
| Other Total | 0 | 0 | 0 | 0 | 0 | 0.00 % | |
| Total All Funds | \$37,173,301 | \$0 | \$116,400 | \$9,470,043 | \$46,759,744 | | |
| Percent - Total All Sources | 79.50 % | 0.00 % | 0.25 % | 20.25 % | | | |

The Department of Agriculture is funded from general fund, state special revenue, federal special revenue, and proprietary funds. State special revenue is the predominant funding source funding 85.5% of HB 2, and 80.2% of total funding. Major state special revenue funds include:

- Wheat and barley research and marketing account
- Noxious weed admin account
- Pesticide account

General fund comprises 4.4% of the HB 2 appropriation and 8.1% of all sources of funding. HB 2 general fund appropriation supports personal services, operating expenses, and grants. Proprietary non-budgeted funds support the administration of the hail insurance program; the remaining proprietary funding is statutorily appropriated hail insurance benefits and claims. Other state special statutory appropriations support agriculture development programs. General fund statutory appropriations support Growth Through Agriculture programs and the Montana Cooperative Development Center. State special revenue statutorily appropriated supports research and marketing programs for Montana grown potatoes, cherries, and pulse crops.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 737,537 | 737,537 | 1,475,074 | 89.43 % | 17,840,401 | 17,840,401 | 35,680,802 | 95.98 % |
| SWPL Adjustments | 59,306 | 10,307 | 69,613 | 4.22 % | 111,147 | 58,928 | 170,075 | 0.46 % |
| PL Adjustments | 51,470 | 53,171 | 104,641 | 6.34 % | 649,088 | 673,336 | 1,322,424 | 3.56 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$848,313 | \$801,015 | \$1,649,328 | | \$18,600,636 | \$18,572,665 | \$37,173,301 | |

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|---------------------|------------------------------|--------------------------------|------------------------------------|------------------------------|--------------------------------|------------------------------------|----------------------------------|
| Budget Item | Approp. Fiscal 2019 | Executive Budget Fiscal 2020 | Legislative Budget Fiscal 2020 | Leg — Exec. Difference Fiscal 2020 | Executive Budget Fiscal 2021 | Legislative Budget Fiscal 2021 | Leg — Exec. Difference Fiscal 2021 | Biennium Difference Fiscal 20-21 |
| FTE | 115.04 | 116.04 | 115.07 | (0.97) | 116.04 | 115.07 | (0.97) | (0.97) |
| Personal Services | 8,030,585 | 8,632,338 | 8,582,338 | (50,000) | 8,637,394 | 8,587,394 | (50,000) | (100,000) |
| Operating Expenses | 4,414,953 | 4,533,009 | 4,540,785 | 7,776 | 4,481,982 | 4,489,758 | 7,776 | 15,552 |
| Equipment & Intangible Assets | 423,889 | 423,889 | 423,889 | 0 | 423,889 | 423,889 | 0 | 0 |
| Grants | 4,830,717 | 4,880,717 | 4,913,367 | 32,650 | 4,880,717 | 4,931,367 | 50,650 | 83,300 |
| Transfers | 140,257 | 140,257 | 140,257 | 0 | 140,257 | 140,257 | 0 | 0 |
| Total Costs | \$17,840,401 | \$18,610,210 | \$18,600,636 | (\$9,574) | \$18,564,239 | \$18,572,665 | \$8,426 | (\$1,148) |
| General Fund | 737,537 | 858,313 | 848,313 | (10,000) | 811,015 | 801,015 | (10,000) | (20,000) |
| State/other Special Rev. Funds | 15,418,050 | 15,883,946 | 15,883,892 | (54) | 15,883,926 | 15,901,876 | 17,950 | 17,896 |
| Federal Spec. Rev. Funds | 1,206,948 | 1,312,962 | 1,313,190 | 228 | 1,314,206 | 1,314,430 | 224 | 452 |
| Other | 477,866 | 554,989 | 555,241 | 252 | 555,092 | 555,344 | 252 | 504 |
| Total Funds | \$17,840,401 | \$18,610,210 | \$18,600,636 | (\$9,574) | \$18,564,239 | \$18,572,665 | \$8,426 | (\$1,148) |
| Total Ongoing | \$17,840,401 | \$18,610,210 | \$18,600,636 | (\$9,574) | \$18,564,239 | \$18,572,665 | \$8,426 | (\$1,148) |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The legislature approved total appropriations \$1,100 lower than the executive request. Compared to the executive, the legislature approved a reduction in general fund of \$20,000, and an increase of \$17,900 in state special revenue. Specifically:

- The legislature removed from the base 0.97 FTE and associated appropriation of \$20,000 general fund, and \$80,000 in state special revenue.
- The legislature increased state special revenue by \$83,300 to support growth through agriculture
- The legislature increased state special revenue by \$15,600 for fixed cost adjustments

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 2,522,035 | 2,688,309 | 166,274 | 6.59 % |
| Operating Expenses | 442,239 | 470,342 | 28,103 | 6.35 % |
| Equipment & Intangible Assets | 10,000 | 10,000 | 0 | 0.00 % |
| Transfers | 1,000 | 1,000 | 0 | 0.00 % |
| Total Expenditures | \$2,975,274 | \$3,169,651 | \$194,377 | 6.53 % |
| General Fund | 249,895 | 280,852 | 30,957 | 12.39 % |
| State/Other Special Rev. Funds | 2,421,809 | 2,561,360 | 139,551 | 5.76 % |
| Federal Spec. Rev. Funds | 151,428 | 164,669 | 13,241 | 8.74 % |
| Proprietary Funds | 152,142 | 162,770 | 10,628 | 6.99 % |
| Total Funds | \$2,975,274 | \$3,169,651 | \$194,377 | 6.53 % |
| Total Ongoing | \$2,975,274 | \$3,169,651 | \$194,377 | 6.53 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Central Services Division provides support services essential to the effective operation of the department, including financial, human resource, information technology, public information, legal, and administrative support activities. Included in this division is the Director's Office, which provides overall guidance and policy development for the department as well as coordination with the agricultural industry and other branches of government.

Program Highlights

| Central Services Division Major Budget Highlights |
|--|
| <p>The legislature approved total budget of \$3.2 million, an increase of 6.5% or \$194,000 in when compared to the 2019 biennium. In addition to base funding of \$3.0 million, the legislature approved \$174,000 for statewide present law adjustments.</p> |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|-------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 | |
| FTE | 0.00 | 15.10 | 15.10 | 15.10 | 15.10 | 15.10 |
| Personal Services | 1,199,815 | 1,231,367 | 1,290,668 | 1,343,622 | 1,344,687 | |
| Operating Expenses | 215,235 | 240,752 | 201,487 | 259,784 | 210,558 | |
| Equipment & Intangible Assets | 0 | 5,000 | 5,000 | 5,000 | 5,000 | |
| Transfers | 45 | 500 | 500 | 500 | 500 | |
| Total Expenditures | \$1,415,095 | \$1,477,619 | \$1,497,655 | \$1,608,906 | \$1,560,745 | |
| General Fund | 138,206 | 139,550 | 110,345 | 165,011 | 115,841 | |
| State/Other Special Rev. Funds | 1,137,994 | 1,191,900 | 1,229,909 | 1,280,239 | 1,281,121 | |
| Federal Spec. Rev. Funds | 64,919 | 72,172 | 79,256 | 82,304 | 82,365 | |
| Proprietary Funds | 73,976 | 73,997 | 78,145 | 81,352 | 81,418 | |
| Total Funds | \$1,415,095 | \$1,477,619 | \$1,497,655 | \$1,608,906 | \$1,560,745 | |
| Total Ongoing | \$1,415,095 | \$1,477,619 | \$1,497,655 | \$1,608,906 | \$1,560,745 | |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | |

Funding

The following table shows program funding by source of authority.

| Department of Agriculture, 15-Central Services Division Funding by Source of Authority | | | | | | |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 280,852 | 0 | 0 | 280,852 | 8.84 % | |
| 02040 Wheat & Barley Research & Mktg | 280,127 | 0 | 0 | 280,127 | 10.91 % | |
| 02068 Noxious Weed Admin Account | 141,144 | 0 | 0 | 141,144 | 5.50 % | |
| 02071 Anhydrous Ammonia Account | 3,903 | 0 | 0 | 3,903 | 0.15 % | |
| 02093 ALFALFA LEAF CUTTING BEE | 1,834 | 0 | 0 | 1,834 | 0.07 % | |
| 02178 Cherry Research & Marketing | 0 | 0 | 680 | 680 | 0.03 % | |
| 02192 Pesticide Groundwater Account | 345,728 | 0 | 0 | 345,728 | 13.47 % | |
| 02193 Pesticide Account | 324,562 | 0 | 0 | 324,562 | 12.64 % | |
| 02198 Fert. Groundwater Account | 14,241 | 0 | 0 | 14,241 | 0.55 % | |
| 02205 Pulse Crop Research&Marketing | 110,373 | 0 | 0 | 110,373 | 4.30 % | |
| 02264 Organic Certification | 109,399 | 0 | 0 | 109,399 | 4.26 % | |
| 02265 FSI Produce | 111,682 | 0 | 0 | 111,682 | 4.35 % | |
| 02266 Commodity Dealer/Warehouse | 30,620 | 0 | 0 | 30,620 | 1.19 % | |
| 02267 Nursery Account | 21,445 | 0 | 0 | 21,445 | 0.84 % | |
| 02268 Produce Account | 185,753 | 0 | 0 | 185,753 | 7.24 % | |
| 02269 Seed Account | 37,431 | 0 | 0 | 37,431 | 1.46 % | |
| 02341 Weed Seed Free Forage Account | 20,839 | 0 | 0 | 20,839 | 0.81 % | |
| 02452 Commercial Fertilizer | 115,972 | 0 | 0 | 115,972 | 4.52 % | |
| 02453 Grain Services | 325,439 | 0 | 0 | 325,439 | 12.68 % | |
| 02454 Commercial Feed | 255,219 | 0 | 0 | 255,219 | 9.94 % | |
| 02461 Alfalfa Seed Assessment | 376 | 0 | 0 | 376 | 0.01 % | |
| 02792 Apiary Account | 39,087 | 0 | 0 | 39,087 | 1.52 % | |
| 02793 Potato Research & Marketing | 0 | 0 | 5,328 | 5,328 | 0.21 % | |
| 02272 Plant Export Certification | 61,160 | 0 | 0 | 61,160 | 2.38 % | |
| 02465 Industrial Hemp | 2,083 | 0 | 0 | 2,083 | 0.08 % | |
| 02062 Growth thru Agriculture | 22,943 | 0 | 0 | 22,943 | 0.89 % | |
| State Special Total | \$2,561,360 | \$0 | \$6,008 | \$2,567,368 | 80.85 % | |
| 03120 Agriculture CMD Federal | 164,669 | 0 | 0 | 164,669 | 100.00 % | |
| Federal Special Total | \$164,669 | \$0 | \$0 | \$164,669 | 5.19 % | |
| 06052 Hail Insurance | 162,770 | 0 | 0 | 162,770 | 100.00 % | |
| Proprietary Total | \$162,770 | \$0 | \$0 | \$162,770 | 5.13 % | |
| Total All Funds | \$3,169,651 | \$0 | \$6,008 | \$3,175,659 | | |

The agency is funded primarily with state special revenue generated from user fees. State special revenue funds are used to administer programs that promote Montana agriculture. General fund and federal revenue supports personal services and associated operating expenses. Proprietary revenue is generated through premiums charged to participants in the hail insurance program. Proprietary funds support personal services for staff that administer the hail insurance program.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 110,345 | 110,345 | 220,690 | 78.58 % | 1,497,655 | 1,497,655 | 2,995,310 | 94.50 % |
| SWPL Adjustments | 52,045 | 2,822 | 54,867 | 19.54 % | 58,297 | 9,071 | 67,368 | 2.13 % |
| PL Adjustments | 2,621 | 2,674 | 5,295 | 1.89 % | 52,954 | 54,019 | 106,973 | 3.37 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$165,011 | \$115,841 | \$280,852 | | \$1,608,906 | \$1,560,745 | \$3,169,651 | |

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|-----------------|-----------------|-----------------|-----------------------|-------------|----------------|-----------------|-----------------|-----------------|
| | -----Fiscal 2020----- | | | | -----Fiscal 2021----- | | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 52,038 | 6,252 | 0 | 58,290 | 0.00 | 2,813 | 6,249 | 0 | 9,062 |
| DP 3 - Inflation Deflation | 0.00 | 7 | 0 | 0 | 7 | 0.00 | 9 | 0 | 0 | 9 |
| DP 50 - SWPL Personal Services Adjustment | 0.00 | 2,621 | 44,078 | 3,048 | 52,954 | 0.00 | 2,674 | 44,963 | 3,109 | 54,019 |
| Grand Total All Present Law Adjustments | 0.00 | \$54,666 | \$50,330 | \$3,048 | \$111,251 | 0.00 | \$5,496 | \$51,212 | \$3,109 | \$63,090 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. The legislature approved SWPL adjustments for personal services as proposed by the executive.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 8,787,947 | 9,681,829 | 893,882 | 10.17 % |
| Operating Expenses | 3,597,866 | 3,694,195 | 96,329 | 2.68 % |
| Equipment & Intangible Assets | 678,024 | 678,024 | 0 | 0.00 % |
| Grants | 4,476,583 | 4,566,570 | 89,987 | 2.01 % |
| Total Expenditures | \$17,540,420 | \$18,620,618 | \$1,080,198 | 6.16 % |
| General Fund | 430,286 | 456,609 | 26,323 | 6.12 % |
| State/Other Special Rev. Funds | 15,086,039 | 15,951,860 | 865,821 | 5.74 % |
| Federal Spec. Rev. Funds | 2,024,095 | 2,212,149 | 188,054 | 9.29 % |
| Total Funds | \$17,540,420 | \$18,620,618 | \$1,080,198 | 6.16 % |
| Total Ongoing | \$17,540,420 | \$18,620,618 | \$1,080,198 | 6.16 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The Agricultural Sciences Division (ASD) administers agricultural programs related to the production, manufacturing, certification, and marketing of commodities exported from or distributed in the state. The division provides support to the Montana Noxious Weed Management Advisory Council, Noxious Weed Seed Free Forage Advisory Council, Montana Noxious Weed Summit Advisory Council, and the Montana Organic Commodity Advisory Council.

Through the cooperative agreements with federal agencies, ASD provides services and jurisdiction in the areas of interstate and international movement of plant materials, produce and feed, enforcement of rules to prevent transmission of Bovine spongiform encephalopathy, commonly known as mad cow disease, and the regulation of pesticide sales, use and production in Montana.

Program Highlights

| Agricultural Sciences Division Major Budget Highlights |
|--|
| <p>The legislature approved a total biennial budget of \$18.6 million, an increase of 6.2% or \$1.1 million compared to the 2019 biennium. In addition to base funding of \$17.8 million the legislature approved \$0.8 million in present law adjustments.</p> <p>The portion of the budget funded with State special revenue is 85.5%, a decrease of 1.8% compared to the previous biennium. Specifically the legislature approved</p> <ul style="list-style-type: none"> • Statewide present law adjustments totaling \$506,000, • Present law adjustments totaling \$292,000 |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 61.42 | 61.42 | 61.70 | 61.70 |
| Personal Services | 4,234,720 | 4,250,393 | 4,537,554 | 4,841,961 | 4,839,868 |
| Operating Expenses | 1,376,839 | 1,796,750 | 1,801,116 | 1,847,558 | 1,846,637 |
| Equipment & Intangible Assets | 106,884 | 339,012 | 339,012 | 339,012 | 339,012 |
| Grants | 2,379,325 | 2,243,298 | 2,233,285 | 2,283,285 | 2,283,285 |
| Total Expenditures | \$8,097,768 | \$8,629,453 | \$8,910,967 | \$9,311,816 | \$9,308,802 |
| General Fund | 200,068 | 201,156 | 229,130 | 228,290 | 228,319 |
| State/Other Special Rev. Funds | 6,959,573 | 7,431,663 | 7,654,376 | 7,977,491 | 7,974,369 |
| Federal Spec. Rev. Funds | 938,127 | 996,634 | 1,027,461 | 1,106,035 | 1,106,114 |
| Total Funds | \$8,097,768 | \$8,629,453 | \$8,910,967 | \$9,311,816 | \$9,308,802 |
| Total Ongoing | \$8,097,768 | \$8,629,453 | \$8,910,967 | \$9,311,816 | \$9,308,802 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Agriculture, 30-Agricultural Sciences Division Funding by Source of Authority | | | | | | |
|--|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 456,609 | 0 | 0 | 456,609 | 2.44 % | |
| 02068 Noxious Weed Admin Account | 4,273,848 | 0 | 0 | 4,273,848 | 26.61 % | |
| 02071 Anhydrous Ammonia Account | 21,451 | 0 | 0 | 21,451 | 0.13 % | |
| 02072 Manuals & Training Account | 122,800 | 0 | 0 | 122,800 | 0.76 % | |
| 02093 ALFALFA LEAF CUTTING BEE | 16,483 | 0 | 0 | 16,483 | 0.10 % | |
| 02192 Pesticide Groundwater Account | 2,379,473 | 0 | 0 | 2,379,473 | 14.82 % | |
| 02193 Pesticide Account | 2,717,193 | 0 | 0 | 2,717,193 | 16.92 % | |
| 02198 Fert. Groundwater Account | 93,335 | 0 | 0 | 93,335 | 0.58 % | |
| 02264 Organic Certification | 693,034 | 0 | 0 | 693,034 | 4.32 % | |
| 02265 FSI Produce | 570,325 | 0 | 0 | 570,325 | 3.55 % | |
| 02266 Commodity Dealer/Warehouse | 249,400 | 0 | 108,000 | 357,400 | 2.23 % | |
| 02267 Nursery Account | 215,291 | 0 | 0 | 215,291 | 1.34 % | |
| 02268 Produce Account | 946,980 | 0 | 0 | 946,980 | 5.90 % | |
| 02269 Seed Account | 302,228 | 0 | 0 | 302,228 | 1.88 % | |
| 02341 Weed Seed Free Forage Account | 239,629 | 0 | 0 | 239,629 | 1.49 % | |
| 02452 Commercial Fertilizer | 681,067 | 0 | 0 | 681,067 | 4.24 % | |
| 02454 Commercial Feed | 1,578,624 | 0 | 0 | 1,578,624 | 9.83 % | |
| 02782 Reverted Weed Grant Fund | 132,000 | 0 | 0 | 132,000 | 0.82 % | |
| 02792 Apiary Account | 275,713 | 0 | 0 | 275,713 | 1.72 % | |
| 02272 Plant Export Certification | 402,486 | 0 | 0 | 402,486 | 2.51 % | |
| 02465 Industrial Hemp | 40,500 | 0 | 0 | 40,500 | 0.25 % | |
| State Special Total | \$15,951,860 | \$0 | \$108,000 | \$16,059,860 | 85.75 % | |
| 03118 Agriculture ASD Federal | 2,212,149 | 0 | 0 | 2,212,149 | 100.00 % | |
| Federal Special Total | \$2,212,149 | \$0 | \$0 | \$2,212,149 | 11.81 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$18,620,618 | \$0 | \$108,000 | \$18,728,618 | | |

The division is funded with general fund, state special revenue, and federal funds. State special revenue is the largest source of funding for the division. State special revenue is derived primarily from fees assessed for regulatory activities, product registration, and technical services. Federal funds come from the U.S. Department of Agriculture and support noxious weed mitigation. Federal funds also support portions of the Bovine Spongiform Encephalopathy (BSE), commonly

known as “mad cow disease,” feed sampling program. General fund supports inspection and testing for prohibited materials in feed related to BSE and noxious weed control grants.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 229,130 | 229,130 | 458,260 | 100.36 % | 8,910,967 | 8,910,967 | 17,821,934 | 95.71 % |
| SWPL Adjustments | 559 | 587 | 1,146 | 0.25 % | 36,283 | 34,170 | 70,453 | 0.38 % |
| PL Adjustments | (1,399) | (1,398) | (2,797) | (0.61)% | 364,566 | 363,665 | 728,231 | 3.91 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$228,290 | \$228,319 | \$456,609 | | \$9,311,816 | \$9,308,802 | \$18,620,618 | |

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
|--|-----------------------|----------------|------------------|-----------------|------------------|-----------------------|----------------|------------------|-----------------|------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 559 | 34,201 | 1,435 | 36,195 | 0.00 | 587 | 32,198 | 1,275 | 34,060 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 88 | 0 | 88 | 0.00 | 0 | 110 | 0 | 110 |
| DP 50 - SWPL Personal Services Adjustment | (0.72) | (1,399) | 139,509 | 77,049 | 215,159 | (0.72) | (1,398) | 136,775 | 77,292 | 212,669 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 3,878 | 90 | 3,968 | 0.00 | 0 | 3,882 | 86 | 3,968 |
| DP 3004 - MT Plants Contract | 0.00 | 0 | 795 | 0 | 795 | 0.00 | 0 | 1,610 | 0 | 1,610 |
| DP 3005 - State Pesticide Weed Coordinator | 1.00 | 0 | 89,248 | 0 | 89,248 | 1.00 | 0 | 89,645 | 0 | 89,645 |
| DP 3006 - Noxious Weed Grant Authority | 0.00 | 0 | 50,000 | 0 | 50,000 | 0.00 | 0 | 50,000 | 0 | 50,000 |
| DP 3007 - ASD Rent | 0.00 | 0 | 5,396 | 0 | 5,396 | 0.00 | 0 | 5,773 | 0 | 5,773 |
| Grand Total All Present Law Adjustments | 0.28 | (\$840) | \$323,115 | \$78,574 | \$400,849 | 0.28 | (\$811) | \$319,993 | \$78,653 | \$397,835 |

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. Specific adjustments to the executive request include:

- The legislature removed 0.72 FTE from the base
- Reduction of \$80,000 in state special revenue

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 3004 - MT Plants Contract -

The legislature approved an increase in state special revenue to support a contract increase for the online one-stop-shop for licensing, registration, e-payments and other agricultural related services.

DP 3005 - State Pesticide Weed Coordinator -

The legislature approved an increase in state special revenue for a state weed coordinator. Revenue is from the pesticide account and will be budgeted for personal services. This increases FTE by 1.00.

DP 3006 - Noxious Weed Grant Authority -

The legislature approved additional grant authority for the department's noxious weed programs. This is for grants funded from the noxious weed administration account, a state special revenue account.

DP 3007 - ASD Rent -

The legislature approved inflationary increases for lease contracts already in place. The leases are for office space in various counties.

Program Budget Comparison

| Program Budget Comparison | | | | |
|--------------------------------|---------------------------|--------------------------|----------------------|-------------------|
| Budget Item | Appropriated Budget 18-19 | Legislative Budget 20-21 | Biennium Change | Biennium % Change |
| Personal Services | 4,271,976 | 4,799,594 | 527,618 | 12.35 % |
| Operating Expenses | 5,441,022 | 4,866,006 | (575,016) | (10.57)% |
| Equipment & Intangible Assets | 183,689 | 159,754 | (23,935) | (13.03)% |
| Grants | 6,518,473 | 5,278,164 | (1,240,309) | (19.03)% |
| Transfers | 279,514 | 279,514 | 0 | 0.00 % |
| Total Expenditures | \$16,694,674 | \$15,383,032 | (\$1,311,642) | (7.86)% |
| General Fund | 737,185 | 911,867 | 174,682 | 23.70 % |
| State/Other Special Rev. Funds | 14,971,559 | 13,272,548 | (1,699,011) | (11.35)% |
| Federal Spec. Rev. Funds | 197,807 | 250,802 | 52,995 | 26.79 % |
| Proprietary Funds | 788,123 | 947,815 | 159,692 | 20.26 % |
| Total Funds | \$16,694,674 | \$15,383,032 | (\$1,311,642) | (7.86)% |
| Total Ongoing | \$14,694,674 | \$15,383,032 | \$688,358 | 4.68 % |
| Total OTO | \$2,000,000 | \$0 | (\$2,000,000) | (100.00)% |

Program Description

The Agriculture Development Division (ADD) assists the Montana agricultural industry by providing services which include market and agribusiness development, Growth Through Agriculture grants and loans, wheat and barley research and marketing, agriculture loans including beginning farmer/rancher loans, hail insurance, grain grading and inspection, agriculture literacy and curriculum development, domestic and international marketing and trade assistance, collect and publish agricultural statistics, and administration of agricultural commodity research and market development programs. The division provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, the Board of Hail Insurance, and advisory committees of potatoes, and pulse crops.

Program Highlights

| Agricultural Developmental Division Major Budget Highlights |
|--|
| The legislature approved a budget of \$15.4 million, a decrease in total appropriation of 7.9% or \$1.3 million compared to the 2019 biennium. This is an increases of \$0.5 million above base funding of \$14.9 million for statewide present law adjustments and increases to the Growth Through Agriculture program. |

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2018 | Approp. Fiscal 2018 | Approp. Fiscal 2019 | Legislative Fiscal 2020 | Legislative Fiscal 2021 |
| FTE | 0.00 | 38.52 | 38.52 | 38.27 | 38.27 |
| Personal Services | 1,814,108 | 2,069,613 | 2,202,363 | 2,396,755 | 2,402,839 |
| Operating Expenses | 1,448,442 | 3,028,672 | 2,412,350 | 2,433,443 | 2,432,563 |
| Equipment & Intangible Assets | 96,967 | 103,812 | 79,877 | 79,877 | 79,877 |
| Grants | 3,211,477 | 3,921,041 | 2,597,432 | 2,630,082 | 2,648,082 |
| Transfers | 90,173 | 139,757 | 139,757 | 139,757 | 139,757 |
| Total Expenditures | \$6,661,167 | \$9,262,895 | \$7,431,779 | \$7,679,914 | \$7,703,118 |
| General Fund | 337,452 | 339,123 | 398,062 | 455,012 | 456,855 |
| State/Other Special Rev. Funds | 5,903,323 | 8,437,794 | 6,533,765 | 6,626,162 | 6,646,386 |
| Federal Spec. Rev. Funds | 91,552 | 97,576 | 100,231 | 124,851 | 125,951 |
| Proprietary Funds | 328,840 | 388,402 | 399,721 | 473,889 | 473,926 |
| Total Funds | \$6,661,167 | \$9,262,895 | \$7,431,779 | \$7,679,914 | \$7,703,118 |
| Total Ongoing | \$6,661,167 | \$7,262,895 | \$7,431,779 | \$7,679,914 | \$7,703,118 |
| Total OTO | \$0 | \$2,000,000 | \$0 | \$0 | \$0 |

Funding

The following table shows program funding by source of authority.

| Department of Agriculture, 50-Agricultural Development Division Funding by Source of Authority | | | | | |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 911,867 | 0 | 2,130,969 | 3,042,836 | 12.24 % |
| 02040 Wheat & Barley Research & Mktg | 9,429,896 | 0 | 0 | 9,429,896 | 50.01 % |
| 02066 Agriculture In MT Schools Act. | 177,800 | 0 | 0 | 177,800 | 0.94 % |
| 02127 Food & Ag Development Program | 0 | 0 | 0 | 0 | 0.00 % |
| 02132 GTA Seed Capital Account | 10 | 0 | 284,584 | 284,594 | 1.51 % |
| 02178 Cherry Research & Marketing | 0 | 0 | 49,704 | 49,704 | 0.26 % |
| 02205 Pulse Crop Research&Marketing | 290,000 | 0 | 5,026,078 | 5,316,078 | 28.19 % |
| 02340 Coal Sev. Tax Shared SSR | 0 | 0 | 0 | 0 | 0.00 % |
| 02453 Grain Services | 2,373,096 | 0 | 0 | 2,373,096 | 12.58 % |
| 02461 Alfalfa Seed Assessment | 77,352 | 0 | 0 | 77,352 | 0.41 % |
| 02466 Misc Ag Donations | 10,012 | 0 | 0 | 10,012 | 0.05 % |
| 02582 Certified Natural Beef | 5,807 | 0 | 0 | 5,807 | 0.03 % |
| 02793 Potato Research & Marketing | 0 | 0 | 224,700 | 224,700 | 1.19 % |
| 02062 Growth thru Agriculture | 908,575 | 0 | 0 | 908,575 | 4.82 % |
| State Special Total | \$13,272,548 | \$0 | \$5,585,066 | \$18,857,614 | 75.87 % |
| 03225 Agriculture ADD Federal | 250,802 | 0 | 0 | 250,802 | 100.00 % |
| Federal Special Total | \$250,802 | \$0 | \$0 | \$250,802 | 1.01 % |
| 06016 Beginning Farm Loans | 0 | 116,400 | 0 | 116,400 | 4.30 % |
| 06052 Hail Insurance | 947,815 | 0 | 1,640,000 | 2,587,815 | 95.70 % |
| Proprietary Total | \$947,815 | \$116,400 | \$1,640,000 | \$2,704,215 | 10.88 % |
| Total All Funds | \$15,383,032 | \$116,400 | \$9,356,035 | \$24,855,467 | |

The division is funded with general fund, state special revenue, and federal special revenue. General fund supports division administration personal services and associated operating expense. State special revenue, the primary source of funding, is mainly comprised of the wheat & barley research & marketing account which is supported by levies on each bushel of wheat and barley produced in the state. Other sources of revenue include grain testing fees and alfalfa seed assessments. Levies on the net revenue of pulse crops produced in the state are statutorily appropriated to the pulse crop research & marketing fund. Federal special revenue is from federal grants used to develop agriculture markets, marketing

projects, and for related operating costs. Proprietary funding supports beginning farm loans and expenditures from the hail insurance program.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget | Budget Fiscal 2020 | Budget Fiscal 2021 | Biennium Fiscal 20-21 | Percent of Budget |
| 2019 Base Budget | 398,062 | 398,062 | 796,124 | 87.31 % | 7,431,779 | 7,431,779 | 14,863,558 | 96.62 % |
| SWPL Adjustments | 6,702 | 6,898 | 13,600 | 1.49 % | 16,567 | 15,687 | 32,254 | 0.21 % |
| PL Adjustments | 50,248 | 51,895 | 102,143 | 11.20 % | 231,568 | 255,652 | 487,220 | 3.17 % |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$455,012 | \$456,855 | \$911,867 | | \$7,679,914 | \$7,703,118 | \$15,383,032 | |

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

| Present Law Adjustments | | | | | | | | | | |
|---|-----------------------|-----------------|-----------------|-----------------|------------------|-----------------------|-----------------|------------------|-----------------|------------------|
| | -----Fiscal 2020----- | | | | | -----Fiscal 2021----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2 - Fixed Costs | 0.00 | 6,393 | 7,592 | 635 | 16,258 | 0.00 | 6,515 | 6,520 | 618 | 15,304 |
| DP 3 - Inflation Deflation | 0.00 | 309 | 0 | 0 | 309 | 0.00 | 383 | 0 | 0 | 383 |
| DP 50 - SWPL Personal Services Adjustment | (0.25) | 50,248 | 48,019 | 23,847 | 194,392 | (0.25) | 51,895 | 51,315 | 24,964 | 200,476 |
| DP 55 - SWPL Fixed Cost Adjustment | 0.00 | 0 | 3,418 | 138 | 3,808 | 0.00 | 0 | 3,418 | 138 | 3,808 |
| DP 5005 - Growth Through Agriculture Appropriation Adjustment | 0.00 | 0 | 32,650 | 0 | 32,650 | 0.00 | 0 | 50,650 | 0 | 50,650 |
| DP 5007 - ADD Rent | 0.00 | 0 | 718 | 0 | 718 | 0.00 | 0 | 718 | 0 | 718 |
| Grand Total All Present Law Adjustments | (0.25) | \$56,950 | \$92,397 | \$24,620 | \$248,135 | (0.25) | \$58,793 | \$112,621 | \$25,720 | \$271,339 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPL Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. Specific adjustments to the executive request include:

- The legislature removed 0.25 FTE from the base
- Reduction of \$20,000 in general fund

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 5005 - Growth Through Agriculture Appropriation Adjustment -

The legislature approved an increase in state special revenue to align appropriations with anticipated revenues. Statute increased the share of coal tax revenue for the growth through agriculture program (15-35-108, MCA).

DP 5007 - ADD Rent -

The legislature approved an increase in appropriation to pay for lease contracts already in place. These leases are for office space located in various counties.