

**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	16,743,489	17,181,104	437,615	2.61 %
Operating Expenses	22,790,777	22,297,389	(493,388)	(2.16)%
Grants	3,047,686	1,306,294	(1,741,392)	(57.14)%
Benefits & Claims	0	850,000	850,000	0.00 %
Transfers	5,556,398	5,429,398	(127,000)	(2.29)%
<b>Total Expenditures</b>	<b>\$48,138,350</b>	<b>\$47,064,185</b>	<b>(\$1,074,165)</b>	<b>(2.23)%</b>
General Fund	672,414	675,688	3,274	0.49 %
State/Other Special Rev. Funds	26,948,649	24,789,462	(2,159,187)	(8.01)%
Federal Spec. Rev. Funds	20,517,287	21,599,035	1,081,748	5.27 %
<b>Total Funds</b>	<b>\$48,138,350</b>	<b>\$47,064,185</b>	<b>(\$1,074,165)</b>	<b>(2.23)%</b>
<b>Total Ongoing</b>	<b>\$47,138,350</b>	<b>\$47,064,185</b>	<b>(\$74,165)</b>	<b>(0.16)%</b>
<b>Total OTO</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>(\$1,000,000)</b>	<b>(100.00)%</b>

**Program Biennium Comparison -**

The biennium comparison table shows a decrease in total appropriation of 2.2% or \$1.1 million, ongoing appropriations decrease by 0.2% or \$0.1 million.

**Program Description**

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

<b>Waste Management &amp; Remediation Major Budget Highlights</b>
<p>The executive proposal decreases total appropriations of 2.2% or \$1.1 million, while ongoing expenditures would decrease by 0.2% or \$74,200. The executive proposes:</p> <ul style="list-style-type: none"> <li>• Decrease in state special revenue appropriation of \$641,400                             <ul style="list-style-type: none"> <li>◦ Increases in appropriation from the state special revenue orphan share account: \$1.1 million</li> <li>◦ Reducing appropriation from the state special revenue junk vehicle disposal account to align expenditures with anticipated revenues: \$1.7 million</li> </ul> </li> <li>• Statewide present law adjustments totaling \$440,500</li> </ul>

**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	100.01	100.01	100.01	100.01
Personal Services	7,406,126	8,308,696	8,434,793	8,574,766	8,606,338
Operating Expenses	7,756,197	11,331,568	11,459,209	11,149,193	11,148,196
Grants	1,411,459	1,523,843	1,523,843	653,053	653,241
Benefits & Claims	0	0	0	425,000	425,000
Transfers	204,874	2,841,699	2,714,699	2,714,699	2,714,699
<b>Total Expenditures</b>	<b>\$16,778,656</b>	<b>\$24,005,806</b>	<b>\$24,132,544</b>	<b>\$23,516,711</b>	<b>\$23,547,474</b>
General Fund	333,226	334,570	337,844	337,844	337,844
State/Other Special Rev. Funds	10,448,531	13,435,231	13,513,418	12,382,431	12,407,031
Federal Spec. Rev. Funds	5,996,899	10,236,005	10,281,282	10,796,436	10,802,599
<b>Total Funds</b>	<b>\$16,778,656</b>	<b>\$24,005,806</b>	<b>\$24,132,544</b>	<b>\$23,516,711</b>	<b>\$23,547,474</b>
<b>Total Ongoing</b>	<b>\$16,278,656</b>	<b>\$23,505,806</b>	<b>\$23,632,544</b>	<b>\$23,516,711</b>	<b>\$23,547,474</b>
<b>Total OTO</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriations Compared to FY 2020 Actual Expenditures*

The waste management & remediation division expended 69.9% of its \$24.0 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 \$7.2 million primarily state special and federal revenue. The general fund appropriation of \$334,600 was 99.6% expended, leaving \$1,300 unexpended. Unexpended appropriation is summarized below:

- Personal services were 89.1% expended leaving \$902,600 unexpended
- Appropriations for operating expenses were 68.4% expended leaving \$3.6 million unexpended
- Appropriation budgeted for transfers, primarily federal funds, were 7.2% expended leaving \$2.6 million unexpended

- State special revenue appropriated for grants from the junk vehicle disposal account were 92.6% expended leaving \$112,400 unexpended

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Appropriations grew by 0.5% or \$126,700 between FY 2020 and FY 2021. Personal services increased by 1.5% or \$126,100. Operating expenses grew by 1.1% or \$127,600. Funds appropriated for transfers declined by 4.5% or \$127,000.

*Executive proposal*

The executive proposal includes statewide present law adjustments and reductions in state special revenue. Statewide present law adjustments total \$440,500 and are funded with state special revenue and federal revenue. New proposals are funded solely from the state special revenue Orphan Share Account, they include:

- Expanding the use of the Orphan Share account by \$1.1 million. The 2019 Legislature approved expanding the use of the Orphan Share account by \$500,000 to allow the Department of Environmental Quality to evaluate and take remedial actions to respond to a release or threatened release at petroleum or hazardous substance sites. New proposals would increase appropriations for the same purpose
- Reducing the appropriation from the Junk Vehicle Disposal account by \$1.7 million to align appropriations with anticipated revenues.

As proposed by the executive, the division budget is funded 1.4% with general fund, 52.7% with state special revenue, and 45.9% from federal sources.

*Personal Services*

Personal services appropriation in FY 2021 totaled \$8.4 million or 35.0% of total appropriations. The FY 2021 appropriation funded 100.01 FTE. The Executive proposes SWPL adjustments that increase personal services by \$139,973 in FY 2022 and \$171,545 in FY 2023, with no increase in FTE. The SWPL adjustments for this program reflect a shift away from state special revenues towards federal sources designated for reclamation of abandoned mines. All employees received statutory adjustments, 50 positions received career ladder adjustments, and 41 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.

**53010 - Department Of Environmental Quality 40-Waste Management & Remediation Division**

Department of Environmental Quality, 40-Waste Management & Remediation Division							
Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	675,688	0	0	0	675,688	1.44 %	
02054 UST-Installer Lic & Permit Acc	200,818	0	0	0	200,818	0.81 %	
02058 Petroleum Storage Tank Cleanup	3,281,021	0	0	0	3,281,021	13.24 %	
02070 Hazardous Waste-CERCLA	1,275,024	0	0	0	1,275,024	5.14 %	
02075 UST Leak Prevention Program	906,911	0	0	0	906,911	3.66 %	
02157 Solid Waste Management Fee	2,055,251	0	0	0	2,055,251	8.29 %	
02162 Environmental Quality Protecti	7,963,538	0	0	0	7,963,538	32.12 %	
02202 Asbestos Control	454,230	0	0	0	454,230	1.83 %	
02206 Agriculture Monitoring	29,992	0	0	0	29,992	0.12 %	
02314 DNRC Grants - REMediation	457,060	0	0	0	457,060	1.84 %	
02421 Hazardous Waste Fees	358,597	0	0	0	358,597	1.45 %	
02438 Pegasus - Beal Mountain	1,988	0	0	0	1,988	0.01 %	
02472 Orphan Share Fund	1,122,530	0	0	0	1,122,530	4.53 %	
02565 LUST Cost Recovery	900,026	0	0	0	900,026	3.63 %	
02676 Hard Rock Reclamation	1,470,000	0	0	0	1,470,000	5.93 %	
02845 Junk Vehicle Disposal	3,895,796	0	0	0	3,895,796	15.72 %	
02940 Pegasus - Basin	77,964	0	0	0	77,964	0.31 %	
02954 Septage Fees	138,716	0	0	0	138,716	0.56 %	
02130 Libby Asbestos Cleanup O&M	200,000	0	0	0	200,000	0.81 %	
02519 CERCLA CSC Bond Proceeds	0	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$24,789,462</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,789,462</b>	<b>52.67 %</b>	
03028 UST Energy Policy Act Prov	0	0	0	0	0	0.00 %	
03036 DEQ - Federal Aml Grant	1,013,760	0	0	0	1,013,760	4.69 %	
03058 Abandoned Mine Lands	2,640,428	0	0	0	2,640,428	12.22 %	
03155 2004 Network Exchange Grant	400,000	0	0	0	400,000	1.85 %	
03158 Abandoned Mine Lands	0	0	0	0	0	0.00 %	
03221 EPA LUST Trust	0	0	0	0	0	0.00 %	
03222 Mgmt Assist Special Acct	954,520	0	0	0	954,520	4.42 %	
03228 L.U.S.T./Trust	1,182,451	0	0	0	1,182,451	5.47 %	
03232 Mgmt Assist Bulk	500,000	0	0	0	500,000	2.31 %	
03249 Abandoned Mines 19	3,674,073	0	0	0	3,674,073	17.01 %	
03256 EPA Superfund Core	0	0	0	0	0	0.00 %	
03257 Superfund Multisite TechAssist	0	0	0	0	0	0.00 %	
03259 Superfund Multisite TechAssist	416,000	0	0	0	416,000	1.93 %	
03260 Carpenter Snow Creek Superfund	400,072	0	0	0	400,072	1.85 %	
03261 Superfund Multisite TA Bulk	400,000	0	0	0	400,000	1.85 %	
03262 EPA Ppg	0	0	0	0	0	0.00 %	
03309 UST Leak Prevention Grant	680,690	0	0	0	680,690	3.15 %	
03360 Management Assistance - Bulk	290	0	0	0	290	0.00 %	
03433 EPA Perf Partnership Grant	1,198,052	0	0	0	1,198,052	5.55 %	
03438 Brownsfield State Response	1,513,641	0	0	0	1,513,641	7.01 %	
03442 DEQ-COVID Relief 12/30/20	0	0	0	0	0	0.00 %	
03447 Belt Water Treatment Fund	300,000	0	0	0	300,000	1.39 %	
03463 Mine Lease/Reclamation	125,518	0	0	0	125,518	0.58 %	
03468 Core Cooperative Grant	452,009	0	0	0	452,009	2.09 %	
03663 Abandoned Mines Lands Grant	2,280,803	0	0	0	2,280,803	10.56 %	
03667 Abandoned Mines	0	0	0	0	0	0.00 %	
03721 Libby Sitewide	966,728	0	0	0	966,728	4.48 %	
03798 LIBBY O&M GRANT	400,000	0	0	0	400,000	1.85 %	
03820 FY10 Exchange Network Grant	1,500,000	0	0	0	1,500,000	6.94 %	
03966 DEQ ASSET MHGMT FED FUNDS	0	0	0	0	0	0.00 %	
03973 EPA Brownfields Grant	0	0	0	0	0	0.00 %	
03342 Butte Mine Flooding	600,000	0	0	0	600,000	2.78 %	
<b>Federal Special Total</b>	<b>\$21,599,035</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,599,035</b>	<b>45.89 %</b>	
06509 DEQ Indirects	0	0	0	0	0	0.00 %	
<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>\$47,064,185</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$47,064,185</b>		

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

**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	337,844	337,844	675,688	100.00 %	23,632,544	23,632,544	47,265,088	100.43 %
SWPL Adjustments	0	0	0	0.00 %	204,957	235,532	440,489	0.94 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	(320,790)	(320,602)	(641,392)	(1.36)%
<b>Total Budget</b>	<b>\$337,844</b>	<b>\$337,844</b>	<b>\$675,688</b>		<b>\$23,516,711</b>	<b>\$23,547,474</b>	<b>\$47,064,185</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	0	(348,413)	488,386	139,973	0.00	0	(324,156)	495,701	171,545
DP 2 - Fixed Costs	0.00	0	44,903	27,524	72,427	0.00	0	42,565	26,090	68,655
DP 3 - Inflation Deflation	0.00	0	(6,687)	(756)	(7,443)	0.00	0	(4,194)	(474)	(4,668)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$310,197)</b>	<b>\$515,154</b>	<b>\$204,957</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$285,785)</b>	<b>\$521,317</b>	<b>\$235,532</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.

**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 9 - Orphan Share Expanded Use Rst/Bien	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 30 - CALA Reimbursement	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 97 - Adjust specific SSR appropriations	0.00	0	(870,790)	0	(870,790)	0.00	0	(870,602)	0	(870,602)
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$320,790)</b>	<b>\$0</b>	<b>(\$320,790)</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$320,602)</b>	<b>\$0</b>	<b>(\$320,602)</b>

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

DP 9 - Orphan Share Expanded Use Rst/Bien -

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

<b>LFD COMMENT</b>	SB 96, An act expanding the use of the Orphan Share account
	The 2015 Legislature passed SB 96 which expanded the use of the orphan share account to allow the Department of Environmental Quality to use the account to take remedial action where there has been a release or a substantial threat of a release or hazardous substances into the environment that may present an imminent and substantial endangerment to the public health, safety, or welfare or to the environment and there is no readily apparent person who is financially viable and potentially liable.

DP 30 - CALA Reimbursement -

The executive proposes an appropriation from the state special revenue orphan share account to reimburse remedial action costs in accordance with 75-10-743, MCA.

DP 97 - Adjust specific SSR appropriations -

The executive proposes to reduce authority for the state special revenue junk vehicle disposal account to align appropriation with anticipated revenue.

<b>LFD</b>	Junk vehicle disposal state special revenue account declining fund balance
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**COMMENT** Over the past nine years revenues for this account have averaged \$1.8 million per year, the current base appropriation for the junk vehicle account is currently set at \$2.9 million per year resulting in a declining fund balance. This proposal would reduce base appropriation to \$2.0 million each year. From FY 2012 to FY 2020 the ending fund balance has declined at an annual rate of 16.3%. At the end of FY 2020 the ending fund balance was \$0.3 million. Revenue for the account is generated from the sale of junk vehicles and license fees paid by wrecking facilities.