

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	119,238,833	115,552,436	(3,686,397)	(3.09)%
Operating Expenses	90,573,569	127,863,975	37,290,406	41.17 %
Equipment & Intangible Assets	2,635,632	2,410,108	(225,524)	(8.56)%
Grants	3,029,581	2,818,936	(210,645)	(6.95)%
Benefits & Claims	34,469	33,600	(869)	(2.52)%
Transfers	5,306,514	5,812,514	506,000	9.54 %
Debt Service	908,510	55,852	(852,658)	(93.85)%
Total Expenditures	\$221,727,108	\$254,547,421	\$32,820,313	14.80 %
State/Other Special Rev. Funds	162,946,179	175,133,548	12,187,369	7.48 %
Federal Spec. Rev. Funds	58,780,929	79,413,873	20,632,944	35.10 %
Total Funds	\$221,727,108	\$254,547,421	\$32,820,313	14.80 %
Total Ongoing	\$219,712,108	\$254,757,895	\$35,045,787	15.95 %
Total OTO	\$2,015,000	(\$210,474)	(\$2,225,474)	(110.45)%

Agency Description

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

Agency Highlights

Department of Fish, Wildlife, and Parks Major Budget Highlights

The legislature approved a 14.8%, or \$32.8 million increase compared to the 2023 biennium, including:

- Statewide present law adjustments - \$9.9 million
- Adjustments to inflation and vacancy savings - (\$1.3 million)
- Block management program expansion - \$14.0 million
- Increase for new proprietary maintenance program - \$7.7 million
- Moving 50.73 FTE from HB 2 to proprietary funds - (\$6.6 million)
- Increase for fleet rates - \$3.2 million
- Restoration of base funding for operations - \$4.5 million
- Increased funding for non-game wildlife programs - \$2.2 million
- New personnel services and operations authority for wildlife management, parks, and GIS services 5.75 FTE - \$1.2 million
- Decrease in funding for public access land agreements - (\$1.0 million)
- Fishing access sites weed control, maintenance, and access - \$700,000
- Funding for equipment - \$674,232
- Instream flow - \$200,000
- Angling economic impact analysis - \$200,000

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	756.89	756.89	711.91	711.91
Personal Services	57,831,384	60,125,598	59,113,235	57,612,489	57,939,947
Operating Expenses	37,639,970	44,691,888	45,881,681	63,825,382	64,038,593
Equipment & Intangible Assets	1,021,581	1,687,694	947,938	1,270,054	1,140,054
Grants	1,290,693	1,620,113	1,409,468	1,409,468	1,409,468
Benefits & Claims	8,044	17,669	16,800	16,800	16,800
Transfers	1,261,444	2,400,257	2,906,257	2,906,257	2,906,257
Debt Service	853,886	880,584	27,926	27,926	27,926
Total Expenditures	\$99,907,002	\$111,423,803	\$110,303,305	\$127,068,376	\$127,479,045
State/Other Special Rev. Funds	74,667,562	82,133,946	80,812,233	87,455,410	87,678,138
Federal Spec. Rev. Funds	25,239,440	29,289,857	29,491,072	39,612,966	39,800,907
Total Funds	\$99,907,002	\$111,423,803	\$110,303,305	\$127,068,376	\$127,479,045
Total Ongoing	\$99,062,401	\$110,128,803	\$109,583,305	\$127,108,613	\$127,649,282
Total OTO	\$844,601	\$1,295,000	\$720,000	(\$40,237)	(\$170,237)

Summary of Legislative Action

The legislature approved a biennial budget of approximately \$254.5 million, an increase of 14.8% or \$32.8 million compared to the 2023 biennium appropriation. In addition to base funding of \$219.2 million the legislature approved present law and new proposals totaling \$35.3 million from state special revenue and federal sources.

The personal services budget decreased by 3.1% or \$3.7 million. The legislature approved transfer of 50.73 FTE involved in maintenance from HB 2 to new proprietary fund outside of HB 2. This resulted in a budget reduction for personal services totaling \$6.6 million. The legislature approved an additional 5.75 FTE and \$883,298 in state special revenue to support grizzly bear management, staff for a new state park in Miles City, hunter and angler GIS planning services, and the expansion of AmeriCorps Expansion. Changes in base funding and statewide present law adjustments for personal services increased personal services funding by \$2.0 million.

The budget includes a \$14.0 million increase from federal sources for block management programs. Block management programs are agreements between private landowners and the Department of Fish, Wildlife, and Parks, providing the public free access to private land for hunting opportunities. The funding will increase the maximum compensation to landowners from \$25,000 to \$50,000 a year.

Ongoing appropriations totaling \$25.2 million were approved for inflation, fixed costs, nongame programs, hunting access programs, the proprietary maintenance program, and state parks operations.

The Legislature approved one-time-only (OTO) appropriations totaling \$1.0 million in state special revenue for maintenance and improvements at fishing access sites, bear traps, and an angling economic impact analysis. The legislature included OTO reductions in state special revenue for premiums for risk management and tort defense totaling \$1.2 million.

The legislature approved language that provides one-time-only state special revenue funding totaling \$50,625 to implement SB 281.

Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Fish, Wildlife, and Parks Funding by Source of Authority 2025 Biennium Budget Request - Department of Fish, Wildlife, and Parks						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0	0.00 %
State Special Total	175,344,022	(210,474)	0	9,825,299	184,958,847	64.22 %
Federal Special Total	79,413,873	0	0	625,400	80,039,273	27.79 %
Proprietary Total	0	0	23,001,325	0	23,001,325	7.99 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$254,757,895	(\$210,474)	\$23,001,325	\$10,450,699	\$287,999,445	
Percent - Total All Sources	88.46 %	(0.07)%	7.99 %	3.63 %		

Fish, Wildlife, and Parks is funded by state special revenue and federal revenue sources. State special revenue comes from fees for hunting, fishing, and other recreational activities. Federal sources are predominately derived from federal excise taxes on hunting and fishing equipment, grants for endangered species, and state wildlife grants. One state special revenue fund, the general license account, accounts for about half of the total funding for the agency. Statutory funds are primarily state special revenue generated from lodging taxes and are used for maintenance on the state park system; these funds may be matched with federal funds. Other statutory appropriations support PILT or Payment In Lieu Of Taxes, aquatic invasive species mitigation, and habitat projects.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	109,583,305	109,583,305	219,166,610	86.10 %
SWPL Adjustments	0	0	0	0.00 %	4,605,796	5,303,936	9,909,732	3.89 %
PL Adjustments	0	0	0	0.00 %	11,722,676	11,698,524	23,421,200	9.20 %
New Proposals	0	0	0	0.00 %	1,156,599	893,280	2,049,879	0.81 %
Total Budget	\$0	\$0	\$0		\$127,068,376	\$127,479,045	\$254,547,421	

Other Legislation**HB 5 - "Long-Range Building Appropriations"**

HB 5 includes appropriations to the department for capital improvement, land acquisition, land leasing, easement purchases, and development grants for fishing access and wildlife habitat.

HB 4 – "Appropriations by budget amendment"

The legislature approved the continuation of budget amendments for federal funds totaling \$30.0 million into the 2025 biennium supporting fish hatcheries, enforcement, grizzly bear management, wildlife studies, Smith River corridor management, boating safety programs, and conservation programs.

HB 217 – "Increase fees for migratory bird licenses"

HB 217 changes the cost for migratory bird licenses by decreasing the fee for a resident from \$6.50 to \$5.50 and increasing the fee for a nonresident from \$50.00 to \$150.00.

HB 440 – “Revise campsite reservation system laws”

HB 440 limits the number of reserved campsites at state parks to no more than 80.0% for all lands under the jurisdiction of the Department of Fish, Wildlife and Parks.

HB 521 – “Revising laws related to conservation licenses on state lands”

HB 521 requires a person using state lands for recreational purposes other than hunting or fishing to buy a conservation license.

HB 846 – “Resident bonus point system for Smith River”

HB 846 creates a bonus point system for residents and nonresidents. Resident bonus points cost \$5.00; non-resident points cost \$50.00. The bill also limits the number of permits issued to non-residents to 10.0% of the total permits available.

SB 58 – “Increase landowner payment cap for block management”

SB 58 doubles the maximum payment to landowners participating in the block management program from \$25,000 to \$50,000 per year.

SB 280 – “Revise bird dog training laws”

SB 280 revises bird dog training laws requiring a new Class D-5 license to use wild game birds.

SB 281 – “Revise laws related to nonresident hunting and fishing”

Under SB 281, Class B-8 nonresident Deer B licenses are no longer eligible for game management purposes. The bill also limits the number of Class B-8 Deer B licenses a nonresident may purchase.

HB 868 – “Authorize transfers and other necessary measure to implement HB 2 section C”

HB 868 mandates the attendance of the executive officer of the Petroleum Tank Release Compensation Board, a member of the board, a representative for the Department of Environmental Quality, and other individual associated with the board and requires specific reporting from these individuals. The Department of Fish, Wildlife, and Parks is required to submit progress reports to the natural resource and transportation budget committee and the legislative finance committee on ongoing long-term projects. Section one of the bill transfers \$100 from the general fund to the natural resources operations state special revenue account.

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	756.89	706.91	711.91	5.00	706.91	711.91	5.00	5.00
Personal Services	59,113,235	57,733,237	57,612,489	(120,748)	58,061,320	57,939,947	(121,373)	(242,121)
Operating Expenses	45,881,681	62,886,709	63,825,382	938,673	63,215,499	64,038,593	823,094	1,761,767
Equipment & Intangible Assets	947,938	1,250,054	1,270,054	20,000	1,120,054	1,140,054	20,000	40,000
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,409,468	1,409,468	1,409,468	0	1,409,468	1,409,468	0	0
Benefits & Claims	16,800	16,800	16,800	0	16,800	16,800	0	0
Transfers	2,906,257	2,906,257	2,906,257	0	2,906,257	2,906,257	0	0
Debt Service	27,926	27,926	27,926	0	27,926	27,926	0	0
Total Costs	\$110,303,305	\$126,230,451	\$127,068,376	\$837,925	\$126,757,324	\$127,479,045	\$721,721	\$1,559,646
General Fund	0	0	0	0	0	0	0	0
State/other Special Rev. Funds	80,812,233	86,429,006	87,455,410	1,026,404	86,769,677	87,678,138	908,461	1,934,865
Federal Spec. Rev. Funds	29,491,072	39,801,445	39,612,966	(188,479)	39,987,647	39,800,907	(186,740)	(375,219)
Other	0	0	0	0	0	0	0	0
Total Funds	\$110,303,305	\$126,230,451	\$127,068,376	\$837,925	\$126,757,324	\$127,479,045	\$721,721	\$1,559,646
Total Ongoing	\$109,583,305	\$126,100,451	\$127,108,613	\$1,008,162	\$126,757,324	\$127,649,282	\$891,958	\$1,900,120
Total OTO	\$720,000	\$130,000	(\$40,237)	(\$170,237)	\$0	(\$170,237)	(\$170,237)	(\$340,474)

The legislature approved total appropriations \$1.6 million higher than the executive request. Specifically, the legislature approved:

- Technical correction to DP 607 - \$1.0 million
- Additional vacancy savings - (\$1.0 million)
- Adjustments to inflation - (\$291,277)
- One-time-only funding for weed control, maintenance, and access improvements at fishing sites - \$700,000
- Funding for 2.00 FTE and operating expenses for Miles City Stat Park - \$379,416
- Funding for 2.00 FTE and operating expenses for grizzly bear management - \$364,170
- One-time-only funding for an economic study of cold water and warm water fishing in Montana - \$200,000
- Funding to enhance in-stream flows - \$200,000
- 1.00 FTE to support the geographic information system for hunters and anglers - \$181,189
- Language appropriating state special revenue to implement SB 281 which revise laws related to nonresident hunting and fishing - \$50,625
- Adjustments of motor pool, and SHABRS rates - (\$214,782)

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"For Fishing Access, Weed Control, and Riparian Habitat, the Department of Fish, Wildlife, and Parks will report to the Environmental Quality Council; and the Joint Interim Budget Committee for Natural Resources and Transportation by the first day of December of each year of the 2025 biennium on the actual habitat enhanced and the actual areas treated for weeds."

"The Department of Fish, Wildlife, and Parks will provide the completed Angling Economic Impact Analysis to the Environmental Quality Council, and the Joint Interim Budget Committee for Natural Resources and Transportation by the last day of September 2025."

"It is the intent of the Legislature to consider the 2027 biennium budget for the Parks and Outdoor Recreation Division in the Department of Fish, Wildlife, and Parks from zero to the full recommended budget. The department shall explain the necessity of each reporting level (RL4) of the program budget, including the base budget for the budget submission for the 2027 biennium budget."

"The Parks and Outdoor Recreation Division is authorized to decrease federal special revenue and increase the Hunting Access state special revenue established in 87-1-290 by a like amount if federal funds appropriated for block management expansion are not available."

"The Parks and Outdoor Recreation Division is authorized to decrease federal special revenue and increase the Hunting Access state special revenue established in 87-1-290 by a like amount if federal funds appropriated for block management expansion are not available."

"The Administration Division includes an increase in state special revenue of \$509,433 in FY 2024 and \$596,916 in FY 2025, and an increase of federal special revenue of \$120,355 in FY 2024 and \$141,532 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:

"If SB 58 is not passed and approved, HB 2 state special revenue is increased by \$2.0 million, and federal revenue is decreased by \$9.0 million in each year of the biennium." SB 58 was passed and approved.

"If HB 5 does not include funding for the Miles City Train Depot project, then state special revenue for the Parks and Outdoor Recreation Division is reduced by \$192,162 in FY 2024 and \$187,254 in FY 2025." HB 5 was passed and approved with funding for the Miles City Train Depot project.

"If SB 295 is not passed and approved, HB 2 state special revenue in the Wildlife Division is reduced by \$184,626 in FY 2024 and \$179,544 in FY 2025." SB 295 was passed and approved.

"If HB 243 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$40,168 state special revenue and \$102,504 federal special revenue in FY 2024 and \$60,707 state special revenue and \$182,120 federal special revenue in FY 2025, and the Department of Fish, Wildlife, and Parks may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025." HB 243 was not passed by the legislature.

"If SB 533 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$118,674 state special revenue in FY 2024 and \$64,674 state special revenue in FY 2025, and the Department of Fish, Wildlife, and Parks may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025." SB 533 was not passed by the legislature.

"If SB 281 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$50,625 state special revenue in FY 2024." SB 281 was passed and approved.

"If SB 298 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$64,994 state special revenue in FY 2024 and \$1,600 state special revenue in FY 2025 and \$43,519 as one-time-only state special revenue in FY 2025." SB 298 was not passed by the legislature.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	7,187,997	7,475,798	287,801	4.00 %
Operating Expenses	8,125,672	7,843,291	(282,381)	(3.48)%
Equipment & Intangible Assets	106,222	106,222	0	0.00 %
Transfers	204,684	204,684	0	0.00 %
Debt Service	74,528	0	(74,528)	(100.00)%
Total Expenditures	\$15,699,103	\$15,629,995	(\$69,108)	(0.44)%
State/Other Special Rev. Funds	15,363,319	15,294,205	(69,114)	(0.45)%
Federal Spec. Rev. Funds	335,784	335,790	6	0.00 %
Total Funds	\$15,699,103	\$15,629,995	(\$69,108)	(0.44)%
Total Ongoing	\$14,954,103	\$15,629,995	\$675,892	4.52 %
Total OTO	\$745,000	\$0	(\$745,000)	(100.00)%

Program Description

The Technical Services Division is responsible for FWP's technology infrastructure and website frameworks; software development; technology related oversight and guidance to ensure business alignment; collection, analysis, and dissemination of biological and geographical information via Geographic Information System (GIS) technology; and user support, to ensure consistent and effective use of technology expenditures, products, and services. The division is designed with the state's enterprise principles, sustainable and achievable service levels, and the department's mission in mind.

Program Highlights

Technology Services Division Major Budget Highlights

The legislature approved a decrease of 0.4% or \$69,108 compared to the 2023 biennium, including:

- Present law adjustments for personal services, inflation, and fixed costs - \$382,579
- Hunt planning GIS services (1.00 FTE) - \$181,191
- Funding to implement SB 281, nonresident hunting and fishing - \$50,625

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	38.00	38.00	39.00	39.00
Personal Services	3,416,817	3,570,753	3,617,244	3,725,720	3,750,078
Operating Expenses	3,471,245	4,245,568	3,880,104	3,945,670	3,897,621
Equipment & Intangible Assets	0	53,111	53,111	53,111	53,111
Transfers	69,272	102,342	102,342	102,342	102,342
Debt Service	74,528	74,528	0	0	0
Total Expenditures	\$7,031,862	\$8,046,302	\$7,652,801	\$7,826,843	\$7,803,152
State/Other Special Rev. Funds	6,935,088	7,878,413	7,484,906	7,658,948	7,635,257
Federal Spec. Rev. Funds	96,774	167,889	167,895	167,895	167,895
Total Funds	\$7,031,862	\$8,046,302	\$7,652,801	\$7,826,843	\$7,803,152
Total Ongoing	\$6,431,862	\$7,446,302	\$7,507,801	\$7,826,843	\$7,803,152
Total OTO	\$600,000	\$600,000	\$145,000	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Fish, Wildlife, and Parks, 01-Technology Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02409 General License	15,294,205	0	0	15,294,205	100.00 %
State Special Total	\$15,294,205	\$0	\$0	\$15,294,205	97.85 %
03403 Misc Federal Funds	335,790	0	0	335,790	100.00 %
Federal Special Total	\$335,790	\$0	\$0	\$335,790	2.15 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$15,629,995	\$0	\$0	\$15,629,995	

The Technology Services Division is funded primarily from state special revenue. State special revenue is from the general license account. Revenues include the sale of fishing and hunting licenses, camping fees, permit sales, and other miscellaneous revenue.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	7,507,801	7,507,801	15,015,602	96.07 %
SWPL Adjustments	0	0	0	0.00 %	359,682	416,771	776,453	4.97 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	(40,640)	(121,420)	(162,060)	(1.04) %
Total Budget	\$0	\$0	\$0		\$7,826,843	\$7,803,152	\$15,629,995	

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 2024-----					-----Fiscal 2025-----					
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	57,367	0	57,367	0.00	0	81,447	0	81,447	
DP 3 - Inflation Deflation										
0.00	0	302,315	0	302,315	0.00	0	335,324	0	335,324	
Grand Total All Present Law Adjustments										
0.00	\$0	\$359,682	\$0	\$359,682	0.00	\$0	\$416,771	\$0	\$416,771	

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

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

New Proposals										
-----Fiscal 2024-----					-----Fiscal 2025-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 100 - Update Hunt Planner/GIS Services										
1.00	0	90,327	0	90,327	1.00	0	90,862	0	90,862	
DP 333 - Adjustment to Inflation										
0.00	0	(142,374)	0	(142,374)	0.00	0	(172,807)	0	(172,807)	
DP 555 - Additional Vacancy Savings										
0.00	0	(39,218)	0	(39,218)	0.00	0	(39,475)	0	(39,475)	
DP 1401 - SB 281 - Revise laws related to nonresident hunting and fish										
0.00	0	50,625	0	50,625	0.00	0	0	0	0	
Total	1.00	\$0	(\$40,640)	\$0	(\$40,640)	1.00	\$0	(\$121,420)	\$0	(\$121,420)

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

DP 100 - Update Hunt Planner/GIS Services -

The legislature approved 1.00 FTE funded with state special revenue to support Geographic Information System (GIS) services for hunters and anglers.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1401 - SB 281 - Revise laws related to nonresident hunting and fish -

The legislature adopted contingency language to increase appropriations if SB 281 was passed and approved and this decision package implements this language.

The approved language budgets \$50,625 in state special revenue in FY 2024 to modify the license sales system to implement SB 281. Under SB 281, certain licenses are no longer available for game management purposes and the number of deer licenses that a nonresident may purchase are limited.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	25,822,932	25,194,020	(628,912)	(2.44)%
Operating Expenses	15,594,174	16,899,606	1,305,432	8.37 %
Equipment & Intangible Assets	548,768	770,000	221,232	40.31 %
Grants	551,440	529,140	(22,300)	(4.04)%
Benefits & Claims	6,000	6,000	0	0.00 %
Transfers	2,475,784	2,804,784	329,000	13.29 %
Debt Service	25,810	25,810	0	0.00 %
Total Expenditures	\$45,024,908	\$46,229,360	\$1,204,452	2.68 %
State/Other Special Rev. Funds	21,999,429	22,695,035	695,606	3.16 %
Federal Spec. Rev. Funds	23,025,479	23,534,325	508,846	2.21 %
Total Funds	\$45,024,908	\$46,229,360	\$1,204,452	2.68 %
Total Ongoing	\$44,954,908	\$46,229,360	\$1,274,452	2.83 %
Total OTO	\$70,000	\$0	(\$70,000)	(100.00)%

Program Description

The Fisheries Division is responsible for preserving, maintaining, and enhancing aquatic species and their ecosystems to meet the public's demand for recreational opportunities and stewardship of aquatic wildlife. Primary functions of the division include collection and analysis of fisheries data, fish stocking, establishing fishing regulations, habitat conservation and management, preserving aquatic resources, and maintaining sound fish populations and opportunities to enjoy them. The division formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The division is responsible for:

- Aquatic Invasive Species Program
- Fisheries Mitigation Program
- Manage and protect fish and fish habitats
- Operating a hatchery program to stock lakes and reservoirs where natural reproduction is limited
- Regulating angler harvests

Program Highlights

Fisheries Division Major Budget Highlights
<p>The legislature approved an increase of 2.7% or \$1.2 million compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Statewide present law adjustments - \$1.0 million • Increased authority for equipment - \$404,232

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	176.69	176.69	176.69	176.69
Personal Services	12,483,701	13,422,316	12,400,616	12,561,209	12,632,811
Operating Expenses	6,316,777	7,468,479	8,125,695	8,416,472	8,483,134
Equipment & Intangible Assets	278,711	365,884	182,884	385,000	385,000
Grants	268,989	286,870	264,570	264,570	264,570
Benefits & Claims	1,500	3,000	3,000	3,000	3,000
Transfers	18,177	1,073,392	1,402,392	1,402,392	1,402,392
Debt Service	0	12,905	12,905	12,905	12,905
Total Expenditures	\$19,367,855	\$22,632,846	\$22,392,062	\$23,045,548	\$23,183,812
State/Other Special Rev. Funds	9,057,450	11,183,597	10,815,832	11,308,102	11,386,933
Federal Spec. Rev. Funds	10,310,405	11,449,249	11,576,230	11,737,446	11,796,879
Total Funds	\$19,367,855	\$22,632,846	\$22,392,062	\$23,045,548	\$23,183,812
Total Ongoing	\$19,367,855	\$22,562,846	\$22,392,062	\$23,045,548	\$23,183,812
Total OTO	\$0	\$70,000	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Fish, Wildlife, and Parks, 03-Fisheries Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02148 Paddlefish Roe Account	52,700	0	0	52,700	0.23 %
02409 General License	17,710,983	0	0	17,710,983	78.04 %
02284 Aquatic Invasive Species	4,931,352	0	0	4,931,352	21.73 %
State Special Total	\$22,695,035	\$0	\$0	\$22,695,035	49.09 %
03097 Fish(WB)-Wldlf(Pr) Restor Grnt	10,795,725	0	0	10,795,725	45.87 %
03129 USFWS Section 6	80,103	0	0	80,103	0.34 %
03403 Misc Federal Funds	11,815,129	0	0	11,815,129	50.20 %
03408 State Wildlife Grants	843,368	0	0	843,368	3.58 %
Federal Special Total	\$23,534,325	\$0	\$0	\$23,534,325	50.91 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$46,229,360	\$0	\$0	\$46,229,360	

The Fisheries Division is funded from state special revenue and federal sources. State special revenue is primarily funded from the general license account, which derives revenue from the sale of fishing and hunting licenses, camping fees, permit sales, a portion of vehicle license fees and other miscellaneous revenue. Revenues for aquatic invasive species come primarily from fees charged to anglers, and boat owners.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	22,392,062	22,392,062	44,784,124	96.87 %
SWPL Adjustments	0	0	0	0.00 %	726,493	884,860	1,611,353	3.49 %
PL Adjustments	0	0	0	0.00 %	167,802	170,012	337,814	0.73 %
New Proposals	0	0	0	0.00 %	(240,809)	(263,122)	(503,931)	(1.09)%
Total Budget	\$0	\$0	\$0		\$23,045,548	\$23,183,812	\$46,229,360	

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 2024-----					-----Fiscal 2025-----				
	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	183,153	109,663	292,816	0.00	0	216,086	149,086	365,172
DP 3 - Inflation Deflation	0.00	0	250,434	183,243	433,677	0.00	0	311,190	208,498	519,688
DP 30 - Motor Pool Rate Adjustment	0.00	0	(21,911)	(12,403)	(34,314)	0.00	0	(21,207)	(10,897)	(32,104)
DP 301 - Base Equipment Authority Increase	0.00	0	202,116	0	202,116	0.00	0	202,116	0	202,116
Grand Total All Present Law Adjustments	0.00	\$0	\$613,792	\$280,503	\$894,295	0.00	\$0	\$708,185	\$346,687	\$1,054,872

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 301 - Base Equipment Authority Increase -

The legislature approved inflationary increases for equipment replacement.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(62,705)	(45,881)	(108,586)	0.00	0	(77,931)	(52,214)	(130,145)
DP 555 - Additional Vacancy Savings	0.00	0	(58,817)	(73,406)	(132,223)	0.00	0	(59,153)	(73,824)	(132,977)
Total	0.00	\$0	(\$121,522)	(\$119,287)	(\$240,809)	0.00	\$0	(\$137,084)	(\$126,038)	(\$263,122)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change	
Personal Services	21,317,721	21,953,296	635,575	2.98 %	
Operating Expenses	5,797,722	6,021,277	223,555	3.86 %	
Equipment & Intangible Assets	174,400	344,400	170,000	97.48 %	
Transfers	106,088	106,088	0	0.00 %	
Debt Service	93,004	0	(93,004)	(100.00)%	
Total Expenditures	\$27,488,935	\$28,425,061	\$936,126	3.41 %	
State/Other Special Rev. Funds	24,659,078	25,331,311	672,233	2.73 %	
Federal Spec. Rev. Funds	2,829,857	3,093,750	263,893	9.33 %	
Total Funds	\$27,488,935	\$28,425,061	\$936,126	3.41 %	
Total Ongoing	\$27,488,935	\$28,295,061	\$806,126	2.93 %	
Total OTO	\$0	\$130,000	\$130,000	100.00 %	

Program Description

The Enforcement Division provides modern professional conservation law enforcement services to the people of Montana for the purpose of the stewardship and protection of Montana's fish, wildlife, parks, and outdoor recreational resources, to preserve the quality of life and outdoor traditions of present and future generations. The division engages in complex fish and wildlife criminal investigations aimed at unlawful trafficking and unlawful exploitation of fish and wildlife. The division is responsible for:

- Assisting with hunter education
- Assisting other law enforcement agencies as requested
- Block management area patrols
- Commercial wildlife permitting
- Enforces laws and regulations relative to lands or waters under agency jurisdiction and authority of the department such as state parks, fishing access sites, and wildlife management areas
- Enforces laws and regulations pertaining to outfitters/guides, boating, snowmobiles, and off-highway vehicle safety and registration
- Ensuring compliance with laws and regulations pertaining to the protection and preservation of game animals, fur-bearing animals, fish, game birds, and other protected wildlife species
- Game damage response
- License vendor contacts
- Recreational Boating Safety Program
- Stream access enforcement
- Turn In Poachers (TIP)-Montana Crime Stoppers Program
- Urban wildlife activities

Program Highlights

Enforcement Division Major Budget Highlights	
<p>The legislature approved an increase of 3.4% or \$936,126 compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Present law adjustments for personal services, and inflation - \$508,619 • Increased authority for equipment - \$40,000 • One-time-only authority for new bear traps - \$130,000 	

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	119.00	119.00	119.00	119.00
Personal Services	9,876,796	10,482,707	10,835,014	10,946,302	11,006,994
Operating Expenses	2,819,307	2,899,759	2,897,963	2,993,724	3,027,553
Equipment & Intangible Assets	51,688	87,200	87,200	237,200	107,200
Transfers	28,000	53,044	53,044	53,044	53,044
Debt Service	79,254	93,004	0	0	0
Total Expenditures	\$12,855,045	\$13,615,714	\$13,873,221	\$14,230,270	\$14,194,791
State/Other Special Rev. Funds	12,078,881	12,206,862	12,452,216	12,684,043	12,647,268
Federal Spec. Rev. Funds	776,164	1,408,852	1,421,005	1,546,227	1,547,523
Total Funds	\$12,855,045	\$13,615,714	\$13,873,221	\$14,230,270	\$14,194,791
Total Ongoing	\$12,855,045	\$13,615,714	\$13,873,221	\$14,100,270	\$14,194,791
Total OTO	\$0	\$0	\$0	\$130,000	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Fish, Wildlife, and Parks, 04-Enforcement Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02115 Off-Highway Decal	95,616	0	0	95,616	0.38 %
02329 Snowmobile Fuel Tax-Enforcemnt	77,334	0	0	77,334	0.31 %
02334 Hunting Access	1,184,045	0	0	1,184,045	4.67 %
02409 General License	22,779,334	0	0	22,779,334	89.93 %
02411 State Parks Miscellaneous	524,061	0	0	524,061	2.07 %
02413 F & G Motorboat Cert Id	111,274	0	0	111,274	0.44 %
02414 Snowmobile Reg	146,492	0	0	146,492	0.58 %
02938 TLMD Trust Administration	413,155	0	0	413,155	1.63 %
State Special Total	\$25,331,311	\$0	\$0	\$25,331,311	89.12 %
03097 Fish(WB)-Wldlf(Pr) Restor Grnt	1,432,292	0	0	1,432,292	46.30 %
03403 Misc Federal Funds	1,661,458	0	0	1,661,458	53.70 %
Federal Special Total	\$3,093,750	\$0	\$0	\$3,093,750	10.88 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$28,425,061	\$0	\$0	\$28,425,061	

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

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	13,873,221	13,873,221	27,746,442	97.61 %
SWPL Adjustments	0	0	0	0.00 %	298,921	402,010	700,931	2.47 %
PL Adjustments	0	0	0	0.00 %	(13,138)	(11,006)	(24,144)	(0.08)%
New Proposals	0	0	0	0.00 %	71,266	(69,434)	1,832	0.01 %
Total Budget	\$0	\$0	\$0		\$14,230,270	\$14,194,791	\$28,425,061	

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 2024						Fiscal 2025				
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	6,217	120,655	126,872	0.00	0	63,724	123,915	187,639
DP 3 - Inflation Deflation	0.00	0	163,932	8,117	172,049	0.00	0	208,864	5,507	214,371
DP 30 - Motor Pool Rate Adjustment	0.00	0	(33,138)	0	(33,138)	0.00	0	(31,006)	0	(31,006)
DP 401 - Base Equipment Authority Increase	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
Grand Total All Present Law Adjustments	0.00	\$0	\$157,011	\$128,772	\$285,783	0.00	\$0	\$261,582	\$129,422	\$391,004

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 401 - Base Equipment Authority Increase -

The legislature approved inflationary increases for equipment replacement to maintain the current replacement cycle for ATV's, snowmobiles, and trailers.

New Proposals

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

New Proposals										
Fiscal 2024						Fiscal 2025				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(41,114)	(2,036)	(43,150)	0.00	0	(52,394)	(1,381)	(53,775)
DP 402 - Culvert Bear Traps (Bien/OTO)	0.00	0	130,000	0	130,000	0.00	0	0	0	0
DP 555 - Additional Vacancy Savings	0.00	0	(14,070)	(1,514)	(15,584)	0.00	0	(14,136)	(1,523)	(15,659)
Total	0.00	\$0	\$74,816	(\$3,550)	\$71,266	0.00	\$0	(\$66,530)	(\$2,904)	(\$69,434)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 402 - Culvert Bear Traps (Bien/OTO) -

The legislature approved one-time-only funding to purchase up to 10 modern culvert bear traps to replace aging and unsafe equipment and to supplement the current inventory of traps requested.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	17,193,725	17,453,230	259,505	1.51 %
Operating Expenses	14,019,950	20,907,544	6,887,594	49.13 %
Equipment & Intangible Assets	242,490	295,734	53,244	21.96 %
Grants	579,945	391,600	(188,345)	(32.48)%
Benefits & Claims	10,469	9,600	(869)	(8.30)%
Transfers	100,000	0	(100,000)	(100.00)%
Total Expenditures	\$32,146,579	\$39,057,708	\$6,911,129	21.50 %
State/Other Special Rev. Funds	12,537,564	16,186,204	3,648,640	29.10 %
Federal Spec. Rev. Funds	19,609,015	22,871,504	3,262,489	16.64 %
Total Funds	\$32,146,579	\$39,057,708	\$6,911,129	21.50 %
Total Ongoing	\$32,096,579	\$39,057,708	\$6,961,129	21.69 %
Total OTO	\$50,000	\$0	(\$50,000)	(100.00)%

Program Description

The Wildlife Division is responsible for the conservation and management of Montana's 600+ birds, big game, nongame wildlife, furbearers, reptiles, amphibians, threatened and endangered species, habitat, and meeting public demand for hunting opportunities and wildlife stewardship. The division formulates and implements policies and programs that emphasize management for wildlife populations, protection, and restoration of habitat to maintain these populations. The division is responsible for:

- Innovative management that ensures the health and integrity of native and wildlife populations
- Monitoring and conserving wildlife and habitat
- Protecting the diversity of wildlife and Montana's landscapes
- Providing opportunity for public enjoyment of wildlife through hunting, trapping, and viewing
- Reducing conflicts between wildlife and persons to strike a reasonable balance while ensuring a future for the species
- Using sound science and stewardship for protecting the integrity of Montana's outdoor resources

Program Highlights

Wildlife Division Major Budget Highlights
<p>The legislature approved an increase of 21.5% or \$6.9 million compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Present law adjustments for personal services and inflation - \$833,644 • Wildlife management areas maintenance - \$3.3 million • Expansion of non-game wildlife programs - \$2.2 million • Grizzly bear management (2.00 FTE) - \$364,170 • Increased authority for equipment - \$100,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	103.48	103.48	105.48	105.48
Personal Services	8,412,074	8,751,063	8,442,662	8,699,093	8,754,137
Operating Expenses	4,530,997	6,594,628	7,425,322	10,420,714	10,486,830
Equipment & Intangible Assets	164,624	164,623	77,867	147,867	147,867
Grants	257,878	384,145	195,800	195,800	195,800
Benefits & Claims	3,044	5,669	4,800	4,800	4,800
Transfers	99,259	100,000	0	0	0
Total Expenditures	\$13,467,876	\$16,000,128	\$16,146,451	\$19,468,274	\$19,589,434
State/Other Special Rev. Funds	4,972,091	6,218,134	6,319,430	8,078,850	8,107,354
Federal Spec. Rev. Funds	8,495,785	9,781,994	9,827,021	11,389,424	11,482,080
Total Funds	\$13,467,876	\$16,000,128	\$16,146,451	\$19,468,274	\$19,589,434
Total Ongoing	\$13,427,991	\$15,950,128	\$16,146,451	\$19,468,274	\$19,589,434
Total OTO	\$39,885	\$50,000	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Fish, Wildlife, and Parks, 05-Wildlife Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	0	0	0	0	0.00 %
02061 Nongame Wildlife Account	2,277,189	0	0	2,277,189	14.07 %
02084 Fish WL Forest Management	74,752	0	0	74,752	0.46 %
02085 Waterfowl Stamp Spec. Rev.	26,136	0	0	26,136	0.16 %
02086 Mountain Sheep Account	298,710	0	0	298,710	1.85 %
02112 Moose Auction	79,482	0	0	79,482	0.49 %
02113 Upland Game Bird Habitat	284,294	0	0	284,294	1.76 %
02176 Mountain Goat Auction	28,710	0	0	28,710	0.18 %
02409 General License	10,914,806	0	0	10,914,806	67.43 %
02423 Wolf Collaring	425,374	0	0	425,374	2.63 %
02424 Wolf Depredation	384,895	0	0	384,895	2.38 %
02469 Habitat Trust Interest	1,264,958	0	0	1,264,958	7.82 %
02559 Mule Deer Auction	50,356	0	0	50,356	0.31 %
02560 Elk Auction	76,542	0	0	76,542	0.47 %
State Special Total	\$16,186,204	\$0	\$0	\$16,186,204	41.44 %
03097 Fish(WB)-Wildlf(Pr) Restor Grnt	21,073,055	0	0	21,073,055	92.14 %
03403 Misc Federal Funds	1,031,033	0	0	1,031,033	4.51 %
03408 State Wildlife Grants	767,416	0	0	767,416	3.36 %
Federal Special Total	\$22,871,504	\$0	\$0	\$22,871,504	58.56 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$39,057,708	\$0	\$0	\$39,057,708	

The Wildlife Division is funded with state special and federal revenues. The hunting access account which receives revenue from the sale of bird, deer and big game licenses is used to support hunter access programs. The general license account receives revenues from the sale of hunting and fishing licenses, camping fees, and the sale of permits and is used to benefit both anglers and hunters. The habitat trust account receives a portion of the revenue from hunting licenses and is used to support the Habitat Montana Program. Federal revenue comes from an excise tax on fishing equipment, sporting arms, and ammunition. Federal funds support management of fish and wildlife projects.

Budget Summary by Category

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

-----General Fund-----					-----Total Funds-----			
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	16,146,451	16,146,451	32,292,902	82.68 %
SWPL Adjustments	0	0	0	0.00 %	586,041	726,527	1,312,568	3.36 %
PL Adjustments	0	0	0	0.00 %	1,091,914	1,094,492	2,186,406	5.60 %
New Proposals	0	0	0	0.00 %	1,643,868	1,621,964	3,265,832	8.36 %
Total Budget	\$0	\$0	\$0		\$19,468,274	\$19,589,434	\$39,057,708	

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 2024-----					-----Fiscal 2025-----					
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	101,101	86,199	187,300	0.00	0	115,349	127,051	242,400	
DP 3 - Inflation Deflation										
0.00	0	109,300	289,441	398,741	0.00	0	132,793	351,334	484,127	
DP 30 - Motor Pool Rate Adjustment										
0.00	0	(10,022)	(30,064)	(40,086)	0.00	0	(9,377)	(28,131)	(37,508)	
DP 504 - UGBEP PS/OPS Funding Switch										
0.00	0	(73,500)	73,500	0	0.00	0	(73,500)	73,500	0	
DP 505 - Nongame Program Expansion										
0.00	0	1,082,000	0	1,082,000	0.00	0	1,082,000	0	1,082,000	
DP 506 - Equipment Authority Increase										
0.00	0	12,500	37,500	50,000	0.00	0	12,500	37,500	50,000	
Grand Total All Present Law Adjustments										
0.00	\$0	\$1,221,379	\$456,576	\$1,677,955	0.00	\$0	\$1,259,765	\$561,254	\$1,821,019	

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 504 - UGBEP PS/OPS Funding Switch -

The legislature approved a shift in funding for the Upland Game Bird Enhancement Program Coordinator from state special revenue to federal sources.

DP 505 - Nongame Program Expansion -

The legislature approved an increase in authority of state special revenue for non-game wildlife programs including research, data collection, law enforcement, habitat improvement, and education.

DP 506 - Equipment Authority Increase -

The legislature approved an increase in authority for equipment to purchase camper trailers to replace old Federal Emergency Management Agency (FEMA) trailers used by staff for extended field work and for check stations, and a cargo trailer for storing and hauling supplies and equipment throughout the state.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(27,354)	(72,438)	(99,792)	0.00	0	(33,237)	(87,937)	(121,174)
DP 510 - Grizzly Bear Management	2.00	0	184,626	0	184,626	2.00	0	179,544	0	179,544
DP 555 - Additional Vacancy Savings	0.00	0	(31,463)	(58,432)	(89,895)	0.00	0	(31,664)	(58,805)	(90,469)
DP 901 - Proprietary Maintenance Fund	0.00	0	412,232	1,236,697	1,648,929	0.00	0	413,516	1,240,547	1,654,063
Total	2.00	\$0	\$538,041	\$1,105,827	\$1,643,868	2.00	\$0	\$528,159	\$1,093,805	\$1,621,964

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 510 - Grizzly Bear Management -

The legislature approved state special revenue for 2.00 FTE for the capture and translocation of grizzly bears for genetic exchange. In addition to personal services of \$318,570 for the biennium, the legislature also approved \$40,000 for bear traps and \$5,600 in operating expenses. This decision package implements SB 295.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 901 - Proprietary Maintenance Fund -

The legislature approved an increased in authority for new maintenance rates. The agency will utilize the new proprietary maintenance program to provide maintenance services and this funding will pay the required rate for those services. The proprietary maintenance rate will be \$78.50 per hour.

Other Issues**Fund 06540 Aircraft Rate Request***Program Description*

The department's aircraft fund provides specialized flying services using fixed-wing and helicopter aircraft to department employees to survey fish and wildlife, plant fish, monitor radio telemetry locations, etc. The users are department employees. Every month, users are charged for the hours flown during the previous month.

Revenues and Expenses

The aircraft fund charges a rate per hour by aircraft type for hours flown. The largest costs of the aircraft fleet are replacement aircraft, fuel, and repairs.

In FY 2022, the department flew approximately 1,960 hours in department aircrafts. In FY2022, the aircraft fleet generated \$1,039,514 in revenue. The department expects flight hours to remain steady for FY 2024 and FY 2025.

The department has plans to purchase a helicopter to replace an existing helicopter in the fleet using the InterCAP Loan program. The associated hourly flight rate will increase for turbine helicopters in order to recoup the cost of the loan payments.

Rates and Rate Explanation

The hourly rates approved by the legislature are calculated to recoup the projected operating costs of the aircraft fund. The rates shown below are charged monthly to each program for the hours flown during the previous month. The cost drivers for each rate includes fuel, repairs, supplies, rent, insurance, and other general operational costs as well as the above-mentioned loan payments. In FY 2022, the aircraft fleet generated \$1,039,514 in revenue.

Proposed Hourly Rates for Fixed Wing and Rotary Aircraft						
<u>Hourly Rate</u>	<u>Actual FY 2020</u>	<u>Actual FY 2021</u>	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Proposed FY 2024</u>	<u>Proposed FY 2025</u>
Two place single-engine plane	\$201	\$206	\$357	\$357	\$301	\$368
Four place single-engine plane	\$282	\$233	\$357	\$357	\$301	\$308
Turbine helicopter	\$516	\$531	\$803	\$804	\$926	\$942

Changes in Level of Fees and Charges

The hourly rates have increased for the helicopter in order to recoup the cost of replacing existing helicopters at the end of service. Rates for single engine planes reflect the increased cost of routine aircraft repairs and maintenance.

Projected Fund Balance, Including Cash Fluctuations

The net position as of FYE 2022 was \$898,163. The figure below shows the forecasted ending fund balance for FY 2025 at \$874,512.

06540 DFWP Aircraft						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>Budget</u>
Beginning Fund Balance	\$1,004,720	\$984,018	\$868,426	\$898,163	\$871,893	\$873,305
Revenue	513,087	566,839	1,039,514	1,039,514	1,162,770	1,319,544
Expenditures	<u>533,790</u>	<u>682,431</u>	<u>1,009,777</u>	<u>1,065,783</u>	<u>1,161,358</u>	<u>1,318,338</u>
Ending Fund Balance	\$984,018	\$868,426	\$898,163	\$871,893	\$873,305	\$874,512

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	20,008,268	14,990,995	(5,017,273)	(25.08)%
Operating Expenses	27,407,959	48,593,287	21,185,328	77.30 %
Equipment & Intangible Assets	1,038,476	838,476	(200,000)	(19.26)%
Grants	1,035,392	1,035,392	0	0.00 %
Benefits & Claims	8,000	8,000	0	0.00 %
Debt Service	13,100	1,000	(12,100)	(92.37)%
Total Expenditures	\$49,511,195	\$65,467,150	\$15,955,955	32.23 %
State/Other Special Rev. Funds	41,222,616	41,542,697	320,081	0.78 %
Federal Spec. Rev. Funds	8,288,579	23,924,453	15,635,874	188.64 %
Total Funds	\$49,511,195	\$65,467,150	\$15,955,955	32.23 %
Total Ongoing	\$48,361,195	\$64,767,150	\$16,405,955	33.92 %
Total OTO	\$1,150,000	\$700,000	(\$450,000)	(39.13)%

Program Description

The Parks & Outdoor Recreation Division provides valued services to the public and manages human use to ensure the long-term sustainability of Montana's scenic, historic, cultural, archaeological, and fish and wildlife resources. The division is responsible for:

- Access and landowner relations for hunting, fishing, and other types of recreation on public and private lands
- Administration of trail and shooting range grant programs
- AmeriCorps and Volunteer Program
- Block Management Program
- Enterprise
- Heritage Program
- Hunting Access Program
- Maintenance of fishing access sites, state parks, and wildlife management areas
- Off-Highway Vehicle and Snowmobile Program
- Planning Unit
- Recreation management and visitor services for state parks, fishing access sites and wildlife
- River recreation
- Shooting range development
- Stewardship
- Trail coordination and planning

Program Highlights

**Parks & Outdoor Recreation Division
Major Budget Highlights**

The legislature approved an increase of 32.2% or \$16.0 million compared to the 2023 biennium, including:

- Present law adjustments for personal services, inflation, and fixed costs - \$2.4 million
- Expansion of the Block Management Program - \$14.0 million
- Reduction of 50.73 FTE agency maintenance personnel, decreasing personal services by - (\$6.6 million)
- Maintenance of wildlife management areas - \$4.1 million
- State parks and hunting access programs - \$3.7 million
- Reduction in funding for private land access agreements - (\$1.0 million)
- OTO authority for maintenance and weed control at fishing and water access sites - \$700,000
- Miles City State Park operating costs and personal services (2.00 FTE) - \$379,416
- Expansion of the AmeriCorps Program, including additional (0.75 FTE) - \$275,125

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	150.35	150.35	102.37	102.37
Personal Services	10,005,479	10,015,192	9,993,076	7,475,653	7,515,342
Operating Expenses	11,897,885	14,074,897	13,333,062	24,278,556	24,314,731
Equipment & Intangible Assets	430,321	519,238	519,238	419,238	419,238
Grants	465,992	517,696	517,696	517,696	517,696
Benefits & Claims	1,000	4,000	4,000	4,000	4,000
Debt Service	12,578	12,600	500	500	500
Total Expenditures	\$22,813,255	\$25,143,623	\$24,367,572	\$32,695,643	\$32,771,507
State/Other Special Rev. Funds	19,075,528	21,004,611	20,218,005	20,732,982	20,809,715
Federal Spec. Rev. Funds	3,737,727	4,139,012	4,149,567	11,962,661	11,961,792
Total Funds	\$22,813,255	\$25,143,623	\$24,367,572	\$32,695,643	\$32,771,507
Total Ongoing	\$22,608,539	\$24,568,623	\$23,792,572	\$32,345,643	\$32,421,507
Total OTO	\$204,716	\$575,000	\$575,000	\$350,000	\$350,000

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Fish, Wildlife, and Parks, 06-Parks & Outdoor Rec 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 %
02171 Smith R. Corridor Enhancement	415,240	0	0	415,240	0.83 %
02213 Off Highway Vehicle Gas Tax	147,190	0	0	147,190	0.29 %
02239 Off Hwy Vehicle Acct (Parks)	46,056	0	0	46,056	0.09 %
02273 Motorboat Fees	366,637	0	0	366,637	0.73 %
02274 FWP Accommodations Tax	0	0	8,359,501	8,359,501	16.75 %
02328 Parks OHV Fuel Safety/Educ	37,764	0	0	37,764	0.08 %
02330 Parks Snomo Fuel Tax Sfty/Educ	99,198	0	0	99,198	0.20 %
02331 Motorboat Certification-Parks	58,652	0	0	58,652	0.12 %
02332 Snowmobile Registration-Parks	746,256	0	0	746,256	1.50 %
02333 Fishing Access Site Maint	840,329	0	0	840,329	1.68 %
02334 Hunting Access	10,452,742	0	0	10,452,742	20.95 %
02407 Snowmobile Fuel Tax	1,498,530	0	0	1,498,530	3.00 %
02408 Coal Tax Trust Account	1,714,356	0	0	1,714,356	3.44 %
02409 General License	10,384,693	0	0	10,384,693	20.81 %
02411 State Parks Miscellaneous	11,663,926	0	0	11,663,926	23.37 %
02412 Motorboat Fuel Tax	2,345,358	0	0	2,345,358	4.70 %
02558 FAS - Vehicle Registration	517,127	0	0	517,127	1.04 %
02055 Snowmobile Trail Pass	130,458	0	0	130,458	0.26 %
02057 OHV Noxious Weeds	56,001	0	0	56,001	0.11 %
02059 OHV Education	22,184	0	0	22,184	0.04 %
State Special Total	\$41,542,697	\$0	\$8,359,501	\$49,902,198	66.65 %
03097 Fish(WB)-Wldlf(Pr) Restor Grnt	23,848,276	0	0	23,848,276	99.68 %
03403 Misc Federal Funds	76,177	0	0	76,177	0.32 %
Federal Special Total	\$23,924,453	\$0	\$0	\$23,924,453	31.95 %
06068 MFWP Visitor Services	0	1,042,671	0	1,042,671	100.00 %
Proprietary Total	\$0	\$1,042,671	\$0	\$1,042,671	1.39 %
Total All Funds	\$65,467,150	\$1,042,671	\$8,359,501	\$74,869,322	

The Parks and Outdoor Recreation Division is funded with revenue from day-use park entry fees, camping fees, cabin site rentals, a portion of state gasoline dealers license and distribution tax, coal tax dollars, recreational and commercial user fees for floating and camping on the Smith River, and other miscellaneous taxes, fees, and permit revenue. Statutory appropriations come from 6.5% of the total accommodations bed tax and is used for the maintenance of facilities in state parks that have both resident and non-resident use (15-65-121(2)(c), 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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	23,792,572	23,792,572	47,585,144	72.69 %
SWPL Adjustments	0	0	0	0.00 %	1,365,674	1,602,414	2,968,088	4.53 %
PL Adjustments	0	0	0	0.00 %	8,493,899	8,403,680	16,897,579	25.81 %
New Proposals	0	0	0	0.00 %	(956,502)	(1,027,159)	(1,983,661)	(3.03)%
Total Budget	\$0	\$0	\$0		\$32,695,643	\$32,771,507	\$65,467,150	

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 2024						Fiscal 2025				
	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	572,076	75,785	647,861	0.00	0	621,195	78,337	699,532
DP 2 - Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	0	692,470	25,343	717,813	0.00	0	873,675	29,207	902,882
DP 30 - Motor Pool Rate Adjustment	0.00	0	(12,164)	0	(12,164)	0.00	0	(11,382)	0	(11,382)
DP 601 - AmeriCorps Program Expansion	0.75	0	174,063	0	174,063	0.75	0	83,062	0	83,062
DP 604 - Restore 2023 Hunting Access Reduction	0.00	0	750,000	0	750,000	0.00	0	750,000	0	750,000
DP 605 - Block Management Program Expansion	0.00	0	(2,000,000)	9,000,000	7,000,000	0.00	0	(2,000,000)	9,000,000	7,000,000
DP 607 - PALA Reduction (contingent upon HB5)	0.00	0	(500,000)	0	(500,000)	0.00	0	(500,000)	0	(500,000)
DP 608 - State Parks (HB 701) Restore	0.00	0	1,082,000	0	1,082,000	0.00	0	1,082,000	0	1,082,000
Grand Total All Present Law Adjustments	0.75	\$0	\$758,445	\$9,101,128	\$9,859,573	0.75	\$0	\$898,550	\$9,107,544	\$10,006,094

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 601 - AmeriCorps Program Expansion -

The legislature approved an expansion of the AmeriCorps program with 0.75 FTE.

DP 604 - Restore 2023 Hunting Access Reduction -

The legislature approved an increase in authority from the hunting access state special revenue account. This request would restore the base budget to fund the program as it was prior to the 2021 Session.

DP 605 - Block Management Program Expansion -

The legislature approved an increase in federal authority to expand the Block Management Program. Current statute caps annual reimbursements to landowners at \$25,000; SB 58 increases the cap to \$50,000. This proposal also assists in funding other increases to the program as necessary to ensure that the program can maintain or increase participation of landowners in the program. This request also switches a large portion of the entire program from state special funding to federal Pittman Robertson funding and is contingent on legislation.

The legislature approved the following language for HB 2 - "If SB 58 is not passed and approved, HB 2 state special revenue is increased by \$2.0 million, and federal revenue is decreased by \$9.0 million in year of the biennium." SB 58 was passed and approved.

DP 607 - PALA Reduction (contingent upon HB5) -

The legislature approved a decrease in state special revenue for Public Access Land Agreements (PALA). PALA's are long term contracts with landowners for access to public land that is otherwise inaccessible, or access is limited. These agreements can extend up to ten years. Funding for this program will be moved to HB 5 (Long-Range Building Plan).

DP 608 - State Parks (HB 701) Restore -

The legislature approved an increase from the state parks state special revenue account to align authority with revenues.

New Proposals

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

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(173,213)	(6,339)	(179,552)	0.00	0	(218,546)	(7,306)	(225,852)
DP 555 - Additional Vacancy Savings	0.00	0	(77,846)	(138)	(77,984)	0.00	0	(77,859)	(40)	(77,899)
DP 610 - Miles City Park FTE	2.00	0	192,162	0	192,162	2.00	0	187,254	0	187,254
DP 901 - Proprietary Maintenance Fund	(50.73)	0	40,429	(1,281,557)	(1,241,128)	(50.73)	0	27,311	(1,287,973)	(1,260,662)
DP 6307 - Fishing and Water Access Sites (RST/BIEN/OTO)	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
DP 6308 - Fishing Access Weed Control & Riparian Habitat (RST/BIEN/OTO)	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
Total	(48.73)	\$0	\$331,532	(\$1,288,034)	(\$956,502)	(48.73)	\$0	\$268,160	(\$1,295,319)	(\$1,027,159)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 610 - Miles City Park FTE -

The legislature approved state special revenue for 2.00 FTE to staff a new state park in Miles City. In addition to personal services of \$267,816 for the biennium, the legislature also approved \$111,600 for operations. This funding is contingent on the inclusion of an appropriation for the Miles City Train Depot project in HB 5.

DP 901 - Proprietary Maintenance Fund -

The legislature approved an increase in authority for new maintenance rates. The agency will utilize the new proprietary maintenance program to provide maintenance services and this funding will pay the required rate for those services. The new proprietary maintenance rate is \$78.50 per hour.

DP 6307 - Fishing and Water Access Sites (RST/BIEN/OTO) -

The legislature approved a one-time-only increase in appropriation of state special revenue to address increases in recreational use of fishing and water access sites.

The legislature intends that the agency seeks outside contractors should there not be sufficient resources within the agency to complete the task.

It is the intent of the legislature that the agency will not use more than 5.0% of the fund to administer contracts.

DP 6308 - Fishing Access Weed Control & Riparian Habitat (RST/BIEN/OTO) -

The legislature approved a one-time-only increase of state special revenue to improve riparian habitat and increase weed control at fishing access sites.

Where available, the legislature intends that the agency will contract with conservation districts or other contractors for the weed spraying activities.

It is the intent of the legislature that the agency will not use more than 5.0% of the fund to administer contracts.

The following language is included in HB 2 - "Fish, Wildlife, and Parks will report to the Environmental Quality Council, and the Joint Interim Budget Committee for Natural Resources and Transportation by the first day of December of each year of the 2025 Biennium on the actual habitat enhanced and actual areas treated for weeds."

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,852,751	4,763,137	(89,614)	(1.85)%
Operating Expenses	4,658,673	4,895,442	236,769	5.08 %
Grants	862,804	862,804	0	0.00 %
Benefits & Claims	4,000	4,000	0	0.00 %
Total Expenditures	\$10,378,228	\$10,525,383	\$147,155	1.42 %
State/Other Special Rev. Funds	8,382,494	8,533,857	151,363	1.81 %
Federal Spec. Rev. Funds	1,995,734	1,991,526	(4,208)	(0.21)%
Total Funds	\$10,378,228	\$10,525,383	\$147,155	1.42 %
Total Ongoing	\$10,378,228	\$10,525,383	\$147,155	1.42 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Communication & Education Division is the information and education section of FWP. The division is responsible for:

- Distribution of public information through various media outlets, including Montana Outdoors Magazine
- Coordinating youth education programs
- Coordination of the production of hunting, fishing, and trapping regulations
- Coordination of the hunter, bow-hunter, trapper, boat education, and safety programs
- Management of FWP's website and social media platform
- Marketing and Communication
- Oversight of the Montana Wild Education Center

Program Highlights

Communication and Education Division Major Budget Highlights
The legislature approved an increase of 1.4% or \$147,155 compared to the 2023 biennium, driven by statewide present law adjustments.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	27.50	27.50	27.50	27.50
Personal Services	2,318,307	2,427,412	2,425,339	2,375,454	2,387,683
Operating Expenses	1,720,169	2,309,265	2,349,408	2,440,215	2,455,227
Grants	297,834	431,402	431,402	431,402	431,402
Benefits & Claims	500	2,000	2,000	2,000	2,000
Total Expenditures	\$4,336,810	\$5,170,079	\$5,208,149	\$5,249,071	\$5,276,312
State/Other Special Rev. Funds	3,702,167	4,174,871	4,207,623	4,253,296	4,280,561
Federal Spec. Rev. Funds	634,643	995,208	1,000,526	995,775	995,751
Total Funds	\$4,336,810	\$5,170,079	\$5,208,149	\$5,249,071	\$5,276,312
Total Ongoing	\$4,336,810	\$5,170,079	\$5,208,149	\$5,249,071	\$5,276,312
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Fish, Wildlife, and Parks, 08-Communication & Education 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 %
02409 General License	8,473,195	0	0	8,473,195	99.29 %
02411 State Parks Miscellaneous	60,662	0	0	60,662	0.71 %
State Special Total	\$8,533,857	\$0	\$0	\$8,533,857	81.08 %
03097 Fish(WB)-Wldlf(Pr) Restor Grnt	1,919,742	0	0	1,919,742	96.40 %
03403 Misc Federal Funds	71,784	0	0	71,784	3.60 %
Federal Special Total	\$1,991,526	\$0	\$0	\$1,991,526	18.92 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$10,525,383	\$0	\$0	\$10,525,383	

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

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	5,208,149	5,208,149	10,416,298	98.96 %
SWPL Adjustments	0	0	0	0.00 %	100,343	132,471	232,814	2.21 %
PL Adjustments	0	0	0	0.00 %	(3,067)	(2,869)	(5,936)	(0.06)%
New Proposals	0	0	0	0.00 %	(56,354)	(61,439)	(117,793)	(1.12)%
Total Budget	\$0	\$0	\$0		\$5,249,071	\$5,276,312	\$10,525,383	

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 2024-----					-----Fiscal 2025-----					
	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	(24,880)	0	(24,880)	0.00	0	(12,523)	0	(12,523)
DP 3 - Inflation Deflation	0.00	0	125,223	0	125,223	0.00	0	144,994	0	144,994
DP 30 - Motor Pool Rate Adjustment	0.00	0	(3,067)	0	(3,067)	0.00	0	(2,869)	0	(2,869)
Grand Total All Present Law Adjustments	0.00	\$0	\$97,276	\$0	\$97,276	0.00	\$0	\$129,602	\$0	\$129,602

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

New Proposals

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

New Proposals										
-----Fiscal 2024-----					-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(31,349)	0	(31,349)	0.00	0	(36,306)	0	(36,306)
DP 555 - Additional Vacancy Savings	0.00	0	(20,254)	(4,751)	(25,005)	0.00	0	(20,358)	(4,775)	(25,133)
Total	0.00	\$0	(\$51,603)	(\$4,751)	(\$56,354)	0.00	\$0	(\$56,664)	(\$4,775)	(\$61,439)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	22,855,439	23,721,960	866,521	3.79 %
Operating Expenses	14,969,419	22,703,528	7,734,109	51.67 %
Equipment & Intangible Assets	525,276	55,276	(470,000)	(89.48)%
Benefits & Claims	6,000	6,000	0	0.00 %
Transfers	2,419,958	2,696,958	277,000	11.45 %
Debt Service	702,068	29,042	(673,026)	(95.86)%
Total Expenditures	\$41,478,160	\$49,212,764	\$7,734,604	18.65 %
State/Other Special Rev. Funds	38,781,679	45,550,239	6,768,560	17.45 %
Federal Spec. Rev. Funds	2,696,481	3,662,525	966,044	35.83 %
Total Funds	\$41,478,160	\$49,212,764	\$7,734,604	18.65 %
Total Ongoing	\$41,478,160	\$50,253,238	\$8,775,078	21.16 %
Total OTO	\$0	(\$1,040,474)	(\$1,040,474)	100.00 %

Program Description

The Administration Division is responsible for operating the Legal Unit; Human Resources; Lands and Water Unit; Operations and Fiscal Services, and the outlying seven regional offices. This division also provides oversight of the Communication and Education, Enforcement, Fisheries, Parks and Outdoor Recreation, and Wildlife Divisions. Operations and Financial Services provides centralized services, quality guidance to all divisions and regions throughout the agency including:

- Accounting, fiscal management and budget preparation
- Administrative support to divisions and regions
- Agency facility maintenance
- Capital outlay
- Financial Assistance and Compliance
- Hunting, fishing, and other recreational license sales
- Maintain biological and GIS applications
- Managing federal aid
- Maintaining internal control procedures
- Procurement and property management

Program Highlights

Administration Division Major Budget Highlights
<p>The legislature approved an increase of 18.7% or \$7.7 million compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Present law adjustments for personal services, inflation, and fixed costs - \$3.2 million • Inflationary increases for FWP vehicles - \$3.2 million • Increased funding from the general license account - \$850,000 • Increase maintenance funding for regional offices - \$290,161 • Instream flow gauges - \$200,000 • Angling economic impact analysis one-time-only - \$200,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	141.87	141.87	141.87	141.87
Personal Services	11,318,210	11,456,155	11,399,284	11,829,058	11,892,902
Operating Expenses	6,883,590	7,099,292	7,870,127	11,330,031	11,373,497
Equipment & Intangible Assets	96,237	497,638	27,638	27,638	27,638
Benefits & Claims	2,000	3,000	3,000	3,000	3,000
Transfers	1,046,736	1,071,479	1,348,479	1,348,479	1,348,479
Debt Service	687,526	687,547	14,521	14,521	14,521
Total Expenditures	\$20,034,299	\$20,815,111	\$20,663,049	\$24,552,727	\$24,660,037
State/Other Special Rev. Funds	18,846,357	19,467,458	19,314,221	22,739,189	22,811,050
Federal Spec. Rev. Funds	1,187,942	1,347,653	1,348,828	1,813,538	1,848,987
Total Funds	\$20,034,299	\$20,815,111	\$20,663,049	\$24,552,727	\$24,660,037
Total Ongoing	\$20,034,299	\$20,815,111	\$20,663,049	\$25,072,964	\$25,180,274
Total OTO	\$0	\$0	\$0	(\$520,237)	(\$520,237)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Fish, Wildlife, and Parks, 09-Administration Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02086 Mountain Sheep Account	64,000	0	0	64,000	0.14 %
02112 Moose Auction	4,666	0	0	4,666	0.01 %
02176 Mountain Goat Auction	3,000	0	0	3,000	0.01 %
02408 Coal Tax Trust Account	10,000	0	0	10,000	0.02 %
02409 General License	44,247,797	0	1,114,798	45,362,595	96.48 %
02411 State Parks Miscellaneous	775,400	0	124,702	900,102	1.91 %
02469 Habitat Trust Interest	65,742	0	226,298	292,040	0.62 %
02547 Search & Rescue	200,000	0	0	200,000	0.43 %
02559 Mule Deer Auction	2,800	0	0	2,800	0.01 %
02560 Elk Auction	6,666	0	0	6,666	0.01 %
02600 Hunters Against Hunger	160,000	0	0	160,000	0.34 %
02543 Search and Rescue - General	10,168	0	0	10,168	0.02 %
State Special Total	\$45,550,239	\$0	\$1,465,798	\$47,016,037	64.17 %
03097 Fish(WB)-Wildlf(Pr) Restor Grnt	3,454,525	0	625,400	4,079,925	95.15 %
03098 Parks Federal Revenue	208,000	0	0	208,000	4.85 %
Federal Special Total	\$3,662,525	\$0	\$625,400	\$4,287,925	5.85 %
06502 Equipment Enterprise Fund	0	7,537,751	0	7,537,751	34.33 %
06503 F & G Warehouse Inventory	0	208,335	0	208,335	0.95 %
06540 DFWP Aircraft	0	1,173,135	0	1,173,135	5.34 %
06513 FWP Maintenance	0	13,039,433	0	13,039,433	59.38 %
Proprietary Total	\$0	\$21,958,654	\$0	\$21,958,654	29.97 %
Total All Funds	\$49,212,764	\$21,958,654	\$2,091,198	\$73,262,616	

The Administration Division is funded primarily with state special revenue from the sale of hunting and fishing licenses. Proprietary revenue includes charges for the vehicle fleet, and warehouse fees. Statutory expenditures are for Payment in Lieu of Taxes (PILT). PILT are payments to local governments to help offset losses in property taxes due to the existence of state or federal lands not subject to property taxes.

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.

-----General Fund-----					-----Total Funds-----			
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	20,663,049	20,663,049	41,326,098	83.97 %
SWPL Adjustments	0	0	0	0.00 %	1,168,642	1,138,883	2,307,525	4.69 %
PL Adjustments	0	0	0	0.00 %	1,985,266	2,044,215	4,029,481	8.19 %
New Proposals	0	0	0	0.00 %	735,770	813,890	1,549,660	3.15 %
Total Budget	\$0	\$0	\$0		\$24,552,727	\$24,660,037	\$49,212,764	

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 2024-----						-----Fiscal 2025-----				
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	553,527	0	553,527		0.00	0	618,039	0	618,039
DP 2 - Fixed Costs										
0.00	0	247,830	0	247,830		0.00	0	99,786	0	99,786
DP 3 - Inflation Deflation										
0.00	0	367,285	0	367,285		0.00	0	421,058	0	421,058
DP 20 - SABHRS Rate Adjustment										
0.00	0	15,109	0	15,109		0.00	0	10,121	0	10,121
DP 30 - Motor Pool Rate Adjustment										
0.00	0	(1,226)	0	(1,226)		0.00	0	(1,148)	0	(1,148)
DP 222 - RMTD Adjustment										
0.00	0	620,237	0	620,237		0.00	0	620,237	0	620,237
DP 223 - RMTD Adjustment (OTO)										
0.00	0	(620,237)	0	(620,237)		0.00	0	(620,237)	0	(620,237)
DP 902 - Fleet Rate Adjustment										
0.00	0	1,200,596	345,787	1,546,383		0.00	0	1,250,176	360,066	1,610,242
DP 904 - Reinstate 2023 General License base budget										
0.00	0	425,000	0	425,000		0.00	0	425,000	0	425,000
Grand Total All Present Law Adjustments										
0.00	\$0	\$2,808,121	\$345,787	\$3,153,908		0.00	\$0	\$2,823,032	\$360,066	\$3,183,098

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 902 - Fleet Rate Adjustment -

The legislature approved an increase in authority to pay for rate adjustments to the vehicle fleet. Vehicle rates are driven by fuel prices, maintenance, and other operating cost. FWP maintains a fleet of vehicles and charges internal rates to the divisions for the use of those vehicles.

DP 904 - Reinstate 2023 General License base budget -

The legislature approved an increase in ongoing appropriation from the general license state special revenue account.

New Proposals

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

New Proposals										
	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	27,044	0	27,044	0.00	0	27,044	0	27,044
DP 333 - Adjustment to Inflation	0.00	0	(142,252)	0	(142,252)	0.00	0	(172,399)	0	(172,399)
DP 555 - Additional Vacancy Savings	0.00	0	(122,321)	(1,432)	(123,753)	0.00	0	(122,982)	(1,439)	(124,421)
DP 901 - Proprietary Maintenance Fund	0.00	0	144,943	0	144,943	0.00	0	145,218	0	145,218
DP 910 - Instream Flow (RST/BIEN)	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 920 - Angling Economic Impact Analysis (RST/BIEN/OTO)	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 3333 - Additional Adjustment to Inflation	0.00	0	509,433	120,355	629,788	0.00	0	596,916	141,532	738,448
Total	0.00	\$0	\$616,847	\$118,923	\$735,770	0.00	\$0	\$673,797	\$140,093	\$813,890

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

DP 99 - New Fixed Costs -

The legislature approved funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved of \$54,100 for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 901 - Proprietary Maintenance Fund -

The legislature approved an increase in authority for new maintenance rates. The agency will utilize the new proprietary maintenance program to provide maintenance services and this funding will pay the required rate for those services. The new proprietary maintenance rate is \$78.50 per hour.

DP 910 - Instream Flow (RST/BIEN) -

The legislature approved an appropriation of state special revenue to support the leasing of water rights to benefit instream flow pursuant to programs and policy of the Department's existing Water Leasing Program.

DP 920 - Angling Economic Impact Analysis (RST/BIEN/OTO) -

The legislature approved a one-time-only appropriation of state special revenue to fund an economic impact analysis on cold and warm-water angling activity in Montana.

It is the intent of the legislature that the agency contract the University of Montana or other institution of higher learning to complete the analysis.

The following language will be included in HB 2 - "Fish, Wildlife, and Parks will provide the completed Angling Economic Impact Analysis to the Environmental Quality Council, and the Joint Interim Budget Committee for Natural Resources and Transportation by the last day of September 2025."

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

Other Issues**Fund 06502 Equipment Fund Rate Request***Program Description*

The department's equipment fund provides a fleet of vehicles to department employees.

Revenues and Expenses

Users are charged a usage rate for the number of miles driven and an assigned rate for the number of days a vehicle is used. The assigned rates are calculated to recover the costs of administration to operate the program (personal services and fixed operational costs) and replacement of fleet vehicles. The usage rates are calculated to recover the costs of fuel, supplies, repairs, and maintenance of the fleet. This fund supports a total of 3.56 FTE.

Each year, department employees drive an average of 6.6 million miles in department owned vehicles. The number of miles driven is expected to remain consistent over the next biennium. The department currently has a fleet of 599 vehicles. The department's request for vehicle replacement is for 60 vehicles in both FY 2024 and FY 2025. This is based on replacing vehicles after a minimum of 180,000 miles. The department will also be managing this fund to ensure that the fiscal year-end balance will not exceed the 60-day working capital requirement.

Rates and Rate Explanation

The vehicle usage rate recovers the direct costs of fuel, supplies, repairs, and maintenance of the fleet. The assigned rates for vehicles are calculated to recover the costs of administration of the program (personal services, vehicle licensing, insurance and title work, utilities, etc) and replacement of fleet vehicles.

Information is gathered using the Agile Assets Fleet Software to provide mileage and cost information related to each vehicle class. This cost information, as well as SABHRS financial information, was used to base costs and to calculate the FY 2024 and FY 2025 rates. The volatility of fuel prices continues to be a major challenge in estimating future rates and a tier structure has been developed to adjust rates based on unexpected increases in fuel costs per gallon. The department has also added a class category for one-ton pickups. Previously, the department consolidated the cost of the one-ton trucks into the rate for the 3/4-ton pickup class category. The assigned rate in the following tables are day rates.

FY 2024 Vehicle Usage Rate				
	Assigned			
	Cost Rate	Tier 1	Tier 2	Tier3
<u>Vehicle Class</u>	<u>per Day</u>	<u>\$4.50/gal</u>	<u>\$5.00/gal</u>	<u>\$5.50/gal</u>
Sedan	\$14.13	\$0.21	\$0.22	\$0.23
Van	\$8.16	\$0.26	\$0.28	\$0.30
Utility	\$6.38	\$0.29	\$0.31	\$0.33
1/2 Ton Pickup	\$19.05	\$0.37	\$0.40	\$0.43
3/4 Ton Pickup	\$13.29	\$0.47	\$0.51	\$0.55
1 Ton Pickup	\$40.86	\$0.45	\$0.48	\$0.51

FY 2025 Vehicle Usage Rate				
	Assigned			
	Cost Rate	Tier 1	Tier 2	Tier3
<u>Vehicle Class</u>	<u>per Day</u>	<u>\$4.50/gal</u>	<u>\$5.00/gal</u>	<u>\$5.50/gal</u>
Sedan	\$14.14	\$0.21	\$0.23	\$0.24
Van	\$8.18	\$0.27	\$0.29	\$0.31
Utility	\$6.38	\$0.29	\$0.31	\$0.34
1/2 Ton Pickup	\$19.06	\$0.38	\$0.41	\$0.44
3/4 Ton Pickup	\$13.30	\$0.48	\$0.52	\$0.56
1 Ton Pickup	\$40.87	\$0.45	\$0.49	\$0.52

Fund 06503 Warehouse Inventory

Rate Request

Program Description

The department's warehouse contains mainly uniform items for department employees. Overhead costs are recovered by charging a predetermined fixed percentage to all sales. The department wishes to end this internal service fund by FYE 2023. Due to the fluctuation of uniform needs (sizing, and product type), the warehouse has not been able to match inventory with department needs. This unpredictability in purchases from the warehouse makes it difficult to set a rate that will recover enough funds to maintain a 60-day working capital balance. The department has found another vendor that can better provide for the uniform needs of the agency.

Rates and Rate Explanation

35.0%

Projected Fund Balance, Including Cash Fluctuations

06503 Warehouse Inventory Internal Service Fund						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>Budget</u>
Beginning Fund Balance	\$101,556	\$101,556	\$101,556	\$101,556	\$101,556	\$101,556
Revenue	105,768	101,579	89,109	134,213	-	-
Expenditures	<u>150,475</u>	<u>124,949</u>	<u>112,877</u>	<u>134,213</u>	-	-
Ending Fund Balance	\$56,849	\$78,186	\$77,788	\$101,556	\$101,556	\$101,556

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	64,738,278	64,884,674	146,396	0.23 %
Operating Expenses	51,257,767	54,126,983	2,869,216	5.60 %
Equipment & Intangible Assets	203,480	203,480	0	0.00 %
Grants	3,905,691	3,877,670	(28,021)	(0.72)%
Benefits & Claims	850,000	850,000	0	0.00 %
Transfers	6,089,288	6,079,288	(10,000)	(0.16)%
Total Expenditures	\$127,044,504	\$130,022,095	\$2,977,591	2.34 %
General Fund	11,536,190	13,040,672	1,504,482	13.04 %
State/Other Special Rev. Funds	65,951,886	66,966,003	1,014,117	1.54 %
Federal Spec. Rev. Funds	49,556,428	50,015,420	458,992	0.93 %
Total Funds	\$127,044,504	\$130,022,095	\$2,977,591	2.34 %
Total Ongoing	\$127,044,504	\$129,169,134	\$2,124,630	1.67 %
Total OTO	\$0	\$852,961	\$852,961	100.00 %

Agency Description

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

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

Agency Highlights

**Department of Environmental Quality
Major Budget Highlights**

The legislature approved an increase of 2.3% or \$3.0 million when compared to the 2023 biennium, including:

- Present law adjustments for personal services, inflation, and fixed costs - \$1.5 million
- One-time-only funding for 3.00 FTE to review subdivision applications - \$852,961
- State special revenue to implement HB 364 (1.00 FTE) - \$179,200
- Interstate Mining Compact - \$60,000

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	366.04	366.04	370.04	370.04
Personal Services	27,031,303	32,097,604	32,640,674	32,344,437	32,540,237
Operating Expenses	18,093,345	25,687,741	25,570,026	26,937,019	27,189,964
Equipment & Intangible Assets	66,333	101,740	101,740	101,740	101,740
Grants	1,899,124	1,966,856	1,938,835	1,938,835	1,938,835
Benefits & Claims	231,123	425,000	425,000	425,000	425,000
Transfers	533,092	3,049,644	3,039,644	3,039,644	3,039,644
Total Expenditures	\$47,854,320	\$63,328,585	\$63,715,919	\$64,786,675	\$65,235,420
General Fund	5,743,448	5,774,703	5,761,487	6,493,161	6,547,511
State/Other Special Rev. Funds	24,701,878	32,818,507	33,133,379	33,387,172	33,578,831
Federal Spec. Rev. Funds	17,408,994	24,735,375	24,821,053	24,906,342	25,109,078
Total Funds	\$47,854,320	\$63,328,585	\$63,715,919	\$64,786,675	\$65,235,420
Total Ongoing	\$47,854,320	\$63,328,585	\$63,715,919	\$64,347,539	\$64,821,595
Total OTO	\$0	\$0	\$0	\$439,136	\$413,825

Summary of Legislative Action

The legislature approved an increase of 2.3% or \$3.0 million in total appropriation including a 13.0% or \$1.5 million increase in general fund. New ongoing funding increased by \$2.1 million, and one-time-only appropriations increased by \$852,961 compared to the previous biennium.

Present law adjustments for pay and benefits and a 5.0% vacancy savings rate resulted in a reduction of \$1.0 million for personal services. Present law adjustment for inflation and fixed cost increase appropriations for operating costs by \$2.5 million.

The legislature included \$60,000 from federal sources to join the Interstate Mining Compact Commission as a full member. The legislature approved and the Governor signed SB 55 which enters Montana into the Interstate Mining Compact. The annual cost of full membership is \$30,000 per year.

General fund authority of \$852,961 was approved as one-time-only for 3.00 FTE to clear a backlog of subdivision applications.

Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Environmental Quality Funding by Source of Authority 2025 Biennium Budget Request - Department of Environmental Quality						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	12,187,711	852,961	0	0	13,040,672	8.23 %
State Special Total	66,966,003	0	0	10,500,000	77,466,003	48.88 %
Federal Special Total	50,015,420	0	0	0	50,015,420	31.56 %
Proprietary Total	0	0	17,968,393	0	17,968,393	11.34 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$129,169,134	\$852,961	\$17,968,393	\$10,500,000	\$158,490,488	
Percent - Total All Sources	81.50 %	0.54 %	11.34 %	6.62 %		

The Department of Environmental Quality largest source of funding is state special revenue which is derived from permitting fees, fines, and bond proceeds utilized to support specific department functions such as permitting, enforcement, and remediation. The federal revenue is provided from the U.S. Environmental Protection Agency (EPA) performance partnership grant, the super fund program, and other federal grant resources. General fund is utilized for personal services, travel, communications, and equipment. Statutory appropriations are funded by a tax on petroleum-based fuels and are appropriated to the administrative cost of the petroleum tank clean up.

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								
-----General Fund-----					-----Total Funds-----			
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	5,761,487	5,761,487	11,522,974	88.36 %	63,715,919	63,715,919	127,431,838	98.01 %
SWPL Adjustments	346,515	426,517	773,032	5.93 %	799,905	1,268,171	2,068,076	1.59 %
PL Adjustments	(1,514)	(1,416)	(2,930)	(0.02)%	(17,998)	(16,839)	(34,837)	(0.03)%
New Proposals	386,673	360,923	747,596	5.73 %	288,849	268,169	557,018	0.43 %
Total Budget	\$6,493,161	\$6,547,511	\$13,040,672		\$64,786,675	\$65,235,420	\$130,022,095	

Other Legislation

HB 5 - "Long-Range Building Appropriations"

HB 5 includes a \$3.7 million state special revenue appropriation to the department for energy improvement programs, and \$3.7 million general fund for grants to reduce lead in school drinking water.

HB 4 – “Appropriations by budget amendment”

The legislature approved the continuation of budget amendments for federal funds totaling \$18.4 million into the 2025 biennium supporting water quality programs, mining reclamation, brownfields programs, and energy programs.

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	366.04	369.04	370.04	1.00	369.04	370.04	1.00	1.00
Personal Services	32,640,674	32,650,116	32,344,437	(305,679)	32,829,685	32,540,237	(289,448)	(595,127)
Operating Expenses	25,570,026	27,028,617	26,937,019	(91,598)	27,292,003	27,189,964	(102,039)	(193,637)
Equipment & Intangible Assets	101,740	101,740	101,740	0	101,740	101,740	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,938,835	1,938,835	1,938,835	0	1,938,835	1,938,835	0	0
Benefits & Claims	425,000	425,000	425,000	0	425,000	425,000	0	0
Transfers	3,039,644	3,039,644	3,039,644	0	3,039,644	3,039,644	0	0
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$63,715,919	\$65,183,952	\$64,786,675	(\$397,277)	\$65,626,907	\$65,235,420	(\$391,487)	(\$788,764)
General Fund	5,761,487	6,566,130	6,493,161	(72,969)	6,620,821	6,547,511	(73,310)	(146,279)
State/other Special Rev. Funds	33,133,379	33,612,974	33,387,172	(225,802)	33,798,649	33,578,831	(219,818)	(445,620)
Federal Spec. Rev. Funds	24,821,053	25,004,848	24,906,342	(98,506)	25,207,437	25,109,078	(98,359)	(196,865)
Other	0	0	0	0	0	0	0	0
Total Funds	\$63,715,919	\$65,183,952	\$64,786,675	(\$397,277)	\$65,626,907	\$65,235,420	(\$391,487)	(\$788,764)
Total Ongoing	\$63,715,919	\$65,183,952	\$64,347,539	(\$836,413)	\$65,626,907	\$64,821,595	(\$805,312)	(\$1,641,725)
Total OTO	\$0	\$0	\$439,136	\$439,136	\$0	\$413,825	\$413,825	\$852,961

The legislature approved total appropriations that are \$788,764 lower than the executive request, with the reduction being mostly state special revenue. Specifically, the legislature:

- Approved an additional 1.0% vacancy savings - (\$573,127)
- Approved language funding HB 364 - "Allow for Independent Subdivision Reviews" - \$179,200
- Approved an adjustment to motor pool rates - (\$34,837)
- Did not approve hard rock mining Fees - (\$360,000)

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"If the Carpenter/Snow Creek or the Barker/Hughesville national priority list sites are approved for federal superfund funding by the Environmental Protection Agency, the Department of Environmental Quality is appropriated \$2.2 million in state special revenue from the Comprehensive Environmental Response, Compensation, and Liability Act bond proceeds account for the 2025 biennium."

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

"The Central Management Program includes an increase in general fund of \$71,286 in FY 2024 and \$91,238 in FY 2025, an increase in state special revenue of \$83,840 in FY 2024 and \$109,147 in FY 2025, and an increase of federal special revenue of \$143,937 in FY 2024 and \$186,015 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:

"If HB 364 is passed and approved, the Department of Environmental Quality is increased by \$86,400 state special revenue in FY 2024 and 92,800 state special revenue in FY 2025, and the Department of Environmental Quality may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025."

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,043,233	3,950,751	(92,482)	(2.29)%
Operating Expenses	4,701,357	5,821,317	1,119,960	23.82 %
Total Expenditures	\$8,744,590	\$9,772,068	\$1,027,478	11.75 %
General Fund	1,698,711	2,243,589	544,878	32.08 %
State/Other Special Rev. Funds	5,313,278	5,367,853	54,575	1.03 %
Federal Spec. Rev. Funds	1,732,601	2,160,626	428,025	24.70 %
Total Funds	\$8,744,590	\$9,772,068	\$1,027,478	11.75 %
Total Ongoing	\$8,744,590	\$9,772,068	\$1,027,478	11.75 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

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

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

Program Highlights

**Central Management Program
Major Budget Highlights**

The legislature approved an 11.8% or \$1.0 million increase in the 2025 biennium total appropriations compared to the 2023 biennium. This increase is driven entirely by statewide present law adjustments for personal services, inflation and fixed costs.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	21.08	21.08	21.08	21.08
Personal Services	1,740,594	1,963,722	2,079,511	1,969,311	1,981,440
Operating Expenses	1,090,527	2,218,109	2,483,248	2,859,779	2,961,538
Total Expenditures	\$2,831,121	\$4,181,831	\$4,562,759	\$4,829,090	\$4,942,978
General Fund	837,201	838,333	860,378	1,099,442	1,144,147
State/Other Special Rev. Funds	1,433,549	2,526,234	2,787,044	2,670,374	2,697,479
Federal Spec. Rev. Funds	560,371	817,264	915,337	1,059,274	1,101,352
Total Funds	\$2,831,121	\$4,181,831	\$4,562,759	\$4,829,090	\$4,942,978
Total Ongoing	\$2,831,121	\$4,181,831	\$4,562,759	\$4,829,090	\$4,942,978
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 10-Central Management Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,243,589	0	0	2,243,589	8.09 %
02070 Hazardous Waste-CERCLA	245,193	0	0	245,193	4.57 %
02075 UST Leak Prevention Program	82,258	0	0	82,258	1.53 %
02097 Environmental Rehab & Response	500,434	0	0	500,434	9.32 %
02157 Solid Waste Management Fee	124,494	0	0	124,494	2.32 %
02201 Air Quality-Operating Fees	413,416	0	0	413,416	7.70 %
02202 Asbestos Control	128,322	0	0	128,322	2.39 %
02204 Public Drinking Water	290,444	0	0	290,444	5.41 %
02223 Wastewater SRF Special Admin	5,430	0	0	5,430	0.10 %
02278 MPDES Permit Program	499,800	0	0	499,800	9.31 %
02418 Subdivision Plat Review	145,996	0	0	145,996	2.72 %
02428 Major Facility Siting	785,872	0	0	785,872	14.64 %
02542 MT Environ Policy Act Fee	1,943,880	0	0	1,943,880	36.21 %
02576 Natural Resources Operations	84,108	0	0	84,108	1.57 %
02845 Junk Vehicle Disposal	104,204	0	0	104,204	1.94 %
02955 State Energy conservation ARRA	14,002	0	0	14,002	0.26 %
State Special Total	\$5,367,853	\$0	\$0	\$5,367,853	19.35 %
03036 DEQ - Federal Aml Grant	529,952	0	0	529,952	24.53 %
03046 2019 Exchange Network	168,130	0	0	168,130	7.78 %
03307 NPS23 Staffing Grant	41,776	0	0	41,776	1.93 %
03433 EPA Perf Partnership Grant	943,872	0	0	943,872	43.69 %
03816 DOI OSM A&E Grant	445,026	0	0	445,026	20.60 %
03796 Haz Mat Emergency Prep	31,870	0	0	31,870	1.48 %
Federal Special Total	\$2,160,626	\$0	\$0	\$2,160,626	7.79 %
06509 DEQ Indirects	0	17,968,393	0	17,968,393	100.00 %
Proprietary Total	\$0	\$17,968,393	\$0	\$17,968,393	64.77 %
Total All Funds	\$9,772,068	\$17,968,393	\$0	\$27,740,461	

Central Management Program activities are funded 64.8% with non-budgeted proprietary funds that are not appropriated through HB 2. The proprietary funding is based upon a negotiated indirect rate with the Environmental Protection Agency (EPA). The appropriated funds consist of general funds, 15 state special revenue funds, and federal grants. Most of the funding comes from Montana Environmental Protection Act (MEPA) fees. Along with MEPA fees, fees for major facility siting, environmental re-habitation and response, air quality operating fees, and pollutant discharge elimination system permits make up most state special revenue appropriations.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	860,378	860,378	1,720,756	76.70 %	4,562,759	4,562,759	9,125,518	93.38 %
SWPL Adjustments	218,789	259,167	477,956	21.30 %	18,279	60,455	78,734	0.81 %
PL Adjustments	(565)	(528)	(1,093)	(0.05)%	(565)	(528)	(1,093)	(0.01)%
New Proposals	20,840	25,130	45,970	2.05 %	248,617	320,292	568,909	5.82 %
Total Budget	\$1,099,442	\$1,144,147	\$2,243,589		\$4,829,090	\$4,942,978	\$9,772,068	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	111,040	(200,510)	0	(89,470)	0.00	121,498	(198,712)	0	(77,214)
DP 2 - Fixed Costs	0.00	10,923	0	0	10,923	0.00	10,889	0	0	10,889
DP 3 - Inflation Deflation	0.00	96,826	0	0	96,826	0.00	126,780	0	0	126,780
DP 30 - Motor Pool Rate Adjustment	0.00	(565)	0	0	(565)	0.00	(528)	0	0	(528)
Grand Total All Present Law Adjustments	0.00	\$218,224	(\$200,510)	\$0	\$17,714	0.00	\$258,639	(\$198,712)	\$0	\$59,927

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	18,992	0	0	18,992	0.00	18,992	0	0	18,992
DP 333 - Adjustment to Inflation	0.00	(48,708)	0	0	(48,708)	0.00	(64,243)	0	0	(64,243)
DP 555 - Additional Vacancy Savings	0.00	(20,730)	0	0	(20,730)	0.00	(20,857)	0	0	(20,857)
DP 3333 - Additional Adjustment to Inflation	0.00	71,286	83,840	143,937	299,063	0.00	91,238	109,147	186,015	386,400
Total	0.00	\$20,840	\$83,840	\$143,937	\$248,617	0.00	\$25,130	\$109,147	\$186,015	\$320,292

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

DP 99 - New Fixed Costs -

The legislature approved appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved appropriations of \$38,000 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	24,950,680	24,730,675	(220,005)	(0.88)%
Operating Expenses	12,500,701	13,001,158	500,457	4.00 %
Grants	644,040	504,040	(140,000)	(21.74)%
Transfers	8,002	8,002	0	0.00 %
Total Expenditures	\$38,103,423	\$38,243,875	\$140,452	0.37 %
General Fund	5,439,927	6,138,408	698,481	12.84 %
State/Other Special Rev. Funds	16,015,230	16,094,133	78,903	0.49 %
Federal Spec. Rev. Funds	16,648,266	16,011,334	(636,932)	(3.83)%
Total Funds	\$38,103,423	\$38,243,875	\$140,452	0.37 %
Total Ongoing	\$38,103,423	\$37,390,914	(\$712,509)	(1.87)%
Total OTO	\$0	\$852,961	\$852,961	100.00 %

Program Description

The Water Quality Division protects public health and water quality in the State of Montana. This is accomplished through the financing and technical assistance provided for community water and wastewater systems; the development of water quality restoration plans; managing a state-wide monitoring network; subdivision review; monitoring compliance of public water systems; and water discharge permitting. The division achieves this through coordination with the public and regulated community by proposing rules, drafting policy, and developing water quality standards.

Program Highlights

Water Quality Division Major Budget Highlights

The legislature adopted a 0.4% or \$140,452 increase in the HB 2 2025 biennium appropriations compared to the 2023 biennium, including:

- Statewide present law adjustments for personal services, inflation, and fixed costs - (\$717,356)
- Subdivision application review (3.00 FTE one-time-only) - \$852,961
- Language appropriation to implement HB 364 - \$179,200

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	135.67	135.67	139.67	139.67
Personal Services	10,039,071	12,356,960	12,593,720	12,329,907	12,400,768
Operating Expenses	5,037,897	6,385,907	6,114,794	6,496,716	6,504,442
Grants	339,288	392,020	252,020	252,020	252,020
Transfers	0	4,001	4,001	4,001	4,001
Total Expenditures	\$15,416,256	\$19,138,888	\$18,964,535	\$19,082,644	\$19,161,231
General Fund	2,775,598	2,775,966	2,663,961	3,078,747	3,059,661
State/Other Special Rev. Funds	6,431,094	8,059,333	7,955,897	8,023,219	8,070,914
Federal Spec. Rev. Funds	6,209,564	8,303,589	8,344,677	7,980,678	8,030,656
Total Funds	\$15,416,256	\$19,138,888	\$18,964,535	\$19,082,644	\$19,161,231
Total Ongoing	\$15,416,256	\$19,138,888	\$18,964,535	\$18,643,508	\$18,747,406
Total OTO	\$0	\$0	\$0	\$439,136	\$413,825

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 20-Water Quality Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,138,408	0	0	6,138,408	16.05 %
02203 Nutrient Standards	90,062	0	0	90,062	0.56 %
02204 Public Drinking Water	2,625,060	0	0	2,625,060	16.31 %
02206 Agriculture Monitoring	10,914	0	0	10,914	0.07 %
02223 Wastewater SRF Special Admin	2,162,882	0	0	2,162,882	13.44 %
02278 MPDES Permit Program	6,604,335	0	0	6,604,335	41.04 %
02316 SRF Bonds State Administration	70,004	0	0	70,004	0.43 %
02418 Subdivision Plat Review	2,900,484	0	0	2,900,484	18.02 %
02420 Bd of Cert For W&WW OP	314,212	0	0	314,212	1.95 %
02491 Drinking Water Spec Admin Cost	1,316,180	0	0	1,316,180	8.18 %
State Special Total	\$16,094,133	\$0	\$0	\$16,094,133	42.08 %
03003 Regional Wetlands Program	20,000	0	0	20,000	0.12 %
03307 NPS23 Staffing Grant	2,133,330	0	0	2,133,330	13.32 %
03433 EPA Perf Partnership Grant	6,038,684	0	0	6,038,684	37.72 %
03436 NPS22 Staffing Grant	1,400,000	0	0	1,400,000	8.74 %
03490 FY21 Wetland Develop Grant	346,000	0	0	346,000	2.16 %
03676 Bureau of Land Management	200,000	0	0	200,000	1.25 %
03716 WPC22 SRF Grant	333,320	0	0	333,320	2.08 %
03815 DW20 SRF Grant	700,000	0	0	700,000	4.37 %
03817 DW22 SRF Grant	3,400,000	0	0	3,400,000	21.23 %
03818 DW21 SRF Grant	1,440,000	0	0	1,440,000	8.99 %
Federal Special Total	\$16,011,334	\$0	\$0	\$16,011,334	41.87 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$38,243,875	\$0	\$0	\$38,243,875	

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

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	2,663,961	2,663,961	5,327,922	86.80 %	18,964,535	18,964,535	37,929,070	99.18 %
SWPL Adjustments	(1,106)	6,293	5,187	0.08 %	(252,256)	(139,305)	(391,561)	(1.02)%
PL Adjustments	0	0	0	0.00 %	(3,012)	(2,819)	(5,831)	(0.02)%
New Proposals	415,892	389,407	805,299	13.12 %	373,377	338,820	712,197	1.86 %
Total Budget	\$3,078,747	\$3,059,661	\$6,138,408		\$19,082,644	\$19,161,231	\$38,243,875	

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 2024-----					-----Fiscal 2025-----			
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special
DP 1 - Personal Services	0.00	(72,171)	(19,806)	(400,439)	(492,416)	0.00	(67,432)	12,187	(366,843)
DP 2 - Fixed Costs	0.00	38,723	7,500	7,500	53,723	0.00	38,613	7,466	7,466
DP 3 - Inflation Deflation	0.00	32,342	51,635	102,460	186,437	0.00	35,112	66,251	127,875
DP 30 - Motor Pool Rate Adjustment	0.00	0	(901)	(2,111)	(3,012)	0.00	0	(844)	(1,975)
Grand Total All Present Law Adjustments	0.00	(\$1,106)	\$38,428	(\$292,590)	(\$255,268)	0.00	\$6,293	\$85,060	(\$233,477)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(10,378)	(16,569)	(32,879)	(59,826)	0.00	(11,475)	(21,651)	(41,790)	(74,916)
DP 555 - Additional Vacancy Savings	0.00	(12,866)	(40,937)	(38,530)	(92,333)	0.00	(12,943)	(41,192)	(38,754)	(92,889)
DP 1420 - HB 364 - Allow for Independent Subdivision Reviews	1.00	0	86,400	0	86,400	1.00	0	92,800	0	92,800
DP 20012 - Subdivision FTE (OTO)	3.00	439,136	0	0	439,136	3.00	413,825	0	0	413,825
Total	4.00	\$415,892	\$28,894	(\$71,409)	\$373,377	4.00	\$389,407	\$29,957	(\$80,544)	\$338,820

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1420 - HB 364 - Allow for Independent Subdivision Reviews -

The legislature adopted contingency language to increase appropriations if HB 364 was passed and approved and this decision package implements this language. HB 364 provides for independent reviewers to conduct subdivision reviews and requires the Department of Environmental Quality to develop a curriculum and examination to certify subdivision reviewers. HB 364 was passed and approved.

DP 20012 - Subdivision FTE (OTO) -

The legislature approved general fund authority and 3.00 FTE to support subdivision applications.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	16,787,570	17,338,534	550,964	3.28 %
Operating Expenses	18,943,177	19,520,258	577,081	3.05 %
Grants	3,261,651	3,373,630	111,979	3.43 %
Benefits & Claims	850,000	850,000	0	0.00 %
Transfers	5,429,398	5,429,398	0	0.00 %
Total Expenditures	\$45,271,796	\$46,511,820	\$1,240,024	2.74 %
General Fund	758,555	853,100	94,545	12.46 %
State/Other Special Rev. Funds	23,294,911	23,956,761	661,850	2.84 %
Federal Spec. Rev. Funds	21,218,330	21,701,959	483,629	2.28 %
Total Funds	\$45,271,796	\$46,511,820	\$1,240,024	2.74 %
Total Ongoing	\$45,271,796	\$46,511,820	\$1,240,024	2.74 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

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

Program Highlights

Waste Management and Remediation Division Major Budget Highlights
The legislature approved a 2.7% or \$1.2 million increase in total HB 2 2025 biennium appropriations compared to the 2023 biennium, driven by present law adjustments for personal services, inflation, and fixed costs.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	101.51	101.51	101.51	101.51
Personal Services	7,550,277	8,350,405	8,437,165	8,640,580	8,697,954
Operating Expenses	6,458,276	9,581,639	9,361,538	9,715,665	9,804,593
Grants	1,559,836	1,574,836	1,686,815	1,686,815	1,686,815
Benefits & Claims	231,123	425,000	425,000	425,000	425,000
Transfers	49,228	2,714,699	2,714,699	2,714,699	2,714,699
Total Expenditures	\$15,848,740	\$22,646,579	\$22,625,217	\$23,182,759	\$23,329,061
General Fund	370,140	375,855	382,700	417,947	435,153
State/Other Special Rev. Funds	9,342,901	11,627,104	11,667,807	11,952,463	12,004,298
Federal Spec. Rev. Funds	6,135,699	10,643,620	10,574,710	10,812,349	10,889,610
Total Funds	\$15,848,740	\$22,646,579	\$22,625,217	\$23,182,759	\$23,329,061
Total Ongoing	\$15,848,740	\$22,646,579	\$22,625,217	\$23,182,759	\$23,329,061
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 40-Waste Mgmt & Remediation Div					
Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	853,100	0	0	853,100	1.83 %
02054 UST-Installer Lic & Permit Acc	200,818	0	0	200,818	0.84 %
02058 Petroleum Storage Tank Cleanup	4,151,717	0	0	4,151,717	17.33 %
02070 Hazardous Waste-CERCLA	1,286,896	0	0	1,286,896	5.37 %
02075 UST Leak Prevention Program	801,888	0	0	801,888	3.35 %
02157 Solid Waste Management Fee	2,055,868	0	0	2,055,868	8.58 %
02162 Environmental Quality Protecti	5,516,762	0	0	5,516,762	23.03 %
02202 Asbestos Control	694,066	0	0	694,066	2.90 %
02206 Agriculture Monitoring	40,000	0	0	40,000	0.17 %
02314 DNRC Grants - REMediation	457,060	0	0	457,060	1.91 %
02421 Hazardous Waste Fees	737,608	0	0	737,608	3.08 %
02438 Pegasus - Beal Mountain	1,988	0	0	1,988	0.01 %
02472 Orphan Share Fund	1,122,530	0	0	1,122,530	4.69 %
02565 LUST Cost Recovery	900,026	0	0	900,026	3.76 %
02676 Hard Rock Reclamation	659,992	0	0	659,992	2.75 %
02845 Junk Vehicle Disposal	4,912,862	0	0	4,912,862	20.51 %
02940 Pegasus - Basin	77,964	0	0	77,964	0.33 %
02954 Septage Fees	138,716	0	0	138,716	0.58 %
02130 Libby Asbestos Cleanup O&M	200,000	0	0	200,000	0.83 %
State Special Total	\$23,956,761	\$0	\$0	\$23,956,761	51.51 %
03028 UST Energy Policy Act Prov	840,526	0	0	840,526	3.87 %
03036 DEQ - Federal Aml Grant	6,557,019	0	0	6,557,019	30.21 %
03151 Upper Tenmile TA	500,000	0	0	500,000	2.30 %
03155 Carpenter Snow Creek	500,000	0	0	500,000	2.30 %
03221 EPA LUST Trust	1,031,958	0	0	1,031,958	4.76 %
03259 Superfund Multisite TechAssist	416,000	0	0	416,000	1.92 %
03351 Tech Assist - Butte Mine Flood	800,000	0	0	800,000	3.69 %
03353 Management Assist - Spec Acct	1,154,592	0	0	1,154,592	5.32 %
03360 Management Assistance - Bulk	1,251,480	0	0	1,251,480	5.77 %
03433 EPA Perf Partnership Grant	1,722,643	0	0	1,722,643	7.94 %
03438 Brownsfield State Response	1,512,822	0	0	1,512,822	6.97 %
03447 Belt Water Treatment Fund	300,000	0	0	300,000	1.38 %
03463 Mine Lease/Reclamation	125,518	0	0	125,518	0.58 %
03663 Abandoned Mines Lands Grant	2,104,842	0	0	2,104,842	9.70 %
03798 LIBBY O&M GRANT	1,526,728	0	0	1,526,728	7.04 %
03820 Libby OU3	1,357,831	0	0	1,357,831	6.26 %
Federal Special Total	\$21,701,959	\$0	\$0	\$21,701,959	46.66 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$46,511,820	\$0	\$0	\$46,511,820	

The Waste Management and Remediation Division is funded with general fund, state special, and federal special 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.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	382,700	382,700	765,400	89.72 %	22,625,217	22,625,217	45,250,434	97.29 %
SWPL Adjustments	64,040	81,427	145,467	17.05 %	763,525	944,066	1,707,591	3.67 %
PL Adjustments	0	0	0	0.00 %	(2,766)	(2,587)	(5,353)	(0.01)%
New Proposals	(28,793)	(28,974)	(57,767)	(6.77)%	(203,217)	(237,635)	(440,852)	(0.95)%
Total Budget	\$417,947	\$435,153	\$853,100		\$23,182,759	\$23,329,061	\$46,511,820	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	64,040	208,819	21,510	294,369	0.00	81,427	234,011	36,908	352,346
DP 2 - Fixed Costs	0.00	0	26,517	31,365	57,882	0.00	0	26,468	31,265	57,733
DP 3 - Inflation Deflation	0.00	0	124,987	286,287	411,274	0.00	0	162,088	371,899	533,987
DP 30 - Motor Pool Rate Adjustment	0.00	0	(1,197)	(1,569)	(2,766)	0.00	0	(1,120)	(1,467)	(2,587)
Grand Total All Present Law Adjustments	0.00	\$64,040	\$359,126	\$337,593	\$760,759	0.00	\$81,427	\$421,447	\$438,605	\$941,479

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(34,117)	(78,146)	(112,263)	0.00	0	(44,341)	(101,737)	(146,078)
DP 555 - Additional Vacancy Savings	0.00	(28,793)	(40,353)	(21,808)	(90,954)	0.00	(28,974)	(40,615)	(21,968)	(91,557)
Total	0.00	(\$28,793)	(\$74,470)	(\$99,954)	(\$203,217)	0.00	(\$28,974)	(\$84,956)	(\$123,705)	(\$237,635)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	18,167,366	17,832,160	(335,206)	(1.85)%
Operating Expenses	14,186,286	14,746,356	560,070	3.95 %
Equipment & Intangible Assets	203,480	203,480	0	0.00 %
Transfers	37,396	27,396	(10,000)	(26.74)%
Total Expenditures	\$32,594,528	\$32,809,392	\$214,864	0.66 %
General Fund	3,638,997	3,805,575	166,578	4.58 %
State/Other Special Rev. Funds	18,998,300	18,862,316	(135,984)	(0.72)%
Federal Spec. Rev. Funds	9,957,231	10,141,501	184,270	1.85 %
Total Funds	\$32,594,528	\$32,809,392	\$214,864	0.66 %
Total Ongoing	\$32,594,528	\$32,809,392	\$214,864	0.66 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

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

Program Highlights

Air Energy and Mining Division Major Budget Highlights	
<p>The legislature approved a 0.7% or \$214,864 increase in total HB 2 2025 biennium appropriations compared to the 2023 biennium, including:</p> <ul style="list-style-type: none"> • Present law adjustments for personal services, inflation, and fixed costs- \$31,260 • Interstate Mining Compact Commission - \$60,000 	

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	101.03	101.03	101.03	101.03
Personal Services	7,250,471	9,035,396	9,131,970	8,890,227	8,941,933
Operating Expenses	5,337,542	7,074,628	7,111,658	7,348,235	7,398,121
Equipment & Intangible Assets	66,333	101,740	101,740	101,740	101,740
Transfers	14,427	23,698	13,698	13,698	13,698
Total Expenditures	\$12,668,773	\$16,235,462	\$16,359,066	\$16,353,900	\$16,455,492
General Fund	1,760,509	1,784,549	1,854,448	1,897,025	1,908,550
State/Other Special Rev. Funds	6,404,904	9,480,011	9,518,289	9,402,834	9,459,482
Federal Spec. Rev. Funds	4,503,360	4,970,902	4,986,329	5,054,041	5,087,460
Total Funds	\$12,668,773	\$16,235,462	\$16,359,066	\$16,353,900	\$16,455,492
Total Ongoing	\$12,668,773	\$16,235,462	\$16,359,066	\$16,353,900	\$16,455,492
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 50-Air Energy & Mining Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	3,805,575	0	0	3,805,575	11.60 %
02036 Opencut permit Fees	1,473,632	0	0	1,473,632	7.81 %
02095 Opencut Bond Forfeitures	429,248	0	0	429,248	2.28 %
02096 Reclamation - Bond Forfeitures	347,688	0	0	347,688	1.84 %
02201 Air Quality-Operating Fees	6,492,011	0	0	6,492,011	34.42 %
02291 Alternative Energy Loan ARRA	184,411	0	0	184,411	0.98 %
02370 Energy Consv Repayment Acct	24,862	0	0	24,862	0.13 %
02555 Alternative Energy Rev Loan	419,518	0	0	419,518	2.22 %
02576 Natural Resources Operations	4,709,684	0	0	4,709,684	24.97 %
02579 Coal & Uranium Mine Account	573,138	0	0	573,138	3.04 %
02676 Hard Rock Reclamation	25,296	0	0	25,296	0.13 %
02955 State Energy conservation ARRA	1,024,022	0	0	1,024,022	5.43 %
02973 Univ System Benefits Program	506,102	0	0	506,102	2.68 %
02988 Hard Rock Mining Reclamation	2,652,704	0	0	2,652,704	14.06 %
State Special Total	\$18,862,316	\$0	\$0	\$18,862,316	57.49 %
03052 DOE SHOPP 09/14/21	34,640	0	0	34,640	0.34 %
03067 DSL Federal Reclamation Grant	201,896	0	0	201,896	1.99 %
03199 Stripper Wells	9,000	0	0	9,000	0.09 %
03433 EPA Perf Partnership Grant	3,201,840	0	0	3,201,840	31.57 %
03435 PM 2.5 Fiscal Year 2004	811,938	0	0	811,938	8.01 %
03437 DOE-State Energy Program	850,628	0	0	850,628	8.39 %
03723 Clean Diesel DS-97867001	754,310	0	0	754,310	7.44 %
03816 DOI OSM A&E Grant	4,277,249	0	0	4,277,249	42.18 %
Federal Special Total	\$10,141,501	\$0	\$0	\$10,141,501	30.91 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$32,809,392	\$0	\$0	\$32,809,392	

The Air Energy and Mining Division is funded primarily with state special and federal special revenues. State special revenue primarily consists of air quality and opencut mining licensing and permitting fees, as well as production taxes on oil, gas, and metal mines. The agency also receives Resource Indemnity Trust (RIT) interest via the natural resource operations fund. Federal revenues come primarily from EPA, Department of Energy, and Department of Interior grants. General fund supports personal services and operating expenses.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,854,448	1,854,448	3,708,896	97.46 %	16,359,066	16,359,066	32,718,132	99.72 %
SWPL Adjustments	64,792	79,630	144,422	3.79 %	125,082	247,475	372,557	1.14 %
PL Adjustments	(949)	(888)	(1,837)	(0.05)%	(11,655)	(10,905)	(22,560)	(0.07)%
New Proposals	(21,266)	(24,640)	(45,906)	(1.21)%	(118,593)	(140,144)	(258,737)	(0.79)%
Total Budget	\$1,897,025	\$1,908,550	\$3,805,575		\$16,353,900	\$16,455,492	\$32,809,392	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	7,340	(158,549)	(14,287)	(165,496)	0.00	11,175	(121,028)	(3,493)	(113,346)
DP 2 - Fixed Costs	0.00	15,781	20,704	6,981	43,466	0.00	15,727	20,637	6,959	43,323
DP 3 - Inflation Deflation	0.00	41,671	93,023	112,418	247,112	0.00	52,728	120,422	144,348	317,498
DP 30 - Motor Pool Rate Adjustment	0.00	(949)	(3,667)	(7,039)	(11,655)	0.00	(888)	(3,431)	(6,586)	(10,905)
Grand Total All Present Law Adjustments	0.00	\$63,843	(\$48,489)	\$98,073	\$113,427	0.00	\$78,742	\$16,600	\$141,228	\$236,570

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

New Proposals

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

New Proposals										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(12,200)	(27,234)	(32,912)	(72,346)	0.00	(15,520)	(35,445)	(42,488)	(93,453)
DP 555 - Additional Vacancy Savings	0.00	(9,066)	(39,732)	(27,449)	(76,247)	0.00	(9,120)	(39,962)	(27,609)	(76,691)
DP 50011 - Join Interstate Mining Compact Commission	0.00	0	0	30,000	30,000	0.00	0	0	30,000	30,000
Total	0.00	(\$21,266)	(\$66,966)	(\$30,361)	(\$118,593)	0.00	(\$24,640)	(\$75,407)	(\$40,097)	(\$140,144)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 50011 - Join Interstate Mining Compact Commission -

The legislature approved federal special revenue to join the Interstate Mining Compact Commission (IMCC) as a full member.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Operating Expenses	345,508	360,774	15,266	4.42 %
Transfers	614,492	614,492	0	0.00 %
Total Expenditures	\$960,000	\$975,266	\$15,266	1.59 %
State/Other Special Rev. Funds	960,000	975,266	15,266	1.59 %
Total Funds	\$960,000	\$975,266	\$15,266	1.59 %
Total Ongoing	\$960,000	\$975,266	\$15,266	1.59 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Libby Asbestos Superfund Advisory Team is attached to DEQ for administrative purposes. The Oversight Committee was created to enhance communication with stakeholders regarding the Libby Asbestos Superfund site. In addition, the Oversight Committee advises DEQ on administration of the Libby Asbestos Cleanup Trust Fund and operation and maintenance accounts. The appropriated funds are used to maintain committee activities and support operation and maintenance at the site for long-term environmental and public health protection.

Program Highlights

Libby Asbestos Superfund Advisory Team Major Budget Highlights	
The legislature approved an increase of 1.6% or \$15,266 in state special revenue comprised of statewide present law adjustments for inflation.	

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
Operating Expenses	1	172,754	172,754	179,334	181,440
Transfers	469,437	307,246	307,246	307,246	307,246
Total Expenditures	\$469,438	\$480,000	\$480,000	\$486,580	\$488,686
State/Other Special Rev. Funds	469,438	480,000	480,000	486,580	488,686
Total Funds	\$469,438	\$480,000	\$480,000	\$486,580	\$488,686
Total Ongoing	\$469,438	\$480,000	\$480,000	\$486,580	\$488,686
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 80-Libby Asbestos Sf Advisory Tm 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 %
02130 Libby Asbestos Cleanup O&M	975,266	0	0	975,266	100.00 %
State Special Total	\$975,266	\$0	\$0	\$975,266	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$975,266	\$0	\$0	\$975,266	

The Libby Asbestos Superfund Advisory Team is funded from the Libby Asbestos Cleanup Operations and Maintenance state special revenue account. Sources of revenue include penalties, forfeited financial assurances, proceeds from the resource indemnity trust fund, cost recoveries, and interest on the fund balance.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	480,000	480,000	960,000	98.43 %
SWPL Adjustments	0	0	0	0.00 %	8,773	11,581	20,354	2.09 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	(2,193)	(2,895)	(5,088)	(0.52) %
Total Budget	\$0	\$0	\$0		\$486,580	\$488,686	\$975,266	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Inflation Deflation	0.00	0	8,773	0	8,773	0.00	0	11,581	0	11,581
Grand Total All Present Law Adjustments	0.00	\$0	\$8,773	\$0	\$8,773	0.00	\$0	\$11,581	\$0	\$11,581

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

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(2,193)	0	(2,193)	0.00	0	(2,895)	0	(2,895)
Total	0.00	\$0	(\$2,193)	\$0	(\$2,193)	0.00	\$0	(\$2,895)	\$0	(\$2,895)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	789,429	1,032,554	243,125	30.80 %
Operating Expenses	580,738	677,120	96,382	16.60 %
Total Expenditures	\$1,370,167	\$1,709,674	\$339,507	24.78 %
State/Other Special Rev. Funds	1,370,167	1,709,674	339,507	24.78 %
Total Funds	\$1,370,167	\$1,709,674	\$339,507	24.78 %
Total Ongoing	\$1,370,167	\$1,709,674	\$339,507	24.78 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

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

Program Highlights

Petroleum Tank Release Compensation Board Major Budget Highlights	
The legislature adopted an increase of 24.8% or \$339,507 in state special revenue due to present law adjustments for personal services, inflation, and fixed costs.	

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	6.75	6.75	6.75	6.75
Personal Services	450,890	391,121	398,308	514,412	518,142
Operating Expenses	169,102	254,704	326,034	337,290	339,830
Total Expenditures	\$619,992	\$645,825	\$724,342	\$851,702	\$857,972
State/Other Special Rev. Funds	619,992	645,825	724,342	851,702	857,972
Total Funds	\$619,992	\$645,825	\$724,342	\$851,702	\$857,972
Total Ongoing	\$619,992	\$645,825	\$724,342	\$851,702	\$857,972
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Environmental Quality, 90-Petro Tank Release Comp Board Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02058 Petroleum Storage Tank Cleanup	1,709,674	0	10,500,000	12,209,674	100.00 %
State Special Total	\$1,709,674	\$0	\$10,500,000	\$12,209,674	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,709,674	\$0	\$10,500,000	\$12,209,674	

The Board is funded entirely through a portion of the \$.0075 tax on gasoline, diesel, heating oil, and aviation fuel. Statutory appropriations pay for the reimbursement due to storage tank releases as described in 75-11-313, MCA.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	724,342	724,342	1,448,684	84.73 %
SWPL Adjustments	0	0	0	0.00 %	136,502	143,899	280,401	16.40 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	(9,142)	(10,269)	(19,411)	(1.14)%
Total Budget	\$0	\$0	\$0		\$851,702	\$857,972	\$1,709,674	

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 2024-----					-----Fiscal 2025-----			
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special
DP 1 - Personal Services	0.00	0	121,519	0	121,519	0.00	0	125,288	0
DP 2 - Fixed Costs	0.00	0	2,228	0	2,228	0.00	0	2,221	0
DP 3 - Inflation Deflation	0.00	0	12,755	0	12,755	0.00	0	16,390	0
Grand Total All Present Law Adjustments	0.00	\$0	\$136,502	\$0	\$136,502	0.00	\$0	\$143,899	\$0

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(3,727)	0	(3,727)	0.00	0	(4,815)	0	(4,815)
DP 555 - Additional Vacancy Savings	0.00	0	(5,415)	0	(5,415)	0.00	0	(5,454)	0	(5,454)
Total	0.00	\$0	(\$9,142)	\$0	(\$9,142)	0.00	\$0	(\$10,269)	\$0	(\$10,269)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	349,258,285	360,640,934	11,382,649	3.26 %
Operating Expenses	1,121,708,807	1,420,264,824	298,556,017	26.62 %
Equipment & Intangible Assets	9,019,722	9,339,372	319,650	3.54 %
Capital Outlay	25,913,730	26,543,730	630,000	2.43 %
Grants	47,925,583	60,955,286	13,029,703	27.19 %
Transfers	3,924,692	5,629,512	1,704,820	43.44 %
Total Expenditures	\$1,557,750,819	\$1,883,373,658	\$325,622,839	20.90 %
State/Other Special Rev. Funds	552,075,502	629,239,184	77,163,682	13.98 %
Federal Spec. Rev. Funds	1,005,675,317	1,254,134,474	248,459,157	24.71 %
Total Funds	\$1,557,750,819	\$1,883,373,658	\$325,622,839	20.90 %
Total Ongoing	\$1,537,150,819	\$1,889,626,524	\$352,475,705	22.93 %
Total OTO	\$20,600,000	(\$6,252,866)	(\$26,852,866)	(130.35)%

Agency Description

The Department of Transportation's (MDT) mission is to plan, build, operate, and maintain a safe and resilient transportation infrastructure.

The MDT is the agency responsible for administering the transportation network in Montana. The department plans, designs, builds, and maintains the statewide network of highways and bridges. The department also provides for the other aspects of a statewide transportation system through:

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

The Governor appoints a five-member transportation commission that establishes department priorities and apportions funding among the five state financial districts according to statutory guidelines, department recommendations, and community input. The Governor appoints a nine-member Board of Aeronautics which establishes priorities for department aeronautics grant activities.

Agency Highlights

**Department of Transportation
Major Budget Highlights**

The legislature approved an increase to the MDT HB 2 budget authority of 20.9% or \$325.6 million over 2023 biennium appropriations. This is comprised of \$77.2 million in state special funds, and \$248.5 million in federal funds. Most of the agency's state special funding is derived from fuel taxes.

The legislature approved several decision packages (DP)s related to **federal program expansion** in the construction and safety programs, aeronautics, transit, and various other services. The total increase from these DPs is \$40.3 million state special revenue and \$171.9 million federal special revenue. Of note, this includes:

- \$180.4 million increase to contractor payments in the construction program
- \$15.1 million increase for 100.0% state funded construction program maintenance of effort (MOE) in the maintenance program

The legislature approved **inflationary increases** totaling \$82.2 million, mostly due to the statewide present law inflation increase. Additional inflation is due to increases in costs to the proprietary equipment program, which increased its rental rates. Equipment rental inflation to HB 2 programs that utilize the equipment program totals \$14.0 million, including \$13.0 million state special revenue.

Additional material changes approved by the legislature include:

- Consultant design totaling \$45.0 million for the 2025 biennium.
- An increase to the TransADE program for seniors due to increases in rental car tax collections of \$3.6 million state special revenue

The legislature approved a 60-day working capital reserve for the proprietary equipment program and requested rates for the motor pool program in the rates section of HB 2.

The legislature approved the following global changes to the MDT budget:

- An additional 1.0% vacancy savings reduction to personal services totaling \$1.8 million per fiscal year
- Language providing appropriations contingent on passage and approval of the following bills: HB 55, HB 904, SB 47

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	2,018.27	2,018.27	2,021.27	2,019.77
Personal Services	161,040,532	173,434,519	175,823,766	179,919,176	180,721,758
Operating Expenses	482,474,983	567,431,926	554,276,881	683,358,119	736,906,705
Equipment & Intangible Assets	2,243,410	5,156,536	3,863,186	4,712,186	4,627,186
Capital Outlay	4,112,129	12,956,865	12,956,865	13,586,865	12,956,865
Grants	18,150,068	24,172,940	23,752,643	30,227,643	30,727,643
Transfers	1,753,744	1,984,936	1,939,756	2,689,756	2,939,756
Total Expenditures	\$669,774,866	\$785,137,722	\$772,613,097	\$914,493,745	\$968,879,913
State/Other Special Rev. Funds	254,708,165	278,821,881	273,253,621	310,339,631	318,899,553
Federal Spec. Rev. Funds	415,066,701	506,315,841	499,359,476	604,154,114	649,980,360
Total Funds	\$669,774,866	\$785,137,722	\$772,613,097	\$914,493,745	\$968,879,913
Total Ongoing	\$659,474,866	\$774,837,722	\$762,313,097	\$915,817,678	\$973,808,846
Total OTO	\$10,300,000	\$10,300,000	\$10,300,000	(\$1,323,933)	(\$4,928,933)

Summary of Legislative Action

[HB 5](#) - *Long Range Building Appropriations* - Includes appropriations for combination facilities in Great Falls, Kalispell, and Missoula. An appropriation of \$3.0 million for maintenance, repairs and small projects to statewide facilities. An appropriation for \$1.0 million for sidewalks along highway 2

[HB 60](#) - *An act providing for an annual fee on electric vehicles registered in the state* - Provides for an annual registration fee on electric and plug-in hybrid vehicles. The fee ranges from \$70-\$1,100 based on vehicle type and class

[HB 76](#) - *Generally revise transportation laws* - Eliminates the BaRSAA funds and replaces with new a fund. The legislation changes statutory appropriations to cities and counties

[HB 267 \(The SAFER Act\)](#) - *Create SAFER account for federal highway grants* - Creates the Securing Access to Federal Expenditures to Repair Montana Roads and Bridges Account (SAFER), allowing MDT to access the funds for match on funding received from the Federal Highway Administration's (FHWA) August redistribution and discretionary grant awards. The bill transfers \$100.0 million of general fund to the SAFER account to provide for a maximum of \$15.0 million in each fiscal year to match with federal funds

[HB 439](#) - *Create a GVW fee for electric vehicles and hybrids being permanently registered* - Establishes a new permanent registration fee for electric and plug-in hybrid vehicles 11 years and older based on vehicle class

[HB 904](#) - *Generally revise commercial driver's license laws* - Requires MDT to provide free entry-level driver training for commercial driver's licenses that complies with federal requirements

[HB 938](#) - *Generally revise encroachment permit law* - Allows boards of county commissioners to issue encroachment permits. Provides a small appropriation to MDT

[SB 47](#) - *Revise commercial drivers license laws to comply with federal requirements* - Requires MDT to provide free commercial driver's license training

[SB 536](#) - *Provide funding for local government road maintenance* - Transfers \$100.0 million from the general fund to the Local Road and Bridge account at MDT, \$80.0 million of which may be used only for state match to fund construction or repair of off-system bridges, secondary and urban routes, or providing a state matching source. The remaining \$20.0 million will be distributed to towns with a population of less than 10,000

Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Transportation Funding by Source of Authority 2025 Biennium Budget Request - Department of Transportation						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0	0.00 %
State Special Total	639,012,050	(9,772,866)	0	98,202,652	727,441,836	35.04 %
Federal Special Total	1,250,614,474	3,520,000	0	0	1,254,134,474	60.40 %
Proprietary Total	0	0	94,669,420	0	94,669,420	4.56 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$1,889,626,524	(\$6,252,866)	\$94,669,420	\$98,202,652	\$2,076,245,730	
Percent - Total All Sources	91.01 %	(0.30)%	4.56 %	4.73 %		

The department is funded from a combination of state special revenue and federal special revenue. Included in the figure above is the funding for the three proprietary programs: the State Motor Pool internal service program, the MDT Equipment internal service program, and the Yellowstone Airport enterprise program. Statutory appropriations consist of distributions of gasoline taxes to local and tribal governments (state special funds) and federal debt service payments. MDT administers state special revenue accounts used for state MOE and match for federally funded projects, and distributed to local governments. The revenues that fund the accounts can be grouped in two general categories, constitutionally restricted and non-restricted revenues.

Restricted revenues are derived from gross vehicle weight fees and excise and license taxes on gasoline, fuel, and other energy sources that are used to propel vehicles on public highways. These funds are deposited into the highway state special restricted account (HSSRA). Nonrestricted revenues are derived from special use permits and motor fuel penalties and interest payments. The funds are deposited into the highway state special non-restricted account (HSSRA-Non-Restricted). MDT relies on these funds for maintenance and other functions not directly related to road and highway construction and maintenance, such as emergency services and transit grants.

Impacts of [HB 76](#) and [HB 267](#), The SAFER act

HB 76 and HB 267 have material impacts to the way MDT administers and distributes fuel taxes, and it's available federal matching funds.

HB 76

HB 76 replaces several allocations of fuel taxes to local jurisdictions with a single allocation of fuel tax revenue from the new local government road construction and maintenance restricted account. These include the following:

- The statutory \$16.8 million allocation of fuel taxes to cities, towns and counties
- The statutory BaRSAA allocation of 35.0% of BaRSAA fuel taxes or \$9.8 million (whichever is greater) to cities, towns and counties
- The Montana Local Technical Assistance Transportation Program (LTAP) appropriation of \$150,000 per year for the LTAP program at Montana State University (this will still be the same amount but will not be a separate fund)

Currently state fuel tax is \$0.33 per gallon. Of this \$0.22 per gallon will go to HSSRA, \$0.04 per gallon will go to the highway patrol, with the remaining income distributed to cities, towns and counties as prescribed in the bill.

Diesel, or special fuels are taxed at a rate of \$0.2975 per gallon. Of this \$0.246 per gallon will go to HSSRA, \$0.04 to the Highway Patrol, and the remaining portion will be allocated to cities, towns and counties.

HB 267

HB 267 or the SAFER Act, creates a new account: the "securing access to federal expenditures to repair Montana roads and bridges" or "SAFER" account. These funds are to provide state match for additional funds allocated to the department through federal redistribution of federal highway funds reverted by other states. A general fund transfer of \$100.0 million was deposited to the account prior to the end of FY 2023. A cap of \$15.0 million is available from the account each year for matching federal redistribution funds and discretionary grants awarded to MDT.

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								
	-----General Fund-----				-----Total Funds-----			
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	762,313,097	762,313,097	1,524,626,194	80.95 %
SWPL Adjustments	0	0	0	0.00 %	30,716,502	40,297,257	71,013,759	3.77 %
PL Adjustments	0	0	0	0.00 %	102,563,961	142,515,951	245,079,912	13.01 %
New Proposals	0	0	0	0.00 %	18,900,185	23,753,608	42,653,793	2.26 %
Total Budget	\$0	\$0	\$0		\$914,493,745	\$968,879,913	\$1,883,373,658	

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	2,018.27	2,018.27	2,021.27	3.00	2,018.27	2,019.77	1.50	1.50
Personal Services	175,823,766	181,611,984	179,919,176	(1,692,808)	182,607,681	180,721,758	(1,885,923)	(3,578,731)
Operating Expenses	554,276,881	687,224,918	683,358,119	(3,866,799)	740,367,253	736,906,705	(3,460,548)	(7,327,347)
Equipment & Intangible Assets	3,863,186	4,712,186	4,712,186	0	4,627,186	4,627,186	0	0
Capital Outlay	12,956,865	13,586,865	13,586,865	0	12,956,865	12,956,865	0	0
Grants	23,752,643	30,227,643	30,227,643	0	30,727,643	30,727,643	0	0
Transfers	1,939,756	2,689,756	2,689,756	0	2,939,756	2,939,756	0	0
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$772,613,097	\$920,053,352	\$914,493,745	(\$5,559,607)	\$974,226,384	\$968,879,913	(\$5,346,471)	(\$10,906,078)
General Fund	0	0	0	0	0	0	0	0
State/other Special Rev. Funds	273,253,621	313,938,133	310,339,631	(3,598,502)	322,680,103	318,899,553	(3,780,550)	(7,379,052)
Federal Spec. Rev. Funds	499,359,476	606,115,219	604,154,114	(1,961,105)	651,546,281	649,980,360	(1,565,921)	(3,527,026)
Other	0	0	0	0	0	0	0	0
Total Funds	\$772,613,097	\$920,053,352	\$914,493,745	(\$5,559,607)	\$974,226,384	\$968,879,913	(\$5,346,471)	(\$10,906,078)
Total Ongoing	\$762,313,097	\$916,358,352	\$915,817,678	(\$540,674)	\$974,051,384	\$973,808,846	(\$242,538)	(\$783,212)
Total OTO	\$10,300,000	\$3,695,000	(\$1,323,933)	(\$5,018,933)	\$175,000	(\$4,928,933)	(\$5,103,933)	(\$10,122,866)

The HB 2 budget as approved by the legislature is \$5.6 million lower in FY 2024 and \$5.3 million lower in FY 2025 than the proposed executive budget. This is primarily a result of several decision packages the department asked to be removed from the original request, legislatively approved adjustments to inflation, and an additional 1.0% vacancy savings reduction.

Language and Statutory Authority

The legislature adopted the following language in HB 2:

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

"All appropriations in the Department of Transportation are biennial."

"The General Operations Program, motor pool program, equipment program, and Aeronautics Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund."

"The Highways and Engineering Program includes an increase in state special revenue of \$2,403,577 in FY 2024 and \$3,050,838 in FY 2025 and federal special revenue of \$5,071,822 in FY 2024 and \$6,722,361 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:

"If HB 55 is passed and approved, the Department of Transportation is increased by \$331,988 state special revenue in FY 2024 and \$140,845 state special revenue in FY 2025, and the Department of Transportation may increase full-time equivalent positions authorized in HB 2 by 3.00 FTE in FY 2024 and 1.50 FTE in FY 2025."

"If HB 339 is passed and approved, the Department of Transportation is increased by \$202,416 state special revenue in FY 2024."

"If HB 904 is passed and approved, the Department of Transportation is increased by \$200,000 state special revenue in FY 2024 and \$300,000 state special revenue in FY 2025."

"If SB 47 is passed and approved, the Department of Transportation is increased by \$300,000 state special revenue in FY 2024 and \$300,000 state special revenue in FY 2025."

"If SB 160 is passed and approved, the Department of Transportation is increased by \$358,962 state special revenue in FY 2024."

"If SB 536 is passed and approved, the Department of Transportation is increased by \$100,010,980 state special revenue in FY 2024." (*IMPORTANT: SB 536 was later updated to include an appropriation and void this appropriation in HB 2)

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	35,329,759	36,480,220	1,150,461	3.26 %
Operating Expenses	35,188,505	29,727,542	(5,460,963)	(15.52)%
Grants	150,000	150,000	0	0.00 %
Transfers	3,180	0	(3,180)	(100.00)%
Total Expenditures	\$70,671,444	\$66,357,762	(\$4,313,682)	(6.10)%
State/Other Special Rev. Funds	68,025,748	63,232,369	(4,793,379)	(7.05)%
Federal Spec. Rev. Funds	2,645,696	3,125,393	479,697	18.13 %
Total Funds	\$70,671,444	\$66,357,762	(\$4,313,682)	(6.10)%
Total Ongoing	\$70,671,444	\$76,171,880	\$5,500,436	7.78 %
Total OTO	\$0	(\$9,814,118)	(\$9,814,118)	100.00 %

Program Description

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

Program Highlights

General Operations Major Budget Highlights
<p>The legislature approved a general operations budget for the 2025 biennium that is \$4.3 million, or 6.1% less than the 2023 biennium. This consists of the following:</p> <ul style="list-style-type: none"> • A decrease of \$4.3 million, or 7.1% in state special funds <ul style="list-style-type: none"> ◦ The decrease includes the one-time-only adjustment to risk management and tort defense insurance for the entire agency, which is \$5.1 million in each year of the biennium • An increase of \$479,682 federal special funds or 18.3% <p>The decrease is due to approximately \$8.0 million in fixed costs reductions but is offset by several increases including:</p> <ul style="list-style-type: none"> • An increase of approximately \$2.6 million for inflation costs • An increase of \$360,000 for the fuel tax evasion program • Approximately \$1.3 million in technology related present law increases • An increase of \$472,883 for implementation of HB 55 <i>An act establishing a tax on electric vehicle charging stations</i>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	182.80	182.80	185.80	184.30
Personal Services	16,602,775	17,558,740	17,771,019	18,277,005	18,203,215
Operating Expenses	15,792,717	17,574,094	17,614,411	14,967,457	14,760,085
Grants	75,000	75,000	75,000	75,000	75,000
Transfers	2,634	3,180	0	0	0
Total Expenditures	\$32,473,126	\$35,211,014	\$35,460,430	\$33,319,462	\$33,038,300
State/Other Special Rev. Funds	31,600,619	33,945,251	34,080,497	31,758,758	31,473,611
Federal Spec. Rev. Funds	872,507	1,265,763	1,379,933	1,560,704	1,564,689
Total Funds	\$32,473,126	\$35,211,014	\$35,460,430	\$33,319,462	\$33,038,300
Total Ongoing	\$32,473,126	\$35,211,014	\$35,460,430	\$38,226,521	\$37,945,359
Total OTO	\$0	\$0	\$0	(\$4,907,059)	(\$4,907,059)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 01-General Operations Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02303 Tribal Motor Fuels Tax Acct	0	0	12,262,202	12,262,202	7.68 %
02422 Highways Special Revenue	63,232,369	0	0	63,232,369	39.61 %
02439 BaRSAA Local Fuel Tax	0	0	35,813,286	35,813,286	22.44 %
02437 Local Govt/LTAP	0	0	48,311,000	48,311,000	30.27 %
State Special Total	\$63,232,369	\$0	\$96,386,488	\$159,618,857	98.08 %
03407 Highway Trust - Sp Rev	3,125,393	0	0	3,125,393	100.00 %
Federal Special Total	\$3,125,393	\$0	\$0	\$3,125,393	1.92 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$66,357,762	\$0	\$96,386,488	\$162,744,250	

The general operations program is primarily funded from HSSRA (02422) and federal highway trust special revenue. HSSRA receives revenue from motor fuel taxes, gross vehicle weight permit fees, and reimbursements for indirect costs associated with the federal-aid highway program via a Federal Highways Administration (FHWA) approved indirect cost plan. Federal funding is available for assistance for disadvantaged businesses, on-the-job training programs, fuel tax evasion prevention efforts, and direct administrative expenses associated with the federal-aid highway program.

The general operations program is also responsible for \$96.4 million of statutory appropriations. Most of the statutory appropriations, \$84.1 million, are the distributions of fuel taxes to cities, towns, counties, and consolidated city-county governments. The remaining \$12.3 million is distributed through the tribal motor fuels accounts and is a function of the revenue sharing agreements between the tribes and the state. For more information on the local government distributions, see the statutory appropriations section of the MDT summary.

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.

-----General Fund-----					-----Total Funds-----				
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	
2023 Base Budget	0	0	0	0.00 %	35,460,430	35,460,430	70,920,860	106.88 %	
SWPL Adjustments	0	0	0	0.00 %	(2,230,921)	(2,120,911)	(4,351,832)	(6.56)%	
PL Adjustments	0	0	0	0.00 %	591,801	588,780	1,180,581	1.78 %	
New Proposals	0	0	0	0.00 %	(501,848)	(889,999)	(1,391,847)	(2.10)%	
Total Budget	\$0	\$0	\$0		\$33,319,462	\$33,038,300	\$66,357,762		

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 2024-----						-----Fiscal 2025-----				
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	359,736	10,936	370,672	0.00	0	466,590	14,182	480,772
DP 2 - Fixed Costs	0.00	0	(3,779,180)	0	(3,779,180)	0.00	0	(4,003,683)	0	(4,003,683)
DP 3 - Inflation Deflation	0.00	0	1,140,300	37,287	1,177,587	0.00	0	1,358,015	43,985	1,402,000
DP 20 - SABHRS Rate Adjustment	0.00	0	9,591	0	9,591	0.00	0	6,389	0	6,389
DP 30 - Motor Pool Rate Adjustment	0.00	0	(2,702)	(88)	(2,790)	0.00	0	(2,527)	(82)	(2,609)
DP 105 - Fuel Tax Evasion Federal Program Expansion	0.00	0	0	160,000	160,000	0.00	0	0	160,000	160,000
DP 108 - Professional IT Services	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 110 - 5G Cellular Network (OTO)	0.00	0	175,000	0	175,000	0.00	0	175,000	0	175,000
DP 222 - RMTD Adjustment	0.00	0	5,082,059	0	5,082,059	0.00	0	5,082,059	0	5,082,059
DP 223 - RMTD Adjustment (OTO)	0.00	0	(5,082,059)	0	(5,082,059)	0.00	0	(5,082,059)	0	(5,082,059)
Grand Total All Present Law Adjustments	0.00	\$0	(\$1,847,255)	\$208,135	(\$1,639,120)	0.00	\$0	(\$1,750,216)	\$218,085	(\$1,532,131)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 105 - Fuel Tax Evasion Federal Program Expansion -

The legislature adopted an increase in the federal special revenue appropriation for the expected 25% increase in the Fuel Tax Evasion Program funding allocation.

DP 108 - Professional IT Services -

The legislature adopted a state special revenue appropriation to support software licenses such as CADD, implementing the SITSD security risk assessment, moving MDT to a 100% digital environment, and a strategic evaluation and recommended roadmap for MDT's IT portfolio.

DP 110 - 5G Cellular Network (OTO) -

The legislature adopted a one-time-only increase to the state special revenue appropriation in FY 2024 and FY 2025 to carry out program delivery functions. The increase will fund 5G cellular network upgrades. The 5G network will provide greater data transmission speeds, lower latency, and the ability to expand the number of connected devices across the state.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	69,969	0	69,969	0.00	0	69,969	0	69,969
DP 333 - Adjustment to Inflation	0.00	0	(692,874)	(22,657)	(715,531)	0.00	0	(882,799)	(28,593)	(911,392)
DP 555 - Additional Vacancy Savings	0.00	0	(183,567)	(4,707)	(188,274)	0.00	0	(184,685)	(4,736)	(189,421)
DP 1401 - HB 55	3.00	0	331,988	0	331,988	1.50	0	140,845	0	140,845
Total	3.00	\$0	(\$474,484)	(\$27,364)	(\$501,848)	1.50	\$0	(\$856,670)	(\$33,329)	(\$889,999)

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

DP 99 - New Fixed Costs -

The legislature adopted an increase of \$69,969 in FY 2024 and \$69,969 in FY 2025 to provide funding for the agency to pay for new fixed cost allocation related to the Chief Data Office and the State Management Training Center. Rates for the fix costs are reviewed by the Section A subcommittee.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1401 - HB 55 -

The legislature adopted contingency language to increase appropriations if HB 55 was passed and approved and this decision package implements this language. HB 55 establishes a tax of \$0.03 per kilowatt hour on electric vehicle charging stations, and directs that the taxes collected be deposited into the highway restricted account.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	154,505,085	159,178,361	4,673,276	3.02 %
Operating Expenses	890,842,981	1,147,632,201	256,789,220	28.83 %
Equipment & Intangible Assets	5,330,524	5,330,524	0	0.00 %
Capital Outlay	25,913,730	25,913,730	0	0.00 %
Grants	8,261,256	8,261,256	0	0.00 %
Total Expenditures	\$1,084,853,576	\$1,346,316,072	\$261,462,496	24.10 %
State/Other Special Rev. Funds	172,998,463	208,154,748	35,156,285	20.32 %
Federal Spec. Rev. Funds	911,855,113	1,138,161,324	226,306,211	24.82 %
Total Funds	\$1,084,853,576	\$1,346,316,072	\$261,462,496	24.10 %
Total Ongoing	\$1,064,253,576	\$1,346,316,072	\$282,062,496	26.50 %
Total OTO	\$20,600,000	\$0	(\$20,600,000)	(100.00)%

Program Description

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

Program Highlights

**Construction Program
Major Budget Highlights**

The construction program is the largest program at MDT, making up two-thirds to three-quarters of the agency budget. This program is funded primarily with federal special funds.

The legislature approved a budget for the 2025 biennium budget is \$261.5 million or 24.1% greater than the 2023 biennium HB 2 budget. This includes the following:

- An increase of roughly \$180.0 million in contractor payments per the tentative construction plan (TCP) which is based on large increases in expected federal funding from the new IIJA (infrastructure investment and jobs act)
- Inflationary adjustments totaling \$52.1 million for the biennium as well as an additional approximately \$918,000 in each year for equipment rental inflation
- An increase of \$20.0 million in FY 2024 and \$25.0 million in FY 2025 to establish the consultant design OTO appropriation from the previous biennium as permanent
- Additional state special revenue authority in the amount of \$250,000 in FY 2024 and \$300,000 in FY 2025 for facility rental for construction staff

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	860.72	860.72	860.72	860.72
Personal Services	70,664,622	76,754,642	77,750,443	79,374,182	79,804,179
Operating Expenses	383,776,739	449,244,973	441,598,008	545,756,941	601,875,260
Equipment & Intangible Assets	1,518,490	2,665,262	2,665,262	2,665,262	2,665,262
Capital Outlay	4,112,129	12,956,865	12,956,865	12,956,865	12,956,865
Grants	295,513	4,130,628	4,130,628	4,130,628	4,130,628
Total Expenditures	\$460,367,493	\$545,752,370	\$539,101,206	\$644,883,878	\$701,432,194
State/Other Special Rev. Funds	81,908,827	89,914,981	83,083,482	100,182,722	107,972,026
Federal Spec. Rev. Funds	378,458,666	455,837,389	456,017,724	544,701,156	593,460,168
Total Funds	\$460,367,493	\$545,752,370	\$539,101,206	\$644,883,878	\$701,432,194
Total Ongoing	\$450,067,493	\$535,452,370	\$528,801,206	\$644,883,878	\$701,432,194
Total OTO	\$10,300,000	\$10,300,000	\$10,300,000	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 02-Highways & Engineering Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02349 Highway Non-Restricted Account	290,008	0	0	290,008	0.14 %	
02422 Highways Special Revenue	182,264,740	0	0	182,264,740	87.44 %	
02447 BaRSAA MDT Fuel Tax	25,600,000	0	0	25,600,000	12.28 %	
02437 Local Govt/LTAP	0	0	300,000	300,000	0.14 %	
State Special Total	\$208,154,748	\$0	\$300,000	\$208,454,748	15.48 %	
03407 Highway Trust - Sp Rev	1,108,067,721	0	0	1,108,067,721	97.36 %	
03489 FHWA - CARES Act II	30,093,603	0	0	30,093,603	2.64 %	
Federal Special Total	\$1,138,161,324	\$0	\$0	\$1,138,161,324	84.52 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,346,316,072	\$0	\$300,000	\$1,346,616,072		

Costs eligible for reimbursement under the federal-aid construction program are funded with the restricted highway state special revenue account HSSRA, and federal special revenue funds distributed by the U.S. Department of Transportation and apportioned to Montana. Construction design, construction, and construction management costs, as well as indirect administrative costs for construction activities, are generally eligible for federal reimbursement. The state match requirement is based on a sliding scale match, which is currently 86.6% federal with a 13.4% state match for most direct construction related costs. The primary sources of revenues in the restricted state special revenue accounts are highway-user fees derived from motor fuel taxes and gross vehicle weight fees. Statutory appropriations include \$300,000 to be distributed for the purposes and functions of the Montana Local Technical Assistance Transportation Program at Montana State University, this appropriation will be coming from a new account following the implementation of [HB 76](#).

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	528,801,206	528,801,206	1,057,602,412	78.56 %
SWPL Adjustments	0	0	0	0.00 %	25,343,763	33,283,537	58,627,300	4.35 %
PL Adjustments	0	0	0	0.00 %	69,796,384	112,987,965	182,784,349	13.58 %
New Proposals	0	0	0	0.00 %	20,942,525	26,359,486	47,302,011	3.51 %
Total Budget	\$0	\$0	\$0		\$644,883,878	\$701,432,194	\$1,346,316,072	

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 2024-----					-----Fiscal 2025-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 1 - Personal Services										
0.00	0	1,577,916	849,647	2,427,563	0.00	0	1,860,356	1,001,730	2,862,086	
DP 3 - Inflation Deflation										
0.00	0	2,979,106	19,937,094	22,916,200	0.00	0	3,954,789	26,466,662	30,421,451	
DP 4 - Equipment Rental Inflation										
0.00	0	486,774	431,667	918,441	0.00	0	486,606	431,518	918,124	
DP 30 - Motor Pool Rate Adjustment										
0.00	0	(505)	(3,376)	(3,881)	0.00	0	(472)	(3,159)	(3,631)	
DP 205 - Contractor Payments										
0.00	0	9,099,634	59,532,190	68,631,824	0.00	0	14,530,551	97,242,921	111,773,472	
DP 209 - Construction Employee Facility Rental										
0.00	0	250,000	0	250,000	0.00	0	300,000	0	300,000	
Grand Total All Present Law Adjustments										
0.00	\$0	\$14,392,925	\$80,747,222	\$95,140,147	0.00	\$0	\$21,131,830	\$125,139,672	\$146,271,502	

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state and federal special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 205 - Contractor Payments -

The legislature adopted an increase in state and federal special revenue appropriation in FY 2024 and FY 2025 based on the analysis of the department's tentative construction plan that includes the anticipated increase in the FHWA formula-based funding programs.

DP 209 - Construction Employee Facility Rental -

The legislature adopted an increase in state special revenue appropriation for the department to provide office space in improved facilities.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 208 - Consultant Design	0.00	0	2,600,000	17,400,000	20,000,000	0.00	0	3,250,000	21,750,000	25,000,000
DP 333 - Adjustment to Inflation	0.00	0	(744,777)	(4,984,273)	(5,729,050)	0.00	0	(988,697)	(6,616,666)	(7,605,363)
DP 555 - Additional Vacancy Savings	0.00	0	(522,485)	(281,339)	(803,824)	0.00	0	(525,427)	(282,923)	(808,350)
DP 3333 - Additional Adjustment to Inflation	0.00	0	2,403,577	5,071,822	7,475,399	0.00	0	3,050,838	6,722,361	9,773,199
Total	0.00	\$0	\$3,736,315	\$17,206,210	\$20,942,525	0.00	\$0	\$4,786,714	\$21,572,772	\$26,359,486

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

DP 208 - Consultant Design -

The legislature adopted an appropriation for on-going consultant design expenditures.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	119,644,726	124,793,676	5,148,950	4.30 %
Operating Expenses	167,783,328	211,322,268	43,538,940	25.95 %
Equipment & Intangible Assets	740,416	740,416	0	0.00 %
Capital Outlay	0	630,000	630,000	0.00 %
Total Expenditures	\$288,168,470	\$337,486,360	\$49,317,890	17.11 %
State/Other Special Rev. Funds	270,254,570	310,794,021	40,539,451	15.00 %
Federal Spec. Rev. Funds	17,913,900	26,692,339	8,778,439	49.00 %
Total Funds	\$288,168,470	\$337,486,360	\$49,317,890	17.11 %
Total Ongoing	\$288,168,470	\$333,966,360	\$45,797,890	15.89 %
Total OTO	\$0	\$3,520,000	\$3,520,000	100.00 %

Program Description

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

Program Highlights

**Maintenance Program
Major Budget Highlights**

- The legislature approved a budget for the maintenance program that is \$49.3 million or 17.1% greater than the 2023 biennium budget
- Personal services increased a total of \$4.3 million, this includes:
 - An increase in the amount of \$2.6 million in FY 2024 and \$2.9 million in FY 2025
 - A decrease of approximately \$600,000 in each year due the additional 1.0% vacancy savings
- The majority of the increase is in operating expenses. This includes but is not limited to the following:
 - An increase of \$7.5 million in each fiscal year to meet the required maintenance of effort (MOE) for the increased federal infrastructure package IIJA. Most projects that MDT administers are funded primarily with federal funds, and a small share of state special funds. However, the federal government requires the state to fully fund a certain amount of projects with state special funds in order to qualify for federal highway funds, this amount is called the maintenance of effort. This MOE increase will go to the 100% state-funded construction program
 - A one-time-only appropriation to expend the remaining authority for CARES Act II funded maintenance projects
 - \$5.9 million in each year for equipment rental inflation
 - \$4.8 million for the biennium to complete epoxy striping (stripes) on roadways
 - \$200,000 in FY 2024 and \$300,000 in FY 2025 for activities related to [HB 904](#) - *Generally revise commercial driver's license laws* - This bill provides for free entry level training for certain commercial driver's license types and addresses federal non-compliance issues
 - \$300,000 in each fiscal year for activities related to [SB 47](#) - *Revise commercial drivers license laws to comply with federal requirements*. This bill provides for free commercial driver's license training and addresses federal non-compliance issues

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	741.55	741.55	741.55	741.55
Personal Services	55,493,702	59,394,204	60,250,522	62,232,943	62,560,733
Operating Expenses	75,298,825	83,838,598	83,944,730	107,022,639	104,299,629
Equipment & Intangible Assets	252,232	370,208	370,208	370,208	370,208
Capital Outlay	0	0	0	630,000	0
Total Expenditures	\$131,044,759	\$143,603,010	\$144,565,460	\$170,255,790	\$167,230,570
State/Other Special Rev. Funds	125,130,685	134,632,258	135,622,312	154,904,747	155,889,274
Federal Spec. Rev. Funds	5,914,074	8,970,752	8,943,148	15,351,043	11,341,296
Total Funds	\$131,044,759	\$143,603,010	\$144,565,460	\$170,255,790	\$167,230,570
Total Ongoing	\$131,044,759	\$143,603,010	\$144,565,460	\$166,735,790	\$167,230,570
Total OTO	\$0	\$0	\$0	\$3,520,000	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 03-Maintenance Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02349 Highway Non-Restricted Account	15,615,746	0	0	15,615,746	5.02 %
02422 Highways Special Revenue	295,178,275	0	0	295,178,275	94.94 %
02121 Shared-Use Path	0	0	121,111	121,111	0.04 %
02044 Antilittering Signs	0	0	4,578	4,578	0.00 %
State Special Total	\$310,794,021	\$0	\$125,689	\$310,919,710	92.09 %
03407 Highway Trust - Sp Rev	23,172,339	0	0	23,172,339	86.81 %
03489 FHWA - CARES Act II	3,520,000	0	0	3,520,000	13.19 %
Federal Special Total	\$26,692,339	\$0	\$0	\$26,692,339	7.91 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$337,486,360	\$0	\$125,689	\$337,612,049	

The main source of state special revenue funding for the maintenance program is the HSSRA. Federal special revenue also funds qualifying highway maintenance activities determined by the Federal Highway Administration to extend the life of the highway system. The HSSRA-NR or non-restricted state special revenue account is used mainly for pavement preservation activities.

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

Budget Summary by Category

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

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	
2023 Base Budget	0	0	0	0.00 %	144,565,460	144,565,460	289,130,920	85.67 %	
SWPL Adjustments	0	0	0	0.00 %	6,816,783	8,080,045	14,896,828	4.41 %	
PL Adjustments	0	0	0	0.00 %	20,048,788	15,896,763	35,945,551	10.65 %	
New Proposals	0	0	0	0.00 %	(1,175,241)	(1,311,698)	(2,486,939)	(0.74)%	
Total Budget	\$0	\$0	\$0		\$170,255,790	\$167,230,570	\$337,486,360		

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 2024-----					-----Fiscal 2025-----				
	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	2,578,576	26,046	2,604,622	0.00	0	2,906,504	29,359	2,935,863	
DP 3 - Inflation Deflation										
0.00	0	3,875,261	336,900	4,212,161	0.00	0	4,732,759	411,423	5,144,182	
DP 4 - Equipment Rental Inflation										
0.00	0	5,942,454	0	5,942,454	0.00	0	5,940,398	0	5,940,398	
DP 30 - Motor Pool Rate Adjustment										
0.00	0	(455)	(39)	(494)	0.00	0	(426)	(37)	(463)	
DP 305 - Maintenance of Effort (MOE)										
0.00	0	7,570,000	0	7,570,000	0.00	0	7,570,000	0	7,570,000	
DP 309 - Variable Message Signs (VMS)										
0.00	0	81,081	548,919	630,000	0.00	0	0	0	0	
DP 312 - Epoxy Project Expansion										
0.00	0	320,312	2,066,516	2,386,828	0.00	0	320,312	2,066,516	2,386,828	
DP 317 - CARES Act II Maintenance Projects (OTO)										
0.00	0	0	3,520,000	3,520,000	0.00	0	0	0	0	
Grand Total All Present Law Adjustments	0.00	\$0	\$20,367,229	\$6,498,342	\$26,865,571	0.00	\$0	\$21,469,547	\$2,507,261	\$23,976,808

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 305 - Maintenance of Effort (MOE) -

The legislature adopted an increase in state special revenue appropriation to fund the higher required MOE target, which is the result of the increased FHWA formula based federal-aid program. With the increased appropriation, the department will be able to deliver the State Funded Construction Program and pavement preservation projects at the levels necessary to meet the target MOE and receive a higher federal share for FHWA projects and programs.

DP 309 - Variable Message Signs (VMS) -

The legislature adopted an appropriation in the first year of the biennium to fund two permanent Variable Message Signs, one in Miles City and one in Belle Fourche, SD. The signs will provide the travelling public with advanced communications related to roadways US 212, MT 59, and I-94 that are adversely impacted by hazardous conditions.

DP 312 - Epoxy Project Expansion -

The legislature adopted an increase for contractor expenditures incurred to complete epoxy projects across the state. Montana Department of Transportation (MDT) contracts roughly 3,300 miles of durable epoxy striping each year. The increased funds will allow the department to cover more miles of highway.

DP 317 - CARES Act II Maintenance Projects (OTO) -

The legislature adopted an increase to the federal special revenue appropriation in FY2024 based on the remaining CARES Act II projects authorized through HB 630 from the Sixty-seventh Legislature.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(968,815)	(84,225)	(1,053,040)	0.00	0	(1,183,190)	(102,856)	(1,286,046)
DP 555 - Additional Vacancy Savings	0.00	0	(615,979)	(6,222)	(622,201)	0.00	0	(619,395)	(6,257)	(625,652)
DP 1400 - HB 904	0.00	0	200,000	0	200,000	0.00	0	300,000	0	300,000
DP 1402 - SB 47	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
Total	0.00	\$0	(\$1,084,794)	(\$90,447)	(\$1,175,241)	0.00	\$0	(\$1,202,585)	(\$109,113)	(\$1,311,698)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1400 - HB 904 -

The legislature adopted contingency language to increase appropriations if HB 904 was passed and approved and this decision package implements this language. HB 904 requires MDT to provide free entry-level driver training for commercial driver's licenses that complies with federal requirements for class A and class B commercial driver's licenses.

DP 1402 - SB 47 -

The legislature adopted contingency language to increase appropriations if SB 47 was passed and approved and this decision package implements this language. SB 47 requires the MDT to provide free commercial driver's license training.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	1,158,014	1,141,336	(16,678)	(1.44)%
Operating Expenses	4,390,505	4,642,391	251,886	5.74 %
Equipment & Intangible Assets	7,603,506	7,603,506	0	0.00 %
Debt Service	38,898	238,898	200,000	514.17 %
Total Expenditures	\$13,190,923	\$13,626,131	\$435,208	3.30 %
Proprietary Funds	13,190,923	13,626,131	435,208	3.30 %
Total Funds	\$13,190,923	\$13,626,131	\$435,208	3.30 %

Program Description

Motor Pool Program - 06506

Program Description

The State Motor Pool operates and maintains a fleet of vehicles available to all state offices and employees who conduct official state business. The State Motor Pool has two basic components: 1) the daily rental fleet and 2) the out-stationed lease fleet. The daily rental program operates out of the Helena headquarters facility and provides vehicles for short-term use. The leasing program provides vehicles for extended assignment to agencies statewide.

Section 2-17-411, MCA, establishes that the Department of Transportation's Motor Pool is responsible for the acquisition, operations, maintenance, repair, and administration of all motor vehicles in the custody of the Motor Pool (this does not apply to motor vehicles used in the service of the Governor, Attorney General, or the highway patrol).

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

Program Highlights

State Motor Pool Major Budget Highlights
<ul style="list-style-type: none"> • This program is operated with internal service funds • The motor pool rates approved by the legislature are in Section R of HB 2 • Rate increases are driven primarily by fuel prices • The motor pool has a tiered rate structure based on expenses and mechanisms in place to mitigate risk should unexpected changes in cost occur

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	508,688	575,787	582,227	569,503	571,833
Operating Expenses	2,903,470	2,197,214	2,193,291	2,312,846	2,329,545
Equipment & Intangible Assets	73,485	3,801,753	3,801,753	3,801,753	3,801,753
Debt Service	116,722	19,449	19,449	119,449	119,449
Total Expenditures	\$3,602,365	\$6,594,203	\$6,596,720	\$6,803,551	\$6,822,580
Proprietary Funds	3,602,365	6,594,203	6,596,720	6,803,551	6,822,580
Total Funds	\$3,602,365	\$6,594,203	\$6,596,720	\$6,803,551	\$6,822,580

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 07-State Motor Pool Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06506 Motor Pool - Int Svc	0	13,626,131	0	13,626,131	100.00 %
Proprietary Total	\$0	\$13,626,131	\$0	\$13,626,131	100.00 %
Total All Funds	\$0	\$13,626,131	\$0	\$13,626,131	

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

2025 Biennium Report on Internal Service and Enterprise Funds							
Agency # 54010	Agency Name: Department of Transportation			Program Name: State Motor Pool			
	Fund 06506	Fund Name Motor Pool - Int Svc					
		Actual FY20	Actual FY21	Actual FY22	Budgeted FY23	Budgeted FY24	Budgeted FY25
Operating Revenues:							
Fee and Charges							
Fee Revenue A		4,657,719	4,161,466	4,938,476	5,211,076	6,021,805	6,291,886
Fee Revenue B		-	156,729	-	-	-	-
Total Operating Revenues		4,657,719	4,318,195	4,938,476	5,211,076	6,021,805	6,291,886
Expenses:							
Personal Services		424,259	454,222	524,864	582,227	569,503	571,833
Other Operating Expenses		4,010,411	3,632,006	4,650,716	4,650,716	4,651,325	4,653,010
Total Operating Expenses		4,434,670	4,086,228	5,175,580	5,232,943	5,220,828	5,224,843
Operating Income (Loss)		223,049	231,967	(237,104)	(21,867)	800,977	1,067,043
Nonoperating Revenues:							
Other Revenue A		41,498	133,253	338,066	163,234	175,602	187,723
Other Revenue B		97,886	32,209	100	28,961	29,274	28,321
Nonoperating Expenses:							
Other Expense A		134,369	151,114	89,328	19,449	19,449	119,449
Total Nonoperating Revenues (Expenses)		273,753	316,576	427,494	211,644	224,325	335,493
Income (Loss) Before Contributions and Transfers		496,802	548,543	190,390	189,777	1,025,302	1,402,536
Change in Net Position		496,802	548,543	190,390	189,777	1,025,302	1,402,536
Beginning Net Position - July 1		5,870,245	6,367,047	6,915,590	7,105,980	7,295,757	8,321,059
Change in Net Position		496,802	548,543	190,390	189,777	1,025,302	1,402,536
Ending Net Position - June 30		6,367,047	6,915,590	7,105,980	7,295,757	8,321,059	9,723,595
Net Position (Fund Balance) Analysis							

Revenues

Program revenues are generated through vehicle rental fees charged to the state agencies. Vehicle rental fees come from two service classes: 1) short-term rentals; and 2) long-term leases. On occasion, the program receives revenues resulting from the sale of surplus property and accident damages reimbursed by private individuals or insurance companies.

Proprietary Budget

The 2025 Biennium Report on Internal Service and Enterprise Funds for Motor Pool shows the financial information for the fund from FY 2020 through FY 2025. The report is provided as submitted by the executive. Statute requires that agencies providing enterprise/internal service functions provide information related to the use of revenues obtained through rates and charges and the estimated fund balance of the proprietary fund.

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.

-----General Fund-----					-----Total Funds-----			
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	6,596,720	6,596,720	13,193,440	96.82 %
SWPL Adjustments	0	0	0	0.00 %	106,831	125,860	232,691	1.71 %
PL Adjustments	0	0	0	0.00 %	100,000	100,000	200,000	1.47 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$6,803,551	\$6,822,580	\$13,626,131	

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 2024-----						-----Fiscal 2025-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	0	0	0	(12,724)		0.00	0	0	0	(10,394)
DP 2 - Fixed Costs										
0.00	0	0	0	(143,730)		0.00	0	0	0	(143,723)
DP 3 - Inflation Deflation										
0.00	0	0	0	263,285		0.00	0	0	0	279,977
DP 222 - RMTD Adjustment										
0.00	0	0	0	143,753		0.00	0	0	0	143,753
DP 223 - RMTD Adjustment (OTO)										
0.00	0	0	0	(143,753)		0.00	0	0	0	(143,753)
DP 708 - Interest on INTERCAP Loans										
0.00	0	0	0	100,000		0.00	0	0	0	100,000
Grand Total All Present Law Adjustments										
0.00	\$0	\$0	\$0	\$206,831		0.00	\$0	\$0	\$0	\$225,860

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

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 222 - RMTD Adjustment -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 708 - Interest on INTERCAP Loans -

The legislature reviewed an increase in State Motor Pool proprietary fund appropriation in FY 2024 and FY 2025. The program applies for an INTERCAP loan each year from the Board of Investments to purchase replacement vehicles for the fleet. This budget was set in FY 2014, and the department is requesting the budget be increased to be more consistent with recent expenditures.

Other Issues

Proprietary Rates

As shown in the figure, the state motor pool rental rates are based on a dual rate structure. Users pay a usage rate and an assigned rate. The usage rate is charged for actual miles driven and allows the program to recover costs directly related to the operation of the vehicle, such as repairs, parts, fuel, lubricants, and tires. The assigned rate is charged for hours the vehicle was used and allows the program to cover fixed costs associated with state ownership, such as insurance, interest payments on BOI loans, depreciation, and utilities. The dual rate structure provides: 1) more stable revenue to make loan payments and other cost obligations; and 2) equity among all vehicle classes so that one vehicle class does not subsidize another vehicle class. The rates approved by the legislature are the maximum the program may charge during the biennium, not the rates the program must charge. When approved by the Legislature, the rates are included in HB 2, Section R.

Motor Pool Rates Revised 1/6/23									
Class	FY 2024				Class	FY2025			
	Assigned Rate	Usage Rate				Assigned Rate	Usage Rate		
		3.89/gal	4.39/gal	4.89/gal			3.89/gal	4.39/g	4.89/gal
02	1.064	0.199	0.219	0.240	02	1.171	0.200	0.221	0.241
04	1.313	0.286	0.317	0.347	04	1.497	0.288	0.319	0.349
05	0.933	0.190	0.209	0.227	05	1.013	0.192	0.211	0.229
06	0.999	0.193	0.214	0.234	06	1.089	0.195	0.215	0.235
07	0.415	0.318	0.350	0.382	07	0.428	0.321	0.353	0.385
11	1.407	0.291	0.323	0.355	11	1.505	0.293	0.324	0.356
12	1.162	0.239	0.265	0.292	12	1.192	0.241	0.267	0.293

Beechcraft King Air Rental Rate

(Cost per flight hour)

FY 2024	FY 2025
1,348.11	1,362.39

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	19,602,814	20,668,058	1,065,244	5.43 %
Operating Expenses	31,904,407	35,137,309	3,232,902	10.13 %
Equipment & Intangible Assets	18,230,256	24,230,256	6,000,000	32.91 %
Total Expenditures	\$69,737,477	\$80,035,623	\$10,298,146	14.77 %
Proprietary Funds	69,737,477	80,035,623	10,298,146	14.77 %
Total Funds	\$69,737,477	\$80,035,623	\$10,298,146	14.77 %

Program Description

Equipment Program – 06508

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

The Equipment Program is funded under the rules and guidelines of HB 576. No specific statutory authority is established for the program as the program is strictly internal to the Department of Transportation and is not used by any outside entity.

Program Highlights

Equipment Program Major Budget Highlights
<ul style="list-style-type: none"> • The 2025 biennium budget for the equipment program includes an increase of 14.8% • The majority of the increase is for the purchase and maintenance of equipment • Equipment rates will likely increase when rates are calculated at fiscal year-end. A decision package for equipment rental inflation was passed by the legislature in many of the other programs

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	123.00	123.00	123.00	123.00
Personal Services	9,164,329	9,727,836	9,874,978	10,303,162	10,364,896
Operating Expenses	18,913,595	17,954,960	13,949,447	17,490,225	17,647,084
Equipment & Intangible Assets	8,142,874	9,115,128	9,115,128	12,115,128	12,115,128
Total Expenditures	\$36,220,798	\$36,797,924	\$32,939,553	\$39,908,515	\$40,127,108
Proprietary Funds	36,220,798	36,797,924	32,939,553	39,908,515	40,127,108
Total Funds	\$36,220,798	\$36,797,924	\$32,939,553	\$39,908,515	\$40,127,108

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 08-Equipment Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06508 Highway Equipment - Int Svc.	0	80,035,623	0	80,035,623	100.00 %
Proprietary Total	\$0	\$80,035,623	\$0	\$80,035,623	100.00 %
Total All Funds	\$0	\$80,035,623	\$0	\$80,035,623	

Funding for the equipment program is generated through user fees charged to programs and divisions in MDT, which are deposited in a proprietary fund. The source for the majority of funding for this program are state special funds, this is because the maintenance program is the primary customer of the equipment program.

The legislature approved a 60-day working capital reserve for the equipment program in Section R of HB 2.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	32,939,553	32,939,553	65,879,106	82.31 %
SWPL Adjustments	0	0	0	0.00 %	1,969,008	2,187,599	4,156,607	5.19 %
PL Adjustments	0	0	0	0.00 %	4,999,954	4,999,956	9,999,910	12.49 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$39,908,515	\$40,127,108	\$80,035,623	

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 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	428,184	0.00	0	0	0	489,918
DP 2 - Fixed Costs	0.00	0	0	0	(294,860)	0.00	0	0	0	(294,731)
DP 3 - Inflation Deflation	0.00	0	0	0	1,835,684	0.00	0	0	0	1,992,412
DP 30 - Motor Pool Rate Adjustment	0.00	0	0	0	(46)	0.00	0	0	0	(44)
DP 222 - RMTD Adjustment	0.00	0	0	0	294,845	0.00	0	0	0	294,845
DP 223 - RMTD Adjustment (OTO)	0.00	0	0	0	(294,845)	0.00	0	0	0	(294,845)
DP 809 - Equipment Fleet Maintenance	0.00	0	0	0	2,000,000	0.00	0	0	0	2,000,000
DP 810 - Replacement Equipment	0.00	0	0	0	3,000,000	0.00	0	0	0	3,000,000
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$6,968,962	0.00	\$0	\$0	\$0	\$7,187,555

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

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 809 - Equipment Fleet Maintenance -

This legislature reviewed an increase in the department's equipment proprietary fund appropriation in FY 2024 and FY 2025. The department's fleet is aging and in need of replacement parts that are often more expensive due to their uniqueness and supply chain issues. This request will allow the program to make the necessary purchases to maintain the fleet. Rental rates will be calculated to cover the increased budget amount.

DP 810 - Replacement Equipment -

The legislature reviewed an increase in the department's equipment proprietary fund appropriation in FY 2024 and FY 2025. The department has an aging fleet, and some pieces of equipment are beyond the useful life and need to be replaced. This request will allow for the purchase of new and replacement equipment. Rental rates will be calculated to cover the increased budget amount.

Other Issues***Proprietary rates***

The equipment program rental rates are based on a dual rate structure. The users pay a usage rate and an assigned rate. The usage rate is a mileage rate that is applied according to the actual miles/hours of use for vehicle or piece of equipment. The usage rate is designed to recover "direct costs" that include labor, parts, fuel, lubricants, and tires. The assigned rate is a per hour rate designed to recover "fixed costs" such as insurance, depreciation, and administrative overhead costs. Rental rates are adjusted yearly. Rates are based on the actual operational costs for each vehicle sub-class during the base rental period. Costs are adjusted to reflect changes in operating expenses from the base. The effects are internal to the MDT and the program is held accountable to ensure the rates recover only needed operational monies.

The equipment program rates are calculated to be commensurate with costs each year using data from the equipment vehicle management system (EVMS) to identify indirect and direct costs for each class. The EVMS data is reconciled to the statewide accounting, budgeting, and human resource system (SABHRS) financial data and inflation factors are applied using Inflation.com information. The rates are also adjusted for any gains or losses from previous years. The equipment program financial team reviews the rates monthly to determine if they are commensurate with costs.

The equipment program calculates new rates at the end of the fiscal year. As a result, rates that will apply to the 2025 biennium have not been calculated at this time. A table showing the rates charged in FY 2023 is available upon request.

2025 Biennium Report on Internal Service and Enterprise Funds							
Agency # 54010	Agency Name: Department of Transportation			Program Name: Equipment Program			
	Fund	Fund Name					
	06508	Highway Equipment - Int Svc.					
		Actual FY20	Actual FY21	Actual FY22	Budgeted FY23	Budgeted FY24	Budgeted FY25
Operating Revenues:							
Fee and Charges							
Fee Revenue A		31,964,634	29,044,526	31,409,221	32,285,035	40,339,553	40,339,553
Fee Revenue B		100,000	80,000	665,875	488,062	481,963	441,313
Total Operating Revenues		32,064,634	29,124,526	32,075,096	32,773,097	40,821,516	40,780,866
Expenses:							
Personal Services		9,201,619	9,228,495	8,804,818	9,874,978	10,303,162	10,364,896
Other Operating Expenses		21,036,922	20,590,818	25,328,277	13,949,447	17,767,832	17,893,052
Expense B		-	-	-	9,115,128	12,115,128	12,115,128
Total Operating Expenses		30,238,541	29,819,313	34,133,095	32,939,553	40,186,122	40,373,076
Operating Income (Loss)		1,826,093	(694,787)	(2,057,999)	(166,456)	635,394	407,790
Nonoperating Revenues:							
Other Revenue A		141,268	187,911	466,186	268,600	281,004	293,005
Other Revenue B		12,378	12,623	2,008,805	2,003,131	2,481,963	441,313
Total Nonoperating Revenues (Expenses)		153,646	200,534	2,474,991	2,271,731	2,762,967	734,318
Income (Loss) Before Contributions and Transfers		1,979,739	(494,253)	416,992	2,105,275	3,398,361	1,142,108
Change in Net Position		1,979,739	(494,253)	416,992	2,105,275	3,398,361	1,142,108
Beginning Net Position - July 1		77,264,591	79,244,330	78,750,077	79,167,069	81,272,344	84,670,705
Change in Net Position		1,979,739	(494,253)	416,992	2,105,275	3,398,361	1,142,108
Ending Net Position - June 30		79,244,330	78,750,077	79,167,069	81,272,344	84,670,705	85,812,813
Net Position (Fund Balance) Analysis							

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	19,121,343	19,113,961	(7,382)	(0.04)%
Operating Expenses	5,775,320	8,006,238	2,230,918	38.63 %
Equipment & Intangible Assets	618,300	2,083,432	1,465,132	236.96 %
Transfers	258,060	226,060	(32,000)	(12.40)%
Total Expenditures	\$25,773,023	\$29,429,691	\$3,656,668	14.19 %
State/Other Special Rev. Funds	19,131,601	19,614,282	482,681	2.52 %
Federal Spec. Rev. Funds	6,641,422	9,815,409	3,173,987	47.79 %
Total Funds	\$25,773,023	\$29,429,691	\$3,656,668	14.19 %
Total Ongoing	\$25,773,023	\$29,429,691	\$3,656,668	14.19 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Motor Carrier Services (MCS) Program has the responsibility for commercial motor carrier safety, infrastructure protection, fuel regulation, and provides credentials to the trucking industry. The MCS Commercial Vehicle Operations (CVO) Bureau registers interstate fleet vehicles, issues licenses and oversize/overweight permits, and collects and distributes fees and taxes. Additionally, the CVO Bureau ensures compliance with multiple federal commercial vehicle programs, as well as submits and provides oversight for various grant programs. The MCS Enforcement Bureau operates a statewide weigh station and mobile enforcement. MCS officers inspect commercial vehicles for compliance with state and federal safety, registration, fuel, and size/weight laws. The Motor Carrier Safety Assistance Program (MCSAP) conducts commercial motor carrier safety compliance reviews and safety audits to ensure commercial vehicles, drivers, and motorcarriers are compliant with state safety laws and federal regulations.

Program Highlights

Motor Carrier Services Major Budget Highlights
<ul style="list-style-type: none"> • The MCS Program budget as passed by the legislature is \$3.7 million or 14.2%, higher than the 2023 biennium • Most of the increase is from federal funding to support the MCSAP program. The appropriation is split between equipment and operating expenses • The legislature approved a request of \$130,000 state special funds over the biennium for scale replacement and pit wall repair

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	124.44	124.44	124.44	124.44
Personal Services	8,769,035	9,536,334	9,585,009	9,530,400	9,583,561
Operating Expenses	2,036,487	2,842,760	2,932,560	3,989,358	4,016,880
Equipment & Intangible Assets	222,656	340,584	277,716	1,041,716	1,041,716
Transfers	128,096	145,030	113,030	113,030	113,030
Total Expenditures	\$11,156,274	\$12,864,708	\$12,908,315	\$14,674,504	\$14,755,187
State/Other Special Rev. Funds	8,188,208	9,514,202	9,617,399	9,777,505	9,836,777
Federal Spec. Rev. Funds	2,968,066	3,350,506	3,290,916	4,896,999	4,918,410
Total Funds	\$11,156,274	\$12,864,708	\$12,908,315	\$14,674,504	\$14,755,187
Total Ongoing	\$11,156,274	\$12,864,708	\$12,908,315	\$14,674,504	\$14,755,187
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 22-Motor Carrier Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	0	0	0	0	0.00 %
02294 Unified Carrier Registration	2,859,314	0	0	2,859,314	14.58 %
02349 Highway Non-Restricted Account	190,056	0	0	190,056	0.97 %
02422 Highways Special Revenue	16,564,912	0	0	16,564,912	84.45 %
State Special Total	\$19,614,282	\$0	\$0	\$19,614,282	66.65 %
03292 MCS Federal Grants	9,380,659	0	0	9,380,659	95.57 %
03407 Highway Trust - Sp Rev	434,750	0	0	434,750	4.43 %
Federal Special Total	\$9,815,409	\$0	\$0	\$9,815,409	33.35 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$29,429,691	\$0	\$0	\$29,429,691	

MCS is funded by the highway state special revenue accounts and federal special revenue. Two-thirds of the funding for the program is state special revenue, primarily the constitutionally restricted highway state special revenue account (HSSRA). Other state special revenues supporting program activities include unified carrier registration fees and the highway non-restricted account. Federal funds make up the remaining third and are derived from federal grant programs and distributions from the federal highway trust.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	12,908,315	12,908,315	25,816,630	87.72 %
SWPL Adjustments	0	0	0	0.00 %	205,282	295,718	501,000	1.70 %
PL Adjustments	0	0	0	0.00 %	1,699,774	1,699,760	3,399,534	11.55 %
New Proposals	0	0	0	0.00 %	(138,867)	(148,606)	(287,473)	(0.98)%
Total Budget	\$0	\$0	\$0		\$14,674,504	\$14,755,187	\$29,429,691	

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 2024-----					-----Fiscal 2025-----				
	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	33,816	10,101	43,917	0.00	0	75,182	22,456	97,638
DP 3 - Inflation Deflation	0.00	0	107,507	53,858	161,365	0.00	0	131,968	66,112	198,080
DP 4 - Equipment Rental Inflation	0.00	0	57,678	30,758	88,436	0.00	0	57,664	30,742	88,406
DP 30 - Motor Pool Rate Adjustment	0.00	0	(168)	(84)	(252)	0.00	0	(157)	(79)	(236)
DP 2205 - MCSAP Federal Program Expansion	0.00	0	0	1,546,590	1,546,590	0.00	0	0	1,546,590	1,546,590
DP 2208 - Scale Replacement and Pitwall Repair	0.00	0	65,000	0	65,000	0.00	0	65,000	0	65,000
Grand Total All Present Law Adjustments	0.00	\$0	\$263,833	\$1,641,223	\$1,905,056	0.00	\$0	\$329,657	\$1,665,821	\$1,995,478

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 3 - Inflation Deflation -

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

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state and federal special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 2205 - MCSAP Federal Program Expansion -

The legislature adopted an increase of federal special revenue appropriation due to an expansion of the federal Motor Carrier Safety Assistance Program (MCSAP). The increase will be used to enhance MCSAP's safety program.

DP 2208 - Scale Replacement and Pitwall Repair -

The legislature adopted an increase in state special revenue appropriations to support maintenance through the replacement of weigh station scales. Scales originally installed in 1984 are being replaced with new scales on an annual schedule, along with a newly designed retrofit for the pit walls.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(26,877)	(13,464)	(40,341)	0.00	0	(32,992)	(16,528)	(49,520)
DP 555 - Additional Vacancy Savings	0.00	0	(76,850)	(21,676)	(98,526)	0.00	0	(77,287)	(21,799)	(99,086)
Total	0.00	\$0	(\$103,727)	(\$35,140)	(\$138,867)	0.00	\$0	(\$110,279)	(\$38,327)	(\$148,606)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	1,709,610	1,660,173	(49,437)	(2.89)%
Operating Expenses	9,022,493	4,849,279	(4,173,214)	(46.25)%
Equipment & Intangible Assets	1,548,800	85,000	(1,463,800)	(94.51)%
Grants	40,000	40,000	0	0.00 %
Transfers	27,600	27,600	0	0.00 %
Total Expenditures	\$12,348,503	\$6,662,052	(\$5,686,451)	(46.05)%
State/Other Special Rev. Funds	3,866,672	3,896,174	29,502	0.76 %
Federal Spec. Rev. Funds	8,481,831	2,765,878	(5,715,953)	(67.39)%
Total Funds	\$12,348,503	\$6,662,052	(\$5,686,451)	(46.05)%
Total Ongoing	\$12,348,503	\$6,620,800	(\$5,727,703)	(46.38)%
Total OTO	\$0	\$41,252	\$41,252	100.00 %

Program Description

The Aeronautics Program: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; 4) fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; and 5) coordinates and supervises aerial search and rescue operations. The program administers a loan and grant program to airport sponsors to fund airport improvement projects. The Aeronautics Board approves loan and grant requests.

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

Program Highlights

Aeronautics Program Major Budget Highlights
<ul style="list-style-type: none"> The legislature approved a decrease in HB 2 budget authority of 46.1% or \$5.7 million below the 2023 biennium <ul style="list-style-type: none"> The program had empty federal authority last biennium it was unable to utilize. The program will use a different funding strategy this biennium instead of asking for unrealized authority The legislature approved an increase in federal funds in the amount \$1.6 million for expansion of the FAA program, this will be matched with proprietary funds The legislature approved a one-time-only increase of \$85,000 in the first year of the biennium for the replacement of the Bonanza A36 airplane engine

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	9.00	9.00	9.00	9.00
Personal Services	711,731	849,921	859,689	827,450	832,723
Operating Expenses	836,140	7,438,876	1,583,617	2,419,034	2,430,245
Equipment & Intangible Assets	18,350	1,548,800	0	85,000	0
Grants	19,888	20,000	20,000	20,000	20,000
Transfers	11,622	13,800	13,800	13,800	13,800
Total Expenditures	\$1,597,731	\$9,871,397	\$2,477,106	\$3,365,284	\$3,296,768
State/Other Special Rev. Funds	1,172,088	1,941,016	1,925,656	1,984,948	1,911,226
Federal Spec. Rev. Funds	425,643	7,930,381	551,450	1,380,336	1,385,542
Total Funds	\$1,597,731	\$9,871,397	\$2,477,106	\$3,365,284	\$3,296,768
Total Ongoing	\$1,597,731	\$9,871,397	\$2,477,106	\$3,302,158	\$3,318,642
Total OTO	\$0	\$0	\$0	\$63,126	(\$21,874)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 40-Aeronautics Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02286 Aeronautical Loan Account	700,000	0	0	700,000	13.32 %
02287 Aeronautical Grant Account	0	0	1,360,196	1,360,196	25.88 %
02827 Aeronautics Division	3,196,174	0	0	3,196,174	60.81 %
State Special Total	\$3,896,174	\$0	\$1,360,196	\$5,256,370	58.21 %
03060 Aeronautics Division	2,765,878	0	0	2,765,878	100.00 %
Federal Special Total	\$2,765,878	\$0	\$0	\$2,765,878	30.63 %
06007 Yellowstone Airport	0	1,007,666	0	1,007,666	100.00 %
Proprietary Total	\$0	\$1,007,666	\$0	\$1,007,666	11.16 %
Total All Funds	\$6,662,052	\$1,007,666	\$1,360,196	\$9,029,914	

The aeronautics program is funded with state and federal special revenues. State special revenue funds are derived primarily from state aviation fuel taxes and aircraft registration fees. Federal special revenue comes from Federal Aviation Administration grants. The Yellowstone Airport enterprise program, is supported by proprietary funding and is not budgeted in HB 2.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	
2023 Base Budget	0	0	0	0.00 %	2,477,106	2,477,106	4,954,212	74.36 %	
SWPL Adjustments	0	0	0	0.00 %	22,239	42,913	65,152	0.98 %	
PL Adjustments	0	0	0	0.00 %	892,480	807,481	1,699,961	25.52 %	
New Proposals	0	0	0	0.00 %	(26,541)	(30,732)	(57,273)	(0.86)%	
Total Budget	\$0	\$0	\$0		\$3,365,284	\$3,296,768	\$6,662,052		

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 2024-----					-----Fiscal 2025-----				
	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	(22,845)	(707)	(23,552)	0.00	0	(17,677)	(547)	(18,224)
DP 2 - Fixed Costs	0.00	0	(21,726)	0	(21,726)	0.00	0	(21,714)	0	(21,714)
DP 3 - Inflation Deflation	0.00	0	37,114	30,403	67,517	0.00	0	45,537	37,314	82,851
DP 30 - Motor Pool Rate Adjustment	0.00	0	(11)	(9)	(20)	0.00	0	(10)	(9)	(19)
DP 222 - RMTD Adjustment	0.00	0	21,874	0	21,874	0.00	0	21,874	0	21,874
DP 223 - RMTD Adjustment (OTO)	0.00	0	(21,874)	0	(21,874)	0.00	0	(21,874)	0	(21,874)
DP 4005 - FAA Program Expansion	0.00	0	0	807,500	807,500	0.00	0	0	807,500	807,500
DP 4017 - Bonanza A36 Engine Replacement (Biennial/OTO)	0.00	0	85,000	0	85,000	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$0	\$77,532	\$837,187	\$914,719	0.00	\$0	\$6,136	\$844,258	\$850,394

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 4005 - FAA Program Expansion -

The legislature adopted an increase to fund FAA required planning and equipment to increase safety through projects such as an airport master plan, airport rescue and firefighting equipment, and Automated Weather Observation System replacement. The federal special revenue will be matched with the Yellowstone Airport proprietary fund.

DP 4017 - Bonanza A36 Engine Replacement (Biennial/OTO) -

The legislature adopted a one-time-only increase in state special revenue appropriations in FY 2024. The increase will fund replacement of the Bonanza A36 airplane engine with an overhauled engine, per the manufacturer's recommendation. The aircraft is used to carry out the mission and goals of the Aeronautics Division and as a secondary search and rescue asset.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(9,814)	(8,040)	(17,854)	0.00	0	(12,086)	(9,904)	(21,990)
DP 555 - Additional Vacancy Savings	0.00	0	(8,426)	(261)	(8,687)	0.00	0	(8,480)	(262)	(8,742)
Total	0.00	\$0	(\$18,240)	(\$8,301)	(\$26,541)	0.00	\$0	(\$20,566)	(\$10,166)	(\$30,732)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Other Issues*Yellowstone Airport – 06007***Program Description**

The Yellowstone Airport located two miles north of the Town of West Yellowstone, Montana provides the closest private and commercial air service to Yellowstone National Park, as well as service for a multitude of other recreational opportunities in the surrounding greater Yellowstone area. The airport is closed during the winter months, conducting limited snow removal in fringe seasons. The airport is typically open for six months each year with seasonal commercial air service provided by SkyWest Air Lines dba Delta Connection and SkyWest Air Lines dba United Express from early-May to mid-October. The airport accomplishes its mission with facilities to accommodate all sized aircraft and operations ranging from large four engine commercial service jets to small single engine aircraft.

Airside facilities at the airport include an 8,400' runway and taxiway, as well as large parking apron and hangar areas for all types of aircraft operations. The runway is equipped with a precision approach instrument landing system (ILS) and a GPS approach accommodating air traffic even during inclement weather conditions. The airport also supports and maintains an Automated Weather Observing System (AWOS) which reports directly to the National Weather Service (NWS) and broadcasts locally to air traffic over a VHF transmission. Other airport facilities include a commercial terminal building with tenants that include a restaurant, rental car agencies, Transportation Security Administration (TSA) offices, airline offices, and airport administration and operations. Also located on the field are several outbuildings and other facilities housing bulk fuel storage, a fixed based operator (FBO), an air ambulance base, and Airport Rescue Fire Fighting (ARFF) services. The US Forest Service operates an inter-agency fire control center with direct through the fence access to the airfield. A wildlife fence surrounds the entire airport property.

Revenues and Expenses

Fees for leases and other business services are both market and recovery based. Additional operating expenses are planned in the 2025 biennium to keep the airport in compliance with FAA mandates and advisory circulars. The Yellowstone Airport is an enterprise proprietary fund. There is one airport manager who works full time, year-round. The airport also has two other employees, an airport operation chief and an airport fire fighter/maintenance specialist who are employed seasonally.

2025 Biennium Report on Internal Service and Enterprise Funds

Fund	Fund Name	Agency #	Agency Name	Program Name		
06007	YELLOWSTONE AIRPORT	54010	Transportation	Aeronautics		
					Actual FY 20	Actual FY 21
					Actual FY 22	Estimated FY 23
					Proposed FY 24	Proposed FY 25
Operating Revenues						
Fees and Charges						
Fee Revenue A (FR01)					69,154	101,931
Other Operating Revenues (FR07)					351,014	365,023
Total Operating Revenues					420,168	466,953
Expenses						
Personal Services (EP01)					91,900	19,912
Other Operating Expense (EX01)					86,188	66,818
Total Operating Expense					178,088	86,730
Operating Income (Loss)					242,080	380,223
Nonoperating Revenues (NR01)					446,957	-
Nonoperating Expenses (NE01)					(242,234)	(441,347)
Total Nonoperating Revenues (Expenses)					204,723	(441,347)
Income (Loss) Before Contributions and Transfers					446,803	(61,123)
Capital Contributions (CA01)					226,106	71,781
Transfers In (CA02)					9,260	13,729
Transfers Out					-	-
Loans and Lease Payments					-	-
Change in Net Position					682,169	24,387
Beginning Net Position - July 1 (BN01)					9,868,559	10,550,729
Prior Period Adjustments					-	-
Change in Net Position					682,169	24,387
Ending Net Position - June 30					10,550,729	10,575,116
Net Position (Fund Balance) Analysis						
Restricted Net Position (Enterprise Funds Only)						
Unrestricted Net Position						

Rates for the Yellowstone Airport are as shown in the table below.

2023 Biennium Report on Internal Service and Enterprise Funds

Fund 06007	Fund Name West Yellowstone	Agency # 54010	Agency Name Transportation	Program Name Aeronautics Program
Fee/Rate Information				
	Actuals FY 2022	Budgeted FY 2023	Proposed FY 2024	Proposed FY 2025
Fee & Revenue Group				
Landing Fees - Air Carrier	\$1.75 / 1,000lbs	\$1.75 / 1,000lbs	\$1.75 / 1,000lbs	\$1.75 / 1,000lbs
Landing Fees - Other Users	\$2.00 / 1000lbs. - \$25 min. (piston powered exempt)	\$2.25 / 1000lbs. - \$25 min. (piston powered exempt)	\$2.25 / 1000lbs. - \$25 min. (piston powered exempt)	\$2.25 / 1000lbs. - \$25 min. (piston powered exempt)
Fuel Flowage Fee - Air Carrier	\$0.07/Gallon	\$0.06/Gallon	\$0.06/Gallon	\$0.06/Gallon
Fuel Flowage Fee	\$0.10/Gallon	\$0.10/Gallon	\$0.10/Gallon	\$0.10/Gallon
Building Leases - Car rental, Airline	\$3.00/sq.ft.	\$3.25/sq.ft.	\$3.25/sq.ft.	\$3.25/sq.ft.
Building Leases - FBO, Hangar Ground	\$0.14/sq.ft. (improved) \$0.07 (unimproved)	\$0.14/sq.ft. (improved) \$0.07 (unimproved)	\$0.14/sq.ft. (improved) \$0.07 (unimproved)	\$0.14/sq.ft. (improved) \$0.07 (unimproved)
Adboards	\$225 ad board - \$400 special	\$225 ad board - \$400 special	\$225 ad board - \$400 special	\$225 ad board - \$400 special
Tax Transfers	\$11,622	\$13,800	\$12,000	\$12,000
Sales Receipts - Café	12% of Gross Sales	12% of Gross Sales	12% of Gross Sales	12% of Gross Sales
Sales Receipts - Other Users	10% of Gross Sales	10% of Gross Sales	10% of Gross Sales	10% of Gross Sales
Non-Aero Rentals				
Nevada Testing	\$27,100 + utilities + usage fee	\$28,050 + utilities + usage fee	\$29,100 + utilities + usage fee	\$30,050 + utilities + usage fee
City	\$41,209/Year	\$41,827/Year	\$41,827/Year	\$41,827/Year
Energy West	\$19,831.83/Year	\$20,129.30/Year	\$20,431.4/Year	\$20,738/Year
Chamber - Snow Shoot	\$2,500 + \$220.00 per day occupancy	\$2,750 + \$235.00 per day occupancy	\$2,750 + \$235.00 per day occupancy	\$2,750 + \$235.00 per day occupancy

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	18,947,762	19,414,543	466,781	2.46 %
Operating Expenses	13,096,180	18,727,296	5,631,116	43.00 %
Equipment & Intangible Assets	781,682	1,100,000	318,318	40.72 %
Grants	39,474,327	52,504,030	13,029,703	33.01 %
Transfers	3,635,852	5,375,852	1,740,000	47.86 %
Total Expenditures	\$75,935,803	\$97,121,721	\$21,185,918	27.90 %
State/Other Special Rev. Funds	17,798,448	23,547,590	5,749,142	32.30 %
Federal Spec. Rev. Funds	58,137,355	73,574,131	15,436,776	26.55 %
Total Funds	\$75,935,803	\$97,121,721	\$21,185,918	27.90 %
Total Ongoing	\$75,935,803	\$97,121,721	\$21,185,918	27.90 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

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

Program Highlights

Rail, Transit, and Planning Major Budget Highlights	
<p>The legislature adopted a 27.9% increase in budget authority to the Rail, Transit and Planning Program over the 2023 biennium budget.</p> <ul style="list-style-type: none"> Of the increase, approximately \$16.0 million is related to federal program expansion from IIJA. This includes: <ul style="list-style-type: none"> DP 5005 FHWA (Federal Highway Administration) program expansion \$6.7 million for the biennium, \$1.0 million state special, \$5.7 million federal DP 5006 FTA (Federal Transit Authority) program expansion \$5.0 million for the biennium, \$500,000 state special, \$4.5 million federal DP 5007 NHTSA (National Highway Traffic Safety Administration) program expansion \$4.5 million federal \$1.3 million in SWPL adjustments including: <ul style="list-style-type: none"> \$959,160 in inflation costs, including approximately \$85,000 for equipment rental inflation An increase of \$3.6 million in TransADE funding due to greater collections of rental car tax 	

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	99.76	99.76	99.76	99.76
Personal Services	8,798,667	9,340,678	9,607,084	9,677,196	9,737,347
Operating Expenses	4,734,075	6,492,625	6,603,555	9,202,690	9,524,606
Equipment & Intangible Assets	231,682	231,682	550,000	550,000	550,000
Grants	17,759,667	19,947,312	19,527,015	26,002,015	26,502,015
Transfers	1,611,392	1,822,926	1,812,926	2,562,926	2,812,926
Total Expenditures	\$33,135,483	\$37,835,223	\$38,100,580	\$47,994,827	\$49,126,894
State/Other Special Rev. Funds	6,707,738	8,874,173	8,924,275	11,730,951	11,816,639
Federal Spec. Rev. Funds	26,427,745	28,961,050	29,176,305	36,263,876	37,310,255
Total Funds	\$33,135,483	\$37,835,223	\$38,100,580	\$47,994,827	\$49,126,894
Total Ongoing	\$33,135,483	\$37,835,223	\$38,100,580	\$47,994,827	\$49,126,894
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 50-Rail Transit & Planning Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02282 FTA Local Match	2,208,512	0	0	2,208,512	9.37 %	
02349 Highway Non-Restricted Account	2,447,866	0	0	2,447,866	10.38 %	
02422 Highways Special Revenue	11,900,962	0	0	11,900,962	50.48 %	
02436 County DUI Prevention Programs	990,250	0	0	990,250	4.20 %	
02795 TransADE Special Revenue	6,000,000	0	0	6,000,000	25.45 %	
02121 Shared-Use Path	0	0	30,279	30,279	0.13 %	
State Special Total	\$23,547,590	\$0	\$30,279	\$23,577,869	24.27 %	
03147 FTA Grants	31,437,683	0	0	31,437,683	42.73 %	
03407 Highway Trust - Sp Rev	27,471,344	0	0	27,471,344	37.34 %	
03828 Traffic Safety	14,665,104	0	0	14,665,104	19.93 %	
Federal Special Total	\$73,574,131	\$0	\$0	\$73,574,131	75.73 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$97,121,721	\$0	\$30,279	\$97,152,000		

The Rail, Transit, and Planning (RTP) division is funded with a combination of state and federal special revenue funds. Highway state special revenue from both the restricted and non-restricted accounts support the overall administrative and operational costs of the program. Other funding includes:

- Federal transit authority (FTA) local match funds provided from local transit providers to match their FTA grants
- TransADE special revenue, which in large part provides funding for transit services that serve the elderly and disabled (and can be also used to match federal transit funds)
- County DUI prevention funds, for providing assistance to county DUI task force activities
- Federal highway trust fund (03407), which provides for costs of highway program administration, activities, and projects

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

Budget Summary by Category

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

Budget Summary by Category									
-----General Fund-----					-----Total Funds-----				
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	
2023 Base Budget	0	0	0	0.00 %	38,100,580	38,100,580	76,201,160	78.46 %	
SWPL Adjustments	0	0	0	0.00 %	559,356	715,955	1,275,311	1.31 %	
PL Adjustments	0	0	0	0.00 %	9,534,734	10,535,202	20,069,936	20.66 %	
New Proposals	0	0	0	0.00 %	(199,843)	(224,843)	(424,686)	(0.44)%	
Total Budget	\$0	\$0	\$0		\$47,994,827	\$49,126,894	\$97,121,721		

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 2024-----						-----Fiscal 2025-----				
	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	57,027	114,469	171,496	0.00	0	77,050	155,230	232,280
DP 2 - Fixed Costs	0.00	0	(900)	0	(900)	0.00	0	(900)	0	(900)
DP 3 - Inflation Deflation	0.00	0	84,690	304,070	388,760	0.00	0	105,593	378,982	484,575
DP 4 - Equipment Rental Inflation	0.00	0	28,877	13,833	42,710	0.00	0	29,151	13,964	43,115
DP 30 - Motor Pool Rate Adjustment	0.00	0	(212)	(764)	(976)	0.00	0	(199)	(714)	(913)
DP 5005 - FHWA Programs Expansion	0.00	0	517,100	2,827,900	3,345,000	0.00	0	517,100	2,827,900	3,345,000
DP 5006 - FTA Program Expansion	0.00	0	225,000	2,123,000	2,348,000	0.00	0	275,000	2,323,000	2,598,000
DP 5007 - NHTSA Program Expansion	0.00	0	0	1,850,000	1,850,000	0.00	0	0	2,600,000	2,600,000
DP 5008 - TransADE Funding	0.00	0	1,800,000	0	1,800,000	0.00	0	1,800,000	0	1,800,000
DP 5009 - Blackfoot Post Yard Facility Remediation	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
Grand Total All Present Law Adjustments	0.00	\$0	\$2,861,582	\$7,232,508	\$10,094,090	0.00	\$0	\$2,952,795	\$8,298,362	\$11,251,157

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state and federal special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 5005 - FHWA Programs Expansion -

The legislature adopted an increase to state and federal special revenue appropriation in FY 2024 and FY 2025 due to the Federal Highway Administration (FHWA) program expansion. The increase will fund the state match and federal authority for projects in the FHWA federal aid formula-based programs.

DP 5006 - FTA Program Expansion -

The legislature adopted an increase for the Federal Transit Administration (FTA) program expansion. The increase in grants will require state match and federal authority needed for projects in the FTA federal aid program that includes Formula Grants for Rural Areas, Metropolitan and Statewide Planning, Enhanced Mobility of Seniors and Individuals with Disabilities, and Grants for Buses and Bus Facilities Programs.

DP 5007 - NHTSA Program Expansion -

The legislature adopted an increase to federal special revenue appropriation in FY 2024 and FY 2025 due to the National Highway Traffic Safety Administration (NHTSA) program expansion. The increase will provide the federal authority needed for projects in the NHTSA federal aid program that includes the Highway Safety Programs and impaired driving, occupant protection, traffic records and data collection, and motorcycle safety programs of the National Priority Safety Programs.

DP 5008 - TransADE Funding -

The legislature adopted an increase of authority to the Transportation Assistance for the Disabled and Elderly (TransADE) Program, which provides match or operating assistance to transportation providers that serve the disabled and elderly throughout Montana.

DP 5009 - Blackfoot Post Yard Facility Remediation -

The legislature adopted an appropriation of \$150,000 in state special revenue in each year of the biennium for conducting remedial actions required by the Department of Environmental Quality. The site has not been fully characterized and cleanup standards have not been established. The cleanup will likely involve the excavation and possible treatment of contaminated soils and long-term groundwater monitoring beyond 2050.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(21,449)	(77,010)	(98,459)	0.00	0	(26,765)	(96,061)	(122,826)
DP 555 - Additional Vacancy Savings	0.00	0	(33,457)	(67,927)	(101,384)	0.00	0	(33,666)	(68,351)	(102,017)
Total	0.00	\$0	(\$54,906)	(\$144,937)	(\$199,843)	0.00	\$0	(\$60,431)	(\$164,412)	(\$224,843)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison					
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change	
Personal Services	19,104,370	20,901,239	1,796,869	9.41 %	
Operating Expenses	8,793,586	9,031,874	238,288	2.71 %	
Equipment & Intangible Assets	514,185	567,361	53,176	10.34 %	
Benefits & Claims	0	300,000	300,000	0.00 %	
Transfers	741,962	798,962	57,000	7.68 %	
Total Expenditures	\$29,154,103	\$31,599,436	\$2,445,333	8.39 %	
General Fund	6,955,248	8,000,558	1,045,310	15.03 %	
State/Other Special Rev. Funds	17,987,376	18,994,239	1,006,863	5.60 %	
Federal Spec. Rev. Funds	4,211,479	4,604,639	393,160	9.34 %	
Total Funds	\$29,154,103	\$31,599,436	\$2,445,333	8.39 %	
Total Ongoing	\$28,408,491	\$31,293,375	\$2,884,884	10.16 %	
Total OTO	\$745,612	\$306,061	(\$439,551)	(58.95)%	

Agency Description

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

Agency Highlights

Department of Livestock Major Budget Highlights
<p>The legislature approved an increase of 8.4% or \$2.4 million in total appropriations when compared to the 2023 biennium including:</p> <ul style="list-style-type: none"> Statewide present law adjustments - \$1.5 million One-time-only appropriations for laboratory equipment, veterinary vehicles, and law enforcement equipment - \$466,951 Operational increase for the Livestock Loss Board and meat and poultry inspections - \$430,000 Increased general fund for predator loss compensation - \$300,000 Overtime for the Brands Division - \$190,000 Funding for brucellosis surveillance - \$100,000

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	132.87	132.87	137.87	137.87
Personal Services	9,246,186	9,450,860	9,653,510	10,426,029	10,475,210
Operating Expenses	3,453,599	4,675,982	4,117,604	4,547,761	4,484,113
Equipment & Intangible Assets	150,000	416,980	97,205	502,156	65,205
Benefits & Claims	0	0	0	150,000	150,000
Transfers	292,503	342,481	399,481	399,481	399,481
Total Expenditures	\$13,142,288	\$14,886,303	\$14,267,800	\$16,025,427	\$15,574,009
General Fund	3,086,472	3,467,012	3,488,236	3,988,979	4,011,579
State/Other Special Rev. Funds	8,243,116	9,323,843	8,663,533	9,740,313	9,253,926
Federal Spec. Rev. Funds	1,812,700	2,095,448	2,116,031	2,296,135	2,308,504
Total Funds	\$13,142,288	\$14,886,303	\$14,267,800	\$16,025,427	\$15,574,009
Total Ongoing	\$12,946,671	\$14,382,691	\$14,025,800	\$15,638,921	\$15,654,454
Total OTO	\$195,617	\$503,612	\$242,000	\$386,506	(\$80,445)

Summary of Legislative Action

The legislature approved an increase of 8.4% or \$2.4 million in total appropriation including a 15.0% or \$1.0 million increase in general fund. Increases were primarily for personal services. The legislature approved increases \$693,006 for adjustments to pay, benefits, and a 5.0% vacancy savings for the current 132.87 FTE. Adjustments for fixed cost and inflation totaled \$796,666.

New general fund as ongoing authority

General fund for additional brucellosis testing in designated surveillance areas totaled \$100,000, general fund appropriations for livestock loss board operations and predatory loss compensation totaled \$330,000.

Meat and poultry inspection - 4.00 FTE

The legislature approved funding for new meat and poultry inspectors totaling \$465,533, equal parts state special revenue and federal special revenue. To support meat and poultry operations and overtime, the legislature \$200,000 state special revenue and \$200,000 federal funds.

New brand market staff – 1.00 FTE

The budget includes \$105,680 in state special revenue to support an increase in brand market staff (1.00 FTE) to help regulate markets. The legislature also approved \$190,000 in state special revenue to fund overtime for the brands division.

One-time-only appropriations

The legislature approved one-time-only appropriations of \$466,951 in state special revenue for the purchase equipment for animal health services, enforcement, and market operations. The legislature approved a one-time-only reduction in premiums for risk management and tort defense totaling \$160,890.

Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Livestock Funding by Source of Authority 2025 Biennium Budget Request - Department of Livestock						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	8,015,820	(15,262)	0	0	8,000,558	21.39 %
State Special Total	18,667,628	326,611	0	2,950,000	21,944,239	58.67 %
Federal Special Total	4,609,927	(5,288)	0	0	4,604,639	12.31 %
Proprietary Total	0	0	2,855,356	0	2,855,356	7.63 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$31,293,375	\$306,061	\$2,855,356	\$2,950,000	\$37,404,792	
Percent - Total All Sources	83.66 %	0.82 %	7.63 %	7.89 %		

The Department of Livestock is funded with general fund, state special revenue, federal special revenue, and proprietary funding. General fund supports some administrative functions, the diagnostic lab, and provides matching funds for federal revenue expended on meat and poultry inspections. State special revenue is primarily from taxes and fees assessed to livestock owners. Two state special revenue funds comprise 89.0% of all state special revenues in the HB2 budget, the livestock per capita fee, which is assessed on a per animal basis, and fees charged for inspections and brand recording.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	3,408,236	3,408,236	6,816,472	85.20 %	14,025,800	14,025,800	28,051,600	88.77 %
SWPL Adjustments	194,973	225,970	420,943	5.26 %	916,356	950,462	1,866,818	5.91 %
PL Adjustments	162,660	160,875	323,535	4.04 %	348,644	347,275	695,919	2.20 %
New Proposals	223,110	216,498	439,608	5.49 %	734,627	250,472	985,099	3.12 %
Total Budget	\$3,988,979	\$4,011,579	\$8,000,558		\$16,025,427	\$15,574,009	\$31,599,436	

Other Legislation

HB 4 – “Appropriations by budget amendment”

The legislature approved the continuation of budget amendments for federal funds into the 2025 biennium supporting meat and poultry inspection, and animal health disease testing.

HB 10 – “Long-range information technology financings and appropriations”

HB 10 provides \$1.0 million in state special revenue to fund animal health IT systems, and data processing programs.

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	132.87	137.87	137.87	0.00	137.87	137.87	0.00	0.00
Personal Services	9,653,510	10,533,311	10,426,029	(107,282)	10,583,011	10,475,210	(107,801)	(215,083)
Operating Expenses	4,117,604	4,624,392	4,547,761	(76,631)	4,576,987	4,484,113	(92,874)	(169,505)
Equipment & Intangible Assets	97,205	502,156	502,156	0	65,205	65,205	0	0
Grants	0	0	0	0	0	0	0	0
Benefits & Claims	0	0	150,000	150,000	0	150,000	150,000	300,000
Transfers	399,481	399,481	399,481	0	399,481	399,481	0	0
Total Costs	\$14,267,800	\$16,059,340	\$16,025,427	(\$33,913)	\$15,624,684	\$15,574,009	(\$50,675)	(\$84,588)
General Fund	3,488,236	3,885,799	3,988,979	103,180	3,914,873	4,011,579	96,706	199,886
State/other Special Rev. Funds	8,663,533	9,853,595	9,740,313	(113,282)	9,375,383	9,253,926	(121,457)	(234,739)
Federal Spec. Rev. Funds	2,116,031	2,319,946	2,296,135	(23,811)	2,334,428	2,308,504	(25,924)	(49,735)
Other	0	0	0	0	0	0	0	0
Total Funds	\$14,267,800	\$16,059,340	\$16,025,427	(\$33,913)	\$15,624,684	\$15,574,009	(\$50,675)	(\$84,588)
Total Ongoing	\$14,025,800	\$15,592,389	\$15,638,921	\$46,532	\$15,624,684	\$15,654,454	\$29,770	\$76,302
Total OTO	\$242,000	\$466,951	\$386,506	(\$80,445)	\$0	(\$80,445)	(\$80,445)	(\$160,890)

The legislature approved total appropriations \$84,588 lower than the executive request, primarily state special revenue. Specifically, the legislature approved:

- Additional vacancy savings of 1.0% - (\$215,083)
- Adjustments to inflation - (\$145,424)
- Additional general fund for livestock loss - \$300,000
- Adjustments to SABHRS and motor pool rates (\$24,081)

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	2,709,784	2,816,148	106,364	3.93 %
Operating Expenses	1,519,353	1,658,515	139,162	9.16 %
Equipment & Intangible Assets	150,000	0	(150,000)	(100.00)%
Benefits & Claims	0	300,000	300,000	0.00 %
Transfers	204,962	204,962	0	0.00 %
Total Expenditures	\$4,584,099	\$4,979,625	\$395,526	8.63 %
General Fund	253,565	591,921	338,356	133.44 %
State/Other Special Rev. Funds	4,330,534	4,387,704	57,170	1.32 %
Total Funds	\$4,584,099	\$4,979,625	\$395,526	8.63 %
Total Ongoing	\$4,414,099	\$5,034,151	\$620,052	14.05 %
Total OTO	\$170,000	(\$54,526)	(\$224,526)	(132.07)%

Program Description

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

Program Highlights

**Centralized Services Division
Major Budget Highlights**

The legislature approved an increase of 8.6% or \$395,526 in total appropriations when compared to the 2023 biennium including:

- Present law adjustments for personal services, inflation, and fixed costs - \$154,095
- General fund for livestock predatory loss compensation - \$300,000
- Increased general fund for operation of the Livestock Loss Board - \$30,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	17.00	17.00	17.00	17.00
Personal Services	1,289,684	1,293,083	1,416,701	1,404,055	1,412,093
Operating Expenses	507,851	780,770	738,583	859,386	799,129
Equipment & Intangible Assets	150,000	150,000	0	0	0
Benefits & Claims	0	0	0	150,000	150,000
Transfers	100,476	102,481	102,481	102,481	102,481
Total Expenditures	\$2,048,011	\$2,326,334	\$2,257,765	\$2,515,922	\$2,463,703
General Fund	113,804	125,141	128,424	296,535	295,386
State/Other Special Rev. Funds	1,934,207	2,201,193	2,129,341	2,219,387	2,168,317
Total Funds	\$2,048,011	\$2,326,334	\$2,257,765	\$2,515,922	\$2,463,703
Total Ongoing	\$1,888,011	\$2,166,334	\$2,247,765	\$2,543,185	\$2,490,966
Total OTO	\$160,000	\$160,000	\$10,000	(\$27,263)	(\$27,263)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Livestock, 01-Centralized Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	591,921	0	0	591,921	7.46 %
02117 Predatory Animal SSR	0	0	1,150,000	1,150,000	15.67 %
02124 LLB Restricted Special Revenue	0	0	1,200,000	1,200,000	16.35 %
02426 Lvstk Per Capita	3,859,504	0	0	3,859,504	52.60 %
02817 Milk Control Bureau	528,200	0	0	528,200	7.20 %
02125 Livestock Loss Reduction	0	0	400,000	400,000	5.45 %
02136 Wolf Mitigation Donation Fund	0	0	200,000	200,000	2.73 %
State Special Total	\$4,387,704	\$0	\$2,950,000	\$7,337,704	92.54 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,979,625	\$0	\$2,950,000	\$7,929,625	

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

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	128,424	128,424	256,848	43.39 %	2,247,765	2,247,765	4,495,530	90.28 %
SWPL Adjustments	3,472	4,388	7,860	1.33 %	129,415	82,225	211,640	4.25 %
PL Adjustments	16,000	14,000	30,000	5.07 %	16,913	14,692	31,605	0.63 %
New Proposals	148,639	148,574	297,213	50.21 %	121,829	119,021	240,850	4.84 %
Total Budget	\$296,535	\$295,386	\$591,921		\$2,515,922	\$2,463,703	\$4,979,625	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	1,016	1,039	0	2,055	0.00	1,873	8,305	0	10,178
DP 2 - Fixed Costs	0.00	1,758	93,728	0	95,486	0.00	1,743	34,723	0	36,466
DP 3 - Inflation Deflation	0.00	698	31,176	0	31,874	0.00	772	34,809	0	35,581
DP 20 - SABHRS Rate Adjustment	0.00	0	923	0	923	0.00	0	701	0	701
DP 30 - Motor Pool Rate Adjustment	0.00	0	(10)	0	(10)	0.00	0	(9)	0	(9)
DP 102 - Livestock Loss Board Operations Augment	0.00	16,000	0	0	16,000	0.00	14,000	0	0	14,000
DP 222 - RMTD Adjustment	0.00	502	26,761	0	27,263	0.00	1,303	25,960	0	27,263
DP 223 - RMTD Adjustment (OTO)	0.00	(502)	(26,761)	0	(27,263)	0.00	(1,303)	(25,960)	0	(27,263)
Grand Total All Present Law Adjustments	0.00	\$19,472	\$126,856	\$0	\$146,328	0.00	\$18,388	\$78,529	\$0	\$96,917

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 102 - Livestock Loss Board Operations Augment -

The legislature approved an increase to the general fund appropriation to support operational expenses of the Livestock Loss Board.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 105 - Livestock Predatory Loss Augment	0.00	150,000	0	0	150,000	0.00	150,000	0	0	150,000
DP 333 - Adjustment to Inflation	0.00	(295)	(13,175)	0	(13,470)	0.00	(351)	(15,842)	0	(16,193)
DP 555 - Additional Vacancy Savings	0.00	(1,066)	(13,635)	0	(14,701)	0.00	(1,075)	(13,711)	0	(14,786)
Total	0.00	\$148,639	(\$26,810)	\$0	\$121,829	0.00	\$148,574	(\$29,553)	\$0	\$119,021

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

DP 105 - Livestock Predatory Loss Augment -

The legislature approved additional general fund to compensate for economic losses due to predators.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	9,152,999	10,318,235	1,165,236	12.73 %
Operating Expenses	6,043,554	5,816,564	(226,990)	(3.76)%
Equipment & Intangible Assets	364,185	417,361	53,176	14.60 %
Transfers	537,000	594,000	57,000	10.61 %
Total Expenditures	\$16,097,738	\$17,146,160	\$1,048,422	6.51 %
General Fund	6,701,683	7,408,637	706,954	10.55 %
State/Other Special Rev. Funds	5,184,576	5,132,884	(51,692)	(1.00)%
Federal Spec. Rev. Funds	4,211,479	4,604,639	393,160	9.34 %
Total Funds	\$16,097,738	\$17,146,160	\$1,048,422	6.51 %
Total Ongoing	\$15,570,738	\$16,907,069	\$1,336,331	8.58 %
Total OTO	\$527,000	\$239,091	(\$287,909)	(54.63)%

Program Description

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

Program Highlights

Animal Health Division Major Budget Highlights

The legislature approved an increase of 6.5% or \$1.0 million in total appropriations when compared to the 2023 biennium including:

- Present law adjustments for personal services, inflation, and fixed costs - \$772,772
- Additional 4.00 FTE as meat and poultry inspectors - \$465,533
- Funding for meat and poultry inspection operations - \$400,000
- One-time-only appropriation for diagnostic laboratory equipment - \$236,951
- Increased funding for brucellosis surveillance - \$100,000
- One-time-only appropriation for a new veterinary truck - \$50,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	62.76	62.76	66.76	66.76
Personal Services	4,276,987	4,464,259	4,688,740	5,145,869	5,172,366
Operating Expenses	2,390,981	3,334,047	2,709,507	2,897,705	2,918,859
Equipment & Intangible Assets	0	266,980	97,205	352,156	65,205
Transfers	192,027	240,000	297,000	297,000	297,000
Total Expenditures	\$6,859,995	\$8,305,286	\$7,792,452	\$8,692,730	\$8,453,430
General Fund	2,972,668	3,341,871	3,359,812	3,692,444	3,716,193
State/Other Special Rev. Funds	2,074,627	2,867,967	2,316,609	2,704,151	2,428,733
Federal Spec. Rev. Funds	1,812,700	2,095,448	2,116,031	2,296,135	2,308,504
Total Funds	\$6,859,995	\$8,305,286	\$7,792,452	\$8,692,730	\$8,453,430
Total Ongoing	\$6,859,995	\$8,010,286	\$7,560,452	\$8,429,709	\$8,477,360
Total OTO	\$0	\$295,000	\$232,000	\$263,021	(\$23,930)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Livestock, 04-Animal Health Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,408,637	0	0	7,408,637	37.04 %
02262 Egg Shielded Grading Program	755,836	0	0	755,836	14.73 %
02426 Lvstk Per Capita	3,604,185	0	0	3,604,185	70.22 %
02427 Animal Health	11,442	0	0	11,442	0.22 %
02701 Milk and Egg Inspection	761,421	0	0	761,421	14.83 %
State Special Total	\$5,132,884	\$0	\$0	\$5,132,884	25.66 %
03032 Animal Health Sp. Rev	30,155	0	0	30,155	0.65 %
03209 Meat/Poultry Inspection Sp Rev	2,745,527	0	0	2,745,527	59.63 %
03427 AH FEDERAL UMBRELLA	1,783,245	0	0	1,783,245	38.73 %
03673 Small Federal Grants	45,712	0	0	45,712	0.99 %
Federal Special Total	\$4,604,639	\$0	\$0	\$4,604,639	23.02 %
06026 MT Veterinary Diagnostic Lab	0	2,855,356	0	2,855,356	100.00 %
Proprietary Total	\$0	\$2,855,356	\$0	\$2,855,356	14.28 %
Total All Funds	\$17,146,160	\$2,855,356	\$0	\$20,001,516	

The Animal Health Division is funded primarily with general fund and state special revenue. General fund primarily supports personal services and operations for the diagnostic laboratory, animal health programs, meat and poultry inspection, and information technology. State special revenues is generated from per head livestock tax and fees charged for milk and egg inspection. State special revenues are matched with federal funds for meat and poultry inspection and animal health. Non-budgeted proprietary funds are generated from fees for service at the Montana Veterinary Diagnostic Laboratory.

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								
	-----General Fund-----				-----Total Funds-----			
Budget Item	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	3,279,812	3,279,812	6,559,624	88.54 %	7,560,452	7,560,452	15,120,904	88.19 %
SWPL Adjustments	191,501	221,582	413,083	5.58 %	455,886	513,428	969,314	5.65 %
PL Adjustments	146,660	146,875	293,535	3.96 %	242,665	243,135	485,800	2.83 %
New Proposals	74,471	67,924	142,395	1.92 %	433,727	136,415	570,142	3.33 %
Total Budget	\$3,692,444	\$3,716,193	\$7,408,637		\$8,692,730	\$8,453,430	\$17,146,160	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	82,885	57,878	67,058	207,821	0.00	92,833	67,046	74,563	234,442
DP 2 - Fixed Costs	0.00	36,949	79,885	14,548	131,382	0.00	36,591	79,225	14,348	130,164
DP 3 - Inflation Deflation	0.00	71,667	22,077	22,939	116,683	0.00	92,158	26,626	30,038	148,822
DP 30 - Motor Pool Rate Adjustment	0.00	(3,340)	(561)	(3,434)	(7,335)	0.00	(3,125)	(526)	(3,214)	(6,865)
DP 222 - RMTD Adjustment	0.00	6,730	14,550	2,650	23,930	0.00	6,727	14,565	2,638	23,930
DP 223 - RMTD Adjustment (OTO)	0.00	(6,730)	(14,550)	(2,650)	(23,930)	0.00	(6,727)	(14,565)	(2,638)	(23,930)
DP 404 - M&PI Operational Augmentation	0.00	100,000	0	100,000	200,000	0.00	100,000	0	100,000	200,000
DP 405 - DSA Augmentation	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
Grand Total All Present Law Adjustments	0.00	\$338,161	\$159,279	\$201,111	\$698,551	0.00	\$368,457	\$172,371	\$215,735	\$756,563

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 404 - M&PI Operational Augmentation -

The legislature approved an increase in appropriation to fund operational increases related to meat and poultry inspections. This proposal would be funded from the general fund and federal sources.

DP 405 - DSA Augmentation -

The legislature approved general fund to cover the additional brucellosis testing and the increased cost of the screening test in Montana's Designated Surveillance Area.

New Proposals

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

New Proposals										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	245	0	3,026	3,271	0.00	245	0	3,026	3,271
DP 333 - Adjustment to Inflation	0.00	(21,990)	(6,774)	(7,039)	(35,803)	0.00	(28,510)	(8,237)	(9,293)	(46,040)
DP 401 - MVDL Lab Equipment Purchase (RST/BIEN/OTO)	0.00	0	236,951	0	236,951	0.00	0	0	0	0
DP 403 - Additional Meat & Poultry Inspectors	4.00	116,345	0	116,344	232,689	4.00	116,422	0	116,422	232,844
DP 406 - Vet Truck Purchase (RST/BIEN/OTO)	0.00	0	50,000	0	50,000	0.00	0	0	0	0
DP 555 - Additional Vacancy Savings	0.00	(20,129)	(19,914)	(13,338)	(53,381)	0.00	(20,233)	(20,010)	(13,417)	(53,660)
Total	4.00	\$74,471	\$260,263	\$98,993	\$433,727	4.00	\$67,924	(\$28,247)	\$96,738	\$136,415

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

DP 99 - New Fixed Costs -

The legislature approved funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved appropriations of \$6,452 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 401 - MVDL Lab Equipment Purchase (RST/BIEN/OTO) -

The legislature approved a one-time-only appropriation of state special revenue to purchase equipment for the diagnostic laboratory. The equipment will be used by the Montana Veterinary Diagnostic Laboratory to identify microorganisms. The equipment will replace obsolete and end of life equipment currently in use.

DP 403 - Additional Meat & Poultry Inspectors -

The legislature approved an increase of 4.00 FTE, meat & poultry inspectors, funded with general fund and federal special revenue to meet the continued growth in requested inspections.

DP 406 - Vet Truck Purchase (RST/BIEN/OTO) -

The legislature approved a one-time-only appropriation of state special revenue to purchase a truck for the Animal Health Bureau Veterinarian. The truck will require extensive modifications which precludes leasing it from the motor pool. This will replace the current vehicle, which is 13 years old and has high mileage.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	7,241,587	7,766,856	525,269	7.25 %
Operating Expenses	1,230,679	1,556,795	326,116	26.50 %
Equipment & Intangible Assets	0	150,000	150,000	0.00 %
Total Expenditures	\$8,472,266	\$9,473,651	\$1,001,385	11.82 %
State/Other Special Rev. Funds	8,472,266	9,473,651	1,001,385	11.82 %
Total Funds	\$8,472,266	\$9,473,651	\$1,001,385	11.82 %
Total Ongoing	\$8,423,654	\$9,352,155	\$928,501	11.02 %
Total OTO	\$48,612	\$121,496	\$72,884	149.93 %

Program Description

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

Program Highlights

Brands Enforcement Division Major Budget Highlights

The legislature approved an increase of 11.8% or \$1.0 million in total appropriations when compared to the 2023 biennium including

- Present law adjustments for personal services, inflation, and fixed costs - \$562,805
- Funding for over time - \$190,000
- One-time-only authority for equipment upgrades for enforcement and market operations - \$180,000
- 1.00 FTE for market operations staff - \$105,680

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	53.11	53.11	54.11	54.11
Personal Services	3,679,515	3,693,518	3,548,069	3,876,105	3,890,751
Operating Expenses	554,767	561,165	669,514	790,670	766,125
Equipment & Intangible Assets	0	0	0	150,000	0
Total Expenditures	\$4,234,282	\$4,254,683	\$4,217,583	\$4,816,775	\$4,656,876
State/Other Special Rev. Funds	4,234,282	4,254,683	4,217,583	4,816,775	4,656,876
Total Funds	\$4,234,282	\$4,254,683	\$4,217,583	\$4,816,775	\$4,656,876
Total Ongoing	\$4,198,665	\$4,206,071	\$4,217,583	\$4,666,027	\$4,686,128
Total OTO	\$35,617	\$48,612	\$0	\$150,748	(\$29,252)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Livestock, 06-Brands Enforcement Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	0	0	0	0	0.00 %
02425 Inspection and Control	6,707,929	0	0	6,707,929	70.81 %
02426 Lvstk Per Capita	2,765,722	0	0	2,765,722	29.19 %
State Special Total	\$9,473,651	\$0	\$0	\$9,473,651	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$9,473,651	\$0	\$0	\$9,473,651	

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

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	4,217,583	4,217,583	8,435,166	89.04 %
SWPL Adjustments	0	0	0	0.00 %	331,055	354,809	685,864	7.24 %
PL Adjustments	0	0	0	0.00 %	89,066	89,448	178,514	1.88 %
New Proposals	0	0	0	0.00 %	179,071	(4,964)	174,107	1.84 %
Total Budget	\$0	\$0	\$0		\$4,816,775	\$4,656,876	\$9,473,651	

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 2024-----						-----Fiscal 2025-----				
	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	219,413	0	219,413	0.00	0	234,180	0	234,180
DP 2 - Fixed Costs	0.00	0	69,644	0	69,644	0.00	0	68,955	0	68,955
DP 3 - Inflation Deflation	0.00	0	41,998	0	41,998	0.00	0	51,674	0	51,674
DP 30 - Motor Pool Rate Adjustment	0.00	0	(5,934)	0	(5,934)	0.00	0	(5,552)	0	(5,552)
DP 222 - RMTD Adjustment	0.00	0	29,252	0	29,252	0.00	0	29,252	0	29,252
DP 223 - RMTD Adjustment (OTO)	0.00	0	(29,252)	0	(29,252)	0.00	0	(29,252)	0	(29,252)
DP 602 - Brands Division Overtime Augmentation	0.00	0	95,000	0	95,000	0.00	0	95,000	0	95,000
Grand Total All Present Law Adjustments	0.00	\$0	\$420,121	\$0	\$420,121	0.00	\$0	\$444,257	\$0	\$444,257

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 602 - Brands Division Overtime Augmentation -

The legislature approved state special revenue for overtime expense for the Brands Division's Market Enforcement staff.

New Proposals

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

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	450	0	450	0.00	0	450	0	450
DP 333 - Adjustment to Inflation	0.00	0	(15,002)	0	(15,002)	0.00	0	(18,916)	0	(18,916)
DP 555 - Additional Vacancy Savings	0.00	0	(39,200)	0	(39,200)	0.00	0	(39,355)	0	(39,355)
DP 601 - Brands Equipment Upgrades (RST/BIEN/OTO)	0.00	0	180,000	0	180,000	0.00	0	0	0	0
DP 603 - Additional Market Staff	1.00	0	52,823	0	52,823	1.00	0	52,857	0	52,857
Total	1.00	\$0	\$179,071	\$0	\$179,071	1.00	\$0	(\$4,964)	\$0	(\$4,964)

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

DP 99 - New Fixed Costs -

The legislature approved appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved appropriations of \$900 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 601 - Brands Equipment Upgrades (RST/BIEN/OTO) -

The legislature approved a one-time-only appropriation of state special revenue to fund equipment upgrades for enforcement and market operations. The funding would purchase law enforcement radios, livestock trailers, and other equipment.

DP 603 - Additional Market Staff -

The legislature approved an appropriation of state special revenue to fund 1.00 FTE in the Brands Market staff.

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	88,822,671	92,521,444	3,698,773	4.16 %
Operating Expenses	42,388,200	56,540,399	14,152,199	33.39 %
Equipment & Intangible Assets	2,973,832	2,823,032	(150,800)	(5.07)%
Local Assistance	4,116,180	6,116,180	2,000,000	48.59 %
Grants	5,227,418	7,225,428	1,998,010	38.22 %
Benefits & Claims	800,000	800,000	0	0.00 %
Transfers	3,466,496	3,448,486	(18,010)	(0.52)%
Debt Service	4,656,100	4,527,532	(128,568)	(2.76)%
Total Expenditures	\$152,450,897	\$174,002,501	\$21,551,604	14.14 %
General Fund	64,075,066	74,734,584	10,659,518	16.64 %
State/Other Special Rev. Funds	84,237,211	95,032,176	10,794,965	12.81 %
Federal Spec. Rev. Funds	4,138,620	4,235,741	97,121	2.35 %
Total Funds	\$152,450,897	\$174,002,501	\$21,551,604	14.14 %
Total Ongoing	\$152,252,197	\$168,536,810	\$16,284,613	10.70 %
Total OTO	\$198,700	\$5,465,691	\$5,266,991	2,650.73 %

Agency Description

The department is responsible for managing state trust land; protecting Montana's natural resources from wildfire; promoting stewardship of state water, soil, forest, and rangeland resources; providing assistance to the conservation districts; providing natural resource conservation education; and providing support to the Board of Oil and Gas Conservation and other commissions and advisory councils.

The department consists of six divisions with the following functions:

The Director's Office (61.75 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 six attached councils and commissions and the Montana Sage Grouse Oversight Team.

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.

The Forestry and Trust Lands Division (292.93 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 division is also 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

The legislature approved an increase of \$21.6 million, or 14.1% when compared to the 2023 biennium. Funding increases include:

- Adjustments for personal services, inflation, and fixed costs - \$5.6 million
- Water resources development - \$3.0 million
- Water and wastewater projects - \$2.9 million
- State-owned dam and irrigation infrastructure, operation, maintenance, and safety - \$2.1 million
- Funding for conservation districts - \$2.3 million
- Fire protection and mitigation programs - \$1.7 million
- Trust lands operation and maintenance - \$1.3 million
- Weather modification study - \$300,000
- Regional water authority expansion - \$283,846
- Director's Office new project manager 1.00 FTE - \$241,892
- Forestry communications coordinator - \$197,258
- Grass commission augmentation - \$160,000
- Other proposals for infrastructure, operations, invasive species, and internship programs - \$532,715

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	539.61	539.61	540.61	540.61
Personal Services	41,376,729	43,742,274	45,080,397	46,131,965	46,389,479
Operating Expenses	18,583,567	20,991,711	21,396,489	28,101,104	28,439,295
Equipment & Intangible Assets	1,666,313	1,620,766	1,353,066	1,436,516	1,386,516
Local Assistance	989,300	2,058,090	2,058,090	3,058,090	3,058,090
Grants	2,648,021	2,689,704	2,537,714	3,237,714	3,987,714
Benefits & Claims	0	400,000	400,000	400,000	400,000
Transfers	1,690,589	1,742,253	1,724,243	1,724,243	1,724,243
Debt Service	2,177,955	2,392,334	2,263,766	2,263,766	2,263,766
Total Expenditures	\$69,132,474	\$75,637,132	\$76,813,765	\$86,353,398	\$87,649,103
General Fund	30,225,435	31,501,212	32,573,854	37,423,743	37,310,841
State/Other Special Rev. Funds	36,965,101	42,067,923	42,169,288	46,814,286	48,217,890
Federal Spec. Rev. Funds	1,941,938	2,067,997	2,070,623	2,115,369	2,120,372
Total Funds	\$69,132,474	\$75,637,132	\$76,813,765	\$86,353,398	\$87,649,103
Total Ongoing	\$68,983,774	\$75,488,432	\$76,763,765	\$83,829,480	\$84,707,330
Total OTO	\$148,700	\$148,700	\$50,000	\$2,523,918	\$2,941,773

Summary of Legislative Action

The legislature approved an increase of 14.1% or \$21.6 million in total appropriation including a 16.6% or \$10.7 million increase in general fund. New ongoing funding totaled \$16.3 million, and one-time-only appropriations increased by \$5.3 million compared to the previous biennium.

The legislature approved a new project manager and business analyst position (1.00 FTE) in the Director's Office to manage, coordinate, and oversee large technical projects. The new position is funded with a combination of general fund and state special revenue totaling \$241,892.

Ongoing general fund and state special revenue totaling \$2.5 million was approved for the Water Resource Division to support operations, maintenance, dam safety programs, flood plain mapping for high hazard dams, and funding to clear backlog of permit updates.

General fund and state special revenue totaling \$2.4 million was appropriated to the forestry division to support the operation of trust lands, forestry fire protection, information, and communications programs. State special revenue of \$2.0 million was approved for local assistance for water and wastewater infrastructure, and \$100,000 was approved to support the operation Montana Invasive Species Council. Funding for the Grass Commission was increased by \$160,000 in general fund; funding for rangeland internship programs was increased by \$50,000. Funding for operation and maintenance of various management systems and public portals totaled \$1.0 million in state and special revenue.

The legislature approved one-time-only (OTO) appropriations of \$2.9 million in general fund and \$2.6 million in state special revenue. OTO appropriations support the operations of conservation districts, stream gage networks, planning and design of the Willow Creek Dam rehabilitation as well as other dams and irrigation infrastructure, expansion of regional water systems, satellite-based data collection system, and a weather modification study. The legislature also approved an OTO reduction to reflect savings in premiums paid to the Risk Management and Tort Defense Division proprietary fund.

Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Natural Resources and Conservation Funding by Source of Authority 2025 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	71,862,894	2,871,690	0	0	74,734,584	40.38 %
State Special Total	92,438,175	2,594,001	0	2,372,794	97,404,970	52.64 %
Federal Special Total	4,235,741	0	0	1,210,966	5,446,707	2.94 %
Proprietary Total	0	0	7,470,292	0	7,470,292	4.04 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$168,536,810	\$5,465,691	\$7,470,292	\$3,583,760	\$185,056,553	
Percent - Total All Sources	91.07 %	2.95 %	4.04 %	1.94 %		

Department of Natural Resources and Conservation is primarily funded with general fund and state special revenue. Non-budgeted proprietary funds are supported with revenue from the state nursery and charges for air operations.

Statutory Authority

DNRC has multiple statutory appropriations, including:

The oil and gas production damage mitigation state special revenue fund (82-11-161, MCA) is statutorily appropriated and under the authority of the Board of Oil and Gas. It receives up to \$650,000 from the Resource Indemnity Trust interest each biennium for the reclamation of drill sites and production areas associated with oil and natural gas production. Over the past five fiscal years, DNRC has expended an average of \$361,000 per fiscal year.

The Morrill trust land administration state special revenue fund (77-1-108, MCA) 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 \$21,100 per fiscal year. Over the last ten years, the ending fund balance has grown at about 11.3% per year. The ending fund balance in FY 2022 was \$139,400.

The wildfire suppression state special revenue fund (73-13-150, MCA) 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 was \$25.0 million. Up to \$5.0 million is statutorily appropriated for fuel reduction, fire suppression equipment for county cooperatives, and other forest management programs.

The Sage Grouse Stewardship state special revenue account (76-22-109) is used to maintain, enhance, restore, expand, of benefit sage grouse habitat and populations. For FY 2018 through FY 2021 the fund receives a transfer of \$2.0 million from the general fund, starting in FY 2022 revenue is from compensatory mitigation as established in 76-22-111, MCA and donations.

The Good Neighbor Authority (GNA) state special revenue account (76-13-151, MCA) generates revenue from the sale of timber from GNA projects on federal lands. GNA allows the USDA Forest Service to enter into agreements with state forestry agencies to execute management work on federal forests within the state of Montana.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	32,573,854	32,573,854	65,147,708	87.17 %	76,763,765	76,763,765	153,527,530	88.23 %
SWPL Adjustments	1,260,372	1,394,484	2,654,856	3.55 %	3,072,126	3,439,591	6,511,717	3.74 %
PL Adjustments	1,175,829	1,153,912	2,329,741	3.12 %	2,899,454	2,902,450	5,801,904	3.33 %
New Proposals	2,413,688	2,188,591	4,602,279	6.16 %	3,618,053	4,543,297	8,161,350	4.69 %
Total Budget	\$37,423,743	\$37,310,841	\$74,734,584		\$86,353,398	\$87,649,103	\$174,002,501	

Other Legislation

HB 4 – “Appropriations by budget amendment”

The legislature approved the continuation of budget amendments for federal funds into the 2025 biennium supporting watershed protection, drinking water grants and loans, water infrastructure improvements, aquatic invasive species mitigation, range health programs, college internships, and sage grouse habitat conservation programs.

HB 5 “Long-range building appropriations”

HB 5 includes funding for repairs, and capital development projects for various, nurseries, bunk houses, shops, and repair facilities.

HB 6 – “Renewable resource grants”

HB 6 provides a \$16.3 million in grant authority from the natural resources projects state special revenue account for planning, irrigation, watershed nonpoint source pollution reduction, water, and wastewater system improvement. HB 6 also provides for a transfer of \$26.0 million from the general fund to the natural resource projects state special revenue account to be used for long-term loans for the operation and maintenance of Milk River projects.

HB 7 – “Reclamation and development grants”

HB 7 appropriates \$5.6 million from the natural resource projects state special revenue account for reclamation and development grants to local governments.

HB 10 - "Long-range information technology financings and appropriations"

HB 10 provides \$4.4 million to the agency to fund a financial management system, fire finance processing system, Flathead Reservation information technology system, and trust land management system customer portal.

HB 11 - "Montana coal endowment program"

HB 11 provides \$10 million from the Montana coal endowment regional water system state special revenue account to the Department of Natural Resources and Conservation to finance the state's share of regional water system projects authorized in the bill.

HB 114 - "Revise timelines for water right permit and change process"

HB 114 revises the timeline for application review, decision, and public notice of an application from 360 days to 105 days.

HB 141 - "Revise Blackfeet mitigation fund laws"

HB 141 statutorily appropriates all funds in the Blackfeet Tribal water rights compact mitigation account to the Department of Natural Resources and Conservation for the implementation of the water rights compact.

HB 270 - "Extend sunset on natural resource operation funding"

HB 270 extends the sunset date from June 30, 2025 to June 30, 2027 for transfers from the general fund to the Natural Resource Operations state special revenue account sufficient, in combination with existing fund balance, to fund appropriations approved in HB 2.

HB 321 - "Generally revise laws related to the coal trust"

HB 321 establishes a conservation district fund within the coal tax trust fund. The new conservation district fund will receive 65% of the coal severance tax revenue deposited into the coal tax trust fund beginning in FY 2024 and continue until the conservation district fund balance reaches \$100.0 million. Earnings on the fund balance will be transferred to the conservation district state special revenue account administered by the Department of Natural Resources and Conservation providing funds to conservation districts.

HB 586 - "Allow fossils found on state lands to be housed in local museums"

HB 586 modifies the Montana State Antiquities Act giving qualified museums or institutions most proximate to excavations on state lands priority when determining where fossils will be deposited.

HB 883 - "Generally revise state finance"

The legislature authorized through HB 883 a one-time-only transfer of \$152.0 million from the state general fund to the wildfire suppression state special fund. In addition, the legislation directed support for fire preparedness through a temporary (during the 2025 biennium only) statutory appropriation up to 0.5% of all general revenue appropriations in the second year of the biennium. "General fund revenues" meaning defined in 17-7-102, Montana Code Annotated.

Further, in even-numbered years, if the state general fund ending fund balance exceeds 8.3% of operating reserve, then the state treasurer is authorized to transfer general fund to the wildfire suppression up to 6.0% of all general revenue appropriations in the second year of the biennium, provided the general fund does not dip below its recommended operating reserve.

In odd-numbered years, if the wildfire suppression fund exceeds 3.0% of all general revenue appropriations in the second year of the biennium, then up to 1.0% may be used and is statutorily appropriated from the wildfire suppression fund for collaborative support for fire suppression costs; fuel reduction and mitigation; forest restoration; grants to county cooperatives for fire suppression equipment, federal lands forest management, collaborative support, road maintenance on federal lands and fire preparedness. No more than 5.0% may be used for fire preparedness.

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	539.61	540.61	540.61	0.00	540.61	540.61	0.00	0.00
Personal Services	45,080,397	46,617,356	46,131,965	(485,391)	46,877,580	46,389,479	(488,101)	(973,492)
Operating Expenses	21,396,489	27,737,916	28,101,104	363,188	28,076,761	28,439,295	362,534	725,722
Equipment & Intangible Assets	1,353,066	1,436,516	1,436,516	0	1,386,516	1,386,516	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	2,058,090	3,058,090	3,058,090	0	3,058,090	3,058,090	0	0
Grants	2,537,714	2,487,714	3,237,714	750,000	2,487,714	3,987,714	1,500,000	2,250,000
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	2,263,766	2,263,766	2,263,766	0	2,263,766	2,263,766	0	0
Total Costs	\$76,813,765	\$85,725,601	\$86,353,398	\$627,797	\$86,274,670	\$87,649,103	\$1,374,433	\$2,002,230
General Fund	32,573,854	37,470,481	37,423,743	(46,738)	37,359,469	37,310,841	(48,628)	(95,366)
State/other Special Rev. Funds	42,169,288	46,136,641	46,814,286	677,645	46,791,731	48,217,890	1,426,159	2,103,804
Federal Spec. Rev. Funds	2,070,623	2,118,479	2,115,369	(3,110)	2,123,470	2,120,372	(3,098)	(6,208)
Other	0	0	0	0	0	0	0	0
Total Funds	\$76,813,765	\$85,725,601	\$86,353,398	\$627,797	\$86,274,670	\$87,649,103	\$1,374,433	\$2,002,230
Total Ongoing	\$76,763,765	\$83,380,003	\$83,829,480	\$449,477	\$84,261,217	\$84,707,330	\$446,113	\$895,590
Total OTO	\$50,000	\$2,345,598	\$2,523,918	\$178,320	\$2,013,453	\$2,941,773	\$928,320	\$1,106,640

The legislature approved total appropriations \$2.0 million higher than the executive request, primarily for state special revenue grants to conservation districts. Specifically, the legislature approved additional:

- State special revenue grants to conservation districts - \$2.3 million
- Additional vacancy savings of 1.0% - (\$973,492)
- General fund for a weather modification study, one-time-only - \$300,000
- Funding for expansion of water districts - \$283,846
- General fund authority for the grass commission - \$160,000

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"During the 2025 biennium, the Department of Natural Resources and Conservation 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 Environmental Protection Agency 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 2025 biennium, up to \$1,500,000 of funds currently in or to be deposited in the Department of Natural Resources and Conservation Indirects state special revenue account is appropriated to the department for indirect pool expenditures."

"During the 2025 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 2025 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 2025 biennium, up to \$1,500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated to the department for the purpose of repairing, improving, or rehabilitating department state water projects."

"During the 2025 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project."

"During the 2025 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 2025 biennium, up to \$150,000 of funds in the Trust Administration and Forest Improvement accounts are appropriated to the department for road maintenance on state trust lands due to damage from erosion, public use, flooding and/or post fire or other natural disaster restoration."

"During the 2025 biennium, up to \$100,000 of funds currently in or to be deposited in the Trust Administration account are appropriated to the department for agriculture and grazing management infrastructure on state trust lands and unexpected or emergency repair or replacement due to damage from public use, flooding, fire or other natural disasters."

"If HB 10 does not include an appropriation to the Department of Natural Resources and Conservation for the Financial Management System, then HB 2 general fund appropriation for the Financial Management System is reduced by \$199,853 in FY 2025, and state special revenue is reduced by \$15,5147 in FY 2025"

"During the 2025 biennium, up to \$3 million of earnings transferred from the conservation district fund created in HB 321 are appropriated from the conservation district account authorized in 76-15-106 for the purpose authorized in 76-15-502."

"Prior to December in each year of the 2025 biennium, the Department of Natural Resources and Conservation will report to the Water Policy Interim Committee on the progress of the weather modification feasibility study."

"The Director's Office includes an increase in general fund of \$190,566 in FY 2024 and \$233,158 in FY 2025, an increase in state special revenue of \$239,942 in FY 2024 and \$303,694 in FY 2025, and an increase of federal special revenue of \$14,124 in FY 2024 and \$15,423 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	11,329,918	12,062,629	732,711	6.47 %
Operating Expenses	4,029,713	5,933,701	1,903,988	47.25 %
Equipment & Intangible Assets	125,108	125,108	0	0.00 %
Transfers	1,000	1,000	0	0.00 %
Debt Service	955,530	968,258	12,728	1.33 %
Total Expenditures	\$16,441,269	\$19,090,696	\$2,649,427	16.11 %
General Fund	9,326,466	10,765,089	1,438,623	15.43 %
State/Other Special Rev. Funds	7,114,803	8,296,060	1,181,257	16.60 %
Federal Spec. Rev. Funds	0	29,547	29,547	0.00 %
Total Funds	\$16,441,269	\$19,090,696	\$2,649,427	16.11 %
Total Ongoing	\$16,441,269	\$18,836,558	\$2,395,289	14.57 %
Total OTO	\$0	\$254,138	\$254,138	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 16.1% or \$2.6 million increase in total appropriations when compared to the 2023 Biennium, including:</p> <ul style="list-style-type: none"> • Present law adjustments for personal services, inflation, and fixed costs - \$1.8 million • Financial management system operation and maintenance - \$355,000 • 1.00 FTE Project Manager and Business Analyst - \$241,892 • Weather modification feasibility study, one-time-only - \$300,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	60.75	60.75	61.75	61.75
Personal Services	5,393,724	5,588,816	5,741,102	6,015,100	6,047,529
Operating Expenses	2,048,188	2,135,802	1,893,911	2,820,727	3,112,974
Equipment & Intangible Assets	0	62,554	62,554	62,554	62,554
Transfers	0	500	500	500	500
Debt Service	471,388	471,401	484,129	484,129	484,129
Total Expenditures	\$7,913,300	\$8,259,073	\$8,182,196	\$9,383,010	\$9,707,686
General Fund	4,375,872	4,681,348	4,645,118	5,300,140	5,464,949
State/Other Special Rev. Funds	3,537,428	3,577,725	3,537,078	4,068,746	4,227,314
Federal Spec. Rev. Funds	0	0	0	14,124	15,423
Total Funds	\$7,913,300	\$8,259,073	\$8,182,196	\$9,383,010	\$9,707,686
Total Ongoing	\$7,913,300	\$8,259,073	\$8,182,196	\$9,255,941	\$9,580,617
Total OTO	\$0	\$0	\$0	\$127,069	\$127,069

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Natural Resources and Conservation, 21-Directors Office Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	10,765,089	0	0	10,765,089	56.39 %
02039 Fire Protection Assessments	1,432,527	0	0	1,432,527	17.27 %
02052 Rangeland Improvement Loans	65,480	0	0	65,480	0.79 %
02073 Forestry - Slash Disposal	13,223	0	0	13,223	0.16 %
02145 Broadwater O & M	92,471	0	0	92,471	1.11 %
02223 Wastewater SRF Special Admin	154,701	0	0	154,701	1.86 %
02429 Weather Modification	2	0	0	2	0.00 %
02430 Water Right Appropriation	347,523	0	0	347,523	4.19 %
02431 Water Adjudication	1,019,421	0	0	1,019,421	12.29 %
02432 Oil & Gas ERA	430,844	0	0	430,844	5.19 %
02491 Drinking Water Spec Admin Cost	154,702	0	0	154,702	1.86 %
02576 Natural Resources Operations	624,052	0	0	624,052	7.52 %
02825 Water Well Contractors	70,387	0	0	70,387	0.85 %
02938 TLMD Trust Administration	2,859,330	0	0	2,859,330	34.47 %
02048 Conservation District Acct	55,969	0	0	55,969	0.67 %
02284 Aquatic Invasive Species	45,952	0	0	45,952	0.55 %
02492 DO INDIRECTS	929,476	0	0	929,476	11.20 %
State Special Total	\$8,296,060	\$0	\$0	\$8,296,060	43.46 %
03237 CONSOLIDATED GRANT-FY25	29,547	0	0	29,547	100.00 %
Federal Special Total	\$29,547	\$0	\$0	\$29,547	0.15 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$19,090,696	\$0	\$0	\$19,090,696	

The Director's Office is funded 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.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	4,645,118	4,645,118	9,290,236	86.30 %	8,182,196	8,182,196	16,364,392	85.72 %
SWPL Adjustments	330,871	266,884	597,755	5.55 %	595,209	481,458	1,076,667	5.64 %
PL Adjustments	321	213	534	0.01 %	573	404	977	0.01 %
New Proposals	323,830	552,734	876,564	8.14 %	605,032	1,043,628	1,648,660	8.64 %
Total Budget	\$5,300,140	\$5,464,949	\$10,765,089		\$9,383,010	\$9,707,686	\$19,090,696	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	123,433	95,836	0	219,269	0.00	141,887	110,152	0	252,039
DP 2 - Fixed Costs	0.00	129,223	107,778	0	237,001	0.00	35,500	34,949	0	70,449
DP 3 - Inflation Deflation	0.00	78,215	60,724	0	138,939	0.00	89,497	69,473	0	158,970
DP 20 - SABHRS Rate Adjustment	0.00	360	283	0	643	0.00	249	219	0	468
DP 30 - Motor Pool Rate Adjustment	0.00	(39)	(31)	0	(70)	0.00	(36)	(28)	0	(64)
DP 222 - RMTD Adjustment	0.00	12,503	10,428	0	22,931	0.00	11,555	11,376	0	22,931
DP 223 - RMTD Adjustment (OTO)	0.00	(12,503)	(10,428)	0	(22,931)	0.00	(11,555)	(11,376)	0	(22,931)
Grand Total All Present Law Adjustments	0.00	\$331,192	\$264,590	\$0	\$595,782	0.00	\$267,097	\$214,765	\$0	\$481,862

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

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

New Proposals										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	21,567	12,473	0	34,040	0.00	21,567	12,473	0	34,040
DP 333 - Adjustment to Inflation	0.00	(46,538)	(36,131)	0	(82,669)	0.00	(58,311)	(45,264)	0	(103,575)
DP 555 - Additional Vacancy Savings	0.00	(35,641)	(27,676)	0	(63,317)	0.00	(35,833)	(27,825)	0	(63,658)
DP 2101 - DO Project Manager/Business Analyst Position	1.00	68,876	53,470	0	122,346	1.00	67,300	52,246	0	119,546
DP 2104 - DO Financial Management System O & M	0.00	0	0	0	0	0.00	199,853	155,147	0	355,000
DP 2110 - Weather Modification Feasibility Study (RST/BIEN/OTO)	0.00	125,000	25,000	0	150,000	0.00	125,000	25,000	0	150,000
DP 3333 - Additional Adjustment to Inflation	0.00	190,566	239,942	14,124	444,632	0.00	233,158	303,694	15,423	552,275
Total	1.00	\$323,830	\$267,078	\$14,124	\$605,032	1.00	\$552,734	\$475,471	\$15,423	\$1,043,628

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

DP 99 - New Fixed Costs -

The legislature approved funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved \$68,000 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 2101 - DO Project Manager/Business Analyst Position -

The legislature approved an increase in general fund and state special revenue to support an additional 1.00 FTE as a project manager and business analyst. The new FTE will manage, coordinate, and oversee large technical projects within and across divisions and with third party vendors.

DP 2104 - DO Financial Management System O & M -

The legislature approved an increase in general fund and state special revenue funds for the annual ongoing maintenance costs for the DNRC Financial Management System. This decision package is contingent on the passage of the DNRC's HB 10 request. HB 10 was passed and approved and included authority for the financial management system.

DP 2110 - Weather Modification Feasibility Study (RST/BIEN/OTO) -

The legislature approved as one-time-only \$250,000 in general fund and \$50,000 in state special revenue to conduct a study assessing the feasibility of implementing a watershed scale weather modification project in Montana.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	3,210,630	3,298,066	87,436	2.72 %
Operating Expenses	965,510	1,047,030	81,520	8.44 %
Equipment & Intangible Assets	133,100	180,000	46,900	35.24 %
Debt Service	44,527	36,982	(7,545)	(16.94)%
Total Expenditures	\$4,353,767	\$4,562,078	\$208,311	4.78 %
State/Other Special Rev. Funds	4,139,139	4,346,320	207,181	5.01 %
Federal Spec. Rev. Funds	214,628	215,758	1,130	0.53 %
Total Funds	\$4,353,767	\$4,562,078	\$208,311	4.78 %
Total Ongoing	\$4,353,767	\$4,587,882	\$234,115	5.38 %
Total OTO	\$0	(\$25,804)	(\$25,804)	100.00 %

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

The legislature approved a 4.8% or \$208,311 increase in total appropriations when compared to the 2023 Biennium for personal services, inflation, fixed costs, and equipment.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	19.50	19.50	19.50	19.50
Personal Services	1,400,880	1,595,626	1,615,004	1,645,042	1,653,024
Operating Expenses	327,740	473,136	492,374	521,935	525,095
Equipment & Intangible Assets	79,112	76,550	56,550	90,000	90,000
Debt Service	26,037	26,036	18,491	18,491	18,491
Total Expenditures	\$1,833,769	\$2,171,348	\$2,182,419	\$2,275,468	\$2,286,610
State/Other Special Rev. Funds	1,803,520	2,064,599	2,074,540	2,167,589	2,178,731
Federal Spec. Rev. Funds	30,249	106,749	107,879	107,879	107,879
Total Funds	\$1,833,769	\$2,171,348	\$2,182,419	\$2,275,468	\$2,286,610
Total Ongoing	\$1,833,769	\$2,171,348	\$2,182,419	\$2,288,370	\$2,299,512
Total OTO	\$0	\$0	\$0	(\$12,902)	(\$12,902)

Funding

The following table shows proposed agency funding for all sources 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	403,484	403,484	8.49 %
02432 Oil & Gas ERA	4,346,320	0	0	4,346,320	91.51 %
State Special Total	\$4,346,320	\$0	\$403,484	\$4,749,804	95.65 %
03356 Oil & Gas Federal	215,758	0	0	215,758	100.00 %
Federal Special Total	\$215,758	\$0	\$0	\$215,758	4.35 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,562,078	\$0	\$403,484	\$4,965,562	

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	2,182,419	2,182,419	4,364,838	95.68 %
SWPL Adjustments	0	0	0	0.00 %	73,364	86,723	160,087	3.51 %
PL Adjustments	0	0	0	0.00 %	46,387	46,331	92,718	2.03 %
New Proposals	0	0	0	0.00 %	(26,702)	(28,863)	(55,565)	(1.22)%
Total Budget	\$0	\$0	\$0		\$2,275,468	\$2,286,610	\$4,562,078	

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 2024-----						-----Fiscal 2025-----				
	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	34,448	0	34,448	0.00	0	42,514	0	42,514
DP 2 - Fixed Costs	0.00	0	9,374	0	9,374	0.00	0	9,190	0	9,190
DP 3 - Inflation Deflation	0.00	0	29,542	0	29,542	0.00	0	35,019	0	35,019
DP 20 - SABHRS Rate Adjustment	0.00	0	165	0	165	0.00	0	109	0	109
DP 222 - RMTD Adjustment	0.00	0	12,902	0	12,902	0.00	0	12,902	0	12,902
DP 223 - RMTD Adjustment (OTO)	0.00	0	(12,902)	0	(12,902)	0.00	0	(12,902)	0	(12,902)
DP 2201 - BOGC Per Diem, Overtime, & Equipment Adjustment	0.00	0	46,222	0	46,222	0.00	0	46,222	0	46,222
Grand Total All Present Law Adjustments	0.00	\$0	\$119,751	\$0	\$119,751	0.00	\$0	\$133,054	\$0	\$133,054

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 2201 - BOGC Per Diem, Overtime, & Equipment Adjustment -

The legislature approved an increase in authority to fund overtime for field inspectors, per diem for member of the Board of Oil and Gas Conservation, and higher vehicle costs. This decision package is funded with state special revenue from drilling permits, underground injection permits, and taxes on oil and gas production.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(9,520)	0	(9,520)	0.00	0	(11,597)	0	(11,597)
DP 555 - Additional Vacancy Savings	0.00	0	(17,182)	0	(17,182)	0.00	0	(17,266)	0	(17,266)
Total	0.00	\$0	(\$26,702)	\$0	(\$26,702)	0.00	\$0	(\$28,863)	\$0	(\$28,863)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

57060 - Department of Natural Resources and Conservation 23-Conservation/resource Dev Div

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	5,353,544	5,576,757	223,213	4.17 %
Operating Expenses	5,719,359	7,018,076	1,298,717	22.71 %
Equipment & Intangible Assets	87,486	87,486	0	0.00 %
Local Assistance	4,116,180	6,116,180	2,000,000	48.59 %
Grants	4,532,488	6,530,498	1,998,010	44.08 %
Benefits & Claims	800,000	800,000	0	0.00 %
Transfers	18,010	0	(18,010)	(100.00) %
Debt Service	475,060	477,562	2,502	0.53 %
Total Expenditures	\$21,102,127	\$26,606,559	\$5,504,432	26.08 %
General Fund	3,607,500	3,963,684	356,184	9.87 %
State/Other Special Rev. Funds	16,878,055	22,026,303	5,148,248	30.50 %
Federal Spec. Rev. Funds	616,572	616,572	0	0.00 %
Total Funds	\$21,102,127	\$26,606,559	\$5,504,432	26.08 %
Total Ongoing	\$21,002,127	\$23,802,557	\$2,800,430	13.33 %
Total OTO	\$100,000	\$2,804,002	\$2,704,002	2,704.00 %

Program Description

The Conservation and Resource Development Division (CARDD) provides technical, administrative, financial, and legal assistance to Montana's 58 Conservation Districts (CD) 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 DEQ 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,
- Resource Conservation Advisory Council, and

Program Highlights

Conservation and Resource Development Division Major Budget Highlights	
<p>The legislature approved a 26.1% or \$5.5 million increase in total appropriations when compared to the 2023 Biennium, including:</p> <ul style="list-style-type: none"> • Present law adjustments for personal services, inflation, and fixed costs - \$394,549 • One-time-only funding for conservation districts - \$2.3 million • Local assistance for water and wastewater infrastructure - \$2.0 million • One-time-only increase for anticipated workload related to federally funded infrastructure projects - \$300,000 • One-time-only funding for the administration of regional water systems - \$283,846 • Increased funding for the Grass Commission - \$160,000 • Funding for the Montana Invasive Species Council - \$100,000 • Increased authority for Rangeland Resource Internship program - \$50,000 	

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	30.17	30.17	30.17	30.17
Personal Services	2,505,882	2,600,133	2,753,411	2,779,566	2,797,191
Operating Expenses	2,321,263	2,819,551	2,899,808	3,494,790	3,523,286
Equipment & Intangible Assets	0	43,743	43,743	43,743	43,743
Local Assistance	989,300	2,058,090	2,058,090	3,058,090	3,058,090
Grants	2,343,578	2,342,239	2,190,249	2,890,249	3,640,249
Benefits & Claims	0	400,000	400,000	400,000	400,000
Transfers	18,010	18,010	0	0	0
Debt Service	236,280	236,279	238,781	238,781	238,781
Total Expenditures	\$8,414,313	\$10,518,045	\$10,584,082	\$12,905,219	\$13,701,340
General Fund	1,468,850	1,781,124	1,826,376	1,970,929	1,992,755
State/Other Special Rev. Funds	6,637,172	8,428,635	8,449,420	10,626,004	11,400,299
Federal Spec. Rev. Funds	308,291	308,286	308,286	308,286	308,286
Total Funds	\$8,414,313	\$10,518,045	\$10,584,082	\$12,905,219	\$13,701,340
Total Ongoing	\$8,364,313	\$10,468,045	\$10,534,082	\$11,878,218	\$11,924,339
Total OTO	\$50,000	\$50,000	\$50,000	\$1,027,001	\$1,777,001

57060 - Department of Natural Resources and Conservation 23-Conservation/resource Dev Div

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Natural Resources and Conservation, 23-Conservation/resource Dev Div Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	3,963,684	0	0	3,963,684	13.87 %	
02015 MT Coal Endowment Reg Wtr Sys	2,473,087	0	0	2,473,087	10.31 %	
02052 Rangeland Improvement Loans	162,412	0	0	162,412	0.68 %	
02316 SRF Bonds State Administration	66,680	0	0	66,680	0.28 %	
02432 Oil & Gas ERA	1,547,478	0	0	1,547,478	6.45 %	
02433 Grazing District Fees	48,768	0	0	48,768	0.20 %	
02490 Drinking Water Investment	800,000	0	0	800,000	3.33 %	
02576 Natural Resources Operations	1,070,067	0	0	1,070,067	4.46 %	
02694 Coal Bed Methane Protection	100,000	0	0	100,000	0.42 %	
02971 RDB PROCEEDS	5,892,110	0	0	5,892,110	24.55 %	
02318 Sage Grouse Stewardship	0	0	1,969,310	1,969,310	8.21 %	
02048 Conservation District Acct	8,524,151	0	0	8,524,151	35.52 %	
02284 Aquatic Invasive Species	1,341,550	0	0	1,341,550	5.59 %	
State Special Total	\$22,026,303	\$0	\$1,969,310	\$23,995,613	83.97 %	
03586 DW23 SRF Grant	170,474	0	0	170,474	27.65 %	
03595 DW24 SRF Grant	170,474	0	0	170,474	27.65 %	
03010 WPC23 SRF Grant	137,812	0	0	137,812	22.35 %	
03013 WPC24 SRF Grant	137,812	0	0	137,812	22.35 %	
Federal Special Total	\$616,572	\$0	\$0	\$616,572	2.16 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$26,606,559	\$0	\$1,969,310	\$28,575,869		

The Conservation Resource and Development Division is funded primarily with state special revenue. 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 and donations.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,826,376	1,826,376	3,652,752	92.16 %	10,534,082	10,534,082	21,068,164	79.18 %
SWPL Adjustments	13,535	41,807	55,342	1.40 %	244,703	302,494	547,197	2.06 %
PL Adjustments	(491)	(518)	(1,009)	(0.03)%	999,955	999,868	1,999,823	7.52 %
New Proposals	131,509	125,090	256,599	6.47 %	1,126,479	1,864,896	2,991,375	11.24 %
Total Budget	\$1,970,929	\$1,992,755	\$3,963,684		\$12,905,219	\$13,701,340	\$26,606,559	

57060 - Department of Natural Resources and Conservation 23-Conservation/resource Dev Div

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 2024-----					-----Fiscal 2025-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 1 - Personal Services	0.00	(80,850)	136,263	0	55,413	0.00	(74,734)	147,958	0	73,224
DP 2 - Fixed Costs	0.00	15,459	24,622	0	40,081	0.00	15,126	24,464	0	39,590
DP 3 - Inflation Deflation	0.00	78,926	70,283	0	149,209	0.00	101,415	88,265	0	189,680
DP 20 - SABHRS Rate Adjustment	0.00	(491)	446	0	(45)	0.00	(518)	386	0	(132)
DP 222 - RMTD Adjustment	0.00	5,755	9,167	0	14,922	0.00	5,701	9,221	0	14,922
DP 223 - RMTD Adjustment (OTO)	0.00	(5,755)	(9,167)	0	(14,922)	0.00	(5,701)	(9,221)	0	(14,922)
DP 2305 - CARDD Reinst SSR Base Loan Approp & Fed Fund Re-Align	0.00	0	1,000,000	0	1,000,000	0.00	0	1,000,000	0	1,000,000
Grand Total All Present Law Adjustments	0.00	\$13,044	\$1,231,614	\$0	\$1,244,658	0.00	\$41,289	\$1,261,073	\$0	\$1,302,362

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

57060 - Department of Natural Resources and Conservation 23-Conservation/resource Dev Div

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 2305 - CARDD Reinst SSR Base Loan Approp & Fed Fund Re-Align -

The legislature approved an increase in state special revenue authority for grant and loan programs for water and wastewater infrastructure.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation										
0.00	(21,786)	(19,400)	0	(41,186)		0.00	(28,114)	(24,469)	0	(52,583)
DP 555 - Additional Vacancy Savings										
0.00	(14,205)	(15,053)	0	(29,258)		0.00	(14,296)	(15,148)	0	(29,444)
DP 2301 - CARDD Rangeland Resource Internship Program										
0.00	12,500	12,500	0	25,000		0.00	12,500	12,500	0	25,000
DP 2302 - CARDD Montana Invasive Species Support										
0.00	0	50,000	0	50,000		0.00	0	50,000	0	50,000
DP 2303 - CARDD Infrastructure (RST/OTO)										
0.00	75,000	75,000	0	150,000		0.00	75,000	75,000	0	150,000
DP 2310 - Conservation District Augment (OTO)										
0.00	0	750,000	0	750,000		0.00	0	1,500,000	0	1,500,000
DP 2320 - Regional Water Authority Administration (OTO)										
0.00	0	141,923	0	141,923		0.00	0	141,923	0	141,923
DP 2330 - Grass Commission Augment										
0.00	80,000	0	0	80,000		0.00	80,000	0	0	80,000
Total	0.00	\$131,509	\$994,970	\$0	\$1,126,479	0.00	\$125,090	\$1,739,806	\$0	\$1,864,896

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 2301 - CARDD Rangeland Resource Internship Program -

The legislature approved funding for the Rangeland Resource internship program. The internship program will supplement the education of students studying agriculture, rangeland management, biologists, soils studies, and other natural resource studies.

57060 - Department of Natural Resources and Conservation 23-Conservation/resource Dev Div

DP 2302 - CARDD Montana Invasive Species Support -

The legislature approved funding for the Montana Invasive Species Council (MISC) and support positions to assist the program with increasing demand. This decision package is funded with state special revenue from taxes on the production of metal mines, oil, and gas.

DP 2303 - CARDD Infrastructure (RST/OTO) -

The legislature approved one-time-only funding for the anticipated increased workload that will occur with the Buy American Build American (BABA) and the American Rescue Plan Act (ARPA) federal programs. This will be funded with general fund and state special revenue. DNRC will establish modified FTE to support this work.

DP 2310 - Conservation District Augment (OTO) -

The legislature approved a one-time-only appropriation of state special revenue to support the operations of conservation districts.

DP 2320 - Regional Water Authority Administration (OTO) -

The legislature approved a one-time-only appropriation of state special revenue to support the administration of the expansion of regional water systems.

DP 2330 - Grass Commission Augment -

The legislature approved an increase in base funding for the Montana Grass Commission. The funding is sufficient to increase the base funding for the commission to \$135,000 per fiscal year.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	23,253,525	23,846,736	593,211	2.55 %
Operating Expenses	14,649,440	21,788,491	7,139,051	48.73 %
Equipment & Intangible Assets	365,698	316,998	(48,700)	(13.32)%
Transfers	83,182	83,182	0	0.00 %
Debt Service	1,924,700	1,778,226	(146,474)	(7.61)%
Total Expenditures	\$40,276,545	\$47,813,633	\$7,537,088	18.71 %
General Fund	22,817,265	29,006,006	6,188,741	27.12 %
State/Other Special Rev. Funds	16,903,370	18,232,627	1,329,257	7.86 %
Federal Spec. Rev. Funds	555,910	575,000	19,090	3.43 %
Total Funds	\$40,276,545	\$47,813,633	\$7,537,088	18.71 %
Total Ongoing	\$40,177,845	\$44,810,570	\$4,632,725	11.53 %
Total OTO	\$98,700	\$3,003,063	\$2,904,363	2,942.62 %

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 five bureaus:

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

Responsibilities of the division include:

- Manage and maintain the state-owned dams, reservoirs, and canals
- Develop and recommend in-state, interstate, and international water policy to the director, Governor, and legislature
- Administer the Dam Safety, Floodplain Management, and Water Management programs
- Conduct coordinated water resource planning, hydrologic assessments, and water measurement
- Implement federal and tribal water compacts
- Provide support to the Board of Water Well Contractors
- Assist the Water Court with the adjudication of pre-July 1, 1973, water rights
- Administer applications for new water rights, changes in historic water rights, and ownership updates
- Maintain centralized water rights records

Program Highlights

**Water Resources Division
Major Budget Highlights**

The legislature approved an 18.7% or \$7.5 million increase in total appropriations when compared to the 2023 Biennium, including:

Ongoing increase of \$3.8 million, for:

- Present law adjustments for personal services, inflation, and fixed costs - \$1.1 million
- Water rights administration and IT projects - \$1.0 million
- Water rights administration backlog - \$864,000
- Broadwater Dam and irrigation projects operations - \$444,300
- State dam safety and flood plain mapping - \$434,150

One-time-only authority of \$3.2 million for:

- Montana stream gage network - \$1.5 million
- Willow Creek Dam Rehabilitation - \$1.0 million
- Update water consumption monitoring technology - \$472,000
- Irrigation and dam infrastructure - \$262,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	136.26	136.26	136.26	136.26
Personal Services	11,303,290	11,484,774	11,768,751	11,888,628	11,958,108
Operating Expenses	5,323,352	7,084,812	7,564,628	11,039,073	10,749,418
Equipment & Intangible Assets	323,338	232,199	133,499	183,499	133,499
Transfers	16,702	41,591	41,591	41,591	41,591
Debt Service	818,495	1,035,587	889,113	889,113	889,113
Total Expenditures	\$17,785,177	\$19,878,963	\$20,397,582	\$24,041,904	\$23,771,729
General Fund	11,025,706	11,118,968	11,698,297	14,685,392	14,320,614
State/Other Special Rev. Funds	6,519,994	8,482,631	8,420,739	9,070,167	9,162,460
Federal Spec. Rev. Funds	239,477	277,364	278,546	286,345	288,655
Total Funds	\$17,785,177	\$19,878,963	\$20,397,582	\$24,041,904	\$23,771,729
Total Ongoing	\$17,686,477	\$19,780,263	\$20,397,582	\$22,374,300	\$22,436,270
Total OTO	\$98,700	\$98,700	\$0	\$1,667,604	\$1,335,459

Funding

The following table shows proposed agency funding for all sources 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	29,006,006	0	0	29,006,006	60.66 %
02145 Broadwater O & M	1,855,437	0	0	1,855,437	10.18 %
02216 Water Storage St Sp Rev Acct	1,614,116	0	0	1,614,116	8.85 %
02351 Water Project Lands Lease Acct	127,763	0	0	127,763	0.70 %
02404 Water Project Loans	616,956	0	0	616,956	3.38 %
02430 Water Right Appropriation	1,560,144	0	0	1,560,144	8.56 %
02431 Water Adjudication	5,042,534	0	0	5,042,534	27.66 %
02470 State Project Hydro Earnings	6,916,097	0	0	6,916,097	37.93 %
02576 Natural Resources Operations	262,500	0	0	262,500	1.44 %
02825 Water Well Contractors	237,080	0	0	237,080	1.30 %
State Special Total	\$18,232,627	\$0	\$0	\$18,232,627	38.13 %
03034 Yellowstone Groundwater NPS	42,580	0	0	42,580	7.41 %
03094 FEMA Federal Grants	532,420	0	0	532,420	92.59 %
Federal Special Total	\$575,000	\$0	\$0	\$575,000	1.20 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$47,813,633	\$0	\$0	\$47,813,633	

The Water Resources Division is predominantly funded with general fund and state special revenue. State special revenue is primarily generated from the sale of electricity at the state-owned Toston Dam in Broadwater County. Other revenues are generated from water rights filing fees, water adjudication fees, and transfers from the general fund. 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 Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	11,698,297	11,698,297	23,396,594	80.66 %	20,397,582	20,397,582	40,795,164	85.32 %
SWPL Adjustments	273,279	364,386	637,665	2.20 %	705,138	889,420	1,594,558	3.33 %
PL Adjustments	679,291	657,851	1,337,142	4.61 %	995,084	998,731	1,993,815	4.17 %
New Proposals	2,034,525	1,600,080	3,634,605	12.53 %	1,944,100	1,485,996	3,430,096	7.17 %
Total Budget	\$14,685,392	\$14,320,614	\$29,006,006		\$24,041,904	\$23,771,729	\$47,813,633	

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 2024-----					-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	78,688	157,175	1,933	237,796	0.00	131,049	174,713	2,245	308,007
DP 2 - Fixed Costs	0.00	44,826	21,596	0	66,422	0.00	43,964	21,182	0	65,146
DP 3 - Inflation Deflation	0.00	149,765	242,472	8,683	400,920	0.00	189,373	315,382	11,512	516,267
DP 20 - SABHRS Rate Adjustment	0.00	976	470	0	1,446	0.00	711	343	0	1,054
DP 30 - Motor Pool Rate Adjustment	0.00	(3,760)	(2,755)	(272)	(6,787)	0.00	(3,535)	(2,555)	(258)	(6,348)
DP 222 - RMTD Adjustment	0.00	64,783	31,211	0	95,994	0.00	64,782	31,212	0	95,994
DP 223 - RMTD Adjustment (OTO)	0.00	(64,783)	(31,211)	0	(95,994)	0.00	(64,782)	(31,212)	0	(95,994)
DP 2402 - WRD Reduce Backlog Process & Meet New Needs	0.00	388,800	43,200	0	432,000	0.00	388,800	43,200	0	432,000
DP 2404 - WRD Broadwater Dam Essential Operating	0.00	0	200,000	0	200,000	0.00	0	230,000	0	230,000
DP 2405 - WRD Safety and Reliability of State Projects (OTO)	0.00	68,000	68,000	0	136,000	0.00	63,000	63,000	0	126,000
DP 2406 - WRD Crucial Dam Safety Technical Support Services	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 2408 - WRD Flood Risk Credibility&Safety of High Haz Dams	0.00	205,275	0	0	205,275	0.00	188,875	0	0	188,875
DP 2410 - WRD Overtime & Per Diem	0.00	0	7,150	0	7,150	0.00	0	7,150	0	7,150
Grand Total All Present Law Adjustments	0.00	\$952,570	\$737,308	\$10,344	\$1,700,222	0.00	\$1,022,237	\$852,415	\$13,499	\$1,888,151

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 2402 - WRD Reduce Backlog Process & Meet New Needs -

The legislature approved funding to support water rights applications.

DP 2404 - WRD Broadwater Dam Essential Operating -

The legislature approved an additional appropriation from the Broadwater Operation and Maintenance state special revenue account for the operation and maintenance of the Broadwater/Toston Dam. The revenue for the fund is collected from the sale of hydro-electric power generated from the dam.

DP 2405 - WRD Safety and Reliability of State Projects (OTO) -

The legislature approved a one-time-only increase in general fund and state special revenue to support a modified FTE to work on projects related to irrigation and dam infrastructure. State special revenue is generated from the sale of hydro-electric power generated from the Broadwater/Toston Dam.

DP 2406 - WRD Crucial Dam Safety Technical Support Services -

The legislature approved increased authority for the DNRC Water Operations Bureau's Dam Safety program. The general fund appropriation would be used to contract expert engineering assistance to provide technical guidance to the Dam Safety program. The Dam Safety program frequently encounters complex dam engineering problems that require expert counsel to ensure that the program makes fair and sound regulatory decisions that adequately protect the downstream public.

DP 2408 - WRD Flood Risk Credibility&Safety of High Haz Dams -

The legislature approved an increase in general fund for the Water Operation Bureau. The funding would support professional engineers in the Dam Safety and the Floodplain Mapping Programs.

DP 2410 - WRD Overtime & Per Diem -

The legislature approved increased authority in overtime for the Broadwater/Toston Dam staff and increased authority for the Board of Water Well for board per diem to attend meetings.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(43,888)	(71,055)	(2,545)	(117,488)	0.00	(55,761)	(92,864)	(3,390)	(152,015)
DP 555 - Additional Vacancy Savings	0.00	(93,638)	(31,431)	0	(125,069)	0.00	(94,184)	(31,616)	0	(125,800)
DP 2401 - WRD Water Rights Database & Query System O&M (HB 10)	0.00	131,453	14,606	0	146,059	0.00	124,072	13,786	0	137,858
DP 2403 - WRD Montana Stream Gage Network Support (OTO)	0.00	831,598	0	0	831,598	0.00	629,453	0	0	629,453
DP 2407 - WRD Flathead Reserved Water Rights Administration	0.00	413,000	0	0	413,000	0.00	320,500	0	0	320,500
DP 2409 - WRD Willow Creek Rehab (RST/OTO)	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 2411 - Open ET (OTO)	0.00	296,000	0	0	296,000	0.00	176,000	0	0	176,000
DP 2420 - CSKT-Montana Compact Implementation (RST)	0.00	0	0	0	0	0.00	0	0	0	0
Total	0.00	\$2,034,525	(\$87,880)	(\$2,545)	\$1,944,100	0.00	\$1,600,080	(\$110,694)	(\$3,390)	\$1,485,996

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 2401 - WRD Water Rights Database & Query System O&M (HB 10) -

The legislature approved an increase of general fund and state special revenue for enhancements to the Water Rights Information System. State special revenue is generated from water rights filing fees.

DP 2403 - WRD Montana Stream Gage Network Support (OTO) -

The legislature approved an increase in general fund to support a network of 100 state-operated, year-round stream gages to gather and distribute real-time streamflow information on smaller streams and tributaries not monitored through the United States Geological Survey (USGS) program.

DP 2407 - WRD Flathead Reserved Water Rights Administration -

The legislature approved an increase in general fund to support personal service and operating expense to implement the Confederated Salish and Kootenai Tribes water compact.

DP 2409 - WRD Willow Creek Rehab (RST/OTO) -

The legislature approved a one-time-only appropriation of general fund for the planning & design of the Willow Creek Dam rehabilitation. Scope of work will include final design, cost estimating, preparing final construction documents, final permitting, and advertising for bids.

DP 2411 - Open ET (OTO) -

The legislature approved a one-time-only increase in general fund for a new water consumption monitoring program. The new system would replace the current system with a satellite-based data collection system.

DP 2420 - CSKT-Montana Compact Implementation (RST) -

The legislature restricted \$100,000 of general fund 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.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	45,675,054	47,737,256	2,062,202	4.51 %
Operating Expenses	17,024,178	20,753,101	3,728,923	21.90 %
Equipment & Intangible Assets	2,262,440	2,113,440	(149,000)	(6.59) %
Grants	694,930	694,930	0	0.00 %
Transfers	3,364,304	3,364,304	0	0.00 %
Debt Service	1,256,283	1,266,504	10,221	0.81 %
Total Expenditures	\$70,277,189	\$75,929,535	\$5,652,346	8.04 %
General Fund	28,323,835	30,999,805	2,675,970	9.45 %
State/Other Special Rev. Funds	39,201,844	42,130,866	2,929,022	7.47 %
Federal Spec. Rev. Funds	2,751,510	2,798,864	47,354	1.72 %
Total Funds	\$70,277,189	\$75,929,535	\$5,652,346	8.04 %
Total Ongoing	\$70,277,189	\$76,499,243	\$6,222,054	8.85 %
Total OTO	\$0	(\$569,708)	(\$569,708)	100.00 %

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: 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 habitat 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 and the Recreational Use and Public Access program:

- **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 780,000 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.
- **Recreational Use and Public Access:** Responsible for implementing statute and rule related to public use of, and access to, state trust land. The program also oversees commercial and concentrated recreational licenses.

Program Highlights

Forestry and Trust Lands Division Major Budget Highlights

The legislature approved an 8.0% or \$5.7 million increase in total appropriations when compared to the 2023 Biennium, including:

- Present law adjustments for personal services, inflation, and fixed costs - \$2.2 million
- Fire Protection Program operations - \$1.3 million
- Trust Lands Management Division data analytics - \$460,412
- Operation and maintenance - \$446,020
- Trust Lands Management system operation and maintenance - \$400,000
- Forestry Division Communications Coordinator - \$197,258

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	292.93	292.93	292.93	292.93
Personal Services	20,772,953	22,472,925	23,202,129	23,803,629	23,933,627
Operating Expenses	8,563,024	8,478,410	8,545,768	10,224,579	10,528,522
Equipment & Intangible Assets	1,263,863	1,205,720	1,056,720	1,056,720	1,056,720
Grants	304,443	347,465	347,465	347,465	347,465
Transfers	1,655,877	1,682,152	1,682,152	1,682,152	1,682,152
Debt Service	625,755	623,031	633,252	633,252	633,252
Total Expenditures	\$33,185,915	\$34,809,703	\$35,467,486	\$37,747,797	\$38,181,738
General Fund	13,355,007	13,919,772	14,404,063	15,467,282	15,532,523
State/Other Special Rev. Funds	18,466,987	19,514,333	19,687,511	20,881,780	21,249,086
Federal Spec. Rev. Funds	1,363,921	1,375,598	1,375,912	1,398,735	1,400,129
Total Funds	\$33,185,915	\$34,809,703	\$35,467,486	\$37,747,797	\$38,181,738
Total Ongoing	\$33,185,915	\$34,809,703	\$35,467,486	\$38,032,651	\$38,466,592
Total OTO	\$0	\$0	\$0	(\$284,854)	(\$284,854)

Funding

The following table shows proposed agency funding for all sources 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	30,999,805	0	0	30,999,805	36.64 %	
02031 LAND BANKING PRVT CLOSNG COSTS	574,205	0	0	574,205	1.36 %	
02039 Fire Protection Assessments	8,167,055	0	0	8,167,055	19.39 %	
02073 Forestry - Slash Disposal	157,582	0	0	157,582	0.37 %	
02449 Forest Resources-Forest Improv	2,889,867	0	0	2,889,867	6.86 %	
02576 Natural Resources Operations	188,190	0	0	188,190	0.45 %	
02681 Historic Right-of-Way Acct	17,235	0	0	17,235	0.04 %	
02912 TLMD Land Exchange Admin	106,180	0	0	106,180	0.25 %	
02938 TLMD Trust Administration	30,030,552	0	0	30,030,552	71.28 %	
State Special Total	\$42,130,866	\$0	\$0	\$42,130,866	49.79 %	
03500 GNA FEDERAL SPECIAL REVENUE	0	0	1,210,966	1,210,966	30.20 %	
03160 NON-CONSOLIDATED GRANT-FY24	332,717	0	0	332,717	8.30 %	
03196 NON-CONSOLIDATED GRANT-FY25	332,447	0	0	332,447	8.29 %	
03164 CONSOLIDATED GRANT-FY24	1,066,018	0	0	1,066,018	26.59 %	
03237 CONSOLIDATED GRANT-FY25	1,067,682	0	0	1,067,682	26.63 %	
Federal Special Total	\$2,798,864	\$0	\$1,210,966	\$4,009,830	4.74 %	
06003 State Nursery Enterprise Fund	0	1,756,547	0	1,756,547	23.51 %	
06538 Air Operations Internal Svc.	0	5,713,745	0	5,713,745	76.49 %	
Proprietary Total	\$0	\$7,470,292	\$0	\$7,470,292	8.83 %	
Total All Funds	\$75,929,535	\$7,470,292	\$1,210,966	\$84,610,793		

General fund provides general division support as well as the fixed costs for the fire protection program. Approximately 49.8% of all funding is from state special revenue. The primary source of state special funding comes from the fire protection taxes fund and the timber sales, forest resources fees, and Trust Lands Management Division (TLMD) administration fund revenue. Statutory appropriations are federal reimbursement for forestry management performed by the state on federal lands. 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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	14,404,063	14,404,063	28,808,126	92.93 %	35,467,486	35,467,486	70,934,972	93.42 %
SWPL Adjustments	642,687	721,407	1,364,094	4.40 %	1,453,712	1,679,496	3,133,208	4.13 %
PL Adjustments	496,708	496,366	993,074	3.20 %	857,455	857,116	1,714,571	2.26 %
New Proposals	(76,176)	(89,313)	(165,489)	(0.53)%	(30,856)	177,640	146,784	0.19 %
Total Budget	\$15,467,282	\$15,532,523	\$30,999,805		\$37,747,797	\$38,181,738	\$75,929,535	

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 2024-----					-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	487,887	362,770	1,408	852,065	0.00	537,791	442,593	3,047	983,431
DP 2 - Fixed Costs	0.00	(87,663)	89,698	0	2,035	0.00	(88,889)	88,493	0	(396)
DP 3 - Inflation Deflation	0.00	242,463	321,317	35,832	599,612	0.00	272,505	387,913	36,043	696,461
DP 20 - SABHRS Rate Adjustment	0.00	2,016	1,239	0	3,255	0.00	1,525	867	0	2,392
DP 30 - Motor Pool Rate Adjustment	0.00	(1,922)	(5,176)	(244)	(7,342)	0.00	(1,798)	(4,842)	(228)	(6,868)
DP 222 - RMTD Adjustment	0.00	213,641	71,213	0	284,854	0.00	213,641	71,213	0	284,854
DP 223 - RMTD Adjustment (OTO)	0.00	(213,641)	(71,213)	0	(284,854)	0.00	(213,641)	(71,213)	0	(284,854)
DP 350102 - FD Fire Protection Program Operations	0.00	453,250	194,250	0	647,500	0.00	453,250	194,250	0	647,500
DP 350201 - FD/TLMD Operating Increase	0.00	43,364	170,678	0	214,042	0.00	43,389	170,703	0	214,092
Grand Total All Present Law Adjustments	0.00	\$1,139,395	\$1,134,776	\$36,996	\$2,311,167	0.00	\$1,217,773	\$1,279,977	\$38,862	\$2,536,612

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 350102 - FD Fire Protection Program Operations -

The legislature approved an increase in funding for fire district fire protection programs. These programs support county co-op capacity, dispatch center operations, contracted fire protection services, aviation crew facilities, and other fire program operating needs. In addition to providing initial attack on most fires in the state, these programs provide fire protection, preparedness, and pre-suppression services.

DP 350201 - FD/TLMD Operating Increase -

The legislature approved an inflationary increase for lease, janitorial, equipment, and maintenance expenses.

New Proposals

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

New Proposals										
-----Fiscal 2024-----					-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(78,354)	(103,836)	(11,579)	(193,769)	0.00	(90,972)	(129,500)	(12,033)	(232,505)
DP 555 - Additional Vacancy Savings	0.00	(105,394)	(142,577)	(2,594)	(250,565)	0.00	(105,913)	(143,408)	(2,612)	(251,933)
DP 350101 - FD Forestry Div Communications Coordinator	0.00	98,629	0	0	98,629	0.00	98,629	0	0	98,629
DP 350107 - O&M - Miles City Facility	0.00	8,943	0	0	8,943	0.00	8,943	0	0	8,943
DP 350202 - TLMD Informatics Section FTE	0.00	0	230,906	0	230,906	0.00	0	229,506	0	229,506
DP 350203 - TLMD TLMS APPLICATION O & M	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 350204 - TLMD TLMS Customer Portal O & M	0.00	0	0	0	0	0.00	0	250,000	0	250,000
Total	0.00	(\$76,176)	\$59,493	(\$14,173)	(\$30,856)	0.00	(\$89,313)	\$281,598	(\$14,645)	\$177,640

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 350101 - FD Forestry Div Communications Coordinator -

The legislature approved a general fund appropriation to coordinate a range of communication efforts directed to a variety of audiences regarding Forestry Division programs, priorities, activities, and accomplishments.

DP 350107 - O&M - Miles City Facility -

The legislature approved a general fund appropriation for operating and maintenance increase for the new Miles City facility, based on a LRBP supplemental project request.

DP 350202 - TLMD Informatics Section FTE -

The legislature approved an increase in state special revenue to support trust land field programs for data-related analytics, timber sale purchasers, recreating public, agriculture, and mineral lessees.

DP 350203 - TLMD TLMS APPLICATION O & M -

The legislature approved an increase in state special revenue to support operations and maintenance of the Trust Land Management System (TLMS). TLMS is used to administer and manage state lands, and the funding will be used to provide ongoing operations and maintenance.

DP 350204 - TLMD TLMS Customer Portal O & M -

The legislature approved an increase in state special revenue to fund operations and maintenance for the Trust Lands Management System (TLMS) customer portal. The public uses the portal to manage their own account information regarding contracts, invoices, payment receipts, and automate standard department work tasks.

Other Issues**Fund 06538 - Air Operations Internal Svc***Program Description*

The Air Operations program in the DNRC Forestry Division operates and maintains a fleet of nine aircraft, consisting of six helicopters and three single-engine fixed-wing aircraft. The aircraft are primarily used for fire detection, support, and suppression of wildfires, as well as reclamation work in the Department of Environmental Quality. The program is funded in part by revenue generated by the aircraft hourly flight rates and, in part, by the general fund and fire protection assessment revenues. Statutory authority for the program is found in 77-5-103, MCA.

Alternate sources of aviation services are available from private contractors, but historically, the costs for these services have been two to three times more than the cost of the state-operated aircraft. Additionally, contracted services are often not available for the extended timeframes currently covered by the state operated aircraft. An aviation program that is integrated with DNRC firefighters and managers and is committed to safe and aggressive fire suppression is the safest and most effective aviation model for the State of Montana.

Revenues and Expenses

Revenues and expenditures are managed through an internal service fund to account for the operational costs of the program. The primary source of revenue is the legislative appropriation for the transfer of general fund and fire protection assessment funds to the proprietary account to cover the fixed costs, which include hangar rent, insurance, and personnel costs (14.23 FTE). These fixed costs must be paid regardless of the number of hours flown. Variable costs that are dependent on the hours flown, such as fuel and maintenance, are recovered through an hourly rate charged to all users of the aircraft. Users of the aircraft include DNRC, other state agencies, local government, and federal agencies. Increased flight rates are proposed below to meet increased costs of fuel and replacement parts.

The cost drivers for the aircraft rates are to recover the actual expenses needed to maintain the aircraft in an air worthy condition and remain mission ready for the purpose of initial attack on wildfires on state, private, and federal ownership; this includes all costs associated with the maintenance and operation of the aircraft. Some factors that contribute to the uncertainty in forecasting future expenses include unforeseen events such as FAA and manufacturer repair and maintenance directives, aircraft incidents resulting in unplanned maintenance, cost fluctuations in fuel and parts, and the length and severity of the fire season. The average length of fire season and routine maintenance of aircraft are used to determine the anticipated future costs. Charges for services do not support any FTE for the aviation section. All FTE are supported by the general fund and fire protection assessment transfers.

The department has limited cooperative agreements to assist federal agencies (U.S. Forest Service, BLM, USFWS, BIA, & NPS) and counties with fire protection. The department also has agreements with other state agencies for non-fire related aircraft rental services. The customers served are comprised primarily of state and private landowners within Montana through initial attack of fires under state direct protection, assistance with fires on county protection, and assistance to federal agencies. Historic and projected trends are dependent on length and severity of the fire seasons. Base year funding by fund type would be comprised primarily from state responsibility and county assistance fires paid by the fire suppression fund (state special revenue) and FEMA and U.S. Forest Service (federal special revenue). Account 62525 is used by customers to record expenses for flight time charges.

Rate(s) and Rate Explanation

The flight rates for the operation of the department aircraft are based on 5,000 hours of aircraft usage. The rate has been determined to maintain the aircraft in its original condition. At the end of 5,000 hours, all parts should have been replaced and a new maintenance/operation cycle started.

	Actual	Approved	Approved
Fee Desc:	FY23	FY24	FY25
Bell UH-1H Helicopter	\$1,650	\$1,860	\$1,860
Bell Jet Ranger	\$515	\$525	\$525
Cessna 180 Series	\$175	\$210	\$210

Changes in Level of Fees and Charges

The legislature approved increases in aircraft flight time rates are shown in the table below. Increases are based on the cost of aircraft parts and fuel prices. For instance, Bell helicopter and Cessna parts have experienced an approximate 20% increase in cost since 2015, when a rate increase last occurred. Fuel prices have also increased considerably in recent years and continue to experience volatility.

Projected Fund Balance, Including Cash Fluctuations

The projected fund balance for the program is anticipated to increase gradually over the next three fiscal years.

Working Capital and Fees Commensurate Analysis

Working capital is estimated to be less than the 60 days of cash required to fund operations by approximately \$138,796 in FY24, and \$134,374 in FY25.

2025 Biennium Report on Internal Service and Enterprise Funds							
Agency # 57060	Agency Name: Department of Natural Resources and Conservation			Program Name: Forestry & Trust Lands			
	Fund	Fund Name					
	06538	Air Operations Internal Svc.					
		Actual FY20	Actual FY21	Actual FY22	Budgeted FY23	Budgeted FY24	Budgeted FY25
<hr/>							
Operating Revenues:							
Fee and Charges							
Fee Revenue A		510,015	1,235,292	1,082,730	1,210,000	1,210,000	1,210,000
Fee Revenue B		3,811	30,563	7,210	5,000	5,000	5,000
Fee Revenue C		38,675	32,830	61,950	35,000	35,000	35,000
Total Operating Revenues		552,501	1,298,685	1,151,890	1,250,000	1,250,000	1,250,000
<hr/>							
Expenses:							
Personal Services		1,461,832	1,527,758	1,564,966	1,410,372	1,401,225	1,405,866
Other Operating Expenses		868,856	1,275,473	1,086,979	1,372,895	1,487,539	1,501,298
Total Operating Expenses		2,330,688	2,803,231	2,651,945	2,783,267	2,888,764	2,907,164
<hr/>							
Operating Income (Loss)		(1,778,187)	(1,504,546)	(1,500,055)	(1,533,267)	(1,638,764)	(1,657,164)
<hr/>							
Nonoperating Revenues:							
Nonoperating Expenses:							
Total Nonoperating Revenues (Expenses)		-	-	-	-	-	-
<hr/>							
Income (Loss) Before Contributions and Transfers		(1,778,187)	(1,504,546)	(1,500,055)	(1,533,267)	(1,638,764)	(1,657,164)
<hr/>							
Transfers In		1,664,652	1,664,652	1,638,877	1,664,652	1,664,652	1,664,652
Change in Net Position		(113,535)	160,106	138,822	131,385	25,888	7,488
<hr/>							
Beginning Net Position - July 1		538,618	425,083	585,189	721,687	853,072	878,960
Prior Period Adjustments		-	-	(2,324)	-	-	-
Change in Net Position		(113,535)	160,106	138,822	131,385	25,888	7,488
Ending Net Position - June 30		425,083	585,189	721,687	853,072	878,960	886,448
<hr/>							
Net Position (Fund Balance) Analysis							

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	17,579,163	19,292,418	1,713,255	9.75 %
Operating Expenses	9,790,345	11,941,408	2,151,063	21.97 %
Equipment & Intangible Assets	1,087,778	863,778	(224,000)	(20.59)%
Grants	9,959,411	9,944,918	(14,493)	(0.15)%
Transfers	329,514	329,514	0	0.00 %
Debt Service	154,500	155,000	500	0.32 %
Total Expenditures	\$38,900,711	\$42,527,036	\$3,626,325	9.32 %
General Fund	2,148,675	3,093,814	945,139	43.99 %
State/Other Special Rev. Funds	33,238,697	35,311,016	2,072,319	6.23 %
Federal Spec. Rev. Funds	2,538,961	3,178,470	639,509	25.19 %
Proprietary Funds	974,378	943,736	(30,642)	(3.14)%
Total Funds	\$38,900,711	\$42,527,036	\$3,626,325	9.32 %
Total Ongoing	\$38,404,811	\$41,713,396	\$3,308,585	8.62 %
Total OTO	\$495,900	\$813,640	\$317,740	64.07 %

Agency Description

The Department of Agriculture, required by Article XII, Section 1, of the Montana Constitution, was established to encourage and promote the interests of agricultural and allied industries in Montana. To this end, the department:

- Strengthens and diversifies the Montana agriculture industry through private-public partnerships for the betterment of agricultural industries of the state, improvement of rural life, and promotion of equality of opportunity for the farmers of the state
- Collects and publishes agricultural production and statistics relating to agricultural production and products
- Assists, encourages, and promotes the organization of farmers' institutes, agricultural societies, fairs, and other exhibitions of agriculture
- Adopts standards for grade and other classifications of farm products
- Coordinates the planning and maintenance of economical and efficient marketing distribution systems
- Gathers, distributes, and markets information concerning domestic and international trade of farm products
- Regulates production and marketing of food and fiber products
- Registers and licenses pesticides and fertilizers, and enforces laws pertaining to them
- Works to prevent the spread of invasive species and noxious weeds that may negatively impact the industry

Agency Highlights

**Department of Agriculture
Major Budget Highlights**

The legislature approved a 9.3% or \$3.6 million increase in total appropriations when compared to the 2023 biennium including:

- Ongoing appropriations: \$3.3 million
 - Statewide present law adjustments - \$2.4 million
 - Operation and maintenance - \$900,000
- One-time-only appropriations - \$813,640
 - Supplemental funding for the state grain laboratory - \$500,000
 - Temporary funding to mitigate compliance costs for hemp growers - \$250,000
 - Analytical laboratory equipment - \$186,000
 - Hail insurance management updates - \$50,000
 - Reduction for insurance premiums - (\$172,360)

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	119.66	119.66	119.66	119.66
Personal Services	7,782,687	8,714,361	8,864,802	9,619,941	9,672,477
Operating Expenses	3,378,521	4,845,881	4,944,464	6,018,171	5,923,237
Equipment & Intangible Assets	64,547	398,889	688,889	524,889	338,889
Grants	4,355,504	4,986,952	4,972,459	4,972,459	4,972,459
Transfers	92,597	164,757	164,757	164,757	164,757
Debt Service	76,621	77,000	77,500	77,500	77,500
Total Expenditures	\$15,750,477	\$19,187,840	\$19,712,871	\$21,377,717	\$21,149,319
General Fund	1,047,151	1,058,592	1,090,083	1,546,559	1,547,255
State/Other Special Rev. Funds	13,280,310	16,401,476	16,837,221	17,746,416	17,564,600
Federal Spec. Rev. Funds	1,146,454	1,243,777	1,295,184	1,588,596	1,589,874
Proprietary Funds	276,562	483,995	490,383	496,146	447,590
Total Funds	\$15,750,477	\$19,187,840	\$19,712,871	\$21,377,717	\$21,149,319
Total Ongoing	\$15,607,849	\$19,041,940	\$19,362,871	\$20,852,897	\$20,860,499
Total OTO	\$142,628	\$145,900	\$350,000	\$524,820	\$288,820

Summary of Legislative Action

The legislature approved an increase of 9.3% or \$3.6 million in total appropriation authority including a 44.0% or \$945,139 increase in general fund. New ongoing funding totaled \$3.3 million, and one-time-only appropriations increased by \$317,740 compared to the previous biennium.

Present law adjustments for personal services totaled \$1.6 million and included a vacancy savings rate of 5.0%. Adjustments for fixed costs, inflation, motor pool rates, legal and other services totaled \$664,840.

New ongoing authority for operations was funded with state and federal special revenue totaling \$760,000. Operations supported include state nursery, produce inspection, and the administration of pesticides and commercial fertilizers.

One-time-only (OTO) appropriations totaled \$813,640 of which \$750,000 was general fund. OTO general fund appropriations totaling \$250,000 were authorized to mitigate compliance cost to federal laws for hemp growers, \$500,000 to augment state grain lab operations. Other state and federal special revenue totaling \$186,000 was appropriated for laboratory equipment in the Agricultural Sciences Division. OTO proprietary authority of \$50,000 was approved for a new hail insurance system. OTO reductions of \$172,360 reflect lower insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund.

Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Agriculture Funding by Source of Authority 2025 Biennium Budget Request - Department of Agriculture						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	2,344,316	749,498	7,194	3,165,203	6,266,211	12.52 %
State Special Total	35,294,451	16,565	0	2,607,063	37,918,079	75.74 %
Federal Special Total	3,172,179	6,291	0	0	3,178,470	6.35 %
Proprietary Total	902,450	41,286	116,400	1,640,000	2,700,136	5.39 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$41,713,396	\$813,640	\$123,594	\$7,412,266	\$50,062,896	
Percent - Total All Sources	83.32 %	1.63 %	0.25 %	14.81 %		

The predominant funding source for the Department of Agriculture is state special revenue, which supports 75.7% of the total authority. Other funding sources are the general fund, federal special revenue, and proprietary funds.

Major funds include:

- Wheat and barley research and marketing account
- Noxious weed administration account
- Pesticide account

General fund appropriations total 12.5% or \$6.3 million of all funds, of which \$3.2 million is statutorily appropriated, primarily to growth through agriculture programs.

The HB 2 general fund appropriation supports personal services, operating expenses, and grants. Proprietary non-budgeted funds support the administration of the hail insurance program, and the remaining proprietary funding is statutorily appropriated hail insurance benefits and claims. Other state special statutory appropriations support agriculture development and marketing programs. State special revenue is specific revenue from state sources legally restricted to expenditures for specific purposes.

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,090,083	1,090,083	2,180,166	70.47 %	19,362,871	19,362,871	38,725,742	91.06 %
SWPL Adjustments	85,696	86,427	172,123	5.56 %	1,178,569	1,198,572	2,377,141	5.59 %
PL Adjustments	124,709	124,699	249,408	8.06 %	672,867	436,590	1,109,457	2.61 %
New Proposals	246,071	246,046	492,117	15.91 %	163,410	151,286	314,696	0.74 %
Total Budget	\$1,546,559	\$1,547,255	\$3,093,814		\$21,377,717	\$21,149,319	\$42,527,036	

Other Legislation**HB 4 – “Appropriations by budget amendment”**

The legislature approved the continuation of budget amendments for federal funds into the 2025 biennium supporting specialty crops, local food purchase assistance, cooperative invasive plant cost share program, and forest health invasive species grants.

HB 10 – “Long-range information technology financings and appropriations”

HB 10 provides \$630,000 to the agency to fund a commodity assessment system, grant management system, and the federal SAFHER system (System for Agriculture, Food, Health, E-Inspections, and Registration).

HB 821 - “Appropriate money to Department of Agriculture for weed control”

HB 821 appropriates as one-time-only from the general fund \$250,000 for grants to Yellowstone, Musselshell, and Stillwater Counties for the purpose of managing and controlling existing infestations of saltcedar, Russian olive, and common buckthorn species within these three counties.

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	119.66	119.66	119.66	0.00	119.66	119.66	0.00	0.00
Personal Services	8,864,802	9,721,038	9,619,941	(101,097)	9,774,129	9,672,477	(101,652)	(202,749)
Operating Expenses	4,944,464	6,076,795	6,018,171	(58,624)	5,993,707	5,923,237	(70,470)	(129,094)
Equipment & Intangible Assets	688,889	524,889	524,889	0	338,889	338,889	0	0
Grants	4,972,459	4,972,459	4,972,459	0	4,972,459	4,972,459	0	0
Transfers	164,757	164,757	164,757	0	164,757	164,757	0	0
Debt Service	77,500	77,500	77,500	0	77,500	77,500	0	0
Total Costs	\$19,712,871	\$21,537,438	\$21,377,717	(\$159,721)	\$21,321,441	\$21,149,319	(\$172,122)	(\$331,843)
General Fund	1,090,083	1,552,278	1,546,559	(5,719)	1,553,009	1,547,255	(5,754)	(11,473)
State/other Special Rev. Funds	16,837,221	17,878,311	17,746,416	(131,895)	17,707,049	17,564,600	(142,449)	(274,344)
Federal Spec. Rev. Funds	1,295,184	1,605,422	1,588,596	(16,826)	1,608,135	1,589,874	(18,261)	(35,087)
Other	490,383	501,427	496,146	(5,281)	453,248	447,590	(5,658)	(10,939)
Total Funds	\$19,712,871	\$21,537,438	\$21,377,717	(\$159,721)	\$21,321,441	\$21,149,319	(\$172,122)	(\$331,843)
Total Ongoing	\$19,362,871	\$20,926,438	\$20,852,897	(\$73,541)	\$20,946,441	\$20,860,499	(\$85,942)	(\$159,483)
Total OTO	\$350,000	\$611,000	\$524,820	(\$86,180)	\$375,000	\$288,820	(\$86,180)	(\$172,360)

The legislature approved total appropriations that are \$331,843 lower than the executive request. Specifically, the legislature approved:

- Additional vacancy savings of 1.0% - (\$202,749)
- Adjustments to inflation - (\$132,551)
- Adjustments to motor pool and SAHBRS rates - \$3,457

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"If HB 10 does not include an appropriation to the Department of Agriculture for the Commodity Assessment System, then HB 2 state special revenue appropriation for Commodity Assessment System in the Agricultural Development Division is reduced by \$20,000 in FY 2024; and \$20,000 in FY 2025"

"The Central Management Division includes an increase in general fund of \$7,402 in FY 2024 and \$8,953 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	3,532,317	3,763,920	231,603	6.56 %
Operating Expenses	445,328	754,363	309,035	69.39 %
Total Expenditures	\$3,977,645	\$4,518,283	\$540,638	13.59 %
General Fund	554,412	576,391	21,979	3.96 %
State/Other Special Rev. Funds	2,865,440	3,146,671	281,231	9.81 %
Federal Spec. Rev. Funds	281,517	507,304	225,787	80.20 %
Proprietary Funds	276,276	287,917	11,641	4.21 %
Total Funds	\$3,977,645	\$4,518,283	\$540,638	13.59 %
Total Ongoing	\$3,977,645	\$4,562,479	\$584,834	14.70 %
Total OTO	\$0	(\$44,196)	(\$44,196)	100.00 %

Program Description

Central services provide essential business support to the department, including financial, human resource, information technology, public information, legal, and administrative support activities. Included in this division is the Director's Office, which provides overall guidance and policy development for the department, as well as coordination with the agricultural industry and other branches of government.

Program Highlights

Central Management Division Major Budget Highlights

The legislature approved a 13.6% or \$540,638 increase in total expenditures compared to the 2023 biennium. Increased expenditures are due primarily to present law adjustments for inflation, fixed costs, personal services, and federal indirect costs.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	19.00	19.00	19.00	19.00
Personal Services	1,472,295	1,754,424	1,777,893	1,877,379	1,886,541
Operating Expenses	266,357	249,086	196,242	404,784	349,579
Total Expenditures	\$1,738,652	\$2,003,510	\$1,974,135	\$2,282,163	\$2,236,120
General Fund	299,528	300,471	253,941	289,733	286,658
State/Other Special Rev. Funds	1,220,341	1,425,421	1,440,019	1,592,665	1,554,006
Federal Spec. Rev. Funds	140,219	140,266	141,251	256,050	251,254
Proprietary Funds	78,564	137,352	138,924	143,715	144,202
Total Funds	\$1,738,652	\$2,003,510	\$1,974,135	\$2,282,163	\$2,236,120
Total Ongoing	\$1,738,652	\$2,003,510	\$1,974,135	\$2,304,261	\$2,258,218
Total OTO	\$0	\$0	\$0	(\$22,098)	(\$22,098)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Agriculture, 15-Central Management Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	576,391	0	36,400	612,791	13.44 %
02040 Wheat & Barley Research & Mktg	329,815	0	0	329,815	10.46 %
02068 Noxious Weed Admin Account	164,959	0	0	164,959	5.23 %
02071 Anhydrous Ammonia Account	4,256	0	0	4,256	0.14 %
02093 Alfalfa Leaf Cutting Bee	2,018	0	0	2,018	0.06 %
02192 Pesticide Groundwater Account	435,749	0	0	435,749	13.82 %
02193 Pesticide Account	467,470	0	0	467,470	14.83 %
02198 Fert. Groundwater Account	17,706	0	0	17,706	0.56 %
02205 Pulse Crop Research&Marketing	163,074	0	0	163,074	5.17 %
02264 Organic Certification	130,772	0	0	130,772	4.15 %
02265 FSI Produce	127,836	0	0	127,836	4.06 %
02266 Commodity Dealer/Warehouse	36,600	0	0	36,600	1.16 %
02267 Nursery Account	26,231	0	0	26,231	0.83 %
02268 Produce Account	247,153	0	0	247,153	7.84 %
02269 Seed Account	44,642	0	0	44,642	1.42 %
02341 Weed Seed Free Forage Account	22,752	0	0	22,752	0.72 %
02452 Commercial Fertilizer	135,831	0	0	135,831	4.31 %
02453 Grain Services	314,158	0	0	314,158	9.97 %
02454 Commercial Feed	326,690	0	0	326,690	10.36 %
02461 Alfalfa Seed Assessment	406	0	0	406	0.01 %
02792 Apiary Account	47,223	0	0	47,223	1.50 %
02793 Potato Research & Marketing	0	0	5,328	5,328	0.17 %
02272 Plant Export Certification	71,538	0	0	71,538	2.27 %
02465 Industrial Hemp	2,292	0	0	2,292	0.07 %
02062 Growth Through Agriculture	27,500	0	0	27,500	0.87 %
State Special Total	\$3,146,671	\$0	\$5,328	\$3,151,999	69.12 %
03120 Agriculture CMD Federal	507,304	0	0	507,304	100.00 %
Federal Special Total	\$507,304	\$0	\$0	\$507,304	11.13 %
06052 Hail Insurance	287,917	0	0	287,917	100.00 %
Proprietary Total	\$287,917	\$0	\$0	\$287,917	6.31 %
Total All Funds	\$4,518,283	\$0	\$41,728	\$4,560,011	

The Central Management Division is funded primarily with state special revenue generated from user fees. State special revenue funds are used to administer programs that promote Montana agriculture. General fund and federal special revenue support personal services and associated operating expenses. Proprietary revenue is generated through premiums charged to participants in the hail insurance program. Proprietary funds support personal services for staff that administer the hail insurance program. Statutory appropriations, primarily general fund, are for administrative support of agricultural research and marketing programs.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	253,941	253,941	507,882	88.11 %	1,974,135	1,974,135	3,948,270	87.38 %
SWPL Adjustments	33,158	29,235	62,393	10.82 %	223,982	178,437	402,419	8.91 %
PL Adjustments	341	335	676	0.12 %	103,235	103,182	206,417	4.57 %
New Proposals	2,293	3,147	5,440	0.94 %	(19,189)	(19,634)	(38,823)	(0.86)%
Total Budget	\$289,733	\$286,658	\$576,391		\$2,282,163	\$2,236,120	\$4,518,283	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	19,175	87,370	6,330	119,247	0.00	20,664	94,154	6,822	128,507
DP 2 - Fixed Costs	0.00	9,811	74,837	8,536	93,184	0.00	3,895	29,700	3,388	36,983
DP 3 - Inflation Deflation	0.00	4,172	4,413	2,966	11,551	0.00	4,676	4,946	3,325	12,947
DP 20 - SABHRS Rate Adjustment	0.00	341	2,598	296	3,235	0.00	335	2,555	292	3,182
DP 222 - RMTD Adjustment	0.00	2,327	17,747	2,024	22,098	0.00	2,327	17,747	2,024	22,098
DP 223 - RMTD Adjustment (OTO)	0.00	(2,327)	(17,747)	(2,024)	(22,098)	0.00	(2,327)	(17,747)	(2,024)	(22,098)
DP 15002 - Federal Indirect Cost Rate Increase	0.00	0	0	100,000	100,000	0.00	0	0	100,000	100,000
Grand Total All Present Law Adjustments	0.00	\$33,499	\$169,218	\$118,128	\$327,217	0.00	\$29,570	\$131,355	\$113,827	\$281,619

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 15002 - Federal Indirect Cost Rate Increase -

The legislature approved an increase in federal authority for federal indirect costs. The federal government sets rates for indirect cost recovery for managing federal programs.

New Proposals

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

New Proposals										
-----Fiscal 2024-----					-----Fiscal 2025-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 99 - New Fixed Costs	0.00	0	750	0	750	0.00	0	750	0	750
DP 333 - Adjustment to Inflation	0.00	(2,738)	(2,896)	(1,946)	(7,580)	0.00	(3,423)	(3,621)	(2,434)	(9,478)
DP 555 - Additional Vacancy Savings	0.00	(2,371)	(14,426)	(1,383)	(19,761)	0.00	(2,383)	(14,497)	(1,390)	(19,859)
DP 3333 - Additional Adjustment to Inflation	0.00	7,402	0	0	7,402	0.00	8,953	0	0	8,953
Total	0.00	\$2,293	(\$16,572)	(\$3,329)	(\$19,189)	0.00	\$3,147	(\$17,368)	(\$3,824)	(\$19,634)

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

DP 99 - New Fixed Costs -

The legislature approved funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved \$1,300 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	9,631,145	10,393,125	761,980	7.91 %
Operating Expenses	4,386,103	5,635,355	1,249,252	28.48 %
Equipment & Intangible Assets	868,024	704,024	(164,000)	(18.89)%
Grants	4,516,570	4,516,570	0	0.00 %
Transfers	50,000	50,000	0	0.00 %
Debt Service	70,500	71,000	500	0.71 %
Total Expenditures	\$19,522,342	\$21,370,074	\$1,847,732	9.46 %
General Fund	584,031	1,034,284	450,253	77.09 %
State/Other Special Rev. Funds	16,954,800	18,214,224	1,259,424	7.43 %
Federal Spec. Rev. Funds	1,983,511	2,121,566	138,055	6.96 %
Total Funds	\$19,522,342	\$21,370,074	\$1,847,732	9.46 %
Total Ongoing	\$19,172,342	\$21,024,234	\$1,851,892	9.66 %
Total OTO	\$350,000	\$345,840	(\$4,160)	(1.19)%

Program Description

The Agricultural Sciences Division (ASD) administers and coordinates the major activities related to:

- Pesticide management
- Pest management
- Analytical laboratory services
- Noxious weed management
- Agricultural chemical groundwater program
- Seed, feed and fertilizer program
- Organic certification
- Nursery program
- Apiary program
- Commodity programs
- Invasive species
- Produce safety program
- Hemp program
- Export certification

ASD also administers agricultural programs related to the production, manufacturing, certification, and marketing of commodities exported from or distributed in the state. The division provides support to the Montana Noxious Weed Management Advisory Council and the Montana Organic Commodity Advisory Council.

Program Highlights

**Agricultural Sciences Division
Major Budget Highlights**

The legislature approved a 9.5% or \$1.8 million increase in total expenditures compared to the 2023 biennium, including:

- Present law adjustments for personal services, inflation, and fixed costs - \$963,604
- Inspection services - \$380,000
- One-time-only appropriation for hemp grower's compliance costs -\$250,000
- One-time-only appropriation for laboratory equipment - \$186,000
- Maintenance for information technology systems - \$106,000
- Operation and maintenance for laboratory equipment - \$40,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	61.79	61.79	61.79	61.79
Personal Services	4,553,662	4,777,471	4,853,674	5,180,804	5,212,321
Operating Expenses	1,540,430	2,095,339	2,290,764	2,810,627	2,824,728
Equipment & Intangible Assets	18,065	259,012	609,012	445,012	259,012
Grants	2,238,590	2,258,285	2,258,285	2,258,285	2,258,285
Transfers	38,452	25,000	25,000	25,000	25,000
Debt Service	34,776	35,000	35,500	35,500	35,500
Total Expenditures	\$8,423,975	\$9,450,107	\$10,072,235	\$10,755,228	\$10,614,846
General Fund	198,559	203,686	380,345	516,829	517,455
State/Other Special Rev. Funds	7,312,153	8,279,361	8,675,439	9,179,781	9,034,443
Federal Spec. Rev. Funds	913,263	967,060	1,016,451	1,058,618	1,062,948
Total Funds	\$8,423,975	\$9,450,107	\$10,072,235	\$10,755,228	\$10,614,846
Total Ongoing	\$8,423,975	\$9,450,107	\$9,722,235	\$10,489,308	\$10,534,926
Total OTO	\$0	\$0	\$350,000	\$265,920	\$79,920

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Agriculture, 30-Agricultural Sciences Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,034,284	0	0	1,034,284	4.82 %
02068 Noxious Weed Admin Account	4,215,398	0	0	4,215,398	23.01 %
02071 Anhydrous Ammonia Account	22,481	0	0	22,481	0.12 %
02072 Manuals & Training Account	133,971	0	0	133,971	0.73 %
02093 Alfalfa Leaf Cutting Bee	17,708	0	0	17,708	0.10 %
02192 Pesticide Groundwater Account	2,161,525	0	0	2,161,525	11.80 %
02193 Pesticide Account	3,429,919	0	0	3,429,919	18.72 %
02198 Fert. Groundwater Account	89,392	0	0	89,392	0.49 %
02264 Organic Certification	1,245,834	0	0	1,245,834	6.80 %
02265 FSI Produce	637,974	0	0	637,974	3.48 %
02266 Commodity Dealer/Warehouse	271,330	0	108,000	379,330	2.07 %
02267 Nursery Account	371,112	0	0	371,112	2.03 %
02268 Produce Account	917,967	0	0	917,967	5.01 %
02269 Seed Account	357,644	0	0	357,644	1.95 %
02341 Weed Seed Free Forage Account	258,222	0	0	258,222	1.41 %
02452 Commercial Fertilizer	986,219	0	0	986,219	5.38 %
02454 Commercial Feed	1,714,648	0	0	1,714,648	9.36 %
02782 Reverted Weed Grant Fund	132,000	0	0	132,000	0.72 %
02792 Apiary Account	381,958	0	0	381,958	2.08 %
02272 Plant Export Certification	417,939	0	0	417,939	2.28 %
02465 Industrial Hemp	450,983	0	0	450,983	2.46 %
State Special Total	\$18,214,224	\$0	\$108,000	\$18,322,224	85.31 %
03118 Agriculture ASD Federal	2,121,566	0	0	2,121,566	100.00 %
Federal Special Total	\$2,121,566	\$0	\$0	\$2,121,566	9.88 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$21,370,074	\$0	\$108,000	\$21,478,074	

The Agricultural Sciences Division is funded with general fund, state special revenue, and federal funds. State special revenue is the largest source of funding for the division. State special revenue is derived primarily from fees assessed for regulatory activities, product registration, and technical services. Federal funds come from the U.S. Department of Agriculture and support noxious weed mitigation. Federal funds also support portions of the Bovine Spongiform Encephalopathy (BSE), commonly known as “mad cow disease,” feed sampling program. General fund supports inspection and testing for prohibited materials in feed related to BSE and noxious weed control grants.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	380,345	380,345	760,690	73.55 %	9,722,235	9,722,235	19,444,470	90.99 %
SWPL Adjustments	13,248	14,000	27,248	2.63 %	556,336	604,409	1,160,745	5.43 %
PL Adjustments	125,023	125,020	250,043	24.18 %	522,266	336,107	858,373	4.02 %
New Proposals	(1,787)	(1,910)	(3,697)	(0.36)%	(45,609)	(47,905)	(93,514)	(0.44)%
Total Budget	\$516,829	\$517,455	\$1,034,284		\$10,755,228	\$10,614,846	\$21,370,074	

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 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	9,979	295,378	76,266	381,623	0.00	10,519	323,341	79,612	413,472
DP 2 - Fixed Costs	0.00	945	45,751	(4,715)	41,981	0.00	913	44,307	(4,738)	40,482
DP 3 - Inflation Deflation	0.00	2,324	115,705	14,703	132,732	0.00	2,568	131,265	16,622	150,455
DP 20 - SABHRS Rate Adjustment	0.00	23	1,212	31	1,266	0.00	20	1,060	27	1,107
DP 222 - RMTD Adjustment	0.00	1,015	49,128	(5,063)	45,080	0.00	1,017	49,339	(5,276)	45,080
DP 223 - RMTD Adjustment (OTO)	0.00	(1,015)	(49,128)	5,063	(45,080)	0.00	(1,017)	(49,339)	5,276	(45,080)
DP 30003 - Lab Combustion Analyzer (OTO)	0.00	0	86,000	0	86,000	0.00	0	0	0	0
DP 30004 - Fund Authority Increase	0.00	0	190,000	0	190,000	0.00	0	190,000	0	190,000
DP 30008 - Chromatography Instrument (OTO)	0.00	0	100,000	0	100,000	0.00	0	0	0	0
DP 30009 - Chromatography Instrument Maintenance	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
DP 30010 - Hemp Program Resources (OTO)	0.00	125,000	0	0	125,000	0.00	125,000	0	0	125,000
Grand Total All Present Law Adjustments	0.00	\$138,271	\$854,046	\$86,285	\$1,078,602	0.00	\$139,020	\$709,973	\$91,523	\$940,516

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 30003 - Lab Combustion Analyzer (OTO) -

The legislature approved a one-time-only appropriation of state special revenue to replace a combustion analyzer. The combustion analyzer is used to test animal feeds and fertilizer for nutrient content.

DP 30004 - Fund Authority Increase -

The legislature approved state special revenue to support services in the Agricultural Sciences Division. This proposal would be funded from the pesticide, nursery, produce, and commercial fertilizer state special revenue accounts. Revenues for these accounts are generated by permit and licensure fees, taxes on produce, fees assessed on fertilizer, and fees for service. HB 126 of the 2017 Session which revised the Montana Pesticides Act, has increased the level of activity related to inspection and compliance of pesticides and fertilizers.

DP 30008 - Chromatography Instrument (OTO) -

The legislature approved a one-time-only increase state special revenue chromatography instrument in the analytical lab. The equipment provides data on the physical properties of the groundwater from wells.

DP 30009 - Chromatography Instrument Maintenance -

The legislature approved state special revenue for ongoing operations and maintenance for the chromatography instrument request in DP 30008.

DP 30010 - Hemp Program Resources (OTO) -

The legislature approved a one-time-only appropriation of general fund be used to temporarily mitigate costs paid by hemp producers to ensure they are following federal law. Ongoing revisions of federal law should be in place by 2025 negating the need for this funding on an ongoing basis.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	2,749	0	2,749	0.00	0	2,749	0	2,749
DP 333 - Adjustment to Inflation	0.00	(768)	(38,238)	(4,859)	(43,865)	0.00	(885)	(45,218)	(5,726)	(51,829)
DP 555 - Additional Vacancy Savings	0.00	(1,019)	(47,482)	(5,992)	(54,493)	0.00	(1,025)	(47,767)	(6,033)	(54,825)
DP 30002 - SAFHERS Federal System Maintenance	0.00	0	41,667	8,333	50,000	0.00	0	41,667	8,333	50,000
DP 50004 - Commodity Assessment System Maintenance	0.00	0	0	0	0	0.00	0	6,000	0	6,000
Total	0.00	(\$1,787)	(\$41,304)	(\$2,518)	(\$45,609)	0.00	(\$1,910)	(\$42,569)	(\$3,426)	(\$47,905)

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

DP 99 - New Fixed Costs -

The legislature approved funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved \$2,850 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 30002 - SAFHERS Federal System Maintenance -

The legislature approved increased funding for operation and maintenance of the new System for Agriculture, Food, Health, E-Inspections, and Registration (SAFHER) Federal System.

DP 50004 - Commodity Assessment System Maintenance -

The legislature approved an increase in state special revenue for operations and maintenance of the commodity assessment system approved in HB 10.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,415,701	5,135,373	719,672	16.30 %
Operating Expenses	4,958,914	5,551,690	592,776	11.95 %
Equipment & Intangible Assets	219,754	159,754	(60,000)	(27.30)%
Grants	5,442,841	5,428,348	(14,493)	(0.27)%
Transfers	279,514	279,514	0	0.00 %
Debt Service	84,000	84,000	0	0.00 %
Total Expenditures	\$15,400,724	\$16,638,679	\$1,237,955	8.04 %
General Fund	1,010,232	1,483,139	472,907	46.81 %
State/Other Special Rev. Funds	13,418,457	13,950,121	531,664	3.96 %
Federal Spec. Rev. Funds	273,933	549,600	275,667	100.63 %
Proprietary Funds	698,102	655,819	(42,283)	(6.06)%
Total Funds	\$15,400,724	\$16,638,679	\$1,237,955	8.04 %
Total Ongoing	\$15,254,824	\$16,126,683	\$871,859	5.72 %
Total OTO	\$145,900	\$511,996	\$366,096	250.92 %

Program Description

The Agriculture Development Division (ADD) assists the Montana agricultural industry by providing services which include market and agribusiness development, Growth Through Agriculture grants and loans, wheat and barley research and marketing, pulse crop research and marketing, agriculture loans including beginning farmer/rancher loans, hail insurance, grain grading and inspection, agriculture literacy and curriculum development, domestic and international marketing and trade assistance, farm and ranch stress assistance, mediation services, and administration of agricultural commodity research and market development programs. The division provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Board, the Montana Pulse Crop Committee, the Agriculture Development Council, the Board of Hail Insurance, and advisory committees of potatoes and hemp.

Program Highlights

Agricultural Development Division Major Budget Highlights

The legislature approved a 8.0% or \$1.2 million increase in total expenditures compared to the 2023 biennium, including:

- Present law adjustments for personal services, inflation, and fixed costs - \$721,677
- One-time-only appropriation for the state grain laboratory - \$500,000
- One-time-only appropriation for hail insurance system improvements - \$50,000
- Operations and maintenance for the commodity assessment system - \$34,000

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	38.87	38.87	38.87	38.87
Personal Services	1,756,730	2,182,466	2,233,235	2,561,758	2,573,615
Operating Expenses	1,571,734	2,501,456	2,457,458	2,802,760	2,748,930
Equipment & Intangible Assets	46,482	139,877	79,877	79,877	79,877
Grants	2,116,914	2,728,667	2,714,174	2,714,174	2,714,174
Transfers	54,145	139,757	139,757	139,757	139,757
Debt Service	41,845	42,000	42,000	42,000	42,000
Total Expenditures	\$5,587,850	\$7,734,223	\$7,666,501	\$8,340,326	\$8,298,353
General Fund	549,064	554,435	455,797	739,997	743,142
State/Other Special Rev. Funds	4,747,816	6,696,694	6,721,763	6,973,970	6,976,151
Federal Spec. Rev. Funds	92,972	136,451	137,482	273,928	275,672
Proprietary Funds	197,998	346,643	351,459	352,431	303,388
Total Funds	\$5,587,850	\$7,734,223	\$7,666,501	\$8,340,326	\$8,298,353
Total Ongoing	\$5,445,222	\$7,588,323	\$7,666,501	\$8,059,328	\$8,067,355
Total OTO	\$142,628	\$145,900	\$0	\$280,998	\$230,998

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Agriculture, 50-Agricultural Development Div Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,483,139	7,194	3,128,803	4,619,136	19.23 %
02040 Wheat & Barley Research & Mktg	9,542,595	0	0	9,542,595	58.03 %
02066 Agriculture In MT Schools Act.	56,582	0	0	56,582	0.34 %
02132 GTA Seed Capital Account	0	0	140,000	140,000	0.85 %
02205 Pulse Crop Research&Marketing	183,034	0	2,129,543	2,312,577	14.06 %
02453 Grain Services	2,978,526	0	0	2,978,526	18.11 %
02461 Alfalfa Seed Assessment	76,692	0	0	76,692	0.47 %
02466 Misc Ag Donations	10,130	0	0	10,130	0.06 %
02793 Potato Research & Marketing	0	0	224,192	224,192	1.36 %
02465 Industrial Hemp	28,255	0	0	28,255	0.17 %
02062 Growth Through Agriculture	1,074,307	0	0	1,074,307	6.53 %
State Special Total	\$13,950,121	\$0	\$2,493,735	\$16,443,856	68.45 %
03225 Agriculture ADD Federal	549,600	0	0	549,600	100.00 %
Federal Special Total	\$549,600	\$0	\$0	\$549,600	2.29 %
06016 Beginning Farm Loans	0	116,400	0	116,400	4.83 %
06052 Hail Insurance	655,819	0	1,640,000	2,295,819	95.17 %
Proprietary Total	\$655,819	\$116,400	\$1,640,000	\$2,412,219	10.04 %
Total All Funds	\$16,638,679	\$123,594	\$7,262,538	\$24,024,811	

The Agricultural Development Division is funded with general fund, state special revenue, federal special revenue, and proprietary funds. General fund supports division administration personal services and associated operating expense. State special revenue, the primary source of funding, is mainly comprised of the wheat & barley research & marketing account which is supported by levies on each bushel of wheat and barley produced in the state. Other sources of revenue include grain testing fees and alfalfa seed assessments. Levies on the net revenue of pulse crops produced in the state are statutorily appropriated to the pulse crop research & marketing fund. Federal special revenue is from federal grants and is used to develop agriculture markets, marketing projects, and for related operating costs. Proprietary funding supports beginning farm loans and expenditures from the hail insurance program.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	455,797	455,797	911,594	61.46 %	7,666,501	7,666,501	15,333,002	92.15 %
SWPL Adjustments	39,290	43,192	82,482	5.56 %	398,251	415,726	813,977	4.89 %
PL Adjustments	(655)	(656)	(1,311)	(0.09)%	47,366	(2,699)	44,667	0.27 %
New Proposals	245,565	244,809	490,374	33.06 %	228,208	218,825	447,033	2.69 %
Total Budget	\$739,997	\$743,142	\$1,483,139		\$8,340,326	\$8,298,353	\$16,638,679	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	28,283	235,934	139,419	355,366	0.00	30,887	242,861	141,187	367,348
DP 2 - Fixed Costs	0.00	394	(1,854)	0	(1,923)	0.00	305	(2,284)	0	(2,530)
DP 3 - Inflation Deflation	0.00	10,613	30,790	0	44,808	0.00	12,000	34,772	0	50,908
DP 20 - SABHRS Rate Adjustment	0.00	(428)	(1,563)	0	(2,331)	0.00	(444)	(1,617)	0	(2,413)
DP 30 - Motor Pool Rate Adjustment	0.00	(227)	(52)	0	(303)	0.00	(212)	(51)	0	(286)
DP 222 - RMTD Adjustment	0.00	(3,893)	18,320	0	19,002	0.00	(2,291)	17,154	0	19,002
DP 223 - RMTD Adjustment (OTO)	0.00	3,893	(18,320)	0	(19,002)	0.00	2,291	(17,154)	0	(19,002)
DP 50005 - Hail Insurance System HB 10 (OTO)	0.00	0	0	0	50,000	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$38,635	\$263,255	\$139,419	\$445,617	0.00	\$42,536	\$273,681	\$141,187	\$413,027

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 50005 - Hail Insurance System HB 10 (OTO) -

The legislature approved a one-time-only \$50,000 increase in proprietary funds for a new hail insurance system.

New Proposals

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

New Proposals										
-----Fiscal 2024-----						-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	1,499	0	0	1,499	0.00	1,499	0	0	1,499
DP 333 - Adjustment to Inflation	0.00	(3,896)	(11,302)	0	(16,448)	0.00	(4,645)	(13,460)	0	(19,706)
DP 555 - Additional Vacancy Savings	0.00	(2,038)	(19,746)	(2,973)	(26,843)	0.00	(2,045)	(19,833)	(2,997)	(26,968)
DP 50001 - State Grain Lab Resources (OTO)	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
DP 50004 - Commodity Assessment System Maintenance	0.00	0	20,000	0	20,000	0.00	0	14,000	0	14,000
Total	0.00	\$245,565	(\$11,048)	(\$2,973)	\$228,208	0.00	\$244,809	(\$19,293)	(\$2,997)	\$218,825

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

DP 99 - New Fixed Costs -

The legislature approved funding for a new fixed cost for the Chief Data Office. Additionally, the legislature approved \$2,650 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 50001 - State Grain Lab Resources (OTO) -

The legislature approved a \$500,000 general fund appropriation to supplement the state grain laboratory for two years.

DP 50004 - Commodity Assessment System Maintenance -

The legislature approved an increase in state special revenue for ongoing operations and maintenance for the Commodity Assessment System approved in HB 10.