RECLEMATION & DEVELOPMENT GRANTS PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

----------Agencies----------

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program
Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

----------Committee Members----------

House

Representative John Fitzpatrick (Chair)
Representative Scott Rosenzweig
Representative Paul Tuss
Representative Mike Vinton

Senate

Senator John Esp (Vice Chair)
Senator Ellie Boldman

----------Fiscal Division Staff----------

Erica Thomas

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

Program Description

The Reclamation and Development Grants Program (RDGP) is designed to fund projects that, "…indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial state needs serving the public interest and the total environment of the citizens of Montana" (90-2-1102, MCA).

As provided in statute, projects approved in the RDGP are intended to:

- Repair, reclaim, and mitigate environmental damage to public resources from non-renewable resource extraction
- Develop and ensure the quality of public resources for the benefit of all Montana citizens

The RDGP is administered by DNRC, which solicits, evaluates, and ranks applications on a biennial basis. The program is required to prioritize $800,000 of funding to any government entity for abandoned mine reclamation projects. RDGP grants are limited to $500,000. Public entities eligible to apply for grants include state and local governments, political subdivisions, and tribal governments. Applications are evaluated according to specific criteria related to:

- Public benefit
- Need and urgency
- Appropriateness of technical design
- Financial feasibility
- Project management/organization
- Program budget comparison

Program Budget Comparison

Figure 17 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 17

Program Comparison - Reclamation and Development Grant Program				
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
Number of Grants	10	17	7	70.0%
	Proposed	Proposed		
Grants Cost	$3,653,347	$7,110,975	$3,457,628	94.6%
Other Grants Cost	2,000,000	6,800,000	4,800,000	240.0%
Total Costs	**$5,653,347**	**$13,910,975**	**$8,257,628**	**146.1%**
State Special	$5,653,347	$13,910,975	$8,257,628	146.1%
Total Funds	**$5,653,347**	**$13,910,975**	**$8,257,628**	**146.1%**

Executive Proposal

Figure 17 shows the executive proposal for appropriations of $13.9 million for the RDGP program in the 2027 biennium. The executive proposal is 146.1% higher than the appropriations provided for the 2025 biennium.

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

The 2027 biennium proposal is requested in HB 7 and includes:

- RDGP project planning grants appropriation of $1.5 million
- RDGP water storage pilot project grants appropriation of $5.3 million

The RDGP grant program received 17 applications requesting $7.1 million in grants. The executive recommends funding all the individual projects with cash. However please note that if revenues are not sufficient, the department will not be able to fund all applications and will be limited by the cash available in the fund. Project grants will be awarded fund in order of rank.

A complete listing of the RDGP grants may be seen in appendix A-16 of this report. The details behind the grants requested for the 2027 biennium RDGP program, along with a status of grants awarded in the 2025 biennium, are presented in Vol. 5 of the Governor's Executive Budget.