

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	24,207,362	25,140,479	933,117	3.85 %
Operating Expenses	12,063,406	12,232,952	169,546	1.41 %
Grants	504,040	504,040	0	0.00 %
Transfers	28,612	8,002	(20,610)	(72.03)%
<b>Total Expenditures</b>	<b>\$36,803,420</b>	<b>\$37,885,473</b>	<b>\$1,082,053</b>	<b>2.94 %</b>
General Fund	5,206,846	5,318,311	111,465	2.14 %
State/Other Special Rev. Funds	15,243,724	15,860,917	617,193	4.05 %
Federal Spec. Rev. Funds	16,352,850	16,706,245	353,395	2.16 %
<b>Total Funds</b>	<b>\$36,803,420</b>	<b>\$37,885,473</b>	<b>\$1,082,053</b>	<b>2.94 %</b>
<b>Total Ongoing</b>	<b>\$36,803,420</b>	<b>\$37,885,473</b>	<b>\$1,082,053</b>	<b>2.94 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Biennium Comparison -**

The biennium comparison table shows an increase in total appropriation of 2.9% or \$1.1 million.

**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
- 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**

<p><b>Water Quality Division Major Budget Highlights</b></p>
<p>The executive proposes a 2.9% or \$1.1 million increase in total appropriations compared to the previous biennium primarily as a result of statewide present law adjustments totaling \$905,700.</p>

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	135.67	135.67	135.67	135.67
Personal Services	10,299,890	12,015,830	12,191,532	12,553,130	12,587,349
Operating Expenses	4,200,400	6,021,082	6,042,324	6,117,126	6,115,826
Grants	204,763	252,020	252,020	252,020	252,020
Transfers	24,083	24,611	4,001	4,001	4,001
<b>Total Expenditures</b>	<b>\$14,729,136</b>	<b>\$18,313,543</b>	<b>\$18,489,877</b>	<b>\$18,926,277</b>	<b>\$18,959,196</b>
General Fund	2,581,640	2,587,589	2,619,257	2,657,762	2,660,549
State/Other Special Rev. Funds	6,439,421	7,587,343	7,656,381	7,923,473	7,937,444
Federal Spec. Rev. Funds	5,708,075	8,138,611	8,214,239	8,345,042	8,361,203
<b>Total Funds</b>	<b>\$14,729,136</b>	<b>\$18,313,543</b>	<b>\$18,489,877</b>	<b>\$18,926,277</b>	<b>\$18,959,196</b>
<b>Total Ongoing</b>	<b>\$14,729,136</b>	<b>\$18,313,543</b>	<b>\$18,489,877</b>	<b>\$18,926,277</b>	<b>\$18,959,196</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriations Compared to FY 2020 Actual Expenditures*

The Water Quality Division expended 80.4% of its \$18.3 million HB 2 modified budget in FY 2020. This rate of expenditure is consistent with the average rate of expenditure over the last ten years. Unexpended appropriation totaled \$3.6 million primarily state special and federal revenue. The general fund appropriation of \$2.6 million was 99.8% expended, leaving \$6,000 unexpended.

- Personal services were 85.7% expended leaving \$1.7 million unexpended
- Appropriations for operating expenses were 69.8% expended leaving \$1.8 million unexpended

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Appropriations grew by 1.0% or \$176,300 between FY 2020 and FY 2021. Increases are primarily for personal services.

*Executive Request*

The executive proposal includes only statewide present law adjustments, total appropriations increase by 2.9% or \$1.1 million. As proposed by the executive the budget is funded with 14.0% general fund, 41.9% with state special revenue, and 44.1% federal sources.

*Personal Services*

The personal services appropriation in FY 2021 totaled \$12.2 million or 65.9% of total appropriations. The FY 2021 appropriation funded 135.67 FTE. The executive proposes SWPL adjustments that increase personal services by \$361,598 in FY 2022 and \$395,817 in FY 2023, there is no increase in FTE. The SWPL adjustment for this program is funded primarily from state special revenue generated from surface water discharge permits. All employees received statutory adjustments, 55 positions career ladder adjustments, and 70 positions had adjustments for longevity. Adjustments are partially offset by employee turnover and retirements.

**Funding**

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

Department of Environmental Quality, 20-Water Quality Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	5,318,311	0	0	0	5,318,311	14.04 %	
02204 Public Drinking Water	2,615,233	0	0	0	2,615,233	16.49 %	
02206 Agriculture Monitoring	10,914	0	0	0	10,914	0.07 %	
02223 Wastewater SRF Special Admin	2,163,523	0	0	0	2,163,523	13.64 %	
02278 MPDES Permit Program	6,796,370	0	0	0	6,796,370	42.85 %	
02316 SRF Bonds State Administration	70,004	0	0	0	70,004	0.44 %	
02418 Subdivision Plat Review	2,573,090	0	0	0	2,573,090	16.22 %	
02420 Bd of Cert For W&WW OP	314,324	0	0	0	314,324	1.98 %	
02491 Drinking Water Spec Admin Cost	1,317,459	0	0	0	1,317,459	8.31 %	
<b>State Special Total</b>	<b>\$15,860,917</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,860,917</b>	<b>41.87 %</b>	
03003 Regional Wetlands Program	362,726	0	0	0	362,726	2.17 %	
03033 FY19 WQ 604B Grant	0	0	0	0	0	0.00 %	
03091 106 Monitor Suppl Initiative	312,360	0	0	0	312,360	1.87 %	
03101 106 Suppl Monitor 2016-2019	0	0	0	0	0	0.00 %	
03149 WPC17 SRF Grant	0	0	0	0	0	0.00 %	
03190 Water 106 Monitoring Init.	49,950	0	0	0	49,950	0.30 %	
03229 Wetland Voluntary Restoration	0	0	0	0	0	0.00 %	
03231 NPS20 Staffing Grant	428,880	0	0	0	428,880	2.57 %	
03245 WPC19 SRF Grant	100,000	0	0	0	100,000	0.60 %	
03262 EPA Ppg	0	0	0	0	0	0.00 %	
03311 FY16 NPS Project Grant	0	0	0	0	0	0.00 %	
03312 FY17 NPS Project Grant	0	0	0	0	0	0.00 %	
03318 Water Quality 604B Grant	200,000	0	0	0	200,000	1.20 %	
03364 NPS20 Project Grant	0	0	0	0	0	0.00 %	
03385 106 Monitoring 2019-2022	0	0	0	0	0	0.00 %	
03409 WPC18 SRF Grant	0	0	0	0	0	0.00 %	
03433 EPA Perf Partnership Grant	8,259,614	0	0	0	8,259,614	49.44 %	
03436 NPS Staffing & Support	0	0	0	0	0	0.00 %	
03442 DEQ-COVID Relief 12/30/20	0	0	0	0	0	0.00 %	
03449 NPS18 Project Grant	0	0	0	0	0	0.00 %	
03450 NPS19 Project Grant	0	0	0	0	0	0.00 %	
03457 WPC20 SRF Grant	302,174	0	0	0	302,174	1.81 %	
03478 Lead in Schools	0	0	0	0	0	0.00 %	
03676 Bureau of Land Management	361,488	0	0	0	361,488	2.16 %	
03691 Non Pt Source Staffing/Support	2,133,330	0	0	0	2,133,330	12.77 %	
03695 SRF St Tribal Rel Agrmt Grant	116,800	0	0	0	116,800	0.70 %	
03812 DW 18 SRF Grant	150,000	0	0	0	150,000	0.90 %	
03813 DW19 SRF Grant	420,080	0	0	0	420,080	2.51 %	
03814 EPA Water Quality 205J	200,000	0	0	0	200,000	1.20 %	
03815 DW20 SRF Grant	3,308,843	0	0	0	3,308,843	19.81 %	
03952 DW16 SRF Grant	0	0	0	0	0	0.00 %	
03953 DW17 SRF Grant	0	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$16,706,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,706,245</b>	<b>44.10 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$37,885,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,885,473</b>		

The water quality division is funded primarily with state and federal funds. State and federal funds constitute 86.0% 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.

**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](#).

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	2,619,257	2,619,257	5,238,514	98.50 %	18,489,877	18,489,877	36,979,754	97.61 %
SWPL Adjustments	38,505	41,292	79,797	1.50 %	436,400	469,319	905,719	2.39 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$2,657,762</b>	<b>\$2,660,549</b>	<b>\$5,318,311</b>		<b>\$18,926,277</b>	<b>\$18,959,196</b>	<b>\$37,885,473</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	17,312	227,988	116,298	361,598	0.00	21,202	243,997	130,618	395,817
DP 2 - Fixed Costs	0.00	21,193	39,104	22,606	82,903	0.00	20,090	37,066	21,428	78,584
DP 3 - Inflation Deflation	0.00	0	0	(8,101)	(8,101)	0.00	0	0	(5,082)	(5,082)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$38,505</b>	<b>\$267,092</b>	<b>\$130,803</b>	<b>\$436,400</b>	<b>0.00</b>	<b>\$41,292</b>	<b>\$281,063</b>	<b>\$146,964</b>	<b>\$469,319</b>

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget 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 -

This change package includes funding to reflect budgetary changes generated from the application of inflation to specific expenditure accounts.