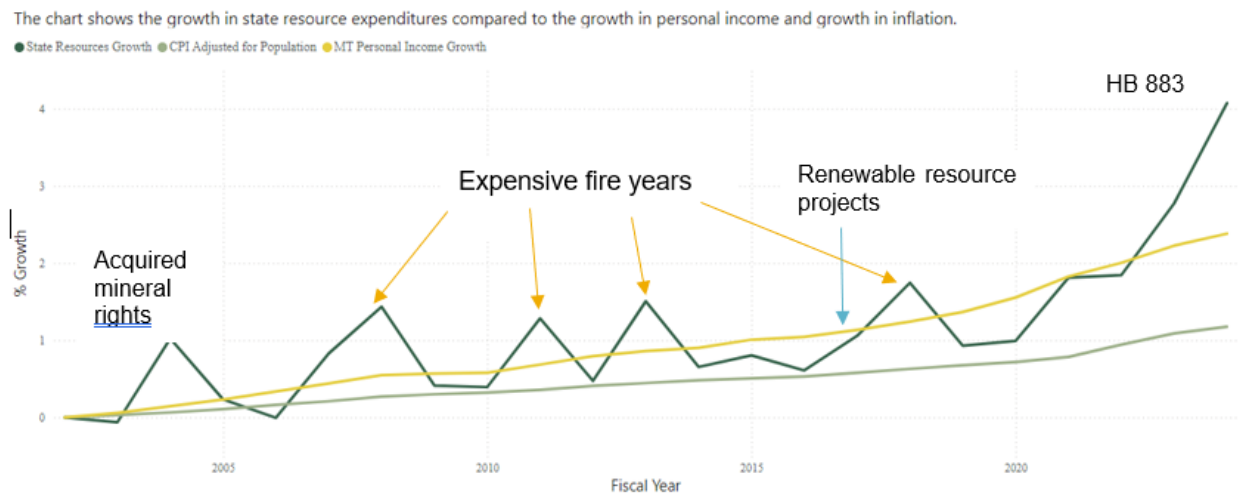


# Department of Natural Resources and Conservation (DNRC)

This report includes a series of charts that compare state resource expenditure growth to the growth in personal income and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

## All Governmental Funds



In FY 2002, the agency expended one-time-only funding of \$46.4 million to acquire mineral rights on state lands. Increases in expenditures in FY 2004, FY 2007, FY 2008, and FY 2018 were for fire suppression. Higher expenditures in FY 2016 and FY 2017 were from the state revolving fund for renewable resource projects.

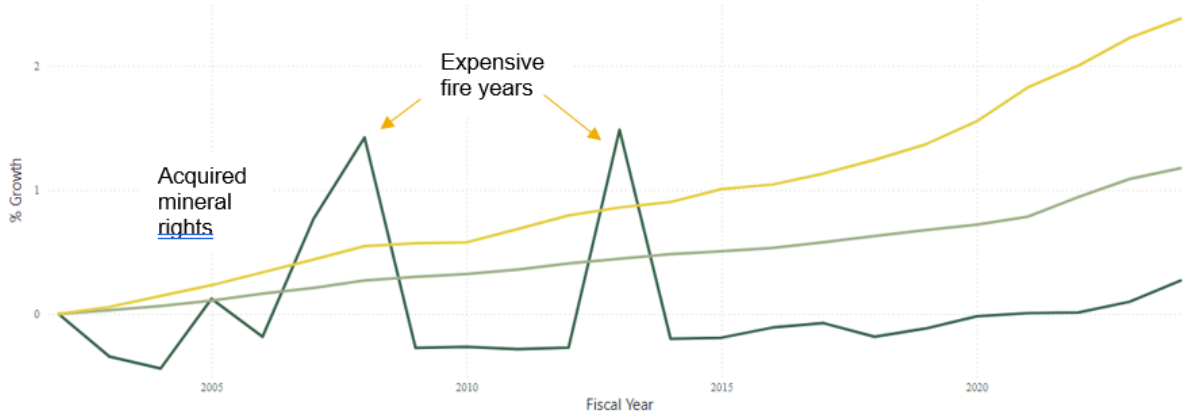
In the 2023 Session, the legislature passed HB 883 to provide a more significant and stable source of ongoing funding for fire suppression and mitigation efforts. Consequently, the DNRC has more aggressively used firefighting resources in response to wildfires. Additionally, about a quarter of the budget increase is due to adjustments for personal services, inflation, and fixed costs. Expenditures in the agency are up 32.4% since 2020.



## General Fund

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

● State Resources Growth ● CPI Adjusted for Population ● MT Personal Income Growth



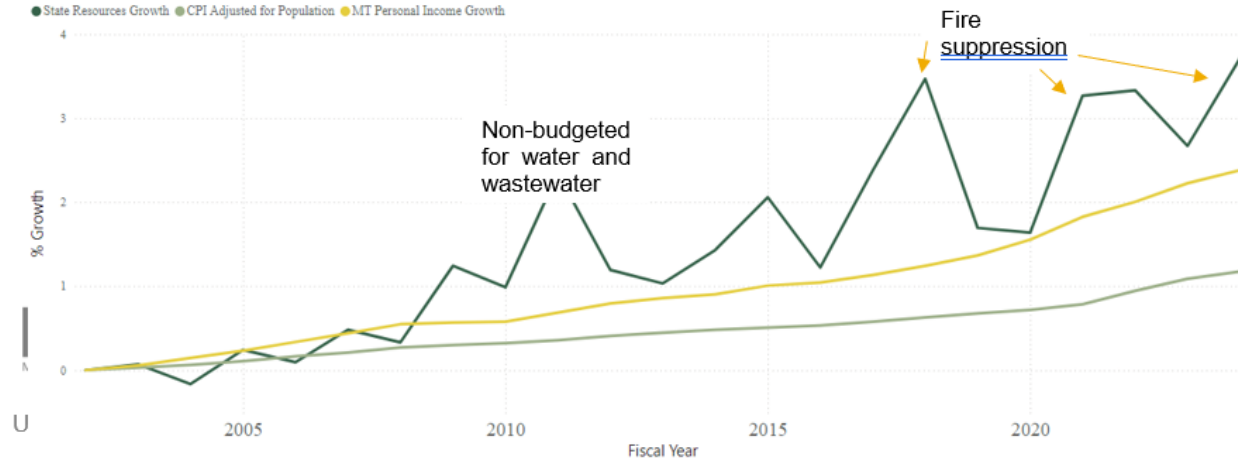
In FY 2002, there was one non-budgeted expenditure of \$46.4 million for the purchase of mineral rights on school trust lands, this was a loan from the coal severance permanent fund. In recent years non-budgeted expenditures have been relatively small. Increased expenditures in FY 2008 and FY 2013 are due to increased general fund expenditures for fire suppression from the executive's emergency appropriations and supplemental appropriations account.

General fund appropriations have increased steadily due to 2023 biennium appropriations for water resource and forestry projects. The largest of these is a \$2.9 million one-time-only appropriation to 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.

## State Special Revenue

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

● State Resources Growth ● CPI Adjusted for Population ● MT Personal Income Growth



State special revenue expenditures have increased 132.0% since 2020, while inflation adjusted for population has increased by 81.9% over the period. State special revenue supported 79.3% of total expenditures in FY 2018 compared to 69.1% in FY 2002. Increase in state special resource expenditures in FY 2010 and FY 2011 are non-budgeted for water and wastewater projects throughout the state. In FY 2018, \$65.9 million was expended for fire suppression in the summer of calendar year 2017. In FY 2022 and FY 2024, fire costs were high with expenditures of \$60.9 million and \$92.3 million for suppression costs, respectively.



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