

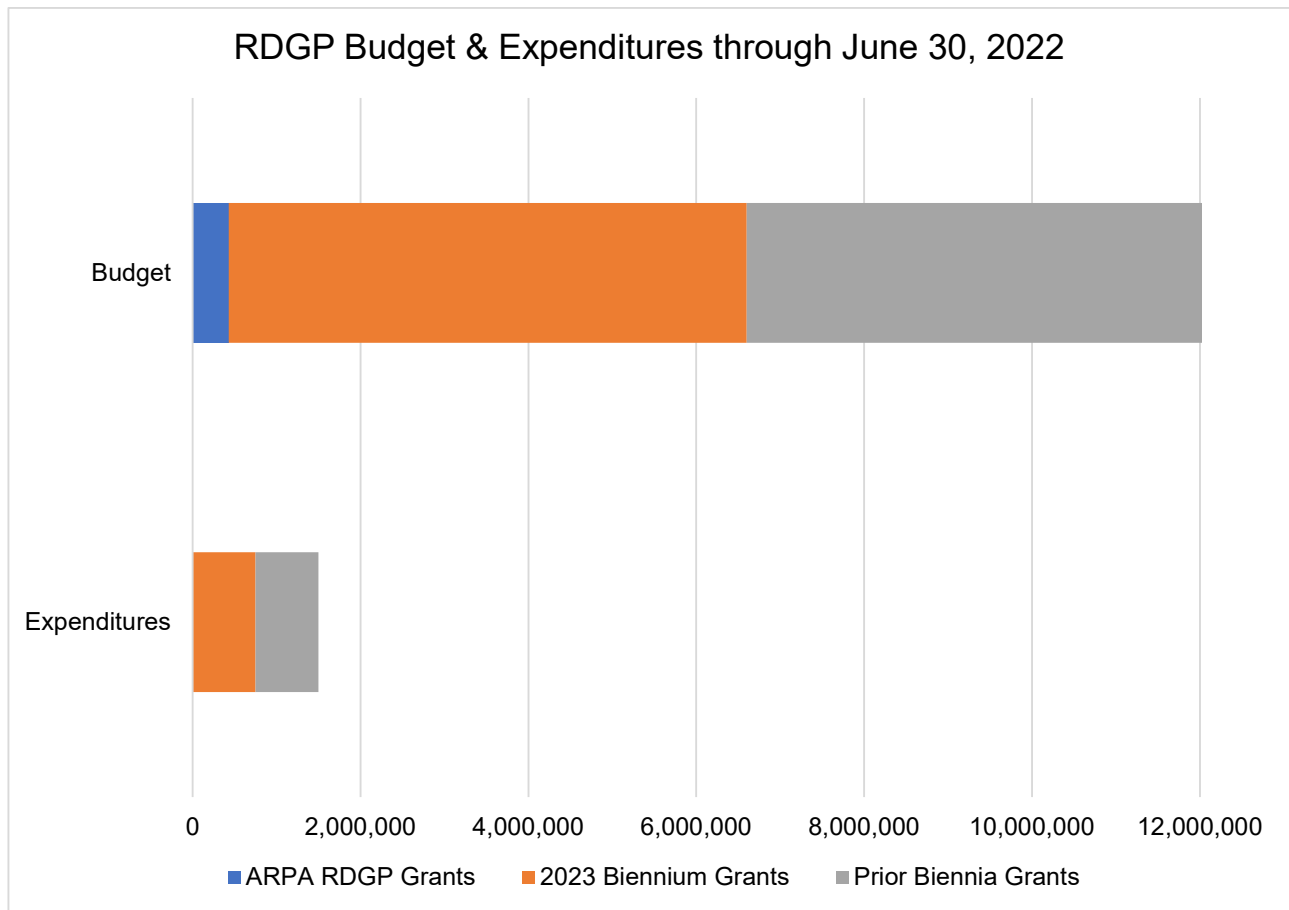
# RECLAMATION & DEVELOPMENT GRANTS PROGRAM

## PROGRAM SUMMARY

The Reclamation and Development Grants Program (RDGP) is designed to fund projects that, “...indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial state needs serving the public interest and the total environment of the citizens of Montana (90-2-1102, MCA).” The program is administered by the Department of Natural Resources and Conservation (DNRC).

## BUDGET & EXPENDITURE

The following chart and table show RDGP 2023 biennium budget and expenditure through June 30, 2022 (fiscal year-end 2022).



RDGP Budget and Expenditures through June 30, 2022				
Item	Appropriations	Expenditures	Balance	% Expended
2023 Biennium Project Grants - HB 7&14	5,373,155	21,116	5,352,039	0.4%
2023 Biennium Project Planning Grants - HB 7	800,000	-	800,000	0.0%
ARPA RDGP Grants	429,000	-	429,000	0.0%
Prior Biennia Grants	5,452,304	1,476,645	3,975,659	27.1%
<b>Total Appropriations/Expenditures</b>	<b>12,054,459</b>	<b>1,497,761</b>	<b>10,556,698</b>	<b>12.4%</b>

Approximately \$5.4 million was appropriated in the 2023 biennium for 16 RDGP project grants authorized in HB 7 and HB 14. An additional \$800,000 was budgeted for planning grants in HB 7. Of the 2023 biennium project grant funding, approximately \$21,000 was expended in FY 2022 for Deer Lodge Valley Conservation District's Upper French Gulch fish passage and restoration project; there was no expenditure of planning grant funding in FY 2022. Disbursement of grant funds are made on a reimbursement basis, and the authority is continued beyond the biennium to allow for expenditure as projects continue and are completed.

Under HB 632, \$429,000 was budgeted for RDGP grants to be funded by federal American Rescue Plan Act (ARPA) funds. There were no expenditures from the 2023 biennium ARPA budget in FY 2022.

About \$5.5 million of the budget was established for grants authorized in prior biennia. \$4.9 million of that budget was for grants authorized under HB 7 in prior biennia. Of that budget, approximately \$1.4 million was expended in FY 2022, including \$1.2 million that was expended for nine project grants and \$174,000 that was expended for prior biennia planning grants. From the remainder, \$540,000 of the prior biennia budget was established for project grants authorized under HB 652 by the 66<sup>th</sup> Legislature for the 2021 biennium for local infrastructure grants. \$51,000 of that budget was expended in FY 2022.

## **FUND BALANCE**

The following chart shows the projected fund balance for the Natural Resource Project Account, based on FY 2022 actuals and FY 2023 projections.

Natural Resource Project Account Fund Balance Analysis - 2023 Biennium					
Account 02577					
	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Projected	2023 Biennium Total
Available Balance	\$10,242,619	\$9,376,853	\$9,710,996	\$14,359,730	\$9,710,996
Fund Balance Adjustment				<u>\$150</u>	
				14,359,880	
Revenue Projections <sup>1</sup>					
RIT Interest Earnings	2,176,299	2,812,419	2,220,602	2,293,628	4,514,230
Resource Indemnity & Groundwater	804,083	679,719	904,754	512,938	1,417,692
Oil and Gas Tax	921,370	893,548	1,689,528	977,543	2,667,071
Other Revenues	96,335	97,978	19,850	0	19,850
Transfers In - General			163,347		163,347
HB 14 GF Transfer	<u>0</u>	<u>0</u>	<u>2,099,322</u>	<u>0</u>	<u>2,099,322</u>
Total Revenues	3,998,087	4,483,664	7,097,404	3,784,109	10,881,512
RRGL Appropriations - HB 6					
Other Grants	599,266	805,869	0	0	0
Prior Biennia	2,480,645	1,947,905	926,634	4,377,479	5,304,113
2023 Biennium Grants	<u>0</u>	<u>0</u>	<u>75,000</u>	<u>576,530</u>	<u>651,530</u>
Total RRGL Expenditures/Appropriations	3,079,911	2,753,774	1,001,634	4,954,009	5,955,643
RDGP Appropriations - HB 7					
Other Grants	32,518	285,496	0	800,000	800,000
Prior Biennia	1,751,423	1,110,535	1,425,770	866,495	2,292,265
2023 Biennium Grants	<u>0</u>	<u>0</u>	<u>21,116</u>	<u>5,352,039</u>	<u>5,373,155</u>
Total RDGP Expenditures/Appropriations	1,783,941	1,396,031	1,446,886	7,018,534	8,465,420
Total Expenditures/Appropriations	4,863,852	4,149,521	2,448,520	11,972,543	14,421,063
Estimated Ending Fund Balance	\$9,376,854	\$9,710,996	\$14,359,880	\$6,171,446	\$6,171,446

<sup>1</sup> HJ 2 projections

Because grants for both Renewable Resource Grant and Loan Program (RRGL) and RDGP are appropriated from the Natural Resources Project Account, both are included in the table to show the fund balance for the account.

Funding for the account comes from various sources including interest income of the resource indemnity trust fund; resource indemnity and groundwater assessment tax; oil and gas tax production tax; and fees or charges collected by DNRC. Total actual revenues in FY 2022 were higher than HJ 2 (2021) projections by approximately \$1.3 million. The greatest difference was in oil and gas tax revenues by \$628,000. Additionally, in accordance with HB 14 (2021) Section 15(2), there was a transfer of general fund to the account of approximately \$2.1 million that occurred in FY 2022. Revenue projects for FY 2023 are from HJ 2 (2021).

The projected ending fund balance at the end of the 2023 biennium is approximately \$6.2 million.