

Agency Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	86,843,032	88,372,982	1,529,950	1.76 %
Operating Expenses	43,578,461	45,892,591	2,314,130	5.31 %
Equipment & Intangible Assets	2,489,950	2,804,832	314,882	12.65 %
Capital Outlay	43,900	0	(43,900)	(100.00)%
Local Assistance	8,116,180	4,116,180	(4,000,000)	(49.28)%
Grants	4,401,428	5,075,428	674,000	15.31 %
Benefits & Claims	800,000	800,000	0	0.00 %
Transfers	3,453,486	3,448,486	(5,000)	(0.14)%
Debt Service	1,396,926	1,570,682	173,756	12.44 %
Total Expenditures	\$151,123,363	\$152,081,181	\$957,818	0.63 %
General Fund	62,326,411	63,811,465	1,485,054	2.38 %
State/Other Special Rev. Funds	83,965,661	84,055,896	90,235	0.11 %
Federal Spec. Rev. Funds	4,831,294	4,213,820	(617,474)	(12.78)%
Total Funds	\$151,123,366	\$152,081,181	\$957,815	0.63 %
Total Ongoing	\$148,852,366	\$152,472,154	\$3,619,788	2.43 %
Total OTO	\$2,271,000	(\$390,973)	(\$2,661,973)	(117.22)%

Agency Description

The Department of Natural Resources and Conservation 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 Reserved Water Rights Compact Commission and the Board of Oil and Gas Conservation.

The department consists of six divisions with the following functions:

The Director's Office (60.0 FTE) provides management and administrative services for the department. This includes activities such as legal, human resources, financial, information technology, records management, administrative hearings, safety, and communication services.

The Oil and Gas Conservation Division (19.50 FTE) 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 (30.17 FTE) 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 division also administers five attached councils and commissions.

The Water Resource Division (136.26 FTE) 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 act violations, ensuring dam safety compliance, and providing water adjudication support to the Water Court.

Forestry and Trust Lands Divisions

The Forestry Division (165.48 FTE) is responsible for planning and implementing forestry programs statewide. Division responsibilities include protecting natural resources from wildfire, regulating forest practices, providing a

variety of services to private forest landowners, implementing cross boundary projects to build resilient forests, sustainable economies and fire adapted communities, increasing forest restoration, management and health on federal lands and growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The Trust Land Management Division (128.20 FTE) 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 approximately \$152.1 million, an increase of 0.6% or \$1.0 million when compared to the 2021 biennium appropriation. Legislative adjustments include:</p> <ul style="list-style-type: none"> • Reductions in appropriations of state special revenue: \$4.3 million • Increases of 8.50 FTE: \$2.3 million, of which \$1.4 million is general fund <ul style="list-style-type: none"> ◦ Confederated Salish and Kootenai Tribes water compact implementation, 3.00 FTE: \$800,000 ◦ Trust lands forest management, 2.00 FTE: \$330,600 ◦ County Cooperative Fire Protection Program, 1.5 FTE: \$689,200 ◦ Cyber security officer, 1.00 FTE: \$231,400 ◦ Water resources hydroelectric plant operator, 1.00 FTE: \$214,200 • Statewide present law adjustments for personal services: \$1.0 million, of which \$550,000 is general fund • Water Resource Division general fund operating costs: \$1.0 million • Conservation district grants: \$700,000 • East Fork Dam final design: \$800,000 • Statewide present law fixed cost and inflation: \$690,500 • One-time-only general fund reductions for the state share holiday: \$589,700 • Other operating adjustments: \$503,300 • Regional water grants: \$174,000 • One-time-only appropriation for water flow equipment: \$98,700 • Flathead Basin Commission operation: \$80,000

Agency Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	531.11	531.11	539.61	539.61
Personal Services	41,422,052	43,098,720	43,744,312	43,826,003	44,546,979
Operating Expenses	17,843,810	21,847,768	21,730,693	22,917,677	22,974,914
Equipment & Intangible Assets	1,056,001	1,136,884	1,353,066	1,451,766	1,353,066
Capital Outlay	43,917	43,900	0	0	0
Local Assistance	2,186,870	4,058,090	4,058,090	2,058,090	2,058,090
Grants	2,162,636	2,300,714	2,100,714	2,537,714	2,537,714
Benefits & Claims	0	400,000	400,000	400,000	400,000
Transfers	1,712,837	1,729,243	1,724,243	1,724,243	1,724,243
Debt Service	567,658	611,585	785,341	785,341	785,341
Total Expenditures	\$66,995,781	\$75,226,904	\$75,896,459	\$75,700,834	\$76,380,347
General Fund	29,599,567	31,015,389	31,311,022	31,496,373	32,315,092
State/Other Special Rev. Funds	35,194,175	41,801,123	42,164,538	42,093,591	41,962,305
Federal Spec. Rev. Funds	2,202,039	2,410,395	2,420,899	2,110,870	2,102,950
Total Funds	\$66,995,781	\$75,226,907	\$75,896,459	\$75,700,834	\$76,380,347
Total Ongoing	\$66,042,839	\$74,053,907	\$74,798,459	\$76,141,807	\$76,330,347
Total OTO	\$952,942	\$1,173,000	\$1,098,000	(\$440,973)	\$50,000

Summary of Legislative Action

The legislature approved a total budget of \$152.1 million, an increase of 0.6% or \$1.0 million. General fund appropriations increased by 2.4% or \$1.5 million. In addition to base funding of \$149.6 million the legislature approved \$2.5 million in present law adjustments and new proposals, of which \$3.1 million was general fund. The legislature also approved an increase of 8.50 FTE.

The legislature appropriated \$2.3 million primarily general fund and state special revenue for an additional 8.50 FTE. New FTE include:

- Information security officer in the Director's Office: 1.00 FTE
- County Cooperative Fire Protection Program support: 1.50 FTE
- Forest Management Program, timber sales: 2.00 FTE
- Technical and administrative support for the Confederated Salish and Kootenai Tribes State of Montana Water Rights Compact: 3.00 FTE
- Hydroelectric plant operator at the Broadwater power plant: 1.00 FTE

The budget includes \$700,000, primarily state special revenue, as grants to conservation districts for operations, aquatic invasive species check stations, and the Lake Elmo restoration project. Regional water authority grants are funded with \$174,000 in state special revenue. Operating adjustments for the Conservation District and Resources Bureaus were \$284,000. Operating grants for the Flathead Basin Commission were budgeted \$80,000 in state special revenue. The legislature approved \$1.9 million for water resource projects and \$201,300 for forestry operations.

Statewide present law adjustments for fixed costs, personal services, and inflation total \$1.7 million primarily general fund and state special revenue. This is offset by a one-time-only reduction of \$589,700 in general fund for the state shared holiday.

To align appropriations with anticipated expenditures the legislature reduced base appropriation of state special revenue by \$4.3 million as follows:

- Coal bed methane protection state special revenue account: \$250,000
- Resource Development Bureau Proceeds state special revenue account: \$4.0 million

Funding

The following table shows adopted agency funding by source of authority.

Total Department of Natural Resources and Conservation Funding by Source of Authority 2023 Biennium Budget Request - Department of Natural Resources and Conservation						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	64,401,138	(589,673)	0	0	63,811,465	38.83 %
State Special Total	83,857,196	198,700	0	3,499,810	87,555,706	53.28 %
Federal Special Total	4,213,820	0	0	1,600,000	5,813,820	3.54 %
Proprietary Total	0	0	7,161,853	0	7,161,853	4.36 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$152,472,154	(\$390,973)	\$7,161,853	\$5,099,810	\$164,342,844	
Percent - Total All Sources	92.78 %	(0.24)%	4.36 %	3.10 %		

The Department of Natural Resources and Conservation (DNRC) is primarily funded with general fund and state special revenue funds. General funds are 42.0% of the HB 2 appropriation and 38.8% of total funding. State special revenue is 55.3% 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 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. The fund 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, revenues have averaged \$320,000 each year and DNRC has expended an average of \$300,000 per year (82-11-161, MCA)
- 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 \$34,500 per year (77-1-108, MCA)
- The wildfire suppression state special revenue fund 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 inflation adjusted average for state wildfire costs is \$24.5 million. (76-13-150, MCA)
- 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 \$8.1 million per year.
- All revenues generated by the Good Neighbor Authority (GNA) are statutorily appropriated to that program. Through the GNA, the Department of Natural Resources and Conservation partners with the United States Department of Agriculture Forest Service and the Bureau of Land Management to plan and implement forest restoration projects and address shared priorities. In the 2021 biennium, the first two years of the program, 5,470 acres were treated and 31 million board feet of timber were harvested. (76-13-151, 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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	30,358,022	30,358,022	60,716,044	95.15 %	74,798,459	74,798,459	149,596,918	98.37 %
SWPL Adjustments	461,687	470,487	932,174	1.46 %	851,365	851,300	1,702,665	1.12 %
PL Adjustments	903,650	864,120	1,767,770	2.77 %	2,165,996	1,996,125	4,162,121	2.74 %
New Proposals	(226,986)	622,463	395,477	0.62 %	(2,114,986)	(1,265,537)	(3,380,523)	(2.22)%
Total Budget	\$31,496,373	\$32,315,092	\$63,811,465		\$75,700,834	\$76,380,347	\$152,081,181	

Other Legislation

HB 5 - "Long-Range Building Appropriations"

HB 5 includes appropriations to the department for repairs projects and capital improvement at the DNRC aviation hangar, DNRC Swan unit office, and DNRC Stillwater shop remodel.

HB 7 - "Reclamation and Development Grants"

HB 7 appropriates \$3.7 million from the natural resource projects state special revenue account for reclamation and development grants up to \$800,000 per grant. The bill provides a priority list of projects in various counties, cities, towns, and conservation districts. These funds may be used to leverage additional funding from federal sources.

HB 8 - "Renewable Resources Bonds and Loans"

HB 8 authorizes the issuance of coal severance tax bonds the proceeds of which will be loaned to communities to complete water and irrigation projects. The interest rate on the loans is 3.0% or less and terms of less than 20 years.

HB 173 - "Revise Laws Regarding State Timber Sales"

HB 173 establishes the fire hazard reduction state special revenue fund and directs that forfeited fire hazard reduction performance bonds be directed to the fund. The fund is statutorily appropriated to the Department of Natural Resources and Conservation for the purposes of authorizing, managing, and completing fire hazard reduction activities.

HB 373 - "Revise Natural Resources Operations Fund, Provide Transfer"

Beginning in FY 2022, HB 373 provides a transfer each fiscal year from the general fund to the natural resource operations state special account sufficient, when combined with unencumbered fund balance and anticipated revenue, to fund legislative appropriations in HB 2 from the natural resources operations account. This act terminates at the end of the 2025 biennium.

Note: The Legislative Finance Committee has approved a policy that the legislature does not enact legislation that transfers general fund in an on-going manner to another account from which it can be appropriated.

HB 374 - "Amend Coal Severance Tax SSR Accounts, Provide Transfers"

Beginning in FY 2022, HB 374 provides a transfer each fiscal year from the general fund to the conservation district state special revenue account sufficient, when combined with unencumbered fund balance and anticipated revenue, to fund legislative appropriations in HB 2 from the conservation district account. This bill includes a transfer of \$1.0 million from the general fund to the conservation districts state special revenue account within 10 days of the effective date, July 1, 2021. This act terminates on the end of the 2023 biennium.

Note: The Legislative Finance Committee has approved a policy that the legislature does not enact legislation that transfers general fund in an ongoing manner to another account from which it can be appropriated.

SB 384 - "Revise Laws Related to Aquatic Invasive Species Hydroelectric Fee"

SB 384 revises the quarterly invasive species fee for hydroelectric facilities from a tiered fee structure to a flat fee equal to \$397.88 per megawatt of a facility’s nameplate capacity. The bill repeals the invasive species fee after FY 2023.

HB 131 - "Generally Revise State Cabin Leasing Laws"

HB 131 allows for the nomination for sale leased cabin and home sites on Department of Natural Resources and Conservation state water projects lands by the lessee or improvement owner.

Executive Budget Comparison

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	531.11	539.61	539.61	0.00	539.61	539.61	0.00	0.00
Personal Services	43,744,312	43,826,003	43,826,003	0	44,546,979	44,546,979	0	0
Operating Expenses	21,730,693	22,860,123	22,917,677	57,554	22,916,892	22,974,914	58,022	115,576
Equipment & Intangible Assets	1,353,066	1,421,766	1,451,766	30,000	1,323,066	1,353,066	30,000	60,000
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	4,058,090	4,058,090	2,058,090	(2,000,000)	4,058,090	2,058,090	(2,000,000)	(4,000,000)
Grants	2,100,714	2,050,714	2,537,714	487,000	2,050,714	2,537,714	487,000	974,000
Benefits & Claims	400,000	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	\$75,896,459	\$77,126,280	\$75,700,834	(\$1,425,446)	\$77,805,325	\$76,380,347	(\$1,424,978)	(\$2,850,424)
General Fund	31,311,022	31,508,320	31,496,373	(11,947)	32,326,911	32,315,092	(11,819)	(23,766)
State/other Special Rev. Funds	42,164,538	43,506,037	42,093,591	(1,412,446)	43,374,423	41,962,305	(1,412,118)	(2,824,564)
Federal Spec. Rev. Funds	2,420,899	2,111,923	2,110,870	(1,053)	2,103,991	2,102,950	(1,041)	(2,094)
Other	0	0	0	0	0	0	0	0
Total Funds	\$75,896,459	\$77,126,280	\$75,700,834	(\$1,425,446)	\$77,805,325	\$76,380,347	(\$1,424,978)	(\$2,850,424)
Total Ongoing	\$74,798,459	\$77,715,953	\$76,141,807	(\$1,574,146)	\$77,805,325	\$76,330,347	(\$1,474,978)	(\$3,049,124)
Total OTO	\$1,098,000	(\$589,673)	(\$440,973)	\$148,700	\$0	\$50,000	\$50,000	\$198,700

The legislature approved total appropriations that are approximately \$2.9 million lower than the executive request, with the reduction being almost entirely from state special revenue. Specifically, the legislature approved:

- Reductions to state special revenue appropriations of \$4.3 million
- Aquatic invasive species grants to conservation districts of \$300,000
- Regional water grants totaling \$174,000
- The legislature did not approve reductions in state special revenue totaling \$967,481 in the Conservation and Resource Development Division
- Further reductions to fixed costs, \$96,621

Language and Statutory Authority

The legislature included the following language in HB 2:

"The department is authorized to decrease federal special revenue in the water 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 2023 biennium, up to \$1 million of funds currently in or to be deposited in the DNRC Indirects special revenue account is appropriated to the department for indirect pool expenditures."

"During the 2023 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 2023 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 2023 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 2023 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 2023 biennium, the department is authorized to decrease federal special revenue and increase state special revenue by a like amount in the Director's Office indirects account for amounts not included in but necessary to meet the intent of the decision package 2102 - DO Funding Shift."

"The RDB Proceeds, Coal Bed Methane Protection, Broadwater Irrigation, Forest Resources Forest Improvement, and the TLMD Trust Administration state special revenue funds in the Department of Natural Resources and Conservation are eligible to be amended under 17-7- 402(1)(a)(xii), MCA in the 2023 biennium budget."

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	10,476,824	11,266,568	789,744	7.54 %
Operating Expenses	4,742,632	4,873,741	131,109	2.76 %
Equipment & Intangible Assets	125,108	125,108	0	0.00 %
Transfers	1,000	1,000	0	0.00 %
Debt Service	43,400	43,400	0	0.00 %
Total Expenditures	\$15,388,964	\$16,309,817	\$920,853	5.98 %
General Fund	8,496,152	9,237,261	741,109	8.72 %
State/Other Special Rev. Funds	5,659,448	7,000,681	1,341,233	23.70 %
Federal Spec. Rev. Funds	1,233,364	71,875	(1,161,489)	(94.17)%
Total Funds	\$15,388,964	\$16,309,817	\$920,853	5.98 %
Total Ongoing	\$15,388,964	\$16,391,468	\$1,002,504	6.51 %
Total OTO	\$0	(\$81,651)	(\$81,651)	100.00 %

Program Description

The Director's Office is comprised of the Director's Office, Legal Services Office, Financial Services Office, Office of Information Technology, Human Resources Office and Office of Administrative Hearings. 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, human resources, financial, information technology, records management, administrative hearings, safety, and communication 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 approximately \$16.3 million, an increase of 6.0% or \$920,900 when compared to the 2021 biennium appropriation. Legislative adjustments include:</p> <ul style="list-style-type: none"> • Statewide present law adjustments for personal services: \$724,200 • Statewide present law fixed cost, inflation and other operating adjustments: \$594,600 • Information technology position, 1.00 FTE: \$231,400 • One-time-only reduction in general fund for state shared holiday: \$81,700 • Approved a funding shift of \$371,200 from federal sources to state special revenue

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	59.00	59.00	60.00	60.00
Personal Services	5,165,803	5,256,082	5,220,742	5,583,661	5,682,907
Operating Expenses	2,059,497	2,627,448	2,115,184	2,527,768	2,345,973
Equipment & Intangible Assets	31,069	62,554	62,554	62,554	62,554
Transfers	0	500	500	500	500
Debt Service	3,345	21,700	21,700	21,700	21,700
Total Expenditures	\$7,259,714	\$7,968,284	\$7,420,680	\$8,196,183	\$8,113,634
General Fund	3,636,222	4,300,481	4,195,671	4,624,353	4,612,908
State/Other Special Rev. Funds	2,761,334	2,805,645	2,853,803	3,531,788	3,468,893
Federal Spec. Rev. Funds	862,158	862,158	371,206	40,042	31,833
Total Funds	\$7,259,714	\$7,968,284	\$7,420,680	\$8,196,183	\$8,113,634
Total Ongoing	\$7,259,714	\$7,968,284	\$7,420,680	\$8,277,834	\$8,113,634
Total OTO	\$0	\$0	\$0	(\$81,651)	\$0

Funding

The following table shows adopted 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	9,237,261	0	0	9,237,261	56.64 %
02039 Fire Protection Assessments	803,190	0	0	803,190	11.47 %
02052 Rangeland Improvement Loans	59,437	0	0	59,437	0.85 %
02073 Forestry - Slash Disposal	11,973	0	0	11,973	0.17 %
02104 Miscellaneous State Spec Rev	742,412	0	0	742,412	10.60 %
02145 Broadwater O & M	83,924	0	0	83,924	1.20 %
02223 Wastewater SRF Special Admin	142,773	0	0	142,773	2.04 %
02430 Water Right Appropriation	315,413	0	0	315,413	4.51 %
02431 Water Adjudication	921,115	0	0	921,115	13.16 %
02432 Oil & Gas ERA	405,790	0	0	405,790	5.80 %
02491 Drinking Water Spec Admin Cost	142,738	0	0	142,738	2.04 %
02576 Natural Resources Operations	569,073	0	0	569,073	8.13 %
02825 Water Well Contractors	18,506	0	0	18,506	0.26 %
02938 TLMD Trust Administration	2,707,079	0	0	2,707,079	38.67 %
02048 Conservation District Acct	33,412	0	0	33,412	0.48 %
02284 Aquatic Invasive Species	43,846	0	0	43,846	0.63 %
State Special Total	\$7,000,681	\$0	\$0	\$7,000,681	42.92 %
03255 DO FEDERAL INDIRECT	71,875	0	0	71,875	100.00 %
03724 AA Miscellaneous Federal	0	0	0	0	0.00 %
Federal Special Total	\$71,875	\$0	\$0	\$71,875	0.44 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$16,309,817	\$0	\$0	\$16,309,817	

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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	4,195,671	4,195,671	8,391,342	90.84 %	7,420,680	7,420,680	14,841,360	91.00 %
SWPL Adjustments	401,080	336,577	737,657	7.99 %	707,284	593,495	1,300,779	7.98 %
PL Adjustments	53,240	24,647	77,887	0.84 %	93,857	43,446	137,303	0.84 %
New Proposals	(25,638)	56,013	30,375	0.33 %	(25,638)	56,013	30,375	0.19 %
Total Budget	\$4,624,353	\$4,612,908	\$9,237,261		\$8,196,183	\$8,113,634	\$16,309,817	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	200,409	135,265	17,654	353,328	0.00	210,351	141,974	18,531	370,856
DP 2 - Fixed Costs	0.00	212,804	143,654	18,751	375,209	0.00	138,162	93,259	12,173	243,594
DP 3 - Inflation Deflation	0.00	(186)	0	0	(186)	0.00	(117)	0	0	(117)
DP 50 - Fixed Cost Reductions	0.00	(11,947)	(8,067)	(1,053)	(21,067)	0.00	(11,819)	(7,978)	(1,041)	(20,838)
DP 2101 - DO OPERATING ADJUSTMENTS	0.00	43,827	29,582	3,861	77,270	0.00	18,372	12,401	1,619	32,392
DP 2102 - DO FUNDING SHIFT	0.00	0	371,206	(371,206)	0	0.00	0	371,206	(371,206)	0
DP 2103 - DO OFFICE OF INFORMATION TECHNOLOGY POSITION	1.00	67,181	45,342	5,919	118,442	1.00	64,043	43,225	5,641	112,909
DP 2105 - DO SERVICENOW REDUCTION	0.00	(57,768)	(38,997)	(5,090)	(101,855)	0.00	(57,768)	(38,997)	(5,090)	(101,855)
Grand Total All Present Law Adjustments	1.00	\$454,320	\$677,985	(\$331,164)	\$801,141	1.00	\$361,224	\$615,090	(\$339,373)	\$636,941

**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 made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: 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 - Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms and information technology.

DP 2101 - DO OPERATING ADJUSTMENTS -

The legislature approved an increase in general fund, state special revenue, and federal funds for various operating adjustments, such as contracted services for a business analysis, office equipment rental, and rent for the DNRC Director's Office portion of the headquarters office located in Helena.

DP 2102 - DO FUNDING SHIFT -

The legislature approved a shift in funding from federal sources to state special revenue. This moves funding from the Director's Office indirect assessment on federal special revenue account to a state special revenue account to properly record the revenues and expenditures of those assessments.

DP 2103 - DO OFFICE OF INFORMATION TECHNOLOGY POSITION -

The legislature approved an increase of 1.00 FTE and appropriations from the general fund, state special revenue, and federal sources. The appropriation will fund an information security officer for cybersecurity for the department's data and systems as required by 2-15-114, MCA.

DP 2105 - DO SERVICENOW REDUCTION -

This change reflects efficiencies that will be identified and implemented using the suite of ServiceNow products that are included in the State Information Technology Services Division fixed cost.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2106 - DO OIT NRIS/GIS FIXED COST ADJUSTMENT	0.00	56,013	0	0	56,013	0.00	56,013	0	0	56,013
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(81,651)	0	0	(81,651)	0.00	0	0	0	0
Total	0.00	(\$25,638)	\$0	\$0	(\$25,638)	0.00	\$56,013	\$0	\$0	\$56,013

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

DP 2106 - DO OIT NRIS/GIS FIXED COST ADJUSTMENT -

The legislature approved an increase in expenditure for the Montana State Library Natural Resource Information System and Geographic Information Service.

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, remain in agency personal services budgets.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	3,267,075	3,191,962	(75,113)	(2.30)%
Operating Expenses	1,012,059	1,037,664	25,605	2.53 %
Equipment & Intangible Assets	113,100	113,100	0	0.00 %
Total Expenditures	\$4,392,234	\$4,342,726	(\$49,508)	(1.13)%
State/Other Special Rev. Funds	4,209,850	4,129,342	(80,508)	(1.91)%
Federal Spec. Rev. Funds	182,384	213,384	31,000	17.00 %
Total Funds	\$4,392,234	\$4,342,726	(\$49,508)	(1.13)%
Total Ongoing	\$4,392,234	\$4,342,726	(\$49,508)	(1.13)%
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 and Gas Conservation Division Major Budget Highlights
<p>The legislature approved a budget of approximately \$4.3 million, a decrease of 1.1% or a \$49,500 when compared to the 2021 biennium appropriation. Legislative adjustments include:</p> <ul style="list-style-type: none"> • Statewide present law adjustments decreasing personal services and fixed costs: \$115,700

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	19.50	19.50	19.50	19.50
Personal Services	1,354,737	1,616,507	1,650,568	1,594,923	1,597,039
Operating Expenses	323,167	489,940	522,119	519,172	518,492
Equipment & Intangible Assets	0	56,550	56,550	56,550	56,550
Total Expenditures	\$1,677,904	\$2,162,997	\$2,229,237	\$2,170,645	\$2,172,081
State/Other Special Rev. Funds	1,602,213	2,087,305	2,122,545	2,063,953	2,065,389
Federal Spec. Rev. Funds	75,691	75,692	106,692	106,692	106,692
Total Funds	\$1,677,904	\$2,162,997	\$2,229,237	\$2,170,645	\$2,172,081
Total Ongoing	\$1,677,904	\$2,162,997	\$2,229,237	\$2,170,645	\$2,172,081
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows adopted program funding by source of authority.

Department of Natural Resources and Conservation, 22-Oil & Gas Conservation Div. 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	8.43 %
02432 Oil & Gas ERA	4,129,342	0	0	4,129,342	91.57 %
State Special Total	\$4,129,342	\$0	\$380,000	\$4,509,342	95.48 %
03356 Oil & Gas Federal	213,384	0	0	213,384	100.00 %
Federal Special Total	\$213,384	\$0	\$0	\$213,384	4.52 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,342,726	\$0	\$380,000	\$4,722,726	

The division is funded through taxes levied on oil and gas production and fees paid by operators of class II injection wells. Statutory funds are appropriated for oil and gas damage mitigation.

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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	0	0	0	0.00 %	2,229,237	2,229,237	4,458,474	102.67 %
SWPL Adjustments	0	0	0	0.00 %	(58,592)	(57,156)	(115,748)	(2.67)%
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		\$2,170,645	\$2,172,081	\$4,342,726	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----				-----Fiscal 2023-----					
	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	(55,645)	0	(55,645)	0.00	0	(53,529)	0	(53,529)
DP 2 - Fixed Costs	0.00	0	(2,947)	0	(2,947)	0.00	0	(3,627)	0	(3,627)
Grand Total All Present Law Adjustments	0.00	\$0	(\$58,592)	\$0	(\$58,592)	0.00	\$0	(\$57,156)	\$0	(\$57,156)

*"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 made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change	
Personal Services	5,100,810	5,414,893	314,083	6.16 %	
Operating Expenses	6,146,233	6,275,969	129,736	2.11 %	
Equipment & Intangible Assets	111,486	87,486	(24,000)	(21.53)%	
Local Assistance	8,116,180	4,116,180	(4,000,000)	(49.28)%	
Grants	3,806,498	4,580,498	774,000	20.33 %	
Benefits & Claims	800,000	800,000	0	0.00 %	
Debt Service	732	0	(732)	(100.00)%	
Total Expenditures	\$24,081,939	\$21,275,026	(\$2,806,913)	(11.66)%	
General Fund	3,436,060	3,606,168	170,108	4.95 %	
State/Other Special Rev. Funds	20,152,307	17,052,286	(3,100,021)	(15.38)%	
Federal Spec. Rev. Funds	493,572	616,572	123,000	24.92 %	
Total Funds	\$24,081,939	\$21,275,026	(\$2,806,913)	(11.66)%	
Total Ongoing	\$23,891,939	\$21,195,786	(\$2,696,153)	(11.28)%	
Total OTO	\$190,000	\$79,240	(\$110,760)	(58.29)%	

Program Description

The Conservation and Resource Development Division (CARDD) provides technical, administrative, financial, and legal assistance to Montana's 58 conservation districts (CD's) by administering the Conservation District Act and assisting CD's as they administer the Natural Streambed and Land Preservation Act. The division co-administers the state revolving fund loan programs with Department of Environmental Quality and provides coal severance tax loans to governmental entities, and private loans. Grant programs administered by the division include the reclamation development, renewable resource, and conservation district grant programs. Administratively attached to the division are:

- Flathead Basin Commission
- Upper Columbia Conservation Commission
- Montana Invasive Species Council
- Rangeland Resource Committee
- Grass Conservation Commission

Additionally, CARDD provides staff for the Montana Sage Grouse Oversight Team, which is attached to the Governor's Office.

Program Highlights

**Conservation and Resource Development Division
Major Budget Highlights**

The legislature approved a budget of approximately \$21.3 million, a decrease of 11.7% or \$2.8 million decrease when compared to the 2021 biennium appropriation. Legislative adjustments include:

- Reductions in state special revenue appropriations: \$4.3 million
- Appropriations to conservation districts: \$984,000
 - HB 223 grant program: \$400,000
 - General operations adjustments: \$284,000
 - Aquatic invasive species check stations: \$200,000
 - One-time-only grant for the restoration of Lake Elmo: \$100,000
- Statewide present law adjustments increases for personal services: \$211,900
- Administrative grants to regional water authorities: \$174,000
- Flathead Basin Commission operations: \$80,000
- Statewide present law adjustments for increased fixed costs: \$28,900
- A one-time-only reduction of general fund for the state share holiday: \$20,800

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	30.17	30.17	30.17	30.17
Personal Services	2,354,355	2,488,911	2,611,899	2,694,627	2,720,266
Operating Expenses	2,535,588	3,059,675	3,086,558	3,137,380	3,138,589
Equipment & Intangible Assets	67,944	67,743	43,743	43,743	43,743
Local Assistance	2,186,870	4,058,090	4,058,090	2,058,090	2,058,090
Grants	1,882,893	1,953,249	1,853,249	2,290,249	2,290,249
Benefits & Claims	0	400,000	400,000	400,000	400,000
Debt Service	727	732	0	0	0
Total Expenditures	\$9,028,377	\$12,028,400	\$12,053,539	\$10,624,089	\$10,650,937
General Fund	1,710,586	1,710,734	1,725,326	1,791,351	1,814,817
State/Other Special Rev. Funds	7,112,506	10,112,380	10,039,927	8,524,452	8,527,834
Federal Spec. Rev. Funds	205,285	205,286	288,286	308,286	308,286
Total Funds	\$9,028,377	\$12,028,400	\$12,053,539	\$10,624,089	\$10,650,937
Total Ongoing	\$9,028,377	\$11,858,400	\$12,033,539	\$10,594,849	\$10,600,937
Total OTO	\$0	\$170,000	\$20,000	\$29,240	\$50,000

Funding

The following table shows adopted program funding by source of authority.

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Dev.

Department of Natural Resources and Conservation, 23-Conservation & Resource Dev.					
Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	3,606,168	0	0	3,606,168	15.52 %
02015 TSEP Regional Water System	2,018,782	0	0	2,018,782	10.62 %
02052 Rangeland Improvement Loans	162,412	0	0	162,412	0.85 %
02104 Miscellaneous State Spec Rev	0	0	0	0	0.00 %
02107 Environmental Contingency RIT	300,000	0	0	300,000	1.58 %
02152 Wtr Pol. Ctrl 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	66,680	0	0	66,680	0.35 %
02326 CST 2016E Ban Proceeds (Tax)	0	0	0	0	0.00 %
02432 Oil & Gas ERA	1,520,511	0	0	1,520,511	8.00 %
02433 Grazing District Fees	48,768	0	0	48,768	0.26 %
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	800,000	0	0	800,000	4.21 %
02532 2016C WW SRF BAN PROCEEDS	0	0	0	0	0.00 %
02576 Natural Resources Operations	435,398	0	0	435,398	2.29 %
02577 Natural Resources Projects	0	0	0	0	0.00 %
02619 2019B GO WW SRF BAN Proceeds	0	0	0	0	0.00 %
02625 HB 8 CST Bonds	0	0	0	0	0.00 %
02680 2019A GO DW SRF BAN Proceeds	0	0	0	0	0.00 %
02694 Coal Bed Methane Protection	274,000	0	0	274,000	1.44 %
02967 GO 2013D Bond Proceeds Taxable	0	0	0	0	0.00 %
02971 RDB PROCEEDS	3,966,180	0	0	3,966,180	20.86 %
02318 Sage Grouse Stewardship	26,053	0	1,962,059	1,988,112	10.46 %
02048 Conservation District Acct	6,133,502	0	0	6,133,502	32.26 %
02284 Aquatic Invasive Species	1,300,000	0	0	1,300,000	6.84 %
02682 2017C DW SRF GO BAN PROCEEDS	0	0	0	0	0.00 %
02951 2017B WW SRF GO BAN PROCEEDS	0	0	0	0	0.00 %
02165 HB0652 SSR - 2021 BIEN	0	0	0	0	0.00 %
02327 CST 2020B Proceeds Taxable	0	0	0	0	0.00 %
02539 2019D GO DW SRF BAN PROCEEDS	0	0	0	0	0.00 %
02049 General License Account	0	0	0	0	0.00 %
State Special Total	\$17,052,286	\$0	\$1,962,059	\$19,014,345	81.83 %
03149 WPC17 SRF Grant	0	0	0	0	0.00 %
03152 DW14 SRF Grant	0	0	0	0	0.00 %
03178 Res Dev & Cons - Fed	0	0	0	0	0.00 %
03245 WPC19 SRF Grant	0	0	0	0	0.00 %
03409 WPC18 SRF Grant	0	0	0	0	0.00 %
03457 WPC20 SRF Grant	0	0	0	0	0.00 %
03812 DW 18 SRF Grant	0	0	0	0	0.00 %
03813 DW19 SRF Grant	0	0	0	0	0.00 %
03815 DW20 SRF Grant	0	0	0	0	0.00 %
03818 DW21 SRF Grant	170,474	0	0	170,474	27.65 %
03953 DW17 SRF Grant	0	0	0	0	0.00 %
03384 Aquatic Invasive Species	0	0	0	0	0.00 %
03608 WPC21 SRF GRANT	137,812	0	0	137,812	22.35 %
03716 WPC22 SRF GRANT	137,812	0	0	137,812	22.35 %
03817 DW22 SRF GRANT	170,474	0	0	170,474	27.65 %
03097 Pittman Robertson Fund	0	0	0	0	0.00 %
Federal Special Total	\$616,572	\$0	\$0	\$616,572	2.65 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$21,275,026	\$0	\$1,962,059	\$23,237,085	

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, fees assessed on hydroelectric facilities, and production taxes on oil and gas. Statutory appropriations for sage grouse habitat are funded by mitigation fees from land developers, donations and transfers from the general fund.

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Dev.

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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	1,725,326	1,725,326	3,450,652	95.69 %	12,033,539	12,033,539	24,067,078	113.12 %
SWPL Adjustments	(8,215)	(5,509)	(13,724)	(0.38)%	117,310	123,398	240,708	1.13 %
PL Adjustments	95,000	95,000	190,000	5.27 %	382,000	382,000	764,000	3.59 %
New Proposals	(20,760)	0	(20,760)	(0.58)%	(1,908,760)	(1,888,000)	(3,796,760)	(17.85)%
Total Budget	\$1,791,351	\$1,814,817	\$3,606,168		\$10,624,089	\$10,650,937	\$21,275,026	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----				-----Fiscal 2023-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(11,939)	115,427	0	103,488	0.00	(9,644)	118,011	0	108,367
DP 2 - Fixed Costs	0.00	3,724	10,098	0	13,822	0.00	4,135	10,896	0	15,031
DP 2301 - CARDD & RANGELAND OPERATING ADJUSTMENTS	0.00	55,000	67,000	20,000	142,000	0.00	55,000	67,000	20,000	142,000
DP 2302 - CARDD CONSERVATION DISTRICT GRANTS	0.00	40,000	160,000	0	200,000	0.00	40,000	160,000	0	200,000
DP 2304 - CARDD FLATHEAD BASIN COMMISSION OPERATING	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 2311 - CARDD FEDERAL FUNDS UPDATE	0.00	0	0	0	0	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$86,785	\$392,525	\$20,000	\$499,310	0.00	\$89,491	\$395,907	\$20,000	\$505,398

**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 made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

DP 2301 - CARDD & RANGELAND OPERATING ADJUSTMENTS -

The legislature approved an increase for operation expenses such as travel, insurance, and contracted services for the Conservation District and Resource Development Bureaus as well as operation expenses for the Wastewater and

57060 - Department of Natural Resources and Conservation 23-Conservation & Resource Dev.

Drinking Water Program of the Resource Development Bureau.

DP 2302 - CARDD CONSERVATION DISTRICT GRANTS -

The legislature approved appropriations of general fund and state special revenue to fund the Conservation District Grant 223 Program. This provides conservation districts with funding to carry out locally led natural resource conservation projects and programs as authorized by law. Additional funding is needed to respond to flooding, forest fires, and the mitigation of these natural resource events.

DP 2304 - CARDD FLATHEAD BASIN COMMISSION OPERATING -

The legislature approved an increase in appropriation for operation of the Flathead Basin Commission.

DP 2311 - CARDD FEDERAL FUNDS UPDATE -

The legislature approved a transfer of budget authority between federal funding sources that support the State Revolving Fund Program. This decision package has no impact on the overall budget.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 52 - Reduce State Special Revenue	0.00	0	(2,125,000)	0	(2,125,000)	0.00	0	(2,125,000)	0	(2,125,000)
DP 2316 - REGIONAL WATER GRANTS	0.00	0	87,000	0	87,000	0.00	0	87,000	0	87,000
DP 2318 - Lake Elmo Restoration (RST/OTO)	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 2319 - Conservation District AIS Check Stations (Restricted)	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(20,760)	0	0	(20,760)	0.00	0	0	0	0
Total	0.00	(\$20,760)	(\$1,888,000)	\$0	(\$1,908,760)	0.00	\$0	(\$1,888,000)	\$0	(\$1,888,000)

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

DP 52 - Reduce State Special Revenue -

The legislature reduced appropriations for state special revenue.

DP 2316 - REGIONAL WATER GRANTS -

The legislature approved an appropriation from the coal bed methane state special revenue account (02694) to the agency for the administration grants to the regional water authority.

DP 2318 - Lake Elmo Restoration (RST/OTO) -

The legislature approved an appropriation from the environmental contingency state special revenue account to fund aquatic invasive species eradication at Lake Elmo in Yellowstone County. The project will be administered by the Yellowstone County Conservation District.

DP 2319 - Conservation District AIS Check Stations (Restricted) -

The legislature approved an increase in appropriation from the environmental contingency state special revenue account to fund aquatic invasive species check stations operated by conservation districts.

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, remain in agency personal services budgets.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	22,365,803	23,042,130	676,327	3.02 %
Operating Expenses	13,363,944	15,189,380	1,825,436	13.66 %
Equipment & Intangible Assets	272,998	365,698	92,700	33.96 %
Transfers	83,182	83,182	0	0.00 %
Debt Service	1,299,232	1,477,408	178,176	13.71 %
Total Expenditures	\$37,385,159	\$40,157,798	\$2,772,639	7.42 %
General Fund	21,079,711	22,732,475	1,652,764	7.84 %
State/Other Special Rev. Funds	15,824,298	16,865,158	1,040,860	6.58 %
Federal Spec. Rev. Funds	481,150	560,165	79,015	16.42 %
Total Funds	\$37,385,159	\$40,157,798	\$2,772,639	7.42 %
Total Ongoing	\$37,120,159	\$40,241,657	\$3,121,498	8.41 %
Total OTO	\$265,000	(\$83,859)	(\$348,859)	(131.64)%

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
- Compact Implementation Program

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, and water measurement
- To implement 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**

The legislature approved a budget of approximately \$40.2 million, an increase of 7.4% or \$2.8 million increase when compared to the 2021 biennium appropriation. Legislative adjustments include:

- General fund appropriations to support division regional offices: \$1.0 million
- General fund appropriations to fund 3.00 FTE to implement the Confederated Salish and Kootenai Tribes water compact: \$800,000
- Lewistown, East Fork Dam final design: \$800,000
- Hydro-Electric power plant operator, 1.00 FTE: \$214,200
- A one-time-only reduction in general fund for state shared holiday: \$182,600
- Statewide present law adjustment increases for personal services, fixed costs, and inflation: \$28,200

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	132.26	132.26	136.26	136.26
Personal Services	10,372,877	11,111,542	11,254,261	11,404,357	11,637,773
Operating Expenses	4,404,797	6,637,359	6,726,585	7,471,603	7,717,777
Equipment & Intangible Assets	143,676	139,499	133,499	232,199	133,499
Transfers	19,995	41,591	41,591	41,591	41,591
Debt Service	546,901	560,528	738,704	738,704	738,704
Total Expenditures	\$15,488,246	\$18,490,519	\$18,894,640	\$19,888,454	\$20,269,344
General Fund	9,754,591	10,456,261	10,623,450	11,128,238	11,604,237
State/Other Special Rev. Funds	5,535,231	7,831,911	7,992,387	8,480,278	8,384,880
Federal Spec. Rev. Funds	198,424	202,347	278,803	279,938	280,227
Total Funds	\$15,488,246	\$18,490,519	\$18,894,640	\$19,888,454	\$20,269,344
Total Ongoing	\$15,418,303	\$18,420,519	\$18,699,640	\$19,972,313	\$20,269,344
Total OTO	\$69,943	\$70,000	\$195,000	(\$83,859)	\$0

Funding

The following table shows adopted 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	22,732,475	0	0	22,732,475	56.61 %	
02104 Miscellaneous State Spec Rev	0	0	0	0	0.00 %	
02145 Broadwater O & M	1,301,903	0	0	1,301,903	7.72 %	
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	1,519,978	0	0	1,519,978	9.01 %	
02306 Blackfeet Infrastructure	0	0	0	0	0.00 %	
02351 Water Project Lands Lease Acct	119,686	0	0	119,686	0.71 %	
02404 Water Project Loans	616,956	0	0	616,956	3.66 %	
02430 Water Right Appropriation	1,349,326	0	0	1,349,326	8.00 %	
02431 Water Adjudication	4,814,672	0	0	4,814,672	28.55 %	
02470 State Project Hydro Earnings	6,664,004	0	0	6,664,004	39.51 %	
02576 Natural Resources Operations	255,122	0	0	255,122	1.51 %	
02694 Coal Bed Methane Protection	0	0	0	0	0.00 %	
02825 Water Well Contractors	223,511	0	0	223,511	1.33 %	
02307 Blackfeet Birch CK Agmt-Escrow	0	0	0	0	0.00 %	
State Special Total	\$16,865,158	\$0	\$0	\$16,865,158	42.00 %	
03034 Yellowstone Groundwater NPS	43,658	0	0	43,658	7.79 %	
03094 FEMA Federal Grants	516,507	0	0	516,507	92.21 %	
03308 Water Resources - Federal	0	0	0	0	0.00 %	
03724 AA Miscellaneous Federal	0	0	0	0	0.00 %	
Federal Special Total	\$560,165	\$0	\$0	\$560,165	1.39 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$40,157,798	\$0	\$0	\$40,157,798		

The Water Resources Division is predominantly funded with general fund and state special revenue. Revenue is primarily generated from the sale of electricity at the state owned Toston Dam in Broadwater County. Revenues generated from fees include water rights filing fees and water adjudication fees. The division also receives revenue from taxes on metal mines, oil, and gas production.

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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	10,553,450	10,553,450	21,106,900	92.85 %	18,699,640	18,699,640	37,399,280	93.13 %
SWPL Adjustments	(12,765)	20,899	8,134	0.04 %	(5,893)	34,084	28,191	0.07 %
PL Adjustments	500,000	500,000	1,000,000	4.40 %	1,107,154	1,005,732	2,112,886	5.26 %
New Proposals	87,553	529,888	617,441	2.72 %	87,553	529,888	617,441	1.54 %
Total Budget	\$11,128,238	\$11,604,237	\$22,732,475		\$19,888,454	\$20,269,344	\$40,157,798	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(30,742)	(4,194)	1,025	(33,911)	0.00	(3,933)	1,319	1,306	(1,308)
DP 2 - Fixed Costs	0.00	35,463	10,760	110	46,333	0.00	35,799	10,962	118	46,879
DP 3 - Inflation Deflation	0.00	(17,486)	(829)	0	(18,315)	0.00	(10,967)	(520)	0	(11,487)
DP 2401 - WRD ESSENTIAL OPERATING FUNDS	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 2402 - WRD EAST FORK FINAL DESIGN	0.00	0	400,000	0	400,000	0.00	0	400,000	0	400,000
DP 2404 - WRD FLOW MEASUREMENT EQUIP (RST/OTO)	0.00	0	98,700	0	98,700	0.00	0	0	0	0
DP 2414 - WRD HYDROELECTRIC PLANT OPERATOR FTE	1.00	0	108,454	0	108,454	1.00	0	105,732	0	105,732
Grand Total All Present Law Adjustments	1.00	\$487,235	\$612,891	\$1,135	\$1,101,261	1.00	\$520,899	\$517,493	\$1,424	\$1,039,816

***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 made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: 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 2401 - WRD ESSENTIAL OPERATING FUNDS -

The legislature approved an increase in general fund to support the eight Water Resource Division regional offices in Billings, Bozeman, Glasgow, Havre, Helena, Kalispell, Lewistown, and Missoula.

DP 2402 - WRD EAST FORK FINAL DESIGN -

The legislature approved an increase in state special revenue for the final design and construction documents for the rehabilitation of the East Fork Dam near Lewistown. Rehabilitation will include a new spillway and seepage mitigation measures.

DP 2404 - WRD FLOW MEASUREMENT EQUIP (RST/OTO) -

The legislature approved a one-time-only increase in state special revenue to purchase equipment to measure flows into reservoirs and canals.

DP 2414 - WRD HYDROELECTRIC PLANT OPERATOR FTE -

The legislature approved an increase in state special revenue to support an increase of 1.00 FTE at the Broadwater power project. The funding will support a hydroelectric plant operator.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2405 - CSKT -MONTANA COMPACT IMPLEMENTATION	3.00	270,112	0	0	270,112	3.00	529,888	0	0	529,888
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(182,559)	0	0	(182,559)	0.00	0	0	0	0
Total	3.00	\$87,553	\$0	\$0	\$87,553	3.00	\$529,888	\$0	\$0	\$529,888

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

DP 2405 - CSKT -MONTANA COMPACT IMPLEMENTATION -

The legislature approved an \$800,000 increase in general fund to implement the Confederated Salish and Kootenai Tribes - State of Montana Water Rights Compact. This funding will be used to implement the compact by providing technical and administrative support for on and off-reservation water rights administration, water measurement, and evaluating large scale rehabilitation and restoration projects which directly affect the long-term validity of the Flathead Indian irrigation project (FIIP) and the significant number of users served by the FIIP. The request includes 3.00 FTE including 1.00 FTE for a hydrologist, 1.00 FTE for a water conservation specialist, and 1.00 FTE for a civil engineering specialist.

The legislature restricted \$100,000 in each year of the biennium to implement the Montana Environmental Policy Act (MEPA)(75-1-102, MCA), National Environmental Protection Act (NEPA)(42 U.S.C. §§ 4321 et seq.), and the protection and administration of state-based water rights.

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, remain in agency personal services budgets.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	45,632,520	45,457,429	(175,091)	(0.38)%
Operating Expenses	18,313,593	18,515,837	202,244	1.10 %
Equipment & Intangible Assets	1,867,258	2,113,440	246,182	13.18 %
Capital Outlay	43,900	0	(43,900)	(100.00)%
Grants	594,930	494,930	(100,000)	(16.81)%
Transfers	3,369,304	3,364,304	(5,000)	(0.15)%
Debt Service	53,562	49,874	(3,688)	(6.89)%
Total Expenditures	\$69,875,067	\$69,995,814	\$120,747	0.17 %
General Fund	29,314,488	28,235,561	(1,078,927)	(3.68)%
State/Other Special Rev. Funds	38,119,758	39,008,429	888,671	2.33 %
Federal Spec. Rev. Funds	2,440,824	2,751,824	311,000	12.74 %
Total Funds	\$69,875,070	\$69,995,814	\$120,744	0.17 %
Total Ongoing	\$68,059,070	\$70,300,517	\$2,241,447	3.29 %
Total OTO	\$1,816,000	(\$304,703)	(\$2,120,703)	(116.78)%

Program Description

The Forestry Division is responsible for planning and implementing forestry programs statewide. Division responsibilities include protecting natural resources from wildfire, regulating forest practices, providing a variety of services to private forest landowners, implementing cross boundary projects to build resilient forests, sustainable economies and fire adapted communities, increasing forest restoration, management and health on federal lands and growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

- Fire Protection Program: Protects lives, property and natural resources from wildfire by providing safe and effective services to Montana’s citizens as well as leadership, coordination and resources to the state’s wildfire organizations. To the extent possible, the bureau embraces effective wildfire response, fire adapted communities, and resilient landscapes
- Forestry Assistance Program: Promotes the implementation of the Montana Forest Action Plan by working across boundaries building resilient forests, sustainable economies and fire-adapted communities. This program also connects landowners with technical guidance and cost-share programs to actively manage forests, provides seedlings for conservation projects statewide, and is responsible for ensuring compliance with the Streamside Management Zone Law, Timber Slash and Debris Law, and the Forest Practice Notification Law on non-federal lands
- Good Neighbor Authority Program: This program is organized around the existing federal Good Neighbor Authority, to increase forest restoration and management, and address forest health and resiliency, wildfire risk, and insect and disease infected forests through active management. This is accomplished through partnerships with federal land management agencies, conservation organizations and collaboratives. In addition to improving forest health and reducing wildfire risk, these efforts provide a consistent commercial timber volume, retain forest industry jobs, and improve wildlife habit and recreation opportunities on federal lands
- Shared Stewardship Program: This program engages with a diverse group of partners to respond to the United States Forest Service Shared Stewardship Strategy, which calls for the state to take a lead role in convening stakeholders to set priorities across broad forested landscapes

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 60 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
- 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 a budget of approximately \$70.0 million, an increase of 0.2% or a \$120,700 increase when compared to the 2021 biennium appropriation. Legislative adjustments include:</p> <ul style="list-style-type: none"> • County Cooperative Fire Protection Program operating expenses and 1.50 FTE: \$689,200 • Trust lands management division operating expenses and 2.00 FTE: \$330,600 • A one-time-only reduction in general fund for the state shared holiday: \$304,700 • Statewide present law adjustments for personal services: \$220,600 • Operating adjustments for trust lands and facilities maintenance: \$201,300 • Statewide present law adjustments for fixed costs and inflation: \$28,200

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	290.18	290.18	293.68	293.68
Personal Services	22,174,280	22,625,678	23,006,842	22,548,435	22,908,994
Operating Expenses	8,520,761	9,033,346	9,280,247	9,261,754	9,254,083
Equipment & Intangible Assets	813,312	810,538	1,056,720	1,056,720	1,056,720
Capital Outlay	43,917	43,900	0	0	0
Grants	279,743	347,465	247,465	247,465	247,465
Transfers	1,692,842	1,687,152	1,682,152	1,682,152	1,682,152
Debt Service	16,685	28,625	24,937	24,937	24,937
Total Expenditures	\$33,541,540	\$34,576,704	\$35,298,363	\$34,821,463	\$35,174,351
General Fund	14,498,168	14,547,913	14,766,575	13,952,431	14,283,130
State/Other Special Rev. Funds	18,182,891	18,963,882	19,155,876	19,493,120	19,515,309
Federal Spec. Rev. Funds	860,481	1,064,912	1,375,912	1,375,912	1,375,912
Total Funds	\$33,541,540	\$34,576,707	\$35,298,363	\$34,821,463	\$35,174,351
Total Ongoing	\$32,658,541	\$33,643,707	\$34,415,363	\$35,126,166	\$35,174,351
Total OTO	\$882,999	\$933,000	\$883,000	(\$304,703)	\$0

Funding

The following table shows adopted program funding by source of authority.

Department of Natural Resources and Conservation, 35-Forestry & Trust Lands						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	28,235,561	0	0	28,235,561	35.33 %	
02031 LAND BANKING PRVT CLOSNG COSTS	540,784	0	0	540,784	1.35 %	
02039 Fire Protection Assessments	7,784,081	0	0	7,784,081	19.38 %	
02073 Forestry - Slash Disposal	153,514	0	0	153,514	0.38 %	
02104 Miscellaneous State Spec Rev	0	0	0	0	0.00 %	
02119 Non Land Grant Income - NB	0	0	0	0	0.00 %	
02297 Morrill Trust Land Admin	0	0	0	0	0.00 %	
02449 Forest Resources-Forest Improv	2,707,344	0	0	2,707,344	6.74 %	
02576 Natural Resources Operations	187,144	0	0	187,144	0.47 %	
02623 Contract Timber Harvesting	0	0	0	0	0.00 %	
02681 Historic Right-of-Way Acct	20,806	0	0	20,806	0.05 %	
02912 TLMD Land Exchange Admin	100,000	0	0	100,000	0.25 %	
02938 TLMD Trust Administration	27,514,756	0	0	27,514,756	68.50 %	
02048 Conservation District Acct	0	0	0	0	0.00 %	
02500 GNA STATE SPECIAL REVENUE	0	0	1,157,751	1,157,751	2.88 %	
State Special Total	\$39,008,429	\$0	\$1,157,751	\$40,166,180	50.26 %	
03049 Consolidated Grant FY20	0	0	0	0	0.00 %	
03050 Non-Consolidated Grant FY20	0	0	0	0	0.00 %	
03264 NON-CONSOLIDATED GRANT-FY23	300,407	0	0	300,407	6.90 %	
03283 Consolidated Grant - FY21	0	0	0	0	0.00 %	
03284 Non-Consolidated Grant - FY21	0	0	0	0	0.00 %	
03472 NON-CONSOLIDATED GRANT FY14	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-FY 16	0	0	0	0	0.00 %	
03567 CONSOLIDATED GRANT-FY 17	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 %	
03805 CONSOLIDATED GRANT-FY23	1,075,505	0	0	1,075,505	24.71 %	
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	0	0	0	0	0.00 %	
03494 Non-Consolidated Grant FY19	0	0	0	0	0.00 %	
03500 GNA FEDERAL SPECIAL REVENUE	0	0	1,600,000	1,600,000	36.77 %	
03638 GNA BLM MONTANA	0	0	0	0	0.00 %	
03211 NON-CONSOLIDATED GRANT-FY22	300,407	0	0	300,407	6.90 %	
03213 CONSOLIDATED GRANT-FY22	1,075,505	0	0	1,075,505	24.71 %	
Federal Special Total	\$2,751,824	\$0	\$1,600,000	\$4,351,824	5.45 %	
06003 State Nursery Enterprise Fund	0	1,621,501	0	1,621,501	22.64 %	
06538 Air Operations Internal Svc.	0	5,540,352	0	5,540,352	77.36 %	
Proprietary Total	\$0	\$7,161,853	\$0	\$7,161,853	8.96 %	
Total All Funds	\$69,995,814	\$7,161,853	\$2,757,751	\$79,915,418		

General fund provides general division support as well as the fixed costs of the Fire Protection Program. About half 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 administration fund revenue. Statutory appropriations support 7.00 FTE that perform forest management on federal lands through the Good Neighbor Authority and are funded through revenues generated by that program. Proprietary revenues are generated from the sale of state nursery products, and fees charged to other agencies for aircraft services.

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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	13,883,575	13,883,575	27,767,150	98.34 %	34,415,363	34,415,363	68,830,726	98.34 %
SWPL Adjustments	81,587	118,520	200,107	0.71 %	91,256	157,479	248,735	0.36 %
PL Adjustments	255,410	244,473	499,883	1.77 %	582,985	564,947	1,147,932	1.64 %
New Proposals	(268,141)	36,562	(231,579)	(0.82)%	(268,141)	36,562	(231,579)	(0.33)%
Total Budget	\$13,952,431	\$14,283,130	\$28,235,561		\$34,821,463	\$35,174,351	\$69,995,814	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	60,512	21,918	0	82,430	0.00	86,516	51,622	0	138,138
DP 2 - Fixed Costs	0.00	28,329	(1,348)	0	26,981	0.00	36,553	(5,827)	0	30,726
DP 3 - Inflation Deflation	0.00	(7,254)	(10,901)	0	(18,155)	0.00	(4,549)	(6,836)	0	(11,385)
DP 35101 - FD FIRE PROTECTION & COUNTY CO-OP RESOURCES	1.50	236,553	116,510	0	353,063	1.50	225,198	110,917	0	336,115
DP 35103 - FD FEDERAL FUNDS UPDATE	0.00	0	0	0	0	0.00	0	0	0	0
DP 35201 - TLMD FORESTER FTE FOR FOREST MANAGEMENT	2.00	0	168,042	0	168,042	2.00	0	162,539	0	162,539
DP 35202 - TLMD & FORESTRY - OPERATING ADJUSTMENTS	0.00	18,857	43,023	0	61,880	0.00	19,275	47,018	0	66,293
Grand Total All Present Law Adjustments	3.50	\$336,997	\$337,244	\$0	\$674,241	3.50	\$362,993	\$359,433	\$0	\$722,426

**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 made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: 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 35101 - FD FIRE PROTECTION & COUNTY CO-OP RESOURCES -

The legislature approved an increase of 1.50 FTE funded with general fund and state special revenue. The positions will support County Co-op Fire Protection Program capacity and modernize resources to meet current and expected needs

related to aviation, communications, and operational support.

DP 35103 - FD FEDERAL FUNDS UPDATE -

The legislature approved shifting federal appropriation authority between several federal funds, this decision package does not affect the overall budget.

DP 35201 - TLMD FORESTER FTE FOR FOREST MANAGEMENT -

The legislature approved an increase of 2.00 FTE funded with state special revenue and related operating expenses. The positions will provide additional timber sale capacity for the Forest Management Program.

DP 35202 - TLMD & FORESTRY - OPERATING ADJUSTMENTS -

The legislature approved an increase in general fund and state special revenue appropriation for operating cost at the field offices for Northwestern, Central, Northeastern Land Offices and the Trust Lands headquarters.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(304,703)	0	0	(304,703)	0.00	0	0	0	0
DP 18001 - O&M for new facilities	0.00	36,562	0	0	36,562	0.00	36,562	0	0	36,562
Total	0.00	(\$268,141)	\$0	\$0	(\$268,141)	0.00	\$36,562	\$0	\$0	\$36,562

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

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, remain in agency personal services budgets.

DP 18001 - O&M for new facilities -

The legislature approved an increase in general fund for the operation and maintenance of new construction authorized in HB 5. The new construction is for conservation district offices.