

**5% Base Budget Reduction Form**  
[17-7-111-3\(f\)](#)

**AGENCY CODE & NAME:**

57060 Department of Natural Resources & Conservation

	<b>Minimum Requirement</b>	
	<b>General Fund</b>	<b>State Special Revenue Fund</b>
<b>TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET</b>	<b>\$ 1,805,244</b>	<b>\$ 1,368,188</b>
check		

<b>Priority</b>	<b>SERVICE(S) TO BE ELIMINATED OR REDUCED</b>	<b>General Fund Annual Savings</b>	<b>State Special Revenue Annual Savings</b>
<b>1</b>	CARDD Operations Reduction	\$ 98,363	\$ 342,846
<b>2</b>	WRD SWP SSR Reduction of Services/Deferred maintenance @ Broadwater Power Plant (WRD_B1)		\$ 167,444
<b>3</b>	Trust Lands Reduction (FTLD_B1)	\$ 6,973	\$ 725,482
<b>4</b>	WRD Electronic Only Water Rights Claim Files (WRD_B2)	\$ 91,099	\$ -
<b>5</b>	Forestry Reduction (FTLD_B2)	\$ 784,959	\$ 1,500
<b>6</b>	CSD Program Reduction (CSD_B1)	\$ 109,579	\$ 9,690
<b>7</b>	Office of Administrative Hearings (CSD_B2)	\$ 138,097	\$ 101,396
<b>8</b>	WRD flood mitigation analysis (WRD_B3)	\$ 32,000	
<b>9</b>	WRD Operations Budget (WRD_B4)	\$ 544,174	\$ 19,830
<b>10</b>			
<b>11</b>	<b>TOTAL SAVINGS</b>	<b>\$ 1,805,244</b>	<b>\$ 1,368,188</b>
	<b>DIFFERENCE</b>	<b>-</b>	<b>-</b>

Form A

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

The reduction of funding for the operations of the Conservation and Resource Development Division will reduce the State's support to conservation districts and other local governments. The operations would be trimmed in several ways, for example, by reductions in travel, forgoing the purchase of equipment scheduled for replacement and depending on the amount of the cut, a reduction of staff. Also, the assistance to local government with natural resource projects would be reduced or cause delays in project implementation. Pass-thru funding for a variety of organizations would be reduced from their FY2025 level. These include: Dry Prairie, North Central Water, Central Montana and Dry Red Water Regional Water Systems, Missouri and Yellowstone River Councils, Watershed Groups, Conservation Districts, Montana Salinity Control, Western Montana Conservation Commission, Sage Grouse Operations, and others would have their current funding reduced.

### #2 THE SAVINGS THAT ARE EXPECTED:

\$98,363 in the general fund and \$342,846 in state special revenue funds in both FY26 and FY27.

### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Reductions to operations, such as travel, contracted services, equipment purchases, reductions of a position in the division, reduction in the award of grants to local government entities would result in less technical and financial service to projects and communities. The project oversight by DNRC would be delayed and may not take place. Projects may not move forward or be completed in communities with health, safety and resource mitigation issues.

1. The Grass Commission would have to reduce their administrative costs, such as travel and perhaps cut back the hours of the executive secretary. Services to ranchers and permit fees will be reduced because the board would have funds to travel. Public land grazing is in a serious situation for the permittees land use.

2. The river councils and watershed groups would reduce work in administrative support and board member travel to accommodate the reduction. The council may not be able to access their federal funds if state funds aren't provided as match.

3. A reduction to the North Central Montana and Dry Prairie and Dry Red Regional Water Authorities would impact the authorities' ability to work with the U.S. Congress for completion of the project as well as appropriations for construction of the Water System.
4. Rangeland improvement loans would have to reduce the amount of loans they'd be allowed to loan to improve private rangeland.
5. Conservation Districts would have to reduce their field work and it may take more time to approve 310 permits.
6. Invasive Species Councils would have to reduce their work.
7. RDB proceeds would also reduce the amount of loans that would be authorized.

#### **#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED**

Some of the programs, councils and commissions may be able to get some other funding such as federal or private assistance. For most of them the reduced funding will cause reduced services or no services. The funds for many programs are matched with other funding sources, in which case, projects may not move forward or be canceled. In some cases water, wastewater systems, and irrigation projects will not get the help to fix problems for the communities. Natural Resource conservation, mitigation or reclamation will be delayed.

#### **#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Grass Commission § 76-16-101 MCA

Conservation Districts § 76-15-101 MCA

Rangeland Resources § 76-14-101 MCA

Montana Invasive Species Council § 80-1-101 MCA

Drinking Water State Revolving Fund § 75-6-201 MCA

Regional Water Systems § 75-6-301 MCA

Water Pollution Control State Revolving Fund § 75-5-1103 MCA

**Form B**

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION OR REDUCTION*:

Reduction of services, deferred maintenance or reduction in rehabilitation contracted services.

### #2 THE SAVINGS THAT ARE EXPECTED:

62000 Operating Reduction

### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION OR REDUCTION*:

Deferred maintenance at the Broadwater Power Project and delayed rehabilitations for our 18 water storage projects administered by the State of Montana.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

Work schedules would have to be adjusted and work plans revisited. Redetermination of critical needs and adjustment of project priorities to the most high risk repairs.

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No

**Form B**

## 5% Base Budget Reduction Form

26/27 Biennium

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION OR REDUCTION*:

**Trust Lands Programs:** Each program will need to hold vacant positions open to reduce personal services as well as reducing the ability to contract for services such as weed spraying, survey work for commercial development, cabin sites, forestry inventory work, road maintenance, bridge repairs, land appraisals and many other activities.

#### #2 THE SAVINGS THAT ARE EXPECTED:

**Trust Lands:**

61000: (\$341,394)

62000: (\$391,051)

63000:

66000:

Total: (\$732,455)

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION OR REDUCTION*:

**Trust Lands Administration:** Decreased budgets will affect contracting, vendor payments and create a shortage in staffing reducing performance of the management of timber, surface and mineral resources for the benefit of the Common Schools.

**Forest Management Program:** Is now fully implementing a Land Board approved 60.0 MMBF (56.9 MMBF previous) Sustainable Yield Annual target. This objective included a department EPP for 2 additional FTE – a 5% budget reduction will jeopardize our ability to achieve this program target. The Forest Management Program uses a combination of contract services, FTE, operating budgets and capital to achieve this annual target. A reduction will manifest in reduced contracted capacity to setup and administer timber sales, administer site preparation for reforestation activities and inventory/respond to road maintenance concerns. This will have long-term impacts on forest health and resilience, rehabilitation and soil/water quality.

**Minerals Management Bureau:** Would reduce operations in the Royalty Auditor program, which would impact the ability to collect the full amount of royalty revenue due to the School Trusts during the year and potentially encourage further non-compliance in payment of royalties. The bureau would also reduce the contracts for professional consultant services on riverbeds, which would restrict resources needed to analyze and defend state ownership of islands in navigable rivers, creating confusion on ownership and leaving unpaid royalties left in escrow. Reductions would also impact the ability to cover expenses needed to ensure proper oversight of oil, gas, mining, and gravel activities on state land.

**Ag and Grazing Management Program:** The bureau would reduce the number of weed control projects in the field offices and the use of agency legal services in water adjudication cases to defend trust land water rights. These reductions have the ability to impact the productivity of the land.

**Real Estate Management Program:** A reduction would limit the number of contracts for commercial lease development and administration for land exchanges, land banking and acquisitions. This would have a direct impact on the program's ability to generate revenue for the trust beneficiaries. The reduction in the State Special Revenue Historic Right of Way fund will reduce the number of hours employees can contribute to right of way land transactions. Which in turn will diminish revenues for the trust beneficiaries.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

The proposed reductions would lessen the availability of specific resources and staff expertise, resulting in negative impacts that cannot be easily mitigated. The Division would work to reconfigure delivery of services or find alternate sources of funding to try to mitigate impacts to constituents to the extent possible.

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes: 76-13-102MCA, 76-13-103MCA, 76-13-104MCA, 76-13-115MCA, 76-13-145MCA, 76-13-201MCA, 76-13-207MCA, 76-13-213MCA, 76-13-401-415MCA, 77-5-301-307MCA, 76-13-117MCA, 77-1-130MCA.

Form B

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Move to Electronic Only Water Rights Claim Files

### #2 THE SAVINGS THAT ARE EXPECTED:

62000 Postage mailing storage & related staff time

GF

SSR

91,099

### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Moving to electronic records will reduce mailing and storage costs.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Files are already available to the Water Court in digital format.

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes. 85-2-243(2) Currently DNRC is required, at the expense of DNRC, to mail all water rights and claim files to the water court as requested.

*Form B WRD-A*

# 5% Base Budget Reduction Form

26/27 Biennium

## AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION OR REDUCTION*:

**Forestry Division Office and Area Offices:** Reduce or delay administrative and business services by holding vacant positions open for longer periods of time to reduce personal services expense at FD Office and in Area Land Offices' administrative budgets. Defer regular maintenance at Forestry Division offices and facilities statewide. Reduce employee travel, training, and other operating expenses; reduce state-owned fleet vehicles.

**Fire Protection Program:** Reduce all Fire Protection program services by holding vacant positions open for longer periods of time to reduce personal services expense across the program. Reduce grants to county cooperative local government fire forces. Reduce employee travel, training, and other operating expenses across the Fire Protection program. Reduce number of wildland fire engines and/or water tenders to be built or developed by Equipment Development Center.

**Forestry Assistance Program:** Reduce opportunities for landowner assistance and education in the Forest Stewardship and Forest Practices Programs. Reduce operating budgets for employee training and travel. Reduce urban and community forestry grants to cities and towns.

### #2 THE SAVINGS THAT ARE EXPECTED:

**Forestry:**

61000:	(\$275,000)
62000:	(\$315,000)
63000:	(\$ 96,459)
66000:	(\$100,000)
Total:	(\$786,459)

### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION OR REDUCTION*:

**Forestry Division Administration:** Staffing vacancies would result in delays and negatively impact services in business and administrative support functions, including processing of vendor payments and grant disbursements. Deferred maintenance for state-owned facilities may result in increased future repair and maintenance costs. Operating reductions will impact training and employee development opportunities and a vehicle reduction would significantly impact an already small fleet.

**Fire Protection Program:** Program budget reductions would decrease available grant funds, training opportunities, production of fire suppression equipment, and other resources and support DNRC provides to cooperating county fire departments across Montana. Extended vacancies in key firefighter positions would delay response to wildland fire emergencies and diminish the Department's overall ability to protect lives, property and natural resources from wildfire, impeding the Department's ability to meet its goal of controlling 95% of wildland fires at initial attack and raising the cost of fire suppression to Montana taxpayers.

**Forestry Assistance Program:** Reduced program budgets and staffing vacancies would mean reduction or possible elimination of landowner stewardship education workshops; forest management impacts including less fuels reduction in and around communities; decreased urban and community forestry grants to cities and towns; and delayed service forester responses to landowner requests, resulting in decreased regulatory compliance with forestry best management practices.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

The proposed reductions would lessen the availability of specific resources and staff expertise, resulting in negative impacts that cannot be easily mitigated. The Division would work to reconfigure delivery of services or find alternate sources of funding to try to mitigate impacts to constituents to the extent possible.

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes: 76-13-102MCA, 76-13-103MCA, 76-13-104MCA, 76-13-115MCA, 76-13-145MCA, 76-13-201MCA, 76-13-207MCA, 76-13-213MCA, 76-13-401-415MCA, 77-5-301-307MCA, 76-13-117MCA, 77-1-130MCA.

Form B

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### AGENCY CODE & NAME:

57060 Department of Natural Resources & Conservation

### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Centralized Services Division (CSD) would propose to eliminate operating costs in contracted services, travel, supplies & materials, and equipment.

### #2 THE SAVINGS THAT ARE EXPECTED:

General fund savings of \$109,579 and State Special Revenue Fund savings of \$9,690.

### #3

#### THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

CSD is already has difficulty serving the five other divisions within DNRC in the areas of Information Technology, Human Resources, Financial and Legal. This reduction of operating costs will exacerbate the existing stress on remaining staff. Reductions will place the CSD at further risk of incurring audit exceptions and will further impact its ability to respond to audits in a timely manner.

### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

CSD would need to postpone services provided to the DNRC divisions. As a result, the divisions will have more difficulty accomplishing their duties.

### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes-The agency is required to comply with the Montana Operations Manual (MOM) Policies and Procedures, the Governmental Accounting Standards Board (GASB) accounting and financial reporting, Generally Accepted Accounting Principles (GAAP), Equal Employment Opportunity Commission (EEOC) regulations (per Title VII of the Civil Rights Act of 1964), Family Medical Leave Act (FMLA), Fair Labor Standards Act (FLSA), the Montana Procurement Act and the Level Two Procurement Delegation Agreement between the Department of Administration and the Department of Natural Resources and Conservation.

**Form B DO-A**



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### AGENCY CODE & NAME:

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#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

DNRC's Office of Administrative Hearings (OAH) is a centralized, stand-alone unit within the agency that hears disputes arising from water adjudication and trust lands management and also oversees the public hearings for agency rule-making proceedings. OAH provides a transparent and impartial alternative to court proceedings for initial administrative disputes.

#### #2 THE SAVINGS THAT ARE EXPECTED:

General Fund savings is \$138,097 and SSR of \$101,396

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

The agency would use their internal legal services or ALS for rule-making proceedings and disputes arising from agency administrative actions could be heard and decided in court.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

Additional rulemaking could help provide alternatives between OAH and court proceedings

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

NO

**Form B**

# 5% Base Budget Reduction Form

## AGENCY CODE & NAME:

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

There are multiple projects across the state that are defining a communities flood risk. In many of these communities, small changes in infrastructure or topography could reduce or eliminate the flood risk identified. Federal funding cannot be allocated to identification of flood mitigation projects, so DNRC utilizes this state funding to evaluate flood mitigation options. This is a significant benefit to the communities.

**#2 THE SAVINGS THAT ARE EXPECTED:**

Operational budget

GF

32,000

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Not completing the mitigation analysis in conjunction with the floodplain mapping study leaves the community without flood mitigation alternatives. They do have the option of hiring a consultant to perform the analysis, but this would be cost prohibitive for most.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

If this funding is reallocated, there is no alternative for the impacts to be mitigated. The floodplain mapping program will not be able to help the community identified flood mitigation projects.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

The service is not required by state and federal statute.

**Form B**

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce Water Resources Division Operating budgets, likely elimination of travel, training, computer replacement delays and technical assistance throughout the division.

**#2 THE SAVINGS THAT ARE EXPECTED:**

GF

SSR

62000 Operational Budget reduction

544,174

19,830

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

This will impact staff workload and result in service cuts for stakeholders and the public. Work units will have little to no funds for travel, field work, training, in-person technical assistance, or minor equipment. In addition, the ITSD recommended replacement of computers would be delayed impacting staff productivity which could result in not meeting statutorily required timelines. Staff would not have the resources to provide the appropriate level of support to the Montana Compact. The overall impact to staff workload and technical support could increase burnout and decrease retention efforts. Our constituents could see increased waiting times related to applications and permits.

**#4**

**HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Staff may be able to provide assistance virtually in some cases or attend virtual trainings with no fees. No mitigation for the dam safety program and it's ability to meet statutory requirements.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes. Ability to carry out State Water Plan (85-1-203) requires significant on the ground technical assistance for successful implementation. Ability to process Permits and Changes for water rights (85-2-302) requires technical assistance for timely and accurate processing. All statutory work directed to WRD under Title 85 requires skilled staff for successful implementation; cuts to already limited training budgets further inhibit the division's ability to recruit, retain, and continually developed competent professionals to serve the people of Montana. This would impact WRD ability to review and approve permits in the dam safety program. The statutory requirements of 85-15-210 would be impacted.

**Form B**

SSR

167,444.00