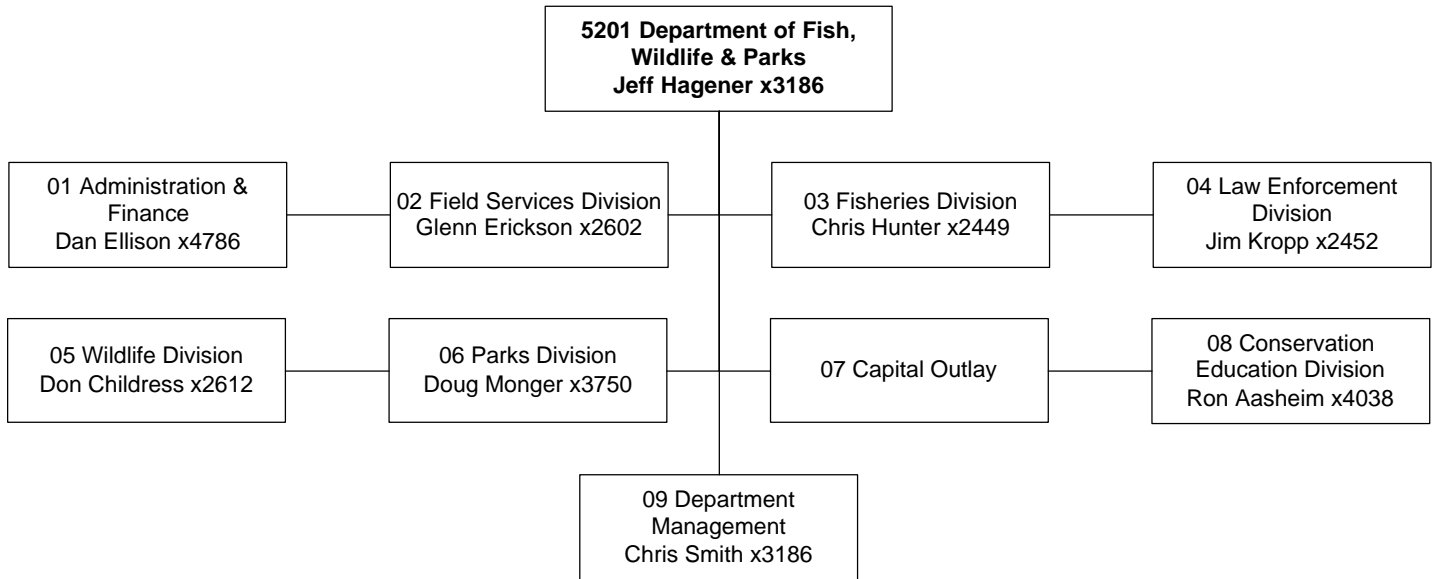


## Department of Fish, Wildlife & Parks-5201

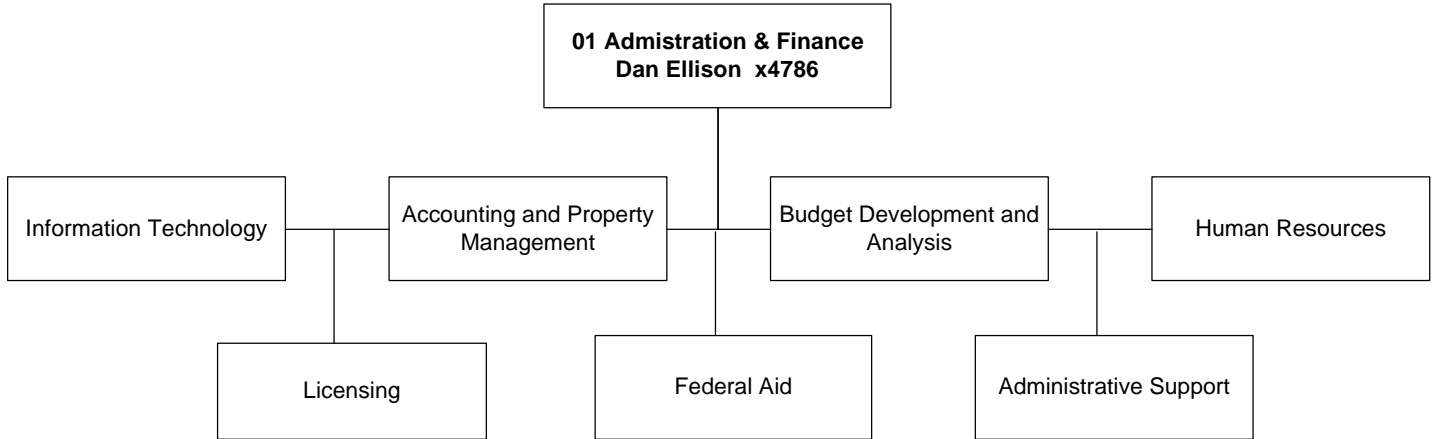


**Mission Statement** - Through our employees and citizen commission, to provide for the stewardship of the fish, wildlife, parks, and recreational resources of Montana while contributing to the quality of life for present and future generations.

**Statutory Authority** - Title 87 and 23, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	623.44	19.70	10.66	653.80	10.87	10.66	644.97
Personal Services	28,258,727	2,041,069	1,552,326	31,852,122	1,735,612	1,551,586	31,545,925
Operating Expenses	22,389,693	(296,522)	5,144,082	27,237,253	(2,551,489)	2,130,925	21,969,129
Equipment	841,890	9,593	172,000	1,023,483	(357,407)	125,000	609,483
Grants	795,654	88,787	0	884,441	(97,449)	0	698,205
Benefits & Claims	14,975	0	0	14,975	0	0	14,975
Transfers	89,317	190,352	0	279,669	190,352	0	279,669
<b>Total Costs</b>	<b>\$52,390,256</b>	<b>\$2,033,279</b>	<b>\$6,868,408</b>	<b>\$61,291,943</b>	<b>(\$1,080,381)</b>	<b>\$3,807,511</b>	<b>\$55,117,386</b>
State/Other Special	37,449,204	1,193,123	1,171,036	39,813,363	(1,502,340)	910,295	36,857,159
Federal Special	14,941,052	840,156	5,697,372	21,478,580	421,959	2,897,216	18,260,227
<b>Total Funds</b>	<b>\$52,390,256</b>	<b>\$2,033,279</b>	<b>\$6,868,408</b>	<b>\$61,291,943</b>	<b>(\$1,080,381)</b>	<b>\$3,807,511</b>	<b>\$55,117,386</b>

## Department of Fish, Wildlife & Parks-5201 Administration & Finance Division-01



**Program Description** - The Administration and Finance Division provides department-wide support for accounting, fiscal management, purchasing and property management, personnel, and federal aid administration. Additionally, the division provides information technology services to the agency and administers the sale of hunting, fishing, and other recreational licenses.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Estimated FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
License and Permit Sales	1,566,842	1,598,180	1,630,140	1,662,745	1,695,350	1,728,055

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	57.32	18.00	0.00	75.32	18.00	0.00	75.32
Personal Services	2,652,620	840,074	0	3,492,694	838,370	0	3,490,990
Operating Expenses	4,754,839	(386,967)	0	4,367,872	(444,453)	0	4,310,386
Equipment	28,488	0	0	28,488	0	0	28,488
Transfers	0	99,652	0	99,652	99,652	0	99,652
<b>Total Costs</b>	<b>\$7,435,947</b>	<b>\$552,759</b>	<b>\$0</b>	<b>\$7,988,706</b>	<b>\$493,569</b>	<b>\$0</b>	<b>\$7,929,516</b>
State/Other Special	5,833,955	305,371	0	6,139,326	281,578	0	6,115,533
Federal Special	1,601,992	247,388	0	1,849,380	211,991	0	1,813,983
<b>Total Funds</b>	<b>\$7,435,947</b>	<b>\$552,759</b>	<b>\$0</b>	<b>\$7,988,706</b>	<b>\$493,569</b>	<b>\$0</b>	<b>\$7,929,516</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$14,000	\$0
FY07	\$14,000	\$0

### PL- 101 - Sheep Auction Commission -

This budget request of \$14,000 per year of the 2007 biennium restores the budget to FY 2004 authorized level of \$30,000 and allows compliance with accounting standards for recording the 10 percent commission for a conservation organization to annually auction a bighorn sheep license.

**Department of Fish, Wildlife & Parks-5201  
Administration & Finance Division-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$8,099	\$0
FY07	\$8,099	\$0

**PL- 103 - Seasonal Overtime -**

This proposal requests \$8,099 per year state special revenue funding for seasonal overtime. Overtime is used in lieu of adding more staff during peak workload periods in the areas of licensing, payroll, budget, claims, and accounting and is removed from the budget at the beginning of the next budget cycle. This proposal reestablishes authority at the FY 2004 spending level.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$168,182)	\$0
FY07	(\$168,182)	\$0

**PL- 104 - Automated License System Operations Transition -**

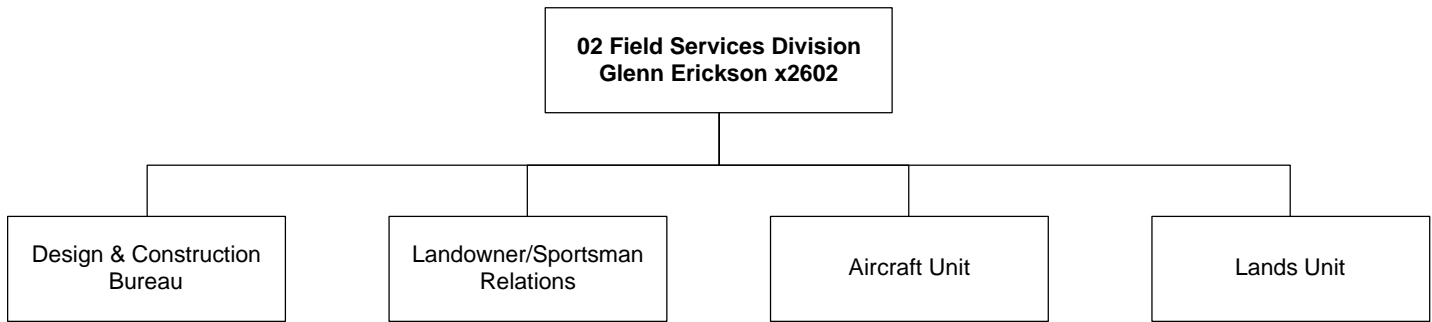
This proposal is a reduction of \$336,364 authority and an increase of 18.00 FTE in the 2007 biennium. Montana Fish, Wildlife & Parks (FWP) will transition from contracted technology services costing \$1.9 million to in-house support costing \$1.58 million for the Automated Licensing System (ALS). ALS processes over 1.5 million license items annually. Converting from an out-sourced contract approach will realize these significant cost reductions, enhance system security and data integrity, and provide more timely and higher quality support to those who sell and purchase Montana hunting and fishing licenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$99,652	\$0
FY07	\$99,652	\$0

**PL- 105 - Search and Rescue Transfer -**

This request provides \$99,652 state special revenue authority each year. The 2003 Legislature passed SB112, which requires funding search and rescue operations for hunters, anglers, and trappers.

## Department of Fish, Wildlife & Parks-5201 Field Services Division-02



**Program Description** - The Field Services Division provides services in the following areas. The Landowner Sportsman Relations Unit establishes and maintains communications with users, resource-based organizations and individuals; provides coordination for FWP weed management, livestock reimbursement, and landowner assistance functions; and administers the Living with Wildlife, Game Damage, Block Management, and Access Montana hunting access enhancement programs. The Living with Wildlife program provides grants to agencies, local government, and non-government organizations to reduce human/wildlife conflicts in urban and suburban settings. The Game Damage program provides assistance to landowners in minimizing impacts of game animals to property and crops. The Block Management and Access Montana programs provide tangible benefits to landowners to offset potential impacts associated with public hunting access on private property or to obtain public hunting access to public land.

The Design and Construction Bureau administers the department's Crossing the Barriers program and provides architectural and engineering services for construction and maintenance projects at state parks, state fishing access sites, and wildlife management areas.

The Aircraft Unit provides aerial mountain lake surveys and fish planting, wildlife surveys, wildlife capture and marking and transportation for the department.

The Land Unit is responsible for the real estate functions of the department, including the preparation of conservation easement terms and amendments, acquisition and disposal of real estate and real property, and management of all permanent land records.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Number of acres enrolled in block management	8,668,096	8,809,758	8,761,894	8,750,000	5,000,000	0
Number of hunter days on block management land	347,915	378,444	408,093	375,000	200,000	0

Requested FY2006 and FY2007 estimates reflect current law. The Block Management program will sunset on March 1, 2006, unless changed by legislation.

**Department of Fish, Wildlife & Parks-5201  
Field Services Division-02**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	42.60	(4.30)	0.00	38.30	(10.63)	0.00	31.97
Personal Services	1,823,405	(27,320)	0	1,796,085	(210,061)	0	1,613,344
Operating Expenses	5,739,537	(1,326,088)	30,000	4,443,449	(3,453,240)	30,000	2,316,297
Equipment	13,306	0	0	13,306	0	0	13,306
Benefits & Claims	14,975	0	0	14,975	0	0	14,975
<b>Total Costs</b>	<b>\$7,591,223</b>	<b>(\$1,353,408)</b>	<b>\$30,000</b>	<b>\$6,267,815</b>	<b>(\$3,663,301)</b>	<b>\$30,000</b>	<b>\$3,957,922</b>
State/Other Special	6,831,042	(1,397,073)	30,000	5,463,969	(3,388,896)	30,000	3,472,146
Federal Special	760,181	43,665	0	803,846	(274,405)	0	485,776
<b>Total Funds</b>	<b>\$7,591,223</b>	<b>(\$1,353,408)</b>	<b>\$30,000</b>	<b>\$6,267,815</b>	<b>(\$3,663,301)</b>	<b>\$30,000</b>	<b>\$3,957,922</b>

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$2,081,947)	\$0
FY07	(\$4,364,950)	\$0

**PL- 201 - Block Management -**

This proposal reduces authority in FY 2006 by \$2,081,947 and FY 2007 by \$4,364,950 and reduces 4.30 FTE in FY 2006 and 10.63 FTE in FY 2007. SB 285 of the 2001 Legislature, which will sunset March 1, 2006, provided the authority and funding for FWP to establish and administer the Hunting Access Enhancement Program, including Block Management (private land access) and Access Montana (public land access.) This proposal will allow FWP to phase-out the program in the fall of 2005, the last hunting season before the program authority sunsets. LC# 233 has been submitted to the Legislature to reauthorize the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$460,000	\$0
FY07	\$460,000	\$0

**PL- 202 - General Recreation Use of State Lands -**

This request for state special revenue provides \$460,000 annual authority required by the 10-year memorandum of understanding entered into in March 1, 2004, with Fish, Wildlife and Parks and the Department of Natural Resources and Conservation to compensate the school trust for the value of recreational use of school trust lands by hunters and anglers in an amount equivalent to \$2 for every conservation license sold the prior year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$71,356	\$0
FY07	\$108,720	\$0

**PL- 203 - Taxes -**

This proposal restores and makes permanent the one-time-only authority approved by the 2003 Legislature of \$71,356 in FY 2006 and \$108,720 in FY 2007 to meet anticipated tax liabilities on department owned lands. FWP is required by statute to make payments to counties equivalent to property taxes on wildlife management areas, fishing access sites, hatcheries and administrative sites.

**Department of Fish, Wildlife & Parks-5201  
Field Services Division-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$45,211	\$0
FY07	(\$19,789)	\$0

**PL- 205 - Public Wildlife Interface Biennial -**

This request combined with the base budget, will continue the \$65,000 state special revenue biennial appropriation for the 2007 biennium. The Public Wildlife Interface Program is cooperative efforts between FWP, local governments, and other entities to disseminate information on topics such as living with wildlife and for other programs associated with this issue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$37,539	\$0
FY07	\$37,539	\$0

**PL- 206 - Net Client Hunter Use - Restricted -**

This proposal restores \$37,539 restricted authority each year of the biennium for FWP to carryout its statutory responsibilities under 37-47-317, MCA, to analyze the impacts of applications for an increase in Net Client Hunting Use by outfitters. In FY 2004 the Board of Outfitters received two NCHU applications.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$19,098	\$0
FY07	\$19,098	\$0

**PL- 209 - Internal Service Rate Adjustment -**

This budget request of \$19,098 each year will allow FWP to manage its fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates are used to maintain the department fleet and replace existing vehicles as needed.

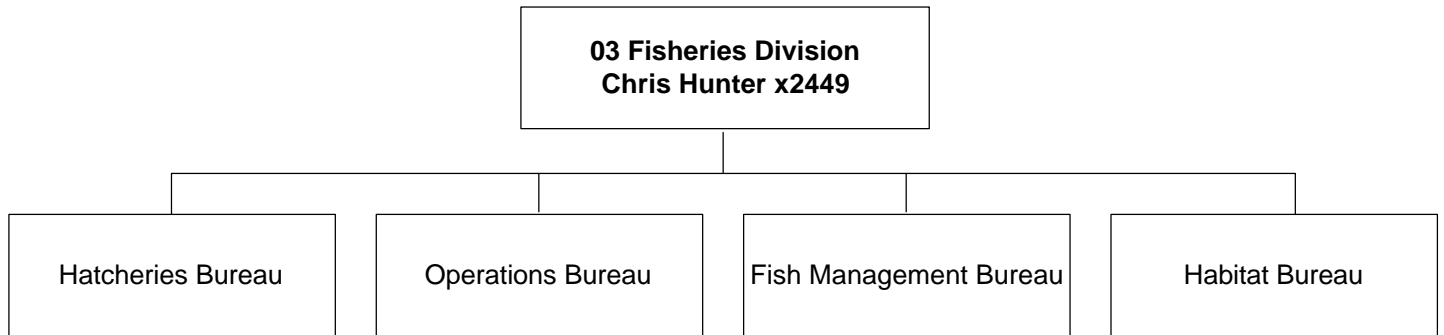
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$30,000	\$0
FY07	\$30,000	\$0

**NP- 208 - Urban Wildlife -**

This proposal requests \$60,000 state special authority for the biennium to assist cities and towns in planning and implementing urban wildlife control.

**Department of Fish, Wildlife & Parks-5201  
Fisheries Division-03**



**Program Description** - The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities and aquatic wildlife stewardship. 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 program:

- operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited;
- regulates angler harvests;
- monitors fish populations; and
- provides and maintains adequate public access.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Number of fish stocked (in millions)	41.3	41.1	60.0	60.0	80.0	80.0
Pounds of fish stocked	261,072	375,000	350,000	680,000	680,000	680,000
Fish habitat projects	37	41	41	40	40	40

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	142.02	1.00	3.00	146.02	1.00	3.00	146.02
Personal Services	6,199,430	523,650	1,276,604	7,999,684	526,886	1,276,511	8,002,827
Operating Expenses	3,584,954	78,183	1,325,403	4,988,540	70,683	1,325,496	4,981,133
Equipment	217,165	10,000	125,000	352,165	0	125,000	342,165
Grants	30,000	0	0	30,000	0	0	30,000
<b>Total Costs</b>	<b>\$10,031,549</b>	<b>\$611,833</b>	<b>\$2,727,007</b>	<b>\$13,370,389</b>	<b>\$597,569</b>	<b>\$2,727,007</b>	<b>\$13,356,125</b>
State/Other Special	3,635,112	193,625	477,007	4,305,744	189,704	477,007	4,301,823
Federal Special	6,396,437	418,208	2,250,000	9,064,645	407,865	2,250,000	9,054,302
<b>Total Funds</b>	<b>\$10,031,549</b>	<b>\$611,833</b>	<b>\$2,727,007</b>	<b>\$13,370,389</b>	<b>\$597,569</b>	<b>\$2,727,007</b>	<b>\$13,356,125</b>

**Department of Fish, Wildlife & Parks-5201  
Fisheries Division-03**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$11,250	\$0
FY07	\$11,250	\$0

**PL- 302 - Lower Yellowstone River Operations -**

This proposed federal funding of \$11,250 each year of the 2007 biennium will provide funding for a Lower Yellowstone River Biologist position. The position was created through reorganization of the Helena staff. This biologist will be responsible for regional fisheries work including species inventory and management of paddlefish, sauger, blue suckers, etc.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$62,222	\$0
FY07	\$47,194	\$0

**PL- 304 - Fisheries Field Technician -**

This request is for 1.00 FTE and authority of \$62,222 in FY 2006 and \$47,194 in FY 2007 for additional fish technicians that perform the day-to-day fieldwork under the direction of a regional biologist.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$20,000	\$0
FY07	\$20,000	\$0

**PL- 305 - USFWS Virology Contract -**

This request of \$40,000 in budget authority, funded 25 percent state special revenue and 75 percent federal special revenue, for the biennium will support FWP's contract with the USFWS for virology laboratory support. Virology had been previously provided without any charge.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$22,600	\$0
FY07	\$22,600	\$0

**PL- 308 - Internal Service Rate Adjustment -**

This budget request of \$22,600 each year will allow FWP to manage its fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates are used to maintain the department fleet and replace existing vehicles as needed.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$477,007	\$0
FY07	\$477,007	\$0

**NP- 301 - Fort Peck Hatchery Operations -**

This budget request of \$477,007 per year of the 2007 biennium and 3.00 FTE will allow hiring of staff and operation of the Fort Peck Hatchery. The 2003 Legislature approved an on-site manager to coordinate the construction and that additional staff would be necessary when completed. Funding comes from revenue earmarked from the sales of the warm water fish stamp.

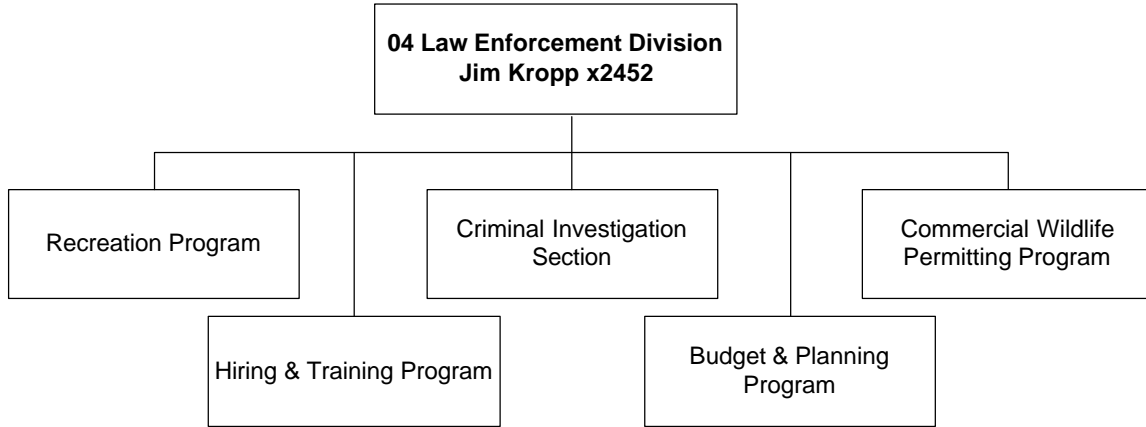
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,250,000	\$0
FY07	\$2,250,000	\$0

**NP- 306 - Short Term Federal Authority OTO -**

The budget request is for one-time-only authority of \$2.25 million for anticipated additional short-term federal grants.



**Department of Fish, Wildlife & Parks-5201  
Enforcement Division-04**



**Program Description** - The Law Enforcement Division is responsible for ensuring compliance with state laws and regulations for the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other wildlife species. It also enforces laws and regulations relative to lands or waters under the jurisdiction and authority of the department such as parks, fishing access sites, and wildlife management areas, as well as those laws and regulations pertaining to boating, snowmobile, and all-terrain vehicle safety and registration. Other duties include administration of special purpose licenses, overseeing the department's licensing agents, and investigating wildlife damage complaints.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Number of Contacts	145,695	157,463	142,440	150,000	150,000	150,000
Number of Violations	13,224	12,326	12,498	12,000	12,000	12,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	101.95	(2.50)	3.50	102.95	(5.00)	3.50	100.45
Personal Services	5,138,378	97,047	127,693	5,363,118	(26,665)	127,353	5,239,066
Operating Expenses	1,497,122	16,111	128,186	1,641,419	(17,597)	63,408	1,542,933
Equipment	72,248	0	0	72,248	0	0	72,248
Grants	35,400	0	0	35,400	(40,000)	0	(4,600)
<b>Total Costs</b>	<b>\$6,743,148</b>	<b>\$113,158</b>	<b>\$255,879</b>	<b>\$7,112,185</b>	<b>(\$84,262)</b>	<b>\$190,761</b>	<b>\$6,849,647</b>
State/Other Special	6,514,140	89,913	164,047	6,768,100	(78,192)	99,047	6,534,995
Federal Special	229,008	23,245	91,832	344,085	(6,070)	91,714	314,652
<b>Total Funds</b>	<b>\$6,743,148</b>	<b>\$113,158</b>	<b>\$255,879</b>	<b>\$7,112,185</b>	<b>(\$84,262)</b>	<b>\$190,761</b>	<b>\$6,849,647</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$200,000	\$0
FY07	\$200,000	\$0

**PL- 401 - Warden Overtime -**

This proposal for \$200,000 per year of the 2007 biennium will fund overtime for wardens working during official holidays, for providing emergency responses, and for increased coverage during peak times and seasons.

**Department of Fish, Wildlife & Parks-5201  
Enforcement Division-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,733	\$0
FY07	(\$2,267)	\$0

**PL- 403 - Bison Hunt Biennial -**

This proposal, combined with the base budget, will create a biennial \$10,000 state special revenue appropriation for a bison hunt to be used as a management tool in accordance with SB 395, passed by the 2003 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	(\$40,000)	\$0

**PL- 406 - Adjust County Water Safety -**

This budget reduction of \$40,000 state special revenue in FY 2007 is for the County Water Safety Program. Current statute 23-2-532, MCA, will sunset June 30, 2006. LC# 238 has been submitted to the Legislature to reauthorize the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$145,903)	\$0
FY07	(\$291,806)	\$0

**PL- 411 - Block Management Program -**

This proposal reduces authority in FY 2006 by \$145,903 and in FY 2007 by \$291,806 and reduces FTE by 2.50 in FY 2006 and 5.00 FTE FY 2007. SB 285, passed by the 2001 Legislature which will sunset March 1, 2006 and provide for the authority and funding for FWP to establish and administer the Hunting Access Enhancement Program, including Block Management (private land access) and Access Montana (public land access.) This proposal will allow FWP to phase-out the program in the fall of 2005, the last hunting season before the program authority sunsets. LC# 233 has been submitted to the Legislature to reauthorize the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$27,499	\$0
FY07	\$27,499	\$0

**PL- 412 - Internal Service Rate Adjustment -**

This budget request of \$27,499 each year will allow FWP to manage its fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates are used to maintain the department fleet and replace existing vehicles as needed.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$44,047	\$0
FY07	(\$10,953)	\$0

**NP- 402 - Commercial Licensing Program - Biennial/Rest/OTO -**

This proposal is requesting the continuation of state special one-time-only biennial appropriation of \$55,000. The allocation is used to pay for Environmental Assessments (EA) and Environmental Impact Statements (EIS), commercial wildlife inspections, administration of shooting preserves, game bird farms, alternative livestock facilities, taxidermists, falconry, etc.

**Department of Fish, Wildlife & Parks-5201  
Enforcement Division-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$20,000	\$0
FY07	\$20,000	\$0

**NP- 407 - Short Term Federal Authority OTO -**

This proposal will provide \$20,000 per year of the 2007 biennium of one-time-only federal authority for funding that may become available under contractual agreements with the federal government.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$120,000	\$0
FY07	\$110,000	\$0

**NP- 408 - Regional Investigators -**

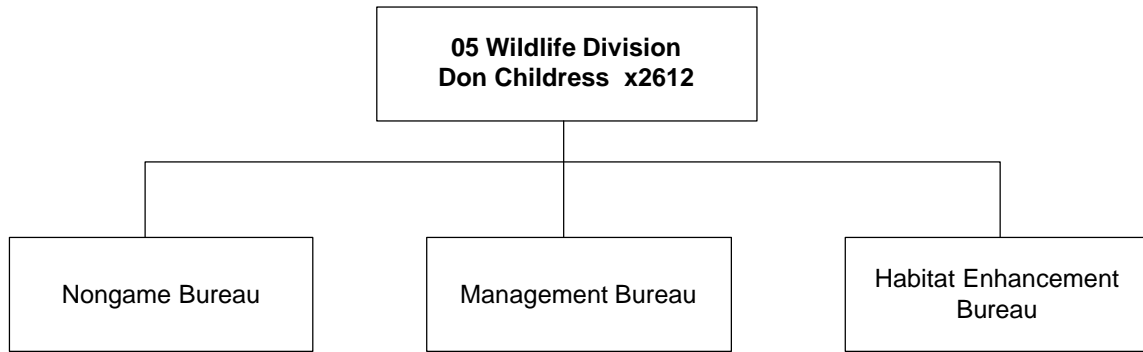
This request is recommended by the Executive to fund 2.00 FTE regional investigators and related operating expenses totaling \$120,000 in FY 2006 and \$110,000 in FY 2007. This proposal reflects the need to provide enhanced investigation capability without compromising the growing workload responsibilities and legislative mandates of district game wardens.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$71,832	\$0
FY07	\$71,714	\$0

**NP- 409 - Seasonal Water Safety - Restricted -**

This restricted federally funded request would fund 1.50 FTE in FY 2006 and FY 2007 and related operating costs totaling \$71,832 in FY 2006 and \$71,714 in FY 2007. These seasonal water safety officer positions will increase water safety education, increase enforcement presence, and address water recreation conflicts. LC# 236 is proposed to reinstate the annual boat registration.

**Department of Fish, Wildlife & Parks-5201  
Wildlife Division-05**



**Program Description -** The Wildlife Division is responsible for the department's statewide Wildlife Management Program, which enhances the use of Montana renewable wildlife resources for public benefit. It protects, regulates, and perpetuates wildlife populations with habitat management and regulated harvest. Through promotion of land management practices, wildlife habitat areas are maintained and enhanced. In addition, the program provides wildlife recreational opportunities to the public, including non-game wildlife, and provides public information regarding conservation of wildlife populations and wildlife habitats. The program manages animals legislatively categorized as big game, small game, furbearers, and threatened and endangered species.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Acres of habitat acquired or enhanced	54,861	85,000	200,000	220,000	150,000	150,000
Regulations printed	737,000	798,600	695,000	695,000	700,000	700,000
Recreation day associated with hunting and trapping	2,116,965	2,569,203	2,700,000	3,000,000	3,000,000	3,000,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	101.43	1.00	1.50	103.93	1.00	1.50	103.93
Personal Services	4,836,183	285,423	57,680	5,179,286	285,211	57,535	5,178,929
Operating Expenses	2,725,472	317,171	539,729	3,582,372	317,218	539,729	3,582,419
Equipment	41,268	0	47,000	88,268	0	0	41,268
Grants	133,847	0	0	133,847	0	0	133,847
<b>Total Costs</b>	<b>\$7,736,770</b>	<b>\$602,594</b>	<b>\$644,409</b>	<b>\$8,983,773</b>	<b>\$602,429</b>	<b>\$597,264</b>	<b>\$8,936,463</b>
State/Other Special	4,028,187	376,789	123,869	4,528,845	376,427	76,762	4,481,376
Federal Special	3,708,583	225,805	520,540	4,454,928	226,002	520,502	4,455,087
<b>Total Funds</b>	<b>\$7,736,770</b>	<b>\$602,594</b>	<b>\$644,409</b>	<b>\$8,983,773</b>	<b>\$602,429</b>	<b>\$597,264</b>	<b>\$8,936,463</b>

**Department of Fish, Wildlife & Parks-5201  
Wildlife Division-05**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$27,750	\$0
FY07	\$27,750	\$0

**PL- 501 - Elk, Moose, and Mule Deer Auctions -**

This budget includes state special funding of \$27,750 each year for enhanced elk, moose, and mule deer survey efforts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$250,000	\$0
FY07	\$250,000	\$0

**PL- 502 - Enhanced Wildlife Surveys -**

This budget request for and additional 1.00 FTE and \$250,000 each year of the 2007 biennium will fund an additional pilot for increased operations and allow the department to refine its techniques for survey and inventory while increasing the amount of survey and inventory work completed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$43,500	\$0
FY07	\$43,500	\$0

**PL- 505 - Restore Nongame Wildlife Funds- Restricted/OTO-**

The Executive recommends restricted one-time-only state special revenue funding of \$43,500 each year of the 2007 biennium. The authority will fund survey and inventory of non-game species.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$26,388	\$0
FY07	\$26,388	\$0

**PL- 507 - Increase for Migratory Bird Program Funds -**

This state special revenue budget request will increase operations by \$26,388 each year of the biennium. This will allow for implementation of the wetland program under the Wetland Legacy Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,362	\$0
FY07	\$25,362	\$0

**PL- 510 - Internal Service Rate Adjustment -**

This budget includes \$25,362 per year of the 2007 biennium which will allow FWP to manage its fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles as needed.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$36,692	\$0
FY07	\$36,595	\$0

**NP- 503 - Wildlife Conflict Specialist R1 -**

The Executive is recommending the addition of 1.00 FTE and state special revenue funding of \$36,692 in FY 2006 and \$36,595 in FY 2007 for a wildlife conflict specialist and related operating expenditures. The specialist's duties will focus on responding to nuisance black bears, mountain lions, and moose in the urban/wild land interface.

**Department of Fish, Wildlife & Parks-5201  
Wildlife Division-05**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$160,717	\$0
FY07	\$160,669	\$0

**NP- 504 - Mountain Lion Research OTO -**

This proposal continues a one-time-only operating budget of \$160,717 in FY 2006 and \$160,669 in FY 2007 for mountain lion research initiated in 1997 and the continuation of a 0.50 FTE to assist with lion trapping and track monitoring from October through March. Research is important to ensure proper management of mountain lion populations to meet both hunting and public safety goals. The current research project is planned to continue through 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$47,000	\$0
FY07	\$0	\$0

**NP- 506 - Equipment OTO -**

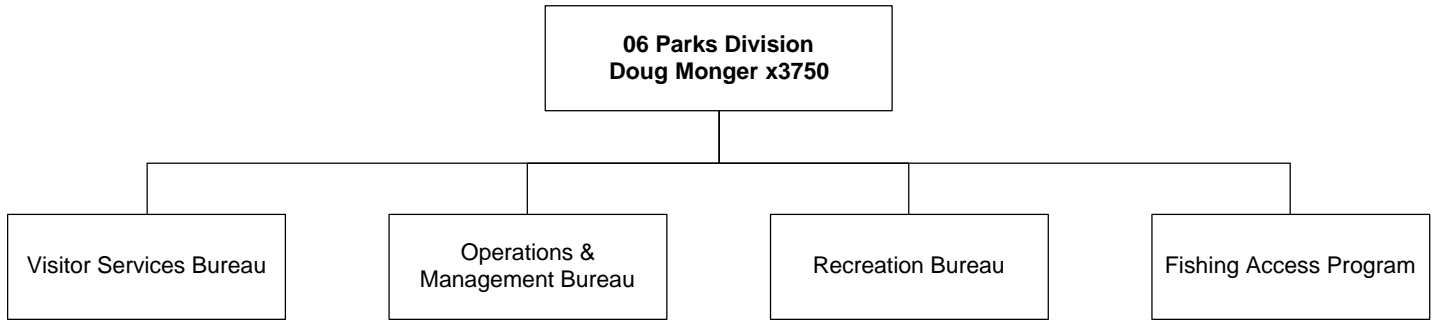
The Executive recommends this one-time-only \$47,000 request of state special revenue in FY 2006. The additional equipment authority is for a 60 horsepower utility tractor with loader and cab to replace a 1970 tractor.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$400,000	\$0
FY07	\$400,000	\$0

**NP- 508 - Short Term Federal Authority OTO -**

This budget request will restore \$400,000 per year of the 2007 biennium of one-time-only federal authority for short-term contracts that are used to perform projects for federal agencies via contract.

## Department of Fish, Wildlife & Parks-5201 Parks Division-06



**Program Description** - The Parks Division is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, and for providing for their use and enjoyment. The program includes 42 parks, 12 affiliated lands such as rifle ranges and recreation sites managed by local and federal agencies, and 320 fishing access sites. Other programs administered by the division include motorized and non-motorized trail grants, local government recreation grants, and state Capitol Complex grounds maintenance.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
State Park Visitation	1.1 million	1.6 million	1.6 million	1.7 million	1.8 million	2.0 million
Satisfaction with state park maintenance	70%	85%	85%	85%	90%	90%
Satisfaction with resources protection	69%	85%	85%	85%	85%	90%
Satisfaction with staff service	79%	85%	85%	85%	95%	95%
Satisfaction with park education programs	63%	75%	75%	75%	80%	85%
Satisfaction with feeling safe in parks	70%	85%	85%	85%	85%	90%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	97.26	5.50	0.00	102.76	5.50	0.00	102.76
Personal Services	3,638,192	173,366	0	3,811,558	175,305	0	3,813,497
Operating Expenses	1,666,096	955,586	35,000	2,656,682	956,021	35,000	2,657,117
Equipment	448,452	(407)	0	448,045	(357,407)	0	91,045
Grants	380,782	88,787	0	469,569	88,787	0	469,569
Transfers	89,317	90,700	0	180,017	90,700	0	180,017
<b>Total Costs</b>	<b>\$6,222,839</b>	<b>\$1,308,032</b>	<b>\$35,000</b>	<b>\$7,565,871</b>	<b>\$953,406</b>	<b>\$35,000</b>	<b>\$7,211,245</b>
State/Other Special	5,878,656	1,280,471	0	7,159,127	925,845	0	6,804,501
Federal Special	344,183	27,561	35,000	406,744	27,561	35,000	406,744
<b>Total Funds</b>	<b>\$6,222,839</b>	<b>\$1,308,032</b>	<b>\$35,000</b>	<b>\$7,565,871</b>	<b>\$953,406</b>	<b>\$35,000</b>	<b>\$7,211,245</b>

**Department of Fish, Wildlife & Parks-5201  
Parks Division-06**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$24,607)	\$0
FY07	(\$24,607)	\$0

**PL- 601 - Equipment Reduction -**

This budget request is to reduce equipment authority by \$24,607 in FY 2006 and FY 2007 for a one-time equipment purchase in the base year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,561	\$0
FY07	\$7,561	\$0

**PL- 602 - Restore Land & Water Conservation Program Funds -**

This request of \$7,561 in both years of the 2007 biennium will restore federal authority to administer the Land and Water community grants program. The Land and Water Conservation Fund (LWCF) passes federal monies to local communities through the State Parks budget to build ball fields, parks, playgrounds, and trails.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$917,422	\$0
FY07	\$917,335	\$0

**PL- 604 - Restore Park Field Maintenance & Operations -**

The budget restores state special funding of approximately \$917,500 each year of the biennium and 2.50 FTE of base State Park authority commensurate with the intent of SB 336, passed by the 2003 Legislature. The request includes \$90,700 each year for transfers to Virginia and Nevada Cities as required in 15-1-122, MCA. These will be seasonal positions doing front line maintenance at parks including litter pickup, painting buildings, weed control, mowing, cleaning restrooms, latrine pumping, fencing, roof repair, historic building preservation, road repairs, major maintenance, etc.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$236,871	\$0
FY07	\$236,720	\$0

**PL- 605 - FAS Base Maintenance and Operations -**

The Executive recommends restoring base authority of \$236,871 in FY 2006 and \$236,720 in FY 2007 and an increase of 3.00 FTE from Fishing Access Site (FAS) authority commensurate with the intent of SB 336, passed by the 2003 Legislature. The FTE will allow hiring seasonal maintenance help and enforcement staff to improve safety of visitors and reduce vandalism. Operating authority will allow maintenance tasks such as weed control, boat ramp repair, painting, fencing, pumping latrines, grading roads, improving signs and repairing vandalism.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$38,000	\$0
FY07	\$38,000	\$0

**PL- 606 - Community Service -**

This request will restore \$38,000 state special authority in each year of the 2007 biennium to continue utilizing community service programs to assist with park maintenance projects. The department used a modified FTE to supervise volunteers and those expenditures were not included in the base year.



**Department of Fish, Wildlife & Parks-5201  
Parks Division-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$24,200	\$0
FY07	(\$332,800)	\$0

**PL- 607 - Snowmobile Groomer Replacement - Biennial -**

This increase to the biennium budget request of \$24,200 state special revenue for replacement of snowmobile groomer equipment. State parks purchase equipment for local clubs to groom snowmobiling trails statewide.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$107,349	\$0
FY07	\$107,349	\$0

**PL- 608 - Snowmobile Grants & Operations -**

This budget request will restore \$107,349 state special revenue each year of the 2007 biennium for the maintenance of snowmobile trails by local snowmobile clubs statewide.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$13,406	\$0
FY07	\$13,406	\$0

**PL- 610 - Internal Service Rate Adjustment -**

This budget request of \$13,406 each year will allow FWP to manage its fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates are used to maintain the department fleet and replace existing vehicles as needed.

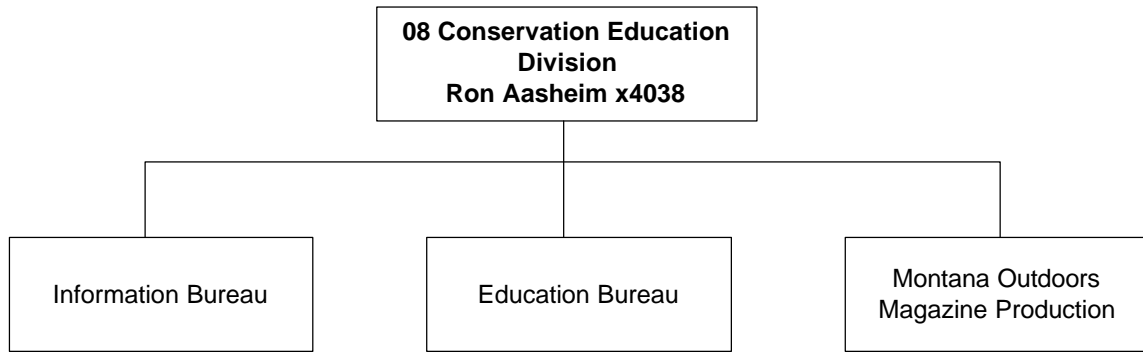
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$35,000	\$0
FY07	\$35,000	\$0

**NP- 603 - Short Term Federal Authority OTO -**

This budget request will restore \$70,000 for the 2007 biennium for one-time-only federal authority with short-term contracts.

## Department of Fish, Wildlife & Parks-5201 Conservation Education Division-08



**Program Description** - The Conservation Education Division, through its Helena office and seven regional information officers, coordinates the department's information and education programs. Its responsibilities include:

- Distributing public information through news releases, audio-visual materials, brochures and public service announcements;
- Coordinating youth education programs;
- Coordinating the production of hunting, fishing and trapping regulations;
- Coordinating the hunter, bow-hunter, snowmobile, boat and off-highway vehicle education and safety programs; and
- Providing reception services for the department's Helena Headquarters.
- In addition, the program publishes Montana Outdoors Magazine, produces video documentaries, maintains a film/video lending library, and operates the department's wild animal rehabilitation center.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Hunter Ed students instructed	6,670	6,500	6,500	6,500	6,500	6,500
Bow-hunter Ed students instructed	2,056	2,416	2,500	2,500	2,500	2,500
Television Outdoor reports	52	52	52	48	50	50

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	24.89	0.00	1.16	26.05	0.00	1.16	26.05
Personal Services	1,252,129	61,978	31,393	1,345,500	62,297	31,353	1,345,779
Operating Expenses	1,261,359	19,780	25,764	1,306,903	(145)	77,292	1,338,506
Equipment	6,900	0	0	6,900	0	0	6,900
Grants	146,236	0	0	146,236	(146,236)	0	0
<b>Total Costs</b>	<b>\$2,666,624</b>	<b>\$81,758</b>	<b>\$57,157</b>	<b>\$2,805,539</b>	<b>(\$84,084)</b>	<b>\$108,645</b>	<b>\$2,691,185</b>
State/Other Special	1,933,336	96,425	57,157	2,086,918	(69,417)	108,645	1,972,564
Federal Special	733,288	(14,667)	0	718,621	(14,667)	0	718,621
<b>Total Funds</b>	<b>\$2,666,624</b>	<b>\$81,758</b>	<b>\$57,157</b>	<b>\$2,805,539</b>	<b>(\$84,084)</b>	<b>\$108,645</b>	<b>\$2,691,185</b>

**Department of Fish, Wildlife & Parks-5201  
Conservation Education Division-08**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$17,801	\$0
FY07	(\$148,435)	\$0

**PL- 802 - Shooting Range Grants Biennial -**

The Executive recommends this increase of \$17,801 state special revenue for the biennium to administer a public shooting range grant program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,000	\$0
FY07	\$2,000	\$0

**PL- 804 - OHV Information & Education -**

This base budget request for \$2,000 state special authority each year for printing off highway vehicle materials.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,315	\$0
FY07	\$3,315	\$0

**PL- 805 - Snowmobile Information & Education -**

This base adjustment of state special authority is \$3,315 for both years of the biennium to print snowmobile trail maps.

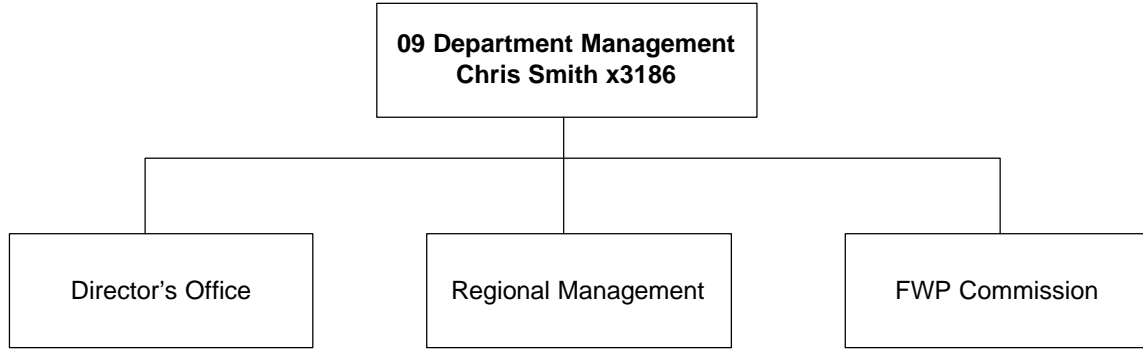
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$57,157	\$0
FY07	\$108,645	\$0

**P- 801 - The Wildlife Center -**

The Executive recommends this proposal of \$57,157 in FY 2006 and \$108,645 in FY 2007 of state special authority to fund 1.16 FTE for staff to perform daily operations of the education center.

**Department of Fish, Wildlife & Parks-5201  
Department Management-09**



**Program Description** - The Department Management Division is responsible for:

- Overall department direction regarding policy, planning, program development, guidelines, and budgets;
- Serving as a liaison with the Governor's Office and the legislature;
- Interaction with the Fish, Wildlife and Parks Commission;
- Decision-making for key resource activities affecting the department;
- Supervision of the seven divisions that provide program development and staff support;
- Supervision of the seven regional offices that are responsible for program implementation;
- Legal services for the department; and
- Serving as a liaison with Montana's Indian tribes and with other state and federal agencies.

**Program Indicators** -

Indicator	Actual FY2002	Actual FY2003	Estimated FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Personnel appraisals conducted (Performance Agreements)	95%	83%	98%	98%	98%	98%
Percent % of employee participants in Leadership & Career Development Initiatives	77%	85%	90%	90%	90%	90%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	55.97	1.00	1.50	58.47	1.00	1.50	58.47
Personal Services	2,718,390	86,851	58,956	2,864,197	84,269	58,834	2,861,493
Operating Expenses	1,160,314	29,702	3,060,000	4,250,016	20,024	60,000	1,240,338
Equipment	14,063	0	0	14,063	0	0	14,063
Grants	69,389	0	0	69,389	0	0	69,389
<b>Total Costs</b>	<b>\$3,962,156</b>	<b>\$116,553</b>	<b>\$3,118,956</b>	<b>\$7,197,665</b>	<b>\$104,293</b>	<b>\$118,834</b>	<b>\$4,185,283</b>
State/Other Special	2,794,776	247,602	318,956	3,361,334	260,611	118,834	3,174,221
Federal Special	1,167,380	(131,049)	2,800,000	3,836,331	(156,318)	0	1,011,062
<b>Total Funds</b>	<b>\$3,962,156</b>	<b>\$116,553</b>	<b>\$3,118,956</b>	<b>\$7,197,665</b>	<b>\$104,293</b>	<b>\$118,834</b>	<b>\$4,185,283</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$16,000	\$0
FY07	\$16,000	\$0

**PL- 901 - Commission Expense -**

This request is recommended by the Executive to restore \$16,000 each year of the biennium of personal services authority for commissioner per diem.

**Department of Fish, Wildlife & Parks-5201  
Department Management-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	(\$8,040)	\$0

**PL- 904 - Statute Book Printing -**

The budget includes a reduction of \$8,040 in the second year of the biennium for costs association with cyclical printing costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$72,657	\$0
FY07	\$72,508	\$0

**PL- 910 - Litigation Expenses -**

This budget request is recommended by the Executive to add 1.00 FTE and related operating expenses of \$72,657 in FY 2006 and \$72,508 in FY 2007. Increased litigation workload requires the increase of two current half-time positions to full-time positions.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$30,000	\$0
FY07	\$30,000	\$0

**NP- 902 - Regional Office Equipment - OTO -**

This one-time-only budget request includes \$30,000 each year of the biennium to fund maintenance and minor office equipment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,000,000	\$0
FY07	\$0	\$0

**NP- 905 - State Wildlife Grants - Biennial/OTO -**

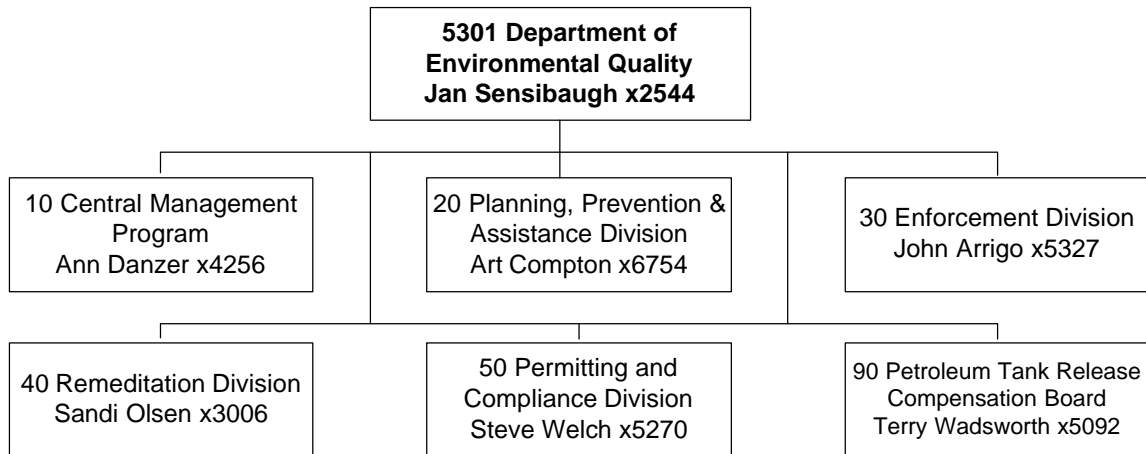
The Executive recommends this biennial one-time-only request for \$200,000 state special revenue and \$2,800,000 federal special revenue for projects to conserve and enhance population of native fish and wildlife species.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$88,956	\$0
FY07	\$88,834	\$0

**NP- 908 - River Recreation Management -**

This request is recommended by the Executive and will fund 1.50 FTE and \$88,956 in FY 2006 and \$88,834 in FY 2007. A full-time recreation manager will work with the public on social conflicts and river access and a half-time river ranger is charged with managing use on rivers and fishing access sites.

## Department of Environmental Quality-5301

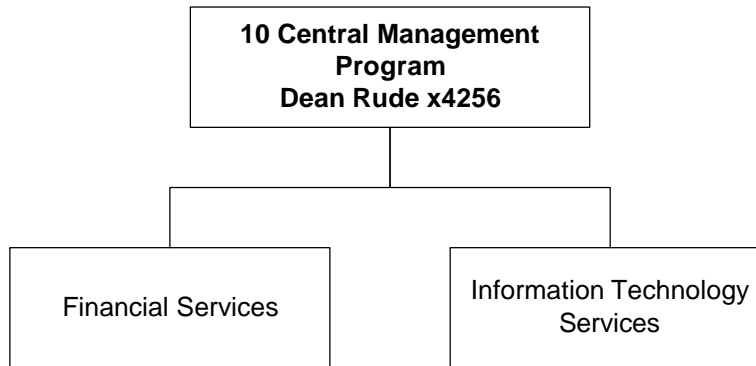


**Mission Statement** - To protect, promote and enhance public health and environmental quality for the benefit of all Montana citizens.

**Statutory Authority** - Titles 2, 7, 37, 50, 69, 75, 76, 80, 82 and 90, MCA; USC 24, 30, 33 and 42; PL No. 92-500, 95-87, 91, 95-224 and 99-519.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	355.03	16.75	2.75	374.53	16.75	2.75	374.53
Personal Services	15,630,089	2,571,026	110,506	18,311,621	2,547,629	110,208	18,287,926
Operating Expenses	24,154,345	37,752,198	5,214,609	67,121,152	780,219	3,208,459	28,143,023
Equipment	102,112	2,563	0	104,675	2,563	0	104,675
Grants	1,457,581	316,599	0	1,774,180	431,998	0	1,889,579
Benefits & Claims	0	4,100,000	0	4,100,000	0	0	0
<b>Total Costs</b>	<b>\$41,344,127</b>	<b>\$44,742,386</b>	<b>\$5,325,115</b>	<b>\$91,411,628</b>	<b>\$3,762,409</b>	<b>\$3,218,667</b>	<b>\$48,425,203</b>
General Fund	3,053,744	1,075,753	0	4,129,497	1,043,196	0	4,096,940
State/Other Special	17,829,392	35,208,772	2,731,525	55,769,689	(1,238,764)	2,159,563	18,750,191
Federal Special	20,460,991	8,457,861	2,593,590	31,512,442	3,957,977	1,159,104	25,578,072
<b>Total Funds</b>	<b>\$41,344,127</b>	<b>\$44,742,386</b>	<b>\$5,325,115</b>	<b>\$91,411,628</b>	<b>\$3,762,409</b>	<b>\$3,318,667</b>	<b>\$43,925,203</b>

## Department of Environmental Quality-5301 Central Management Program-10



**Program Description** - The Central Management Program consists of the director's office, a financial services office, and an information technology office. It is the organizational component of the DEQ responsible and accountable for the administration, management, planning, and evaluation of agency performance in carrying out department mission and statutory responsibilities. The director's office includes the director's staff, the deputy director, an administrative officer, public information officer, a centralized legal services unit, and a centralized personnel office. The financial services office provides budgeting, accounting, payroll, procurement and contract management support to other divisions. The information technology office provides information technology services support to other divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	11.00	0.00	0.00	11.00	0.00	0.00	11.00
Personal Services	495,078	107,368	0	602,446	107,456	0	602,534
Operating Expenses	593,848	2,234,926	362,424	3,191,198	25,180	0	619,028
<b>Total Costs</b>	<b>\$1,088,926</b>	<b>\$2,342,294</b>	<b>\$362,424</b>	<b>\$3,793,644</b>	<b>\$132,636</b>	<b>\$0</b>	<b>\$1,221,562</b>
General Fund	253,386	82,759	0	336,145	45,433	0	298,819
State/Other Special	647,125	2,295,670	362,424	3,305,219	123,157	0	770,282
Federal Special	188,415	(36,135)	0	152,280	(35,954)	0	152,461
<b>Total Funds</b>	<b>\$1,088,926</b>	<b>\$2,342,294</b>	<b>\$362,424</b>	<b>\$3,793,644</b>	<b>\$132,636</b>	<b>\$0</b>	<b>\$1,221,562</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,047,924	\$0
FY07	\$0	\$0

#### **PL- 1004 - MT Environmental Policy Act Biennial Restricted -**

The executive recommends an increase to the biennial restricted appropriation for the Montana Environmental Policy Act (MEPA) from \$1,000,000 to \$2,500,000. Combined with the base budget, this request provides the technical adjustment to create the appropriation. An outside party requesting an Environmental Impact Statement (EIS) from the department pays the fee. The average cost of an EIS is \$350,000 to \$400,000 with an average of four EIS projects per year. This appropriation has not been increased since FY2001; yet, the average price per EIS has increased from \$200,000 to over \$350,000.

**Department of Environmental Quality-5301  
Central Management Program-10**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$170,740	\$24,273
FY07	\$45,761	\$24,277

**PL- 1009 - Non-Proprietary Central Management Operating Adj -**

The executive recommends \$170,740 in FY 2006 and \$45,761 in FY 2007 for operating adjustments for the Montana Environmental Policy Act (MEPA) administration and Environmental Rehabilitation and Response (ERRA) program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$18,528	\$18,528
FY07	(\$18,528)	(\$18,528)

**PL- 1011 - Board Environmental Review Biennial Request -**

The executive recommends an increasing of \$18,528 in FY 2006 and a decrease of \$18,528 in FY 2007 to create a biennial appropriation for the Board of Environmental Review with no increase above the FY 2004 base expenditure level.

-----**New Proposals**-----

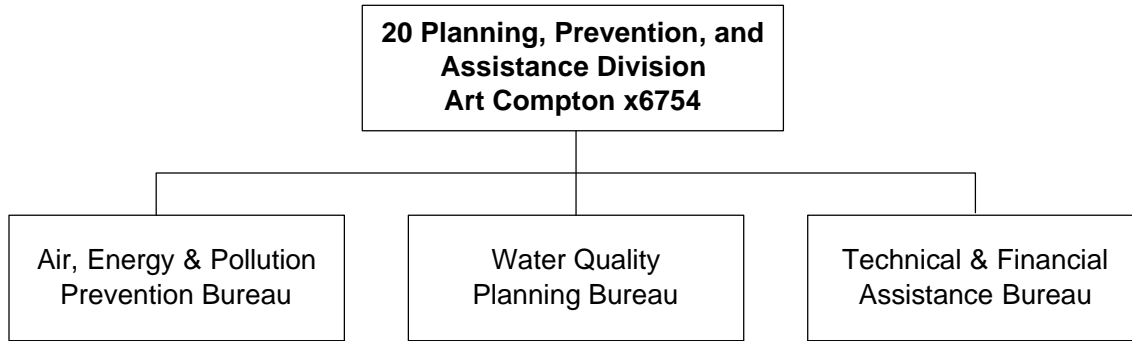
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$362,424	\$0
FY07	\$0	\$0

**NP- 1008 - Concentrated Animal Feed Op Environmental Impact Statement-OTO -**

The executive recommends a \$362,424 biennial appropriation of state special revenue for the 2007 biennium. This recommendation is in response to a Montana District Court order to the Department of Environmental Quality (DEQ) to stop issuing water quality permits to concentrated animal feeding operations (CAFO). The DEQ is required to prepare an environmental impact statement (EIS) before any additional water quality permits can be issued.



## Department of Environmental Quality-5301 Planning, Prevention & Assistance.Division-20



**Program Description -** The Planning, Prevention and Assistance Division 1) finances construction and improvement of community drinking water and wastewater systems, and provides engineering review and technical assistance to Montana communities water infrastructure planners; 2) assists small businesses in reducing emissions and complying with environmental regulations; 3) monitors air and water quality conditions, assesses potential pollution problems, and helps industry achieve cost effective compliance; 4) assists community's to plan for energy, watershed, airshed, and solid and hazardous waste management; 5) helps develop water Total Maximum Daily Loads (TMDL); 6) proposes rules and policy and develops environmental protection criteria; 7) provides analysis to assess the cost effectiveness of environmental programs; 8) finances energy saving retrofits of public buildings and renewable energy systems for homeowners and small businesses; and 9) provides technical assistance and education to builders, homeowners and businesses on energy efficiency and renewable energy, indoor air quality, radon, recycling and solid waste reduction. The division consists of three bureaus: Technical and Financial Assistance, Water Quality Planning, and Air, Energy and Pollution Prevention.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Wastewater/Drinking Water technical assistance efforts completed	347	346	454	451	451	451
Source Water Protection projects completed	524	199	384	400	351	90
Small Businesses that received assistance	1,372	2,010	3,212	3,000	3,000	3,000
Air Quality State Implementation Plans and major projects completed	10	8	8	8	N/A	N/A
Air sheds and watersheds monitored and assessed For compliance	434	477	406	316	300	300
Watershed-level water quality restoration plans completed	4	59	140	240	240	240
Stream reassessments completed	43	28	164	164	30	N/A

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	84.58	8.00	0.00	92.58	8.00	0.00	92.58
Personal Services	3,580,754	909,799	0	4,490,553	908,267	0	4,489,021
Operating Expenses	5,718,638	3,257,659	370,000	9,346,297	3,263,433	370,000	9,352,071
Equipment	89,491	2,563	0	92,054	2,563	0	92,054
<b>Total Costs</b>	<b>\$9,388,883</b>	<b>\$4,170,021</b>	<b>\$370,000</b>	<b>\$13,928,904</b>	<b>\$4,174,263</b>	<b>\$370,000</b>	<b>\$13,933,146</b>
General Fund	1,614,878	949,628	0	2,564,506	951,550	0	2,566,428
State/Other Special	643,425	312,721	0	956,146	317,457	0	960,882
Federal Special	7,130,580	2,907,672	370,000	10,408,252	2,905,256	370,000	10,405,836
<b>Total Funds</b>	<b>\$9,388,883</b>	<b>\$4,170,021</b>	<b>\$370,000</b>	<b>\$13,928,904</b>	<b>\$4,174,263</b>	<b>\$370,000</b>	<b>\$13,933,146</b>

**Department of Environmental Quality-5301  
Planning, Prevention & Assistance.Division-20**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$473,848	\$22,346
FY07	\$464,765	\$16,208

**PL- 2001 - Water Quality Planning Bureau Operations Adj -**

The executive recommends \$473,848 in FY 2006 and \$464,765 in FY 2007 including \$22,346 and \$16,208 general fund each year respectively for operating adjustments to prepare for a more aggressive implementation of the Total Maximum Daily Load (TMDL) program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,800)	(\$13,815)
FY07	\$11,156	(\$2,662)

**PL- 2002 - Fiscal & Administrative Unit Operations Adj -**

Adjustments totaling nearly \$10,000 for the biennium are necessary in the administrative and fiscal unit due to vacancies in the base year that caused the operating budget to be artificially low.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$342,089	\$1,811
FY07	\$343,193	\$1,804

**PL- 2003 - Technical & Financial Assistance Bureau Operating Adj -**

The department requests operating adjustments of \$342,089 in FY 2006 and \$343,193 in FY 2007 including contracted services for technical assistance and capacity development in the public water supply program and increasing workload on the State and Tribal Agreement Grant (STAG). The general fund portion is about \$1,800 each year and the remainder is state special and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$518,557	\$34,754
FY07	\$517,325	\$33,584

**PL- 2004 - Air Energy & Pollution Prevention Bureau Operating Adj -**

The executive recommends \$518,557 in FY 2006 and \$517,325 in FY 2007 for operating adjustments in the Air Energy and Pollution Prevention Bureau. Federal funds were held up by late appropriations from Congress and changes in the processing centers for the federal funds. This delayed the start time for projects funded with these funds by nine months and therefore base expenditures were artificially low. The request is made up of \$34,754 general fund, \$161,892 state special revenue, and \$321,911 federal special revenue in FY 2006 and \$33,584 general fund, \$163,049 state special revenue, and \$320,692 federal special revenue in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,063,584	\$630,705
FY07	\$2,062,365	\$629,486

**PL- 2007 - Water Quality Monitoring TMDL Completion -**

The department requests 9.00 FTE each year and \$630,705 general fund and \$1,432,879 federal funds in FY 2006 and \$629,486 general fund and \$1,432,879 of federal funds in FY 2007. This recommendation is needed in order to comply with legal commitments and to increase the current pace and efficiency of Total Maximum Daily Load (TMDL) development. As part of ongoing negotiations with the courts, the program has committed to completing all 1996 water body reassessments, and full TMDL development for eight western watersheds by 2007. Also as part of these negotiations, the department has committed to a very stringent schedule that would enable the program to complete all remaining necessary TMDLs by 2012.

**Department of Environmental Quality-5301  
Planning, Prevention & Assistance.Division-20**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,000	\$25,000
FY07	\$25,000	\$25,000

**PL- 2019 - Database Maintenance Costs-OTO-**

This one-time-only budget request includes \$25,000 general fund each fiscal year for the design and development of software and associated operating costs. This system would be used by agency staff for Sufficient Credible Data/Beneficial Use Determination SCD/BUD tasks and a secured version would be made available for public viewing to satisfy federal Clean Water Act reporting requirements

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$41,862)	(\$41,862)
FY07	(\$41,862)	(\$41,862)

**PL- 2021 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.00 FTE and nearly \$42,000 general fund per year are removed from the budget permanently.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$165,000	\$165,000
FY07	\$165,000	\$165,000

**PL- 2022 - Water Quality Monitoring TMDL Completion-OTO -**

This one-time-only request for \$165,000 general fund each fiscal year would support two one-time database development and enhancement projects, which would enhance data use entry and retrieval. This funding request is necessary to carry all future TMDL projects to successful completion.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$40,000	\$0
FY07	\$40,000	\$0

**NP- 2012 - BLM Funding for Water Quality Monitoring -**

The executive recommends \$40,000 federal special revenue each year to administer a Memorandum of Understanding with the Bureau of Land Management (BLM) to provide information regarding water quality on public lands managed by BLM.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$330,000	\$0
FY07	\$330,000	\$0

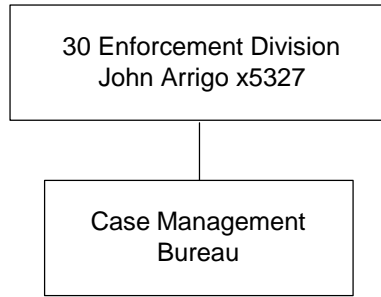
**NP- 2016 - Wetlands Grants Authority -**

The department requests \$330,000 federal special revenue each fiscal year to restore base level funding for the artificially low base caused by the federal wetland grants being received late in the fiscal year.

**Language Recommendations –**

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

## Department of Environmental Quality-5301 Enforcement Division-30



**Program Description** - The Enforcement Division is the central control for activities designed to facilitate the enforcement of the statutes and regulations administered by the department. The division develops department enforcement policies and procedures for approval by the director and ensures they are implemented in a consistent manner across the department. A citizen complaint clearinghouse and information tracking system is maintained by the division. The division coordinates the legal and technical aspects of enforcement cases, both administrative and judicial, and monitors violators to determine compliance with department orders.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Enforcement cases	297	355	334	375	350	350
Complaints	1,011	948	908	1,050	1,000	1,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	14.00	0.00	0.00	14.00	0.00	0.00	14.00
Personal Services	659,987	33,612	0	693,599	33,842	0	693,829
Operating Expenses	270,729	44,484	0	315,213	47,640	0	318,369
<b>Total Costs</b>	<b>\$930,716</b>	<b>\$78,096</b>	<b>\$0</b>	<b>\$1,008,812</b>	<b>\$81,482</b>	<b>\$0</b>	<b>\$1,012,198</b>
General Fund	370,865	29,307	0	400,172	30,627	0	401,492
State/Other Special	148,722	102,620	0	251,342	103,509	0	252,231
Federal Special	411,129	(53,831)	0	357,298	(52,654)	0	358,475
<b>Total Funds</b>	<b>\$930,716</b>	<b>\$78,096</b>	<b>\$0</b>	<b>\$1,008,812</b>	<b>\$81,482</b>	<b>\$0</b>	<b>\$1,012,198</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$36,855	\$14,761
FY07	\$39,581	\$15,853

### PL- 3001 - Enforcement Operations Adjustment -

The executive recommends \$36,855 in FY 2006 and \$39,581 in FY 2007 for operating adjustments for lab analysis, in-state travel, IT consulting, and indirect and printing costs. Over the 2007 biennium, the request includes \$30,614 of general fund.

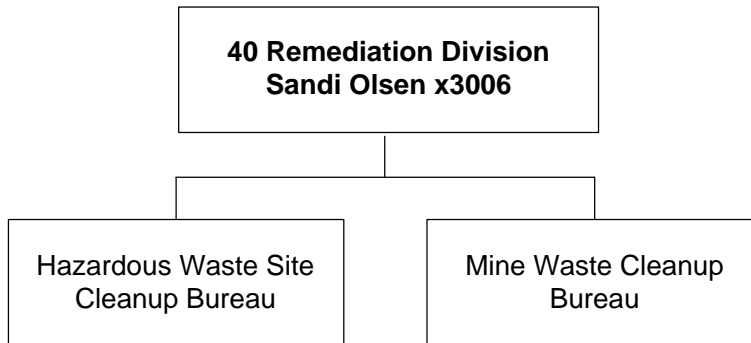
**Department of Environmental Quality-5301  
Enforcement Division-30**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,730	\$0
FY07	\$4,820	\$0

**PL- 3002 - Enforcement Vehicle Lease -**

The budget includes \$4,730 in FY 2006 and \$4,820 in FY 2007 state special revenue for a leased vehicle to replace a department owned 1991 Blazer that is no longer reliable and has high mileage.

**Department of Environmental Quality-5301  
Remediation Division-40**



**Program Description** - The Remediation Division protects human health and the environment by preventing exposure to hazardous substances that have been released to soil, sediment, surface water or groundwater. The division also ensures compliance with state and federal regulations. It oversees and conducts investigation and cleanup activities at state and federal Superfund sites; voluntary cleanup activities; reclaims abandoned mine lands; implements corrective actions at sites with leaking underground storage tanks; and oversees groundwater remediation at sites where improper placement of wastes has caused groundwater contamination. This division is divided into two bureaus. The Hazardous Waste Site Cleanup Bureau (HWSCB) oversees or conducts the investigation and cleanup of sites contaminated by chemical spills, hazardous substances and petroleum released by industrial and commercial operations other than mining. The bureau works with the Petroleum Tank Release Compensation Board for eligibility and reimbursement determinations and provides grants to local governments for compliance assistance. The Mine Waste Cleanup Bureau (MWCB) is responsible for administering and overseeing remedial actions at historical mine sites, abandoned mines, ore-transport and processing facilities. It also oversees the provisions of the federal Comprehensive Environmental Response and Liability Act (CERCLA or federal Superfund program).

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Active Sites	1,220	1,284	1,294	1,328	1,346	1,348
Inactive Sites	546	4,862	4,929	4,897	4,883	4,883
Site Activities	281	350	280	369	361	353
Sites Closed/de-listed	64	91	75	82	82	82
Cost Recovery Invoices	61	71	75	69	69	69
Costs Recovered	\$429,933	\$470,199	\$787,325	\$580,000	\$580,000	\$580,000
Contracts (#)	122	116	149	129	129	129
Contract Costs	\$4,788,07	\$5,529,89	\$4,964,57	\$5,094,18	\$5,094,18	\$5,094,18
	4	6	5	2	2	2
Public Meetings	23	25	27	42	44	43
Public Comment Periods	2	5	10	22	19	21

## Department of Environmental Quality-5301 Remediation Division-40

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	63.75	(2.00)	0.00	61.75	(2.00)	0.00	61.75
Personal Services	2,606,998	407,696	0	3,014,694	407,499	0	3,014,497
Operating Expenses	5,090,874	3,750,083	4,409,326	13,250,283	2,999,202	2,950,000	11,040,076
Benefits & Claims	0	4,100,000	0	4,100,000	0	0	0
<b>Total Costs</b>	<b>\$7,697,872</b>	<b>\$8,257,779</b>	<b>\$4,409,326</b>	<b>\$20,364,977</b>	<b>\$3,406,701</b>	<b>\$2,950,000</b>	<b>\$14,054,573</b>
State/Other Special	2,096,708	4,775,081	2,200,000	9,071,789	374,877	2,000,000	4,471,585
Federal Special	5,601,164	3,482,698	2,209,326	11,293,188	3,031,824	950,000	9,582,988
<b>Total Funds</b>	<b>\$7,697,872</b>	<b>\$8,257,779</b>	<b>\$4,409,326</b>	<b>\$20,364,977</b>	<b>\$3,406,701</b>	<b>\$2,950,000</b>	<b>\$14,054,573</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$100,962	\$0
FY07	\$54,507	\$0

#### PL- 4001 - Hazardous Waste Cleanup Operations Adjustment -

The executive recommends state special revenue of \$100,962 in FY 2006 and \$54,507 in FY 2007 for operational adjustments of the petroleum release section and the site response section for continued administration of petroleum and state superfund cleanup activities as well as increased authority for agriculture monitoring in contracted services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$29,874)	\$0
FY07	(\$29,874)	\$0

#### PL- 4002 - Mine Waste Cleanup Operations Adjustment -

The budget includes operating budget federal fund reductions of \$29,874 in FY 2006 and \$29,874 in FY 2007 in the Mine Waste Cleanup program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$21,457	\$0
FY07	\$21,046	\$0

#### PL- 4003 - Fiscal & Administrative Operations Adjustment -

The executive recommends \$21,457 in FY 2006 and \$21,046 in FY 2007 federal special revenue for operational adjustments in the Fiscal and Administrative section including contracted and temporary services and training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$107,069)	\$0
FY07	(\$107,388)	\$0

#### PL- 4004 - Technical Services Operations Adjustment -

The budget includes a federal funds reduction of 2.00 FTE each year and \$107,069 in FY 2006 and \$107,388 in FY 2007 due to an internal agency reorganization where two information technology positions were moved from the Remediation Division to the Central Management Division.

**Department of Environmental Quality-5301  
Remediation Division-40**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$250,000	\$0
FY07	\$0	\$0

**PL- 4006 - Hazardous Waste Cleanup EQPF Biennial Authority -**

The executive recommends a \$250,000 state special revenue biennial appropriation to continue contracted services support for cost recovery litigation in the Environmental Quality Protection Fund (EQPF). These expenses, as well as remedial costs, would be recovered when litigation is complete.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,900,000	\$0
FY07	\$2,900,000	\$0

**PL- 4008 - Mine Waste & Abandoned Mine Land Authority -**

The executive recommends \$2.9 million federal special revenue each fiscal year of the 2007 biennium to continue contracted services support for cost recovery litigation in the Environmental Quality Protection Fund (EQPF). These expenses, as well as remedial costs, would be recovered when litigation is complete. This authority will be used to procure contracted services under the federal agreement, which will in turn positively impact the local economy.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$400,000	\$0
FY07	\$0	\$0

**PL- 4009 - Lockwood Biennial Authority-Base -**

The executive recommends this \$400,000 biennial appropriation of federal authority to continue as technical lead after the Record of Decision (ROD) has been issued for the Lockwood project. The department will continue the monitoring/sampling program. After the consent decree is complete, DEQ will then provide oversight and technical expertise for the remedial design and action.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,100,000	\$0
FY07	\$0	\$0

**PL- 4010 - Orphan Share Biennial Authority Operating Adj. -**

The budget includes a \$4.1 million state special revenue biennial appropriation to reimburse the orphan share account for eligible remedial action costs from contaminated sites and to defend the orphan share during the liability allocation process.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$55,555	\$0
FY07	\$0	\$0

**PL- 4011 - Ustfields OTO -**

The executive recommends a one-time-only appropriation of \$5,555 state special revenue and \$50,000 federal special revenue in FY 2006 to be used by the Hazardous Waste Cleanup Bureau to clean up abandoned sites contaminated with petroleum in order to create opportunities for redevelopment as well as to protect human health and the environment.



**Department of Environmental Quality-5301  
Remediation Division-40**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$950,000	\$0
FY07	\$950,000	\$0

**NP- 4005 - Brownsfields Grant Authority -**

The executive recommends \$950,000 federal special revenue each year of the 2007 biennium for the division's federal Brownfields grant which is part of a recently adopted federal grant program geared at increasing opportunities for development and reuse of contaminated sites.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$200,000	\$0
FY07	\$0	\$0

**NP- 4007 - Lust Cost Recovery Biennial Authority -**

The department requests a \$200,000 state special revenue biennial appropriation for the Petroleum Release Section which is required to recover federal grant funds expended in the cleanup of contamination from certain federally defined underground storage tanks. Under Leaking Underground Storage Tank (LUST) federal law, any state-recovered monies must continue to be used for cleanup of other sites also meeting these site definitions.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,259,326	\$0
FY07	\$0	\$0

**NP- 4012 - Libby Asbestos Troy Biennial Authority -**

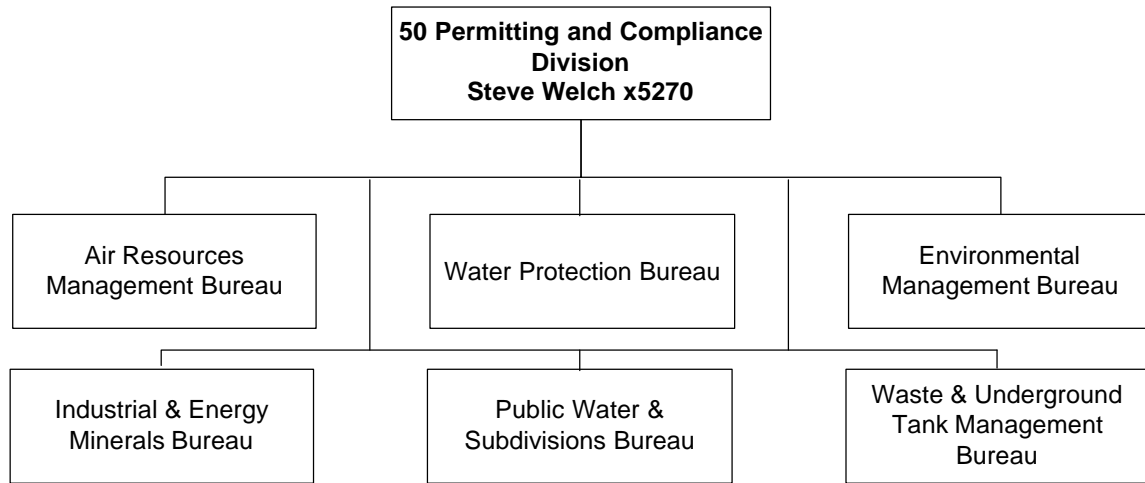
The executive recommends \$1,259,326 federal special revenue as a biennial appropriation for site investigation at the Libby Troy Asbestos site. Federal funding will begin in FY 2005. The investigation is planned for completion in three years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,000,000	\$0
FY07	\$2,000,000	\$0

**NP- 4013 - CERCLA Bond Sales -**

The executive recommends \$4 million state special revenue over the biennium to spend bond proceeds from CERCLA bonds sold under the authority found in 75-10-623, MCA. These expenditures would support state obligations at the Libby/Troy, Basin/10-Mile, and East Helena national priority list sites in Montana. The revenue stream for repayment of these bonds is defined under 17-2-102, MCA.

## Department of Environmental Quality-5301 Permitting & Compliance Division-50



**Program Description** - The Permitting and Compliance Division administers all DEQ permitting and compliance activities based on 25 state regulatory and five related federal authorities. The division: 1) reviews and assesses environmental permit applications (coordinating with other state, local, and federal agencies) to determine control measures needed to ensure compliance with the law and to prevent land, water, and air conditions detrimental to public health welfare, safety and the environment; 2) prepares supporting environmental documents under the Montana Environmental Policy Act and provides training and technical assistance when needed; 3) inspects to determine compliance with permit conditions, laws and rules; and 4) when compliance problems are discovered, provides assistance to resolve the facility's compliance issues, and when necessary recommends formal enforcement actions to the Enforcement Division. Activities are organized in the Air Resources Management Bureau (air); Industrial and Energy Minerals Bureau (coal, uranium, opencut); Environmental Management Bureau (hard rock, facility siting); Public Water and Subdivision Bureau (public water supply and subdivision); Water Protection Bureau (water discharge); and Waste and Underground Tank Management Bureau (solid waste, junk vehicles, septage pumpers, hazardous waste, asbestos, underground storage tanks).

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Permits	3,819	5,047	5,192	6,245	6,607	6,951
Inspections	3,158	2,731	2,785	3,532	3,888	4,165
Environmental assessments	1,935	1,916	2,135	2,30	2,701	2,972
Bond releases	351	230	186	179	220	295
Violations	2,788	2,888	3,338	3,655	3,806	4,150
Air quality implementation plans and major projects				8	8	8

## Department of Environmental Quality-5301 Permitting & Compliance Division-50

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	175.70	10.75	2.75	189.20	10.75	2.75	189.20
Personal Services	8,095,403	1,036,182	110,506	9,242,091	1,014,872	110,208	9,220,483
Operating Expenses	12,236,964	28,382,778	72,859	40,692,601	(5,637,641)	(111,541)	6,487,782
Equipment	12,621	0	0	12,621	0	0	12,621
Grants	1,457,581	316,599	0	1,774,180	431,998	0	1,889,579
<b>Total Costs</b>	<b>\$21,802,569</b>	<b>\$29,735,559</b>	<b>\$183,365</b>	<b>\$51,721,493</b>	<b>(\$4,190,771)</b>	<b>(\$1,333)</b>	<b>\$17,610,465</b>
General Fund	814,615	14,059	0	828,674	15,586	0	830,201
State/Other Special	13,858,251	27,564,043	169,101	41,591,395	(2,315,862)	159,563	11,701,952
Federal Special	7,129,703	2,157,457	14,264	9,301,424	(1,890,495)	(160,896)	5,078,312
<b>Total Funds</b>	<b>\$21,802,569</b>	<b>\$29,735,559</b>	<b>\$183,365</b>	<b>\$51,721,493</b>	<b>(\$4,190,771)</b>	<b>(\$1,333)</b>	<b>\$17,610,465</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$90,130	\$1,803
FY07	\$96,768	\$1,935

#### **PL- 5001 - Air Operating Adjustment -**

The executive recommends \$90,130 in FY 2006 and \$96,768 in FY 2007 for operating adjustments in the 2007 biennium including overtime and agency indirects. The request included \$1,803 general fund, \$78,413 state special revenue, and \$9,914 federal special revenue in FY 2006 and \$1,935 general fund, \$84,188 state special revenue, and \$10,645 federal special revenue in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$126,306	\$4,171
FY07	\$73,188	\$3,316

#### **PL- 5002 - Industrial & Energy Minerals Bur. Operating Adjustments -**

The budget includes \$126,306 in FY 2006 and \$73,188 in FY 2007 including \$7,487 general fund for the biennium for operating adjustments in the industrial and energy minerals bureau to bring personal desktop GIS projects into a centralized and manageable system or format. This would create a better foundation for future development of the GIS projects the department has initiated and implemented for permitting, impact analysis, and bond release.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$51,758	\$17,080
FY07	\$54,980	\$18,143

#### **PL- 5003 - Environmental Mgmt Bureau Admin Operating Adj -**

This request includes \$17,080 general fund and \$34,678 state and federal special revenue in FY 2006 and \$18,143 general fund and \$36,837 state and federal special revenue in FY 2007 for operating adjustments to pay for increased costs for assistance on environmental assessment contracts, lab analysis, printing, supplies, and travel needed to carry out the work.

**Department of Environmental Quality-5301  
Permitting & Compliance Division-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$26,446,643	\$0
FY07	(\$7,101,441)	\$0

**PL- 5004 - Hard Rock and MFSa Projects Operating Adjustments -**

The executive recommends \$26,446,643 state and federal special revenue in FY 2006 as a restricted biennial appropriation and a \$7,101,441 reduction of state and federal special revenue in FY 2007 for projects administered by the hard rock and major facilities sitting act (MSFA) programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$534,411	\$0
FY07	\$548,449	\$0

**PL- 5005 - Public Water & Subdivisions Operations Adjustment -**

The department requests \$534,411 in FY 2006 and \$548,449 in FY 2007 including both state and federal special revenue for operational adjustments in the Public Water and Subdivision Bureau. The bureau is in the process of converting operator certification testing and study materials to nationally accepted standards for operators of public water systems and this reflects the costs of this conversion as well as other operating adjustments.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$59,037	\$2,210
FY07	\$63,508	\$2,395

**PL- 5006 - Water Protection Bureau Operating Adjustment -**

The executive recommends \$59,037 in FY 2006 and \$63,508 in FY 2007 for operational adjustments in the Water Protection Bureau analytical costs, travel, and indirect costs due to vacancies and overtime costs. The request includes approximately \$4,600 general fund over the biennium and the remainder is state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,000	\$0
FY07	\$5,000	\$0

**PL- 5007 - PCD Administration Operating Adjustment -**

The department requests \$5,000 state special revenue each fiscal year of the 2007 biennium for contracted services, travel and supplies for the division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$181,481	\$1,069
FY07	\$188,345	\$1,407

**PL- 5008 - Waste & Underground Tank Mgmt Operating Adj -**

The executive recommends \$181,481 in FY 2006 and \$188,345 in FY 2007 for operating adjustments in the solid waste, asbestos, and junk vehicle programs. Additionally, a significant increase of funding is requested each year for the reimbursement of the hired hauling cost for the removal of abandoned vehicles. The request includes nearly \$2,500 general fund for the biennium and the remainder is state special and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$371,702	\$0
FY07	\$342,079	\$0

**PL- 5010 - Water Protection Bureau Wastewater Permitting -**

This state special revenue budget request includes the addition of 5.00 FTE and \$371,702 in FY 2006 and \$342,079 in FY 2007 which will allow for more timely permit processing while maintaining core duty performance (inspections, technical assistance, response to complaints, public involvement processing, rulemaking).

## Department of Environmental Quality-5301 Permitting & Compliance Division-50

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$401,137	\$0
FY07	\$362,113	\$0

### PL- 5011 - Air Permitting of Oil and Gas Production -

The executive recommends 3.00 FTE each year and \$401,137 in FY 2006 and \$362,113 in FY 2007 state special revenue for anticipated significant increase in permit applications from facilities in the oil and gas industry. The department, along with other states in the intermountain west, has determined that there is a significant number of existing emission sources associated with oil and gas wells operating without air quality permits as required under current law. Approximately 900 facilities are expected to submit applications to obtain air quality permits in the first year of the next biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$50,000	\$0
FY07	\$0	\$0

### PL- 5013 - Air Quality Research Technical Study-OTO -

The budget includes a \$50,000 one-time-only federal funds appropriation in FY 2006 to conduct emission sampling and analysis to establish unique PM-2.5 emission "fingerprints" for PM-2.5 sources in the Libby area. PM-2.5 is a fine particulate standard adopted several years ago by the EPA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$141,257	\$0
FY07	\$132,135	\$0

### PL- 5015 - Public Water Supply & Subdivision FTE -

The department requests 2.75 FTE and state and federal special revenue of \$141,257 in FY 2006 and \$132,135 in FY 2007 to increase the programs ability to perform timely engineering plan reviews and on-site inspections, to assist EPA rule managers, to perform sanitary surveys, and to provide technical assistance for design engineers submitting review material. The positions will help to speed up plan review processing time which is currently at or exceeding the 60 day review period and would free up time for all plan review engineers to offer pre-application meetings with water system design consultants, owners, and operators.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$316,599	\$0
FY07	\$431,998	\$0

### PL- 5016 - Increase Grants to Counties -

The executive recommends \$316,599 in FY 2006 and \$431,998 in FY 2007 state special revenue to increase grant authority to counties for the subdivision and junk vehicle programs. There are more counties contracting with the state for subdivision reviews and increased numbers of vehicles being registered in Montana each year, causing larger grant amounts to counties.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,932	\$0
FY07	\$5,022	\$0

### PL- 5018 - Permitting & Compliance Division - Vehicles -

The executive recommends \$4,932 in FY 2006 and \$5,022 in FY 2007 of state special revenue for one leased vehicle from the state Motor Pool.

**Department of Environmental Quality-5301  
Permitting & Compliance Division-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$150,000	\$0
FY07	\$0	\$0

**PL- 5024 - Permitting & Compliance Division Data Management-RST/OTO-**

The budget includes a \$150,000 state special revenue one-time-only and restricted appropriation for FY 2006 to continue data development projects currently in place and for maintenance of data management systems already in place. Projects being developed are for air, hard rock, and open cut programs. Funding for maintenance are in the junk vehicle, solid waste, underground storage tank, and water discharge programs

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$200,000	\$0
FY07	\$0	\$0

**PL- 5025 - Subdivision Training & Review-RST/OTO -**

The executive recommends this \$200,000 restricted, one-time-only, and biennial appropriation to provide training to realtors, developers, consultants, engineers, and county officials on the procedures of subdivision design and review under the requirements of the Sanitation in Subdivisions Act and to allow for contracting with an outside entity to assist in subdivision plan reviews should there be a significant increase.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$175,000	\$0
FY07	\$0	\$0

**NP- 5020 - Hazardous Waste - Brownsfield Biennial Authority -**

The department requests a \$175,000 biennial appropriation federal special revenue to continue contracted technical assistance for the review of contaminated site redevelopment proposals. The purpose of the federal grant is to encourage the reuse and redevelopment of contaminated properties as commercial or industrial sites.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$180,665	\$0
FY07	\$170,967	\$0

**NP- 5022 - Opencut Additional Staff -**

The executive recommends state and federal special revenue of \$180,665 in FY 2006 and \$170,967 in FY 2007 for 2.75 FTE for the open cut reclamation program. The positions and associated costs are needed to allow the program to adequately deal with the expected continuation of high numbers of new permit applications for sand and gravel mines. The growth of suburban areas in Gallatin, Ravalli, Missoula, Lewis and Clark, Flathead, and Yellowstone counties and a steady high rate of federal highway construction funding is fueling this increase.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$172,300)	\$0
FY07	(\$172,300)	\$0

**NP- 5026 - RHODIA Settlement -**

A reduction of \$172,300 each year of the 2007 biennium is included in the budget as the federal funds are being replaced with non-appropriated private funds received from the Rhodia settlement.

## Department of Environmental Quality-5301 Petroleum Tank Release Compensation Board-90

90 Petroleum Tank Release  
Compensation Board  
Terry Wadsworth x5092

**Program Description** - The Petroleum Tank Release Compensation 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. It has a staff of 6.00 FTE and also funds 15.50 FTE within DEQ. It is attached to the DEQ for administrative purposes.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Claims received	1,665	1,577	1,589	1,650	1,650	1,650
Claim costs received (in thousands)	4,739	3,625	4,438	4,500	4,500	4,000
Corrective Action Plans reviewed	221	357	282	275	275	275
Plan costs received (in thousands)	2,741	5,634	4,827	4,500	4,500	4,500
Net value of claims reimbursed (in thousands)	5,306	3,102	3,981	4,000	4,000	4,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	191,869	76,369	0	268,238	75,693	0	267,562
Operating Expenses	243,292	82,268	0	325,560	82,405	0	325,697
<b>Total Costs</b>	<b>\$435,161</b>	<b>\$158,637</b>	<b>\$0</b>	<b>\$593,798</b>	<b>\$158,098</b>	<b>\$0</b>	<b>\$593,259</b>
State/Other Special	435,161	158,637	0	593,798	158,098	0	593,259
<b>Total Funds</b>	<b>\$435,161</b>	<b>\$158,637</b>	<b>\$0</b>	<b>\$593,798</b>	<b>\$158,098</b>	<b>\$0</b>	<b>\$593,259</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$70,000	\$0
FY07	\$70,000	\$0

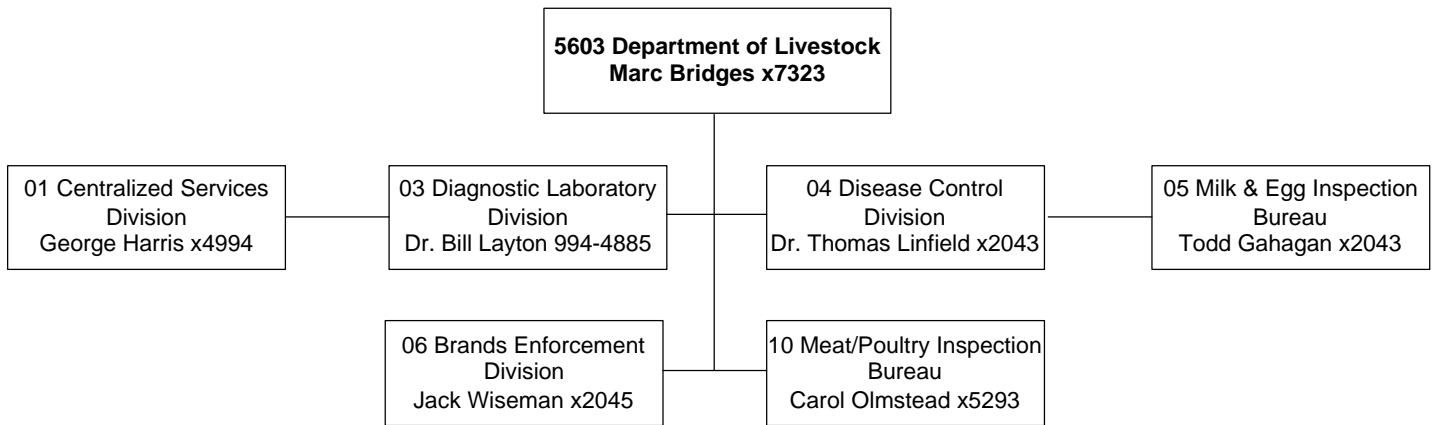
**PL- 9001 - Petroleum Board Operating Adjustment -**

The executive recommends \$70,000 state special revenue each fiscal year of the 2007 biennium for increased legal activity associated with claim subrogation.

**Language Recommendations –**

“The department is authorized to expend up to 25 percent of subrogated petroleum tank release compensation funds to pay contract expenses associated with release subrogation activities. Expenditure of these funds is limited to the fee charged for collection.”

## Department Of Livestock-5603



**Mission Statement** - The mission of the Department of Livestock is to control and eradicate animal diseases, prevent the transmission of animal diseases to humans, and to protect the livestock industry from theft and predatory animals.

**Statutory Authority** - Title 81, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	145.49	(11.50)	1.00	134.99	(11.50)	1.00	134.99
Personal Services	5,372,423	257,062	29,838	5,659,323	251,771	29,768	5,653,962
Operating Expenses	1,924,622	383,925	6,270	2,314,817	356,838	4,120	2,285,580
Equipment	129,713	(14,850)	0	114,863	43,350	0	173,063
<b>Total Costs</b>	<b>\$7,426,758</b>	<b>\$626,137</b>	<b>\$36,108</b>	<b>\$8,089,003</b>	<b>\$651,959</b>	<b>\$33,888</b>	<b>\$8,112,605</b>
General Fund	521,303	12,957	18,054	552,314	12,151	16,944	550,398
State/Other Special	5,627,536	444,028	0	6,071,564	472,149	0	6,099,685
Federal Special	1,277,919	169,152	18,054	1,465,125	167,659	16,944	1,462,522
<b>Total Funds</b>	<b>\$7,426,758</b>	<b>\$626,137</b>	<b>\$36,108</b>	<b>\$8,089,003</b>	<b>\$651,959</b>	<b>\$33,888</b>	<b>\$8,112,605</b>



## Department Of Livestock-5603 Centralized Services Program-01

**Program Description** - The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, and general services functions for the department. The division also provides the overall management of the Milk Control Bureau. The Predator Control Program is administered by the Board of Livestock and the executive officer. Although the board placed the predator function in this division during the 2003 biennium, all functions remain unchanged, including the two aircraft and the contract with U.S. Department of Agriculture Wildlife Services. Through helicopter hunting and contracts, predators that kill or injure domestic livestock, primarily coyotes, are controlled.

The Livestock Crimestoppers' Commission and the Beef Research and Marketing Committee are administratively attached. The 57th Legislature moved the Board of Horse Racing to the Department of Livestock. This board and its staff report directly to the executive officer.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	23.28	(3.50)	0.00	19.78	(3.50)	0.00	19.78
Personal Services	822,944	53,823	0	876,767	53,458	0	876,402
Operating Expenses	697,064	65,832	0	762,896	36,651	0	733,715
<b>Total Costs</b>	<b>\$1,520,008</b>	<b>\$119,655</b>	<b>\$0</b>	<b>\$1,639,663</b>	<b>\$90,109</b>	<b>\$0</b>	<b>\$1,610,117</b>
State/Other Special	1,454,977	119,655	0	1,574,632	90,109	0	1,545,086
Federal Special	65,031	0	0	65,031	0	0	65,031
<b>Total Funds</b>	<b>\$1,520,008</b>	<b>\$119,655</b>	<b>\$0</b>	<b>\$1,639,663</b>	<b>\$90,109</b>	<b>\$0</b>	<b>\$1,610,117</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$12,730	\$0
FY07	\$12,730	\$0

#### **PL- 1 - Information Technology Departmental Equipment -**

The executive recommends the replacement of 10 personal computers each year of the 2007 biennium at a cost of \$1,273 each. Due to revenue shortfalls and the inability to purchase equipment in the base year this recommendation is an increase over the base. The computers will be purchased with state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$129,839)	\$0
FY07	(\$130,408)	\$0

#### **PL- 2 - FTE Reduction - Centralized Services Division -**

The budget includes the reduction of 3.00 FTE in the Centralized Services Division due to a reduction in per capita fee revenue. Total savings are approximately \$130,000 state special revenue per year.

## Department Of Livestock-5603 Centralized Services Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$8,550	\$0
FY07	\$8,550	\$0

**PL- 104 - Board of Livestock - Per Diem -**

The executive recommends \$8,550 state special revenue each of the 2007 biennium for per diem paid to the members of the Board of Livestock.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,629	\$0
FY07	\$4,888	\$0

**PL- 105 - Board of Horse Racing - Office Rent -**

This request includes state special revenue funding of \$9,517 for the biennium for a rent increase, per diem, travel, and a transfer from personal services to contracted services. The Board of Horseracing Executive Secretary position is reduced by 0.50 FTE and the responsibilities will be accomplished through contracted services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,204	\$0
FY07	\$3,204	\$0

**PL- 106 - Out of State Travel-CSD -**

The executive recommends an increase of \$3,204 state special revenue each fiscal year of the 2007 biennium above the base year for out of state travel so the board can perform it's duties.

## Department Of Livestock-5603 Diagnostic Laboratory Program-03

**03 Diagnostic Laboratory  
Division**  
Dr. Bill Layton 994-4885

**Program Description** - The Diagnostic Laboratory provides livestock laboratory diagnostic support for the Disease Control Program, Milk and Egg program, and livestock producers. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks and other agencies in protecting the health of animals, wildlife and the public.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	21.00	(0.50)	0.00	20.50	(0.50)	0.00	20.50
Personal Services	841,232	80,312	0	921,544	78,920	0	920,152
Operating Expenses	358,119	25,044	0	383,163	29,717	0	387,836
Equipment	66,850	(66,850)	0	0	(60,650)	0	6,200
<b>Total Costs</b>	<b>\$1,266,201</b>	<b>\$38,506</b>	<b>\$0</b>	<b>\$1,304,707</b>	<b>\$47,987</b>	<b>\$0</b>	<b>\$1,314,188</b>
General Fund	91,911	0	0	91,911	0	0	91,911
State/Other Special	1,174,290	38,506	0	1,212,796	47,987	0	1,222,277
<b>Total Funds</b>	<b>\$1,266,201</b>	<b>\$38,506</b>	<b>\$0</b>	<b>\$1,304,707</b>	<b>\$47,987</b>	<b>\$0</b>	<b>\$1,314,188</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$28,350)	\$0
FY07	(\$22,150)	\$0

**PL- 301 - Diagnostic Lab Equipment -**

The Diagnostic Lab is aligning its equipment budget with anticipated equipment purchase needs. The budget request is a decrease in state special revenue of \$28,350 in FY 2006 and \$22,150 in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$18,289)	\$0
FY07	(\$18,403)	\$0

**PL- 302 - FTE Reduction - Diagnostic Laboratory -**

The budget includes the reduction of 0.50 FTE in the Diagnostic Laboratory due to a reduction in per capita fee revenue. Total savings are just over \$18,000 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$19,561	\$0
FY07	\$24,846	\$0

**PL- 304 - Lab Recharges - MSU Facilities Management -**

The executive recommends the approval of the operating charges being requested by the Montana State University (MSU) where the departments Diagnostic Laboratory is located in Bozeman. MSU will bill the lab an additional \$45,000 over the 2007 biennium for labor, maintenance and other costs.

**Department Of Livestock-5603  
Diagnostic Laboratory Program-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,082	\$0
FY07	\$3,082	\$0

**PL- 306 - Out of State Travel -Lab -**

The Diagnostic Lab requests \$3,082 state special revenue each year of the biennium for lab personnel to travel out of state so they can be informed on vital issues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$38,500)	\$0
FY07	(\$38,500)	\$0

**PL- 307 - Reduction - Milk Lab Equipment -**

In the base year, a piece of milk lab equipment costing \$38,500 was procured. This item is not necessary for FY 2006 or FY 2007, therefore the state special revenue funding is being removed from the program base budget.

## Department Of Livestock-5603 Animal Health Division-04

**04 Animal Health Division**  
Dr. Thomas Linfield  
x2043

**Program Description** - The Animal Health Division provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and game farm animals. The program cooperates with the Departments of Public Health and Human Services, Fish, Wildlife and Parks, and Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through eradication of skunks.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	17.00	(3.00)	0.00	14.00	(3.00)	0.00	14.00
Personal Services	546,639	80,050	0	626,689	78,931	0	625,570
Operating Expenses	416,083	267,913	0	683,996	267,587	0	683,670
Equipment	62,863	0	0	62,863	26,000	0	88,863
<b>Total Costs</b>	<b>\$1,025,585</b>	<b>\$347,963</b>	<b>\$0</b>	<b>\$1,373,548</b>	<b>\$372,518</b>	<b>\$0</b>	<b>\$1,398,103</b>
State/Other Special	274,981	201,064	0	476,045	225,619	0	500,600
Federal Special	750,604	146,899	0	897,503	146,899	0	897,503
<b>Total Funds</b>	<b>\$1,025,585</b>	<b>\$347,963</b>	<b>\$0</b>	<b>\$1,373,548</b>	<b>\$372,518</b>	<b>\$0</b>	<b>\$1,398,103</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$26,000	\$0

**PL- 401 - Animal Health-Vehicle Replacement-OTO -**

The Animal Health Division requests to purchase an extended cab pickup in FY 2007. This one-time-only request for a livestock investigator vehicle is \$26,000 state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$90,446)	\$0
FY07	(\$90,814)	\$0

**PL- 402 - FTE Reduction - Animal Health Division -**

The budget includes the reduction of 2.00 FTE in the Animal Health Division due to a reduction in per capita fee revenue. Total savings are just over \$90,000 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

**PL- 403 - FTE Reduction - Bison Management -**

This request reduces 1.00 FTE from Animal Health Investigation and moves approximately \$37,900 federal funds from personal services to contracted services for the Animal Health Bison Management section.

**Department Of Livestock-5603  
Animal Health Division-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,005	\$0
FY07	\$4,005	\$0

**PL- 404 - Out of State Travel- Animal Health -**

The Board of Livestock requests \$4,005 state special revenue each year of the 2007 biennium for out of state travel in the Animal Health Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$225,917	\$0
FY07	\$225,669	\$0

**PL- 405 - Bison Management - Federal Funds -**

The executive recommends approval of just under \$226,000 federal funds each year for the department to continue the work agreed to in the Bison Operational Cooperative Agreement with the USDAA/APHIS.

## Department Of Livestock-5603 Milk & Egg Program-05

**05 Milk & Egg  
Inspection**  
Todd Gahagan x2043

**Program Description** - The Milk and Egg Inspection program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws is accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	237,557	4,738	0	242,295	5,133	0	242,690
Operating Expenses	33,847	10,635	0	44,482	10,635	0	44,482
Equipment	0	0	0	0	26,000	0	26,000
<b>Total Costs</b>	<b>\$271,404</b>	<b>\$15,373</b>	<b>\$0</b>	<b>\$286,777</b>	<b>\$41,768</b>	<b>\$0</b>	<b>\$313,172</b>
State/Other Special	239,199	6,077	0	245,276	32,472	0	271,671
Federal Special	32,205	9,296	0	41,501	9,296	0	41,501
<b>Total Funds</b>	<b>\$271,404</b>	<b>\$15,373</b>	<b>\$0</b>	<b>\$286,777</b>	<b>\$41,768</b>	<b>\$0</b>	<b>\$313,172</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$26,000	\$0

**PL- 501 - Vehicle Replacement-Milk & Egg Bureau -**

The executive recommends the purchase of a pick-up in FY 2007 for the Milk and Egg Bureau. The current agency owned 4 x 4 extended cab will reach 125,000 miles in that year and is projected to cost \$26,000 state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,500	\$0
FY07	\$7,500	\$0

**PL- 502 - Milk and Egg Bureau - Shell Egg Fed Funds -**

The budget includes increased federal funding of \$7,500 each year of the 2007 biennium to fund milk and egg inspections through out Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,135	\$0
FY07	\$3,135	\$0

**PL- 503 - Out of State Travel - Milk and Egg Inspection -**

The executive recommends out of state travel for Milk and Egg sanitarians to attend national conferences so they can maintain certification, to receive training to improve their inspection processes, to review new regulations that have been adopted. Travel and training costs are estimated at \$3,135 state special revenue each year of the 2007 biennium.

## Department Of Livestock-5603 Brands Enforcement Division-06

**06 Brands Enforcement  
Division**  
Jack Wiseman x2045

**Program Description** - The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and beef inspections.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	61.71	(4.50)	0.00	57.21	(4.50)	0.00	57.21
Personal Services	2,253,448	24,244	0	2,277,692	21,354	0	2,274,802
Operating Expenses	224,166	2,482	0	226,648	2,608	0	226,774
Equipment	0	52,000	0	52,000	52,000	0	52,000
<b>Total Costs</b>	<b>\$2,477,614</b>	<b>\$78,726</b>	<b>\$0</b>	<b>\$2,556,340</b>	<b>\$75,962</b>	<b>\$0</b>	<b>\$2,553,576</b>
State/Other Special	2,477,614	78,726	0	2,556,340	75,962	0	2,553,576
<b>Total Funds</b>	<b>\$2,477,614</b>	<b>\$78,726</b>	<b>\$0</b>	<b>\$2,556,340</b>	<b>\$75,962</b>	<b>\$0</b>	<b>\$2,553,576</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$52,000	\$0
FY07	\$52,000	\$0

#### **PL- 601 - Vehicle Replacement - Brands Division -**

The executive recommends the replacement of two pickup trucks each year of the 2007 biennium as the vehicles being replaced will exceed 125,000 miles during the replacement period. The total request is \$52,000 each year and is funded with state special revenue derived from the livestock industry.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$151,111)	\$0
FY07	(\$151,833)	\$0

#### **PL- 602 - FTE Reduction - Brands Enforcement Division -**

The budget includes a reduction of 4.50 FTE. Positions being reduced are a market bureau chief, half-time administrative support position and three brand inspectors for a total state special revenue reduction of \$151,111 in FY 2006 and \$151,833 in FY 2007. The reduction is necessary to keep the program budget within available per capita fee revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,043	\$0
FY07	\$3,043	\$0

#### **PL- 603 - Out of State Travel - Brands Division -**

The executive recommends travel for the brand enforcement division to meet education and training requirements. The total request is approximately \$6,000 state special revenue for the 2007 biennium.



**Department Of Livestock-5603  
Brands Enforcement Division-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$94,305	\$0
FY07	\$94,305	\$0

**PL- 604 - Overtime - Brands Division -**

This decision package restores overtime to the FY 2004 level for the Brands Enforcement Division. Overtime is incurred in the fall when livestock are sold through the markets. The state special revenue request is \$94,305 each year.

## Department Of Livestock-5603 Meat/Poultry Inspection-10

**10 Meat / Poultry  
Inspection**  
Carol Olmstead x5293

**Program Description** - The Meat and Poultry Inspection Program was established in 1987 by the Montana Meat and Poultry Inspection Act. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture and the Food Safety Inspection Service to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	17.50	0.00	1.00	18.50	0.00	1.00	18.50
Personal Services	670,603	13,895	29,838	714,336	13,975	29,768	714,346
Operating Expenses	195,343	12,019	6,270	213,632	9,640	4,120	209,103
<b>Total Costs</b>	<b>\$865,946</b>	<b>\$25,914</b>	<b>\$36,108</b>	<b>\$927,968</b>	<b>\$23,615</b>	<b>\$33,888</b>	<b>\$923,449</b>
General Fund	429,392	12,957	18,054	460,403	12,151	16,944	458,487
State/Other Special	6,475	0	0	6,475	0	0	6,475
Federal Special	430,079	12,957	18,054	461,090	11,464	16,944	458,487
<b>Total Funds</b>	<b>\$865,946</b>	<b>\$25,914</b>	<b>\$36,108</b>	<b>\$927,968</b>	<b>\$23,615</b>	<b>\$33,888</b>	<b>\$923,449</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$22,160	\$11,080
FY07	\$19,390	\$9,695

**PL- 103 - Field Automation Information Management (FAIM) -**

The executive recommends the replacement of eight Field Automation and Information Management (FAIM) computers in FY 2006 and seven in FY 2007. By cooperative agreement, the Meat Inspection Bureau uses a personal computer system with specialized inspection software to do their work. The federal government provides the hardware, software and essential training. The costs of \$22,160 in FY 2006 and \$19,390 in FY 2007 are funded 50 percent with federal funds and 50 percent with general fund.

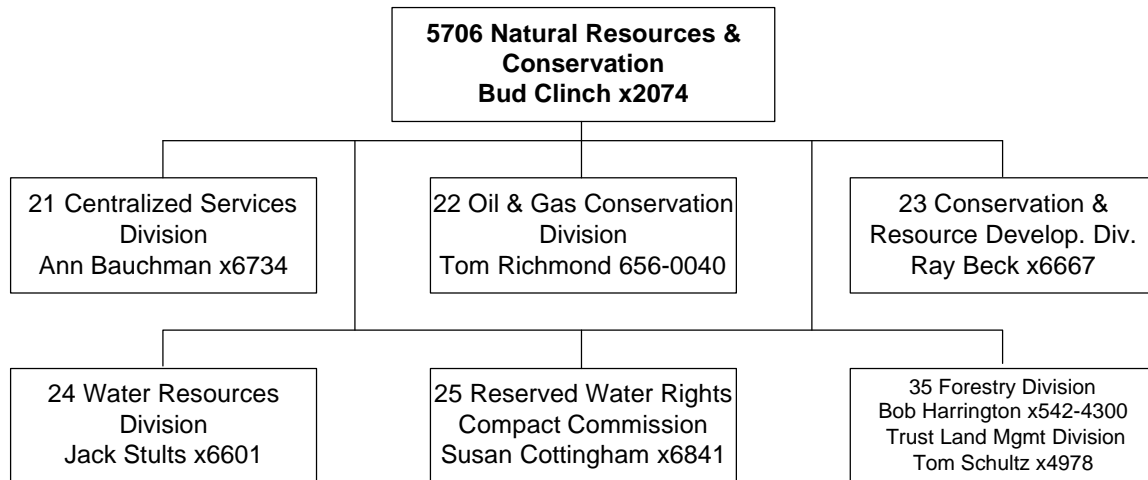
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$36,108	\$18,054
FY07	\$33,888	\$16,944

**NP- 101 - Add 1.0 FTE Meat Inspector -**

The executive recommends adding 1.00 FTE meat inspector to accommodate additional meat plants in Eastern Montana. The position is funded 50 percent federal funds and 50 percent general fund. This recommendation includes operating costs and a leased vehicle.

## Department of Natural Resources & Conservation-5706

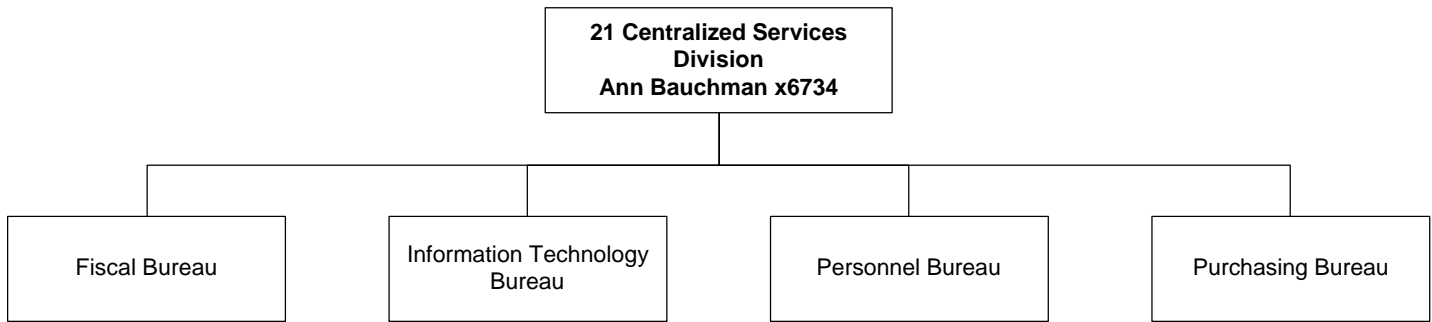


**Mission Statement** - To ensure Montana's land and water resources provide benefits for present and future generations.

**Statutory Authority** - 2-15-104 and Title 2, chapter 15, part 33, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	486.24	3.00	1.00	490.24	3.00	1.00	490.24
Personal Services	21,536,866	2,210,424	34,129	23,781,419	2,247,897	34,099	23,818,862
Operating Expenses	9,814,332	1,475,683	827,036	12,117,051	550,299	701,736	11,066,367
Equipment	667,807	56,193	36,695	760,695	41,693	0	709,500
Capital Outlay	75	0	0	75	0	0	75
Local Assistance	213,373	50,000	250,000	513,373	0	250,000	463,373
Grants	961,865	45,431	0	1,007,296	0	0	961,865
Benefits & Claims	1,000,000	3,500,000	0	4,500,000	3,500,000	0	4,500,000
Transfers	398,339	353,117	0	751,456	154,762	0	553,101
Debt Service	487,112	80,702	0	567,814	80,702	0	567,814
<b>Total Costs</b>	<b>\$35,079,769</b>	<b>\$7,771,550</b>	<b>\$1,147,860</b>	<b>\$43,999,179</b>	<b>\$6,575,353</b>	<b>\$985,835</b>	<b>\$42,640,957</b>
General Fund	16,825,529	4,740,234	21,108	21,586,871	4,483,187	21,108	21,329,824
State/Other Special	16,489,400	2,810,657	1,124,289	20,424,346	1,857,561	962,264	19,309,225
Federal Special	1,764,840	220,659	2,463	1,987,962	234,605	2,463	2,001,908
<b>Total Funds</b>	<b>\$35,079,769</b>	<b>\$7,771,550</b>	<b>\$1,147,860</b>	<b>\$43,999,179</b>	<b>\$7,575,353</b>	<b>\$985,835</b>	<b>\$42,640,957</b>

## Department of Natural Resources & Conservation-5706 Centralized Services Division-21



**Program Description** - The Centralized Services Division provides managerial and administrative support services to the department through: 1) the Director's Office, which includes the director, legal staff, and public information; and 2) support services, which manages all financial activities, coordinates information systems, produces publications and graphic materials, and performs general administrative support services. Support services include fiscal affairs, data processing, personnel, legal, reception, and mail. Responsibilities include trust revenue collection and distribution and maintenance of ownership records for trust and non-trust state-owned land.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	37.00	0.00	0.00	37.00	0.00	0.00	37.00
Personal Services	1,744,660	122,847	0	1,867,507	123,029	0	1,867,689
Operating Expenses	543,492	38,491	0	581,983	(57,378)	0	486,114
Equipment	0	0	0	0	30,000	0	30,000
Debt Service	3,344	0	0	3,344	0	0	3,344
<b>Total Costs</b>	<b>\$2,291,496</b>	<b>\$161,338</b>	<b>\$0</b>	<b>\$2,452,834</b>	<b>\$95,651</b>	<b>\$0</b>	<b>\$2,387,147</b>
General Fund	1,819,275	122,664	0	1,941,939	39,353	0	1,858,628
State/Other Special	400,820	29,443	0	430,263	44,443	0	445,263
Federal Special	71,401	9,231	0	80,632	11,855	0	83,256
<b>Total Funds</b>	<b>\$2,291,496</b>	<b>\$161,338</b>	<b>\$0</b>	<b>\$2,452,834</b>	<b>\$95,651</b>	<b>\$0</b>	<b>\$2,387,147</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$18,462	\$9,231
FY07	\$23,711	\$11,856

**PL- 2101 - CSD Operating Adjustment -**

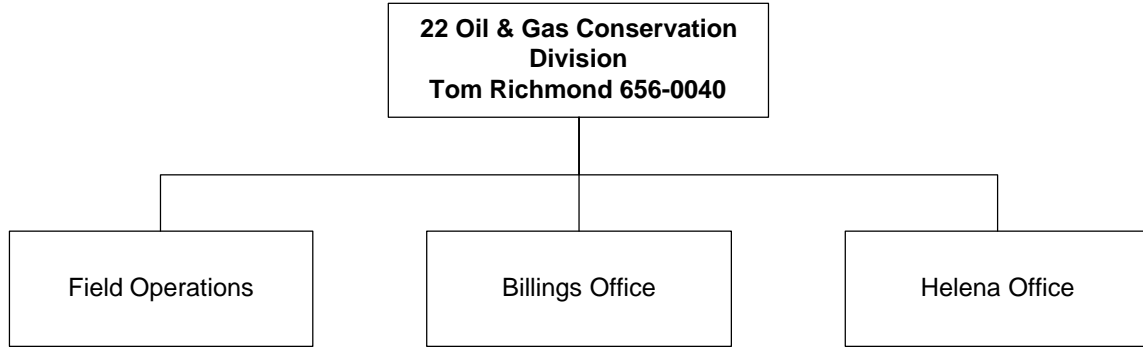
The executive recommends this \$18,462 in FY 2006 and \$23,711 increase for rent in non state-owned buildings and a slight increase for janitorial services. The proposal is funded 50 percent general fund and 50 percent federal funds each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$30,000	\$15,000

**PL- 2102 - Phone System Billings Office-OTO -**

The executive recommends a one-time-only appropriation of \$30,000 in FY 2007 for a phone system replacement at the DNRC Billings office. The office space is for four divisions that provide services in the Billings area. Funding is 50 percent general fund and 50 percent state special revenue.

**Department of Natural Resources & Conservation-5706  
Oil & Gas Conservation Division-22**



**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 1) issues drilling permits; 2) classifies wells; 3) establishes well spacing units and pooling orders; 4) inspects drilling, production, and seismic operations; 5) investigates complaints; 6) does engineering studies; 7) determines incremental production for enhanced recovery and horizontal wells to implement the tax incentive program for those projects; 8) operates the underground injection control program; 9) plugs orphan wells and 10) collects and maintains complete well data and production information.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Drilling Permits Issued	685	600	897	950	1100	1225
Wells Completed	475	435	551	650	800	925
Oil Production (in million Bbls)	16.05	18.1	19.9	20.9	21.5	21
Gas Production (in million MCF)	77.3	78.8	78.9	80.5	82.9	84.5

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	20.50	0.00	1.00	21.50	0.00	1.00	21.50
Personal Services	809,721	221,639	34,129	1,065,489	235,386	34,099	1,079,206
Operating Expenses	295,245	93,963	615,000	1,004,208	94,638	475,000	864,883
Equipment	38,307	11,693	0	50,000	11,693	0	50,000
<b>Total Costs</b>	<b>\$1,143,273</b>	<b>\$327,295</b>	<b>\$649,129</b>	<b>\$2,119,697</b>	<b>\$341,717</b>	<b>\$509,099</b>	<b>\$1,994,089</b>
State/Other Special	1,036,392	434,176	649,129	2,119,697	448,598	509,099	1,994,089
Federal Special	106,881	(106,881)	0	0	(106,881)	0	0
<b>Total Funds</b>	<b>\$1,143,273</b>	<b>\$327,295</b>	<b>\$649,129</b>	<b>\$2,119,697</b>	<b>\$341,717</b>	<b>\$509,099</b>	<b>\$1,994,089</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$75,156	\$0
FY07	\$84,499	\$0

**PL- 2206 - O&G Regulatory Program Operating Adjustments -**

The executive recommends adjustments of \$75,156 in FY 2006 and \$84,499 in FY 2007 of state special revenue to annualize increased operating costs for the Oil and Gas regulatory program.

**Department of Natural Resources & Conservation-5706  
Oil & Gas Conservation Division-22**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$63,209	\$0
FY07	\$69,560	\$0

**PL- 2207 - O&G UIC Program Operating Adjustments -**

The budget includes annual adjustments of \$63,209 in FY 2006 and \$69,560 in FY 2007 of state special revenue for operating costs in the Oil and Gas Underground Injection Control program.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$209,129	\$0
FY07	\$209,099	\$0

**NP- 2201 - Public Access Data System-OTO -**

The executive recommends 1.00 FTE each year and \$209,129 in FY 2006 and \$209,099 in FY 2007 state special revenue to continue and expand an on-going data project started in the 2005 biennium to acquire and maintain historical oil and gas data including well logs and field information and scan the data for web delivery. The majority of operating expenses \$150,000 per year would be used to contract with the Secretary of State's office or another third-party vendor to begin scanning the 50 years of historical well data in the Billings office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$125,000	\$0
FY07	\$0	\$0

**NP- 2203 - O&G Energy Education and Outreach-Biennial -**

The executive recommends a biennial state special revenue appropriation of \$125,000 to provide summer oil and gas workshops for teachers, provide curricula materials and field trips to students at all grade levels, and develop a science project competition. Efforts will foster better awareness of the importance of the oil and gas industry in Montana and to encourage students to pursue careers in the sciences and technologies used in the industry. These activities will be a cooperative effort between the Montana Board of Oil and Gas Conservation (Board) and Montana Tech, as part of the board's priority effort to make the public more aware of the oil and gas industry in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$15,000	\$0
FY07	\$0	\$0

**NP- 2204 - O&G North American Prospect Exposition-Biennial -**

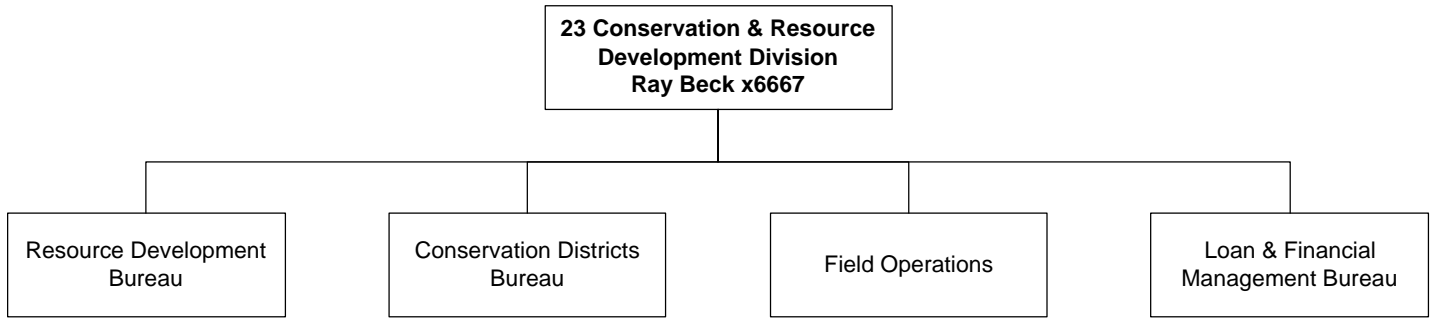
The department requests a biennial state special revenue appropriation of \$15,000 to sponsor a "Come to Montana" booth at the annual North American Prospect Expedition in Texas. Attendees at this convention represent oil and gas companies from all over the world. Funding would provide travel, supplies and materials, and registration fees. Participation in this exposition is part of the board's effort to make the public more aware of Montana's oil and gas industry.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$300,000	\$0
FY07	\$300,000	\$0

**NP- 2205 - Coal Bed Natural Gas Baseline Studies -**

The executive recommends \$300,000 state special revenue each fiscal year to complete baseline studies and investigations that will improve the effectiveness and efficiency of the oil and gas regulatory program in relation to coal bed methane production. Potential projects include: continuation of a baseline soil study of the Powder River Basin. This study has been started by industry but will not continue due to funding constraints, investigation of the regulatory barriers to use of Class V injection wells to inject produced coal bed methane water for aquifer storage and recovery, participate in studies of water treatment systems, produce a comprehensive guidance document for coal bed methane project developers, and provide matching funds for Department of Energy research solicitations in these areas.

## Department of Natural Resources & Conservation-5706 Conservation & Resource Development Division-23



**Program Description** - The Conservation and Resource Development Division provides technical, administrative, financial and legal assistance to Montana's 58 conservation districts by administering the Conservation District Act, Montana Rangeland Resources Act and the Natural Streambed and Land Preservation Act. The division also manages several loan and grant programs for local communities, local governments, state agencies and private citizens. The programs include the state revolving fund, which currently includes \$150 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$45 million and private loans for \$16.5 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Grants provided to communities (in millions)	\$3.5	\$3.5	\$3.6	\$3.6	\$3.6	\$3.6
Loans provided to communities (in millions)	\$200	\$210	\$220	\$225	\$240	\$245

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	21.50	1.00	0.00	22.50	1.00	0.00	22.50
Personal Services	1,181,422	26,407	0	1,207,829	28,455	0	1,209,877
Operating Expenses	1,058,250	169,422	105,000	1,332,672	97,453	102,000	1,257,703
Equipment	24,404	0	0	24,404	0	0	24,404
Local Assistance	213,373	50,000	250,000	513,373	0	250,000	463,373
Grants	924,622	45,431	0	970,053	0	0	924,622
Benefits & Claims	1,000,000	3,500,000	0	4,500,000	3,500,000	0	4,500,000
Debt Service	77,080	0	0	77,080	0	0	77,080
<b>Total Costs</b>	<b>\$4,479,151</b>	<b>\$3,791,260</b>	<b>\$355,000</b>	<b>\$8,625,411</b>	<b>\$3,625,908</b>	<b>\$352,000</b>	<b>\$8,457,059</b>
General Fund	2,316,762	3,455,202	0	5,771,964	3,455,920	0	5,772,682
State/Other Special	1,961,828	269,356	355,000	2,586,184	94,136	352,000	2,407,964
Federal Special	200,561	66,702	0	267,263	75,852	0	276,413
<b>Total Funds</b>	<b>\$4,479,151</b>	<b>\$3,791,2609</b>	<b>\$355,000</b>	<b>\$8,625,411</b>	<b>\$3,625,908</b>	<b>\$352,000</b>	<b>\$8,457,059</b>

**Department of Natural Resources & Conservation-5706  
Conservation & Resource Development Division-23**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$47,664	\$0
FY07	\$47,562	\$0

**PL- 2301 - CARDD Regional Water Coordinator -**

The executive recommends \$47,664 in FY 2006 and \$47,562 in FY 2007 state special revenue for 1.00 FTE as the regional water coordinator. There are four regional water systems. The Dry Prairie is in construction; the North Central, the Dry Red Water, and the Musselshell Valley systems are in development. State efforts assist local entities in obtaining federal authorization and appropriations, and work with multiple state agencies that have numerous permitting, easement and regulatory roles. The purpose of this effort is to assist in obtaining and then administering state and federal funding and to provide a point of contact between the local and regional systems and the state agencies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$52,000	\$2,000
FY07	\$58,000	\$2,000

**PL- 2302 - CARDD Operating Adjustment -**

The executive recommends \$52,000 in FY 2006 and \$58,000 in FY 2007 for operating increases for rent in non-state owned buildings and additional contracted services, \$2,000 per year is general fund and the remainder is state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$27,000	\$0
FY07	\$33,000	\$0

**PL- 2303 - Regional Water Systems -**

The budget includes \$27,000 in FY 2006 and \$33,000 in FY 2007 state special revenue for administrative expenses as necessary to continue to secure federal funding, maintain local support, and negotiate needed agreements to work on engineering and environmental planning for the various systems. The federal funding needed for the systems will total in excess of \$400 million. The federal funds received to date are \$5 million.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$84,000	\$0
FY07	\$0	\$0

**PL- 2310 - Grazing District Commission-Biennial -**

The executive recommends \$84,000 of state special revenue as a biennial appropriation for expenses associated with the operations of the Grazing District Commission.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,500,000	\$4,500,000
FY07	\$4,500,000	\$4,500,000

**PL- 2312 - Crow Tribe Settlement – RST/OTO**

The June 1999 Special Session of the Montana Legislature approved the water rights and coal severance tax litigation settlement with the Crow Tribe. The state also authorized DNRC to pay the Crow Tribe \$15 million over the course of 15 years to a fund "for the use and benefit of the Tribe." The state has paid \$6 million of this obligation to date. This request creates a one-time-only appropriation of \$9 million general fund to fulfill the state's obligation under this settlement.



**Department of Natural Resources & Conservation-5706  
Conservation & Resource Development Division-23**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,000,000)	(\$1,000,000)
FY07	(\$1,000,000)	(\$1,000,000)

**PL- 2313 - Crow Tribe Settlement Adjustment -**

The current base budget for the division contains \$1 million each year in ongoing general fund support to pay for the Crow Tribe Settlement. The request found in DP 2312 would pay off the remaining money owed to the Crow Tribe. Therefore, the ongoing base level funding will no longer be needed and this request removed the funds to free up \$1 million per year in general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$95,431	\$0
FY07	\$0	\$0

**PL- 2314 – Conservation Districts Financial Assistance -**

This request adds a \$95,431 biennial appropriation from the shared coal severance tax state special revenue fund for conservation district grants administrative support.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$250,000	\$0
FY07	\$250,000	\$0

**NP- 2304 - MT Drinking Water Loan Program -**

The executive recommends \$250,000 each fiscal year of state special revenue for the State Revolving Fund Drinking Water Program to match federal authority for hardship communities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$105,000	\$0
FY07	\$102,000	\$0

**NP- 2305 - Musselshell Valley Regional Water Project -**

The department requests \$105,000 in FY 2006 and \$102,000 in FY 2007 state special revenue to help in the development of the Musselshell Valley Regional Water Project. This system will facilitate the construction of a Regional Water System for 5 small communities in the Musselshell Valley area.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

**NP- 2306 - Move Funding Between State Special Revenue Funds -**

This decision package moves funding in the Conservation District Bureau and the Resource Development Bureau from the Renewable Resources fund to the Reclamation and Development fund. The services provided by these bureaus are appropriately funded by either of these funds. The movement of \$181,157 in FY 2006 and \$178,620 in FY 2007 is based upon balancing expenditures with available revenues.

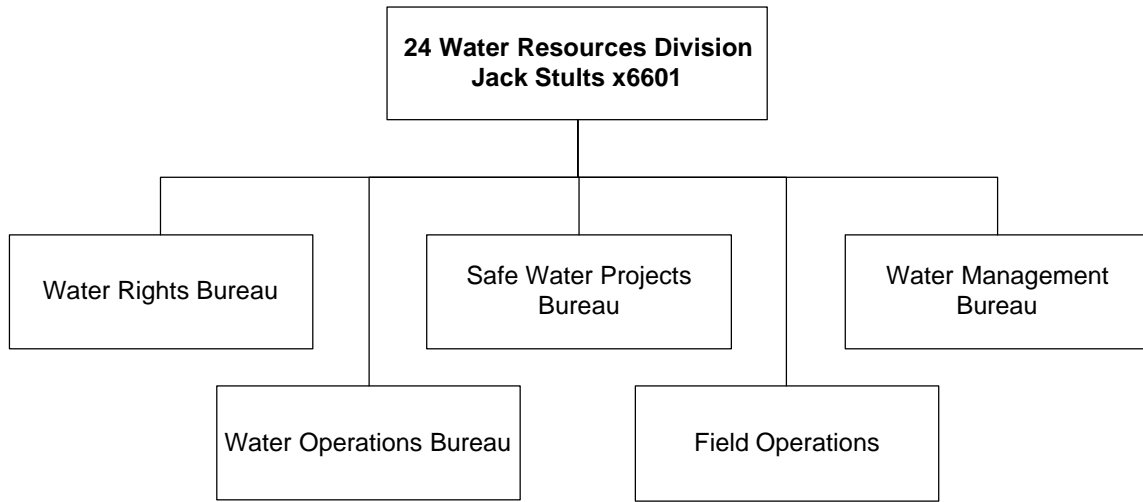
**Department of Natural Resources & Conservation-5706  
Conservation & Resource Development Division-23**

**Language Recommendations –**

"The department is appropriated up to \$600,000 for the 2007 biennium from the state special revenue account established in 85-1-604, MCA, for the purchase of prior liens on property held as loan security as required by 85-1-618, MCA".

"The department is authorized to decrease federal special revenue money in the pollution control and/or drinking water revolving fund loan programs and increase state special revenue money by a like amount within the special administration account when the amount of federal EPA CAP funds have been expended or federal funds and bond proceeds will be used for other program purposes."

**Department of Natural Resources & Conservation-5706  
Water Resources Division-24**



**Program Description** - The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. It manages and maintains the state-owned dams, reservoirs, and canals. The division also develops and recommends in state, interstate, and international water policy to the director, the Governor, and the Legislature. The division consists of an administration unit and four bureaus: Water Management Bureau, Water Rights Bureau, State Water Projects Bureau, and the Water Operations Bureau.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Dam Safety Inspections conducted on state-owned dams	48	46	46	46	40	40
High-hazard dam permits evaluated and issued	18	13	23	37	25	15
Water-user groups assisted in major river basins	22	22	24	24	21	23

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	109.50	0.00	0.00	109.50	0.00	0.00	109.50
Personal Services	5,252,169	365,896	0	5,618,065	370,736	0	5,622,905
Operating Expenses	1,768,414	793,206	71,856	2,633,476	(1,102)	89,556	1,856,868
Equipment	5,772	28,500	36,695	70,967	0	0	5,772
Capital Outlay	75	0	0	75	0	0	75
Debt Service	389,042	80,702	0	469,744	80,702	0	469,744
<b>Total Costs</b>	<b>\$7,415,472</b>	<b>\$1,268,304</b>	<b>\$108,551</b>	<b>\$8,792,327</b>	<b>\$450,336</b>	<b>\$89,556</b>	<b>\$7,955,364</b>
General Fund	5,866,304	320,952	0	6,187,256	327,098	0	6,193,402
State/Other Special	1,464,378	939,369	108,551	2,512,298	114,922	89,556	1,668,856
Federal Special	84,790	7,983	0	92,773	8,316	0	93,106
<b>Total Funds</b>	<b>\$7,415,472</b>	<b>\$1,268,304</b>	<b>\$108,551</b>	<b>\$8,792,327</b>	<b>\$450,336</b>	<b>\$89,556</b>	<b>\$7,955,364</b>

**Department of Natural Resources & Conservation-5706  
Water Resources Division-24**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$170,016	\$78,531
FY07	\$157,039	\$66,541

**PL- 2402 - Water Resources Operating Adjustments -**

The executive recommends \$143,120 general fund and \$181,983 state special revenue for the 2007 biennium for operating adjustments such as rent, utilities, contracted services and leased vehicles through the state motor pool. The funding is \$78,531 general fund and \$91,485 state special revenue for FY 2006 and \$66,541 general fund and \$90,498 state special revenue for FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$330,000	\$0
FY07	\$0	\$0

**PL- 2403 - Rehab of N. Fork of Smith Dam and Nilan North Dam-RST/OTO-**

The budget includes \$330,000 state special revenue for a restricted, one-time-only, and biennial appropriation for the rehabilitation of the North Fork of the Smith Dam located about 10 miles east of White Sulphur Springs and the Nilan North Dam which is located west of Augusta.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$86,000	\$0
FY07	\$0	\$0

**PL- 2404 - Broadwater Power Project-FERC Fisheries Mitigation -**

The department requests an \$86,000 biennial appropriation in state special revenue for fisheries mitigation to perform annual fish population studies and evaluation of completed habitat improvement projects having impacts from the construction of the Broadwater Power Project.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$413,600	\$0
FY07	\$0	\$0

**PL- 2405 - Water Projects Pre-construction Engineering -**

The budget includes a \$413,600 biennial appropriation request for state special revenue to pay for land surveying services and pre-construction engineering on two projects in need of major rehabilitation. Funds of \$388,600 will be used to contract with private engineering firms to complete the pre-construction engineering on the Ruby Dam and the Painted Rock Dam. The engineering will establish the basis for funding and carrying out the actual rehabilitation construction stage. The additional \$25,000 is to cover retainer fees for land surveying services conducted during the course of construction/rehabilitation activities on state-owned dams, canals, and lands scheduled for sale or exchange.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$16,800	\$0
FY07	\$16,800	\$0

**PL- 2406 - Water Well Contractors Litigation & Per Diem-RST-OTO -**

The executive recommends \$16,800 state special revenue each fiscal year of the 2007 biennium requested to pay for contracted legal and other litigation costs of the Board of Water Well Contractors and for per diem costs.

**Department of Natural Resources & Conservation-5706  
Water Resources Division-24**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$119,374)	\$0
FY07	(\$114,374)	\$0

**PL- 2407 - FBC Operating Budget -**

This request includes a reduction of \$119,374 in FY 2006 and \$114,374 in FY 2007 which reflects the operational changes that are taking place as the program integrates into the department.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$108,551	\$0
FY07	\$89,556	\$0

**NP- 2408 - Water Right Records Optical Imaging-OTO -**

The executive recommends \$108,551 in FY 2006 and \$89,556 in FY 2007 in state special revenue for document scanning technology for the water right records (which include approximately 350,000+ files and 6,000,000+ images), including color images of photos, maps, and staff analysis. These digital images would be linked to the existing water right database and become accessible via the internet. The digital images would replace the current microfilm of these documents, which are only available in 9 locations across the state and require microfilm reader/printers to access and copy the documents.

**Department of Natural Resources & Conservation-5706  
Reserved Water Rights Compact Commission-25**

<b>25 Reserved Water Rights Compact Commission Susan Cottingham x6841</b>
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**Program Description** - The Montana Reserved Water Rights Compact Commission was created by the legislature in 1979 as part of the state-wide water rights adjudication effort. It consists of four members appointed by the Governor, two by the President of the Senate, two by the Speaker of the House of Representatives, and one by the Attorney General. Members serve for four years. The commission negotiates water rights with the Indian tribes and federal agencies, which claim federal reserved water rights within the state, to establish a formal agreement (compact) on the amount of water to be allocated to each interest.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Compacts completed	0	0	0	1	0	1
Compacts Under Negotiation	4	4	4	3	3	2

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	530,733	27,891	0	558,624	27,705	0	558,438
Operating Expenses	133,717	(2,004)	0	131,713	(734)	0	132,983
<b>Total Costs</b>	<b>\$664,450</b>	<b>\$25,887</b>	<b>\$0</b>	<b>\$690,337</b>	<b>\$26,971</b>	<b>\$0</b>	<b>\$691,421</b>
General Fund	664,450	25,887	0	690,337	26,971	0	691,421
<b>Total Funds</b>	<b>\$664,450</b>	<b>\$25,887</b>	<b>\$0</b>	<b>\$690,337</b>	<b>\$26,971</b>	<b>\$0</b>	<b>\$691,421</b>

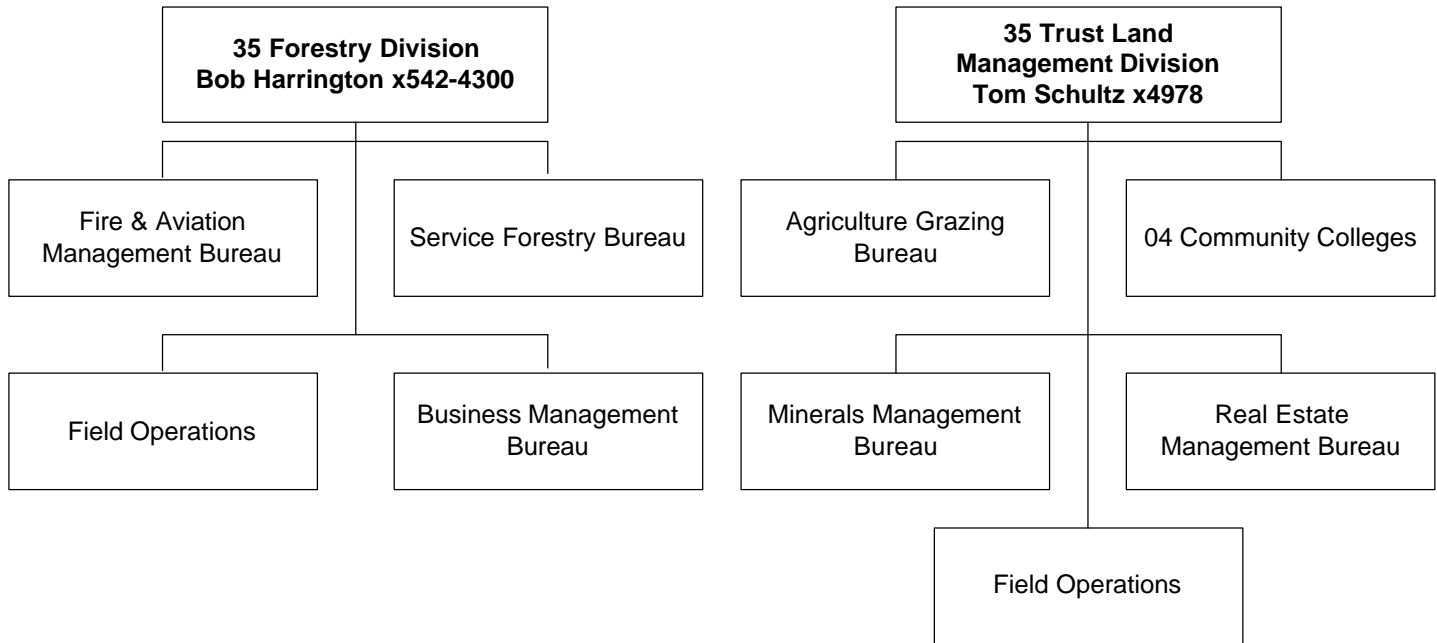
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,400	\$7,400
FY07	\$8,629	\$8,629

**PL- 2501 - Reserved Water Rights Compact Commission Operating -**

The executive recommends \$7,400 in FY 2006 and \$8,629 in FY 2007 general fund for per diem paid to the nine Reserved Water Right Compact Commission members, mileage and other operating adjustments.

## Department of Natural Resources & Conservation-5706 Forestry/Trust Lands Division-35



**Program Description** - The Forestry Division is responsible for planning and implementing forestry programs statewide. Forestry responsibilities include protecting natural resources from wildfire, regulating forest practices, and providing a variety of services to private forest landowners. Specific programs include:

- Fire and Aviation Management - Protecting 50 million acres of state and private forest and watershed lands from wildfire through a combination of direct protection and county support.
- Forest Practice Regulation - Enforcing Montana's streamside management zone regulations and monitoring the voluntary best management practices program on all forests in Montana.
- Administering Montana Fire Hazard Reduction Law - Ensuring that the fire hazard created by logging and other forest management operations on private forest lands is adequately reduced, or that additional fire protection is provided until the hazard is reduced.
- Providing Forestry Services - Providing technical forestry assistance to private landowners, businesses and communities.
- Tree and Shrub Nursery - Growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The Trust Land Management Division provides for the administration and management of trust lands granted to the State of Montana by the Enabling Act of 1889. These lands currently total 5.2 million surface acres and 6.2 million mineral acres. Additionally, the division is responsible for the administration of approximately 6,000 miles (40,000+ acres) of the beds of navigable waterways. The Trust Land Management Division is divided into four primary programs: forest management; agriculture and grazing management; special use management; and minerals management.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Forestry & Trust Land Management						
Total Acres under Fire Protection (in millions)	52.1	52.1	52.1	52.1	52.1	52.1
Forest Resource Assists	5,493	5,625	5,750	5,800	5800	5800
Total Revenues generated (in millions)	\$63.4	\$62.5	\$72.8	\$66	\$66.0	\$66.0
State Trust Land Acreage (in millions)	5.1	5.1	5.1	5.1	5.1	5.1

**Department of Natural Resources & Conservation-5706  
Forestry/Trust Lands Division-35**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	288.74	2.00	0.00	290.74	2.00	0.00	290.74
Personal Services	12,018,161	1,445,744	0	13,463,905	1,462,586	0	13,480,747
Operating Expenses	6,015,214	382,605	35,180	6,432,999	417,422	35,180	6,467,816
Equipment	599,324	16,000	0	615,324	0	0	599,324
Grants	37,243	0	0	37,243	0	0	37,243
Transfers	398,339	353,117	0	751,456	154,762	0	553,101
Debt Service	17,646	0	0	17,646	0	0	17,646
<b>Total Costs</b>	<b>\$19,085,927</b>	<b>\$2,197,466</b>	<b>\$35,180</b>	<b>\$21,318,573</b>	<b>\$2,034,770</b>	<b>\$35,180</b>	<b>\$21,155,877</b>
General Fund	6,158,738	815,529	21,108	6,995,375	633,845	21,108	6,813,691
State/Other Special	11,625,982	1,138,313	11,609	12,775,904	1,155,462	11,609	12,793,053
Federal Special	1,301,207	243,624	2,463	1,547,294	245,463	2,463	1,549,133
<b>Total Funds</b>	<b>\$19,085,927</b>	<b>\$2,197,466</b>	<b>\$35,180</b>	<b>\$21,318,573</b>	<b>\$2,034,770</b>	<b>\$35,180</b>	<b>\$21,155,877</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$200,000	\$0
FY07	\$200,000	\$0

**PL- 3502 - Fire Seasonal Pay Exception -**

The executive recommends \$132,000 state special revenue and \$268,000 federal special revenue for the 2007 biennium for the recruitment and retention of a seasonal firefighter workforce at DNRC. This request is an effort to keep DNRC proactive in competing with other employers for this ever-shrinking pool of qualified applicants. This recommendation will improve the recruitment and retention of qualified seasonal firefighters for the department.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$247,143	\$106,657
FY07	\$257,362	\$107,743

**PL- 3503 - Forestry Operating Adjustment -**

The executive recommends \$247,143 in FY 2006 and \$257,362 in FY 2007 all funds. This recommendation will be transferred to the air operations proprietary account to cover fixed costs for rent, insurance and wages.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$200,000	\$200,000
FY07	\$0	\$0

**PL- 3506 - Build additional UH-1 Helicopter-OTO -**

The budget includes funding to build an additional UH-1 helicopter which would increase the fire fighting capabilities of the state helicopter fleet. The cost to build the additional UH-1 helicopter is estimated to be \$256,000, based on a FY 2005 project completed in July, 2004. Funding would come \$200,000 from one-time-only general funds and DNRC would utilize \$56,000 of existing internal service funds to complete the project.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$11,544	\$0
FY07	\$14,183	\$0

**PL- 3521 - Trust Land Management Operating Adjustment -**

The executive recommends state special revenue of \$11,544 in FY 2006 and \$14,183 in FY 2007 for operating adjustments and rent costs in Helena, Billings, and Miles City offices.



**Department of Natural Resources & Conservation-5706  
Forestry/Trust Lands Division-35**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$18,000	\$0
FY07	\$18,000	\$0

**PL- 3522 - Trust Lands Recreational Use -**

The executive recommends \$18,000 each fiscal year of state special revenue for operating as a result of the agreement with the Department of Fish, Wildlife and Parks (FWP). Trust Land Management Division may utilize 10 percent of the revenue received as a result of the agreement. The department anticipates additional costs related to weed management and road maintenance, pursuant to 77-1-808 (3)(b)(e), MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$30,000	\$0
FY07	\$32,000	\$0

**PL- 3523 - Trust Land Commercial Leasing -**

The executive recommends \$30,000 in FY 2006 and \$32,000 in FY 2007 state special revenue for the future commercial and industrial development of state trust lands to increase revenue to the trust beneficiaries.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$153,000	\$0
FY07	\$153,000	\$0

**PL- 3524 - Trust Land Banking -**

The budget includes \$153,000 each fiscal year of state special revenue to implement the provision of HB 223, adopted by the 2003 Legislature. During FY 2004, the new program was in the development phase and incurred no expenses during the base year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$30,000	\$0
FY07	\$30,000	\$0

**PL- 3525 - Trust Land Road Maintenance -**

This request includes \$30,000 each fiscal year of state special revenue for additional road maintenance and road use purposes in the Northwestern and Southwestern Land Offices.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$16,000	\$0
FY07	\$0	\$0

**PL- 3526 - Trust Land Replacement Equipment-OTO -**

This decision package contains \$16,000 of state special revenue in FY 2006 as a one-time-only (OTO) appropriation for the replacement of the phone system at the Stillwater Unit of the Northwestern Land Office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$74,588	\$0
FY07	\$74,430	\$0

**PL- 3527 - Forest Management Sustained Yield FTE -**

The executive recommends 2.00 FTE and state special revenue funding of \$74,588 in FY 2006 and \$74,430 in FY 2007 to implement the provision of HB 537, passed by the 2003 Legislature. The department was directed to conduct a sustained yield study. Results of the study show that the annual sustained yield for timber harvest on school trust lands should increase from 42 mmbf to 53 mmbf, which would result in approximately \$1,940,000 additional average gross timber harvest revenue annually. This increase in timber harvest would increase the existing workload and require an additional two timber foresters to meet the new sustained yield.

**Department of Natural Resources & Conservation-5706  
Forestry/Trust Lands Division-35**

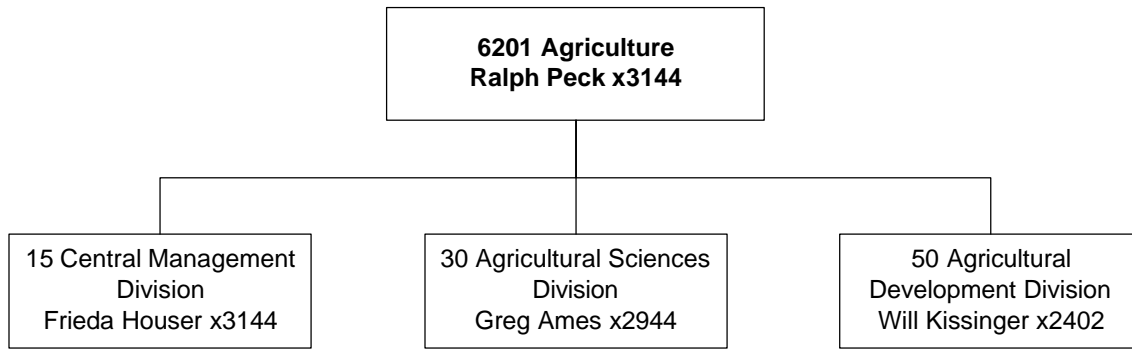
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$35,180	\$21,108
FY07	\$35,180	\$21,108

**NP- 3504 - Interagency Fire Support -**

The executive recommends \$21,108 general fund, \$11,609 state special revenue and \$2,463 federal special revenue each fiscal year to support interagency fire costs within the Northern Rockies region. Currently, the department funds contracted fire protection services on state and private lands within the Flathead Indian Reservation. The Bureau of Indian Affairs, Flathead Agency, has raised the fee for providing fire protection within the reservation by 4 cents per acre. The total increase per year is \$5,894 and will be ongoing. The department has also been requested to share support costs associated with the Northern Rockies Coordinating Group (NRCG) of which DNRC is a partner. These costs would be used to support regional Incident Management Teams and an interagency fire contractor position from which DNRC benefits.

## Department of Agriculture-6201



**Mission Statement** - To protect producers and consumers and to enhance and develop agriculture and allied industries.

**Statutory Authority** - Article XII, Section 1, Montana Constitution; Title 80, Chapters 1-15, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	111.54	2.00	0.00	113.54	2.50	0.00	114.04
Personal Services	4,073,972	960,408	0	5,034,380	973,257	0	5,047,229
Operating Expenses	1,960,713	720,862	25,000	2,706,575	585,904	25,000	2,571,617
Equipment	156,990	155,280	0	312,270	127,663	0	284,653
Grants	3,097,778	4,348,885	0	7,446,663	840,377	0	3,938,155
<b>Total Costs</b>	<b>\$9,289,453</b>	<b>\$6,185,435</b>	<b>\$25,000</b>	<b>\$15,499,888</b>	<b>\$2,527,201</b>	<b>\$25,000</b>	<b>\$11,841,654</b>
General Fund	598,135	15,772	0	613,907	(22,986)	0	575,149
State/Other Special	7,578,716	1,827,195	22,690	9,428,601	1,800,889	22,690	9,402,295
Federal Special	827,084	4,263,019	0	5,090,103	667,534	0	1,494,618
Proprietary	285,518	79,449	2,310	367,277	81,764	2,310	369,592
<b>Total Funds</b>	<b>\$9,289,453</b>	<b>\$6,185,435</b>	<b>\$25,000</b>	<b>\$15,499,888</b>	<b>\$2,527,201</b>	<b>\$25,000</b>	<b>\$11,841,654</b>

## Department of Agriculture-6201 Central Management Division-15

**15 Central Management  
Division**  
Frieda Houser x3144

**Program Description** - Central Management Division performs technical, fiscal, and administrative support functions for the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, personnel, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, and legal support to all programs within the department. Included in this division is the director's office, which provides overall policy development for the department.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Regional/National Projects/Meetings	204	284	353	215	250	250
International Projects/Meetings	24	30	52	30	30	30

Program Proposed Budget Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	13.00	0.00	0.00	13.00	0.00	0.00	13.00
Personal Services	637,009	48,844	0	685,853	47,465	0	684,474
Operating Expenses	200,050	15,302	25,000	240,352	(38,786)	25,000	186,264
Equipment	7,930	5,000	0	12,930	5,000	0	12,930
<b>Total Costs</b>	<b>\$844,989</b>	<b>\$69,146</b>	<b>\$25,000</b>	<b>\$939,135</b>	<b>\$13,679</b>	<b>\$25,000</b>	<b>\$883,668</b>
General Fund	168,116	10,172	0	178,288	(28,289)	0	139,827
State/Other Special	528,913	57,243	22,690	608,846	41,809	22,690	593,412
Federal Special	91,979	(1,979)	0	90,000	(1,979)	0	90,000
Proprietary	55,981	3,710	2,310	62,001	2,138	2,310	60,429
<b>Total Funds</b>	<b>\$844,989</b>	<b>\$69,146</b>	<b>\$25,000</b>	<b>\$939,135</b>	<b>\$13,679</b>	<b>\$25,000</b>	<b>\$883,668</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$16,038	\$0
FY07	\$0	\$0

**PL- 1502 - Microsoft Office Licensing -**

This request of \$16,038 state special and proprietary funds in FY 2006 is for 54 Microsoft Office suite software licenses. This request was approved by the 2003 Legislature, however Department of Administration did not upgrade as planned.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$20,000	\$5,000
FY07	\$20,000	\$5,000

**PL- 1504 - Operations & Equipment -**

This budget request of \$20,000 will restore the budget to the FY 2004 level. The funding includes \$15,000 state special and proprietary funds and \$5,000 general fund each year for two foreign agricultural trips, updating one computer server, and some accounting, personnel, and information technology training.

**Department of Agriculture-6201  
Central Management Division-15**

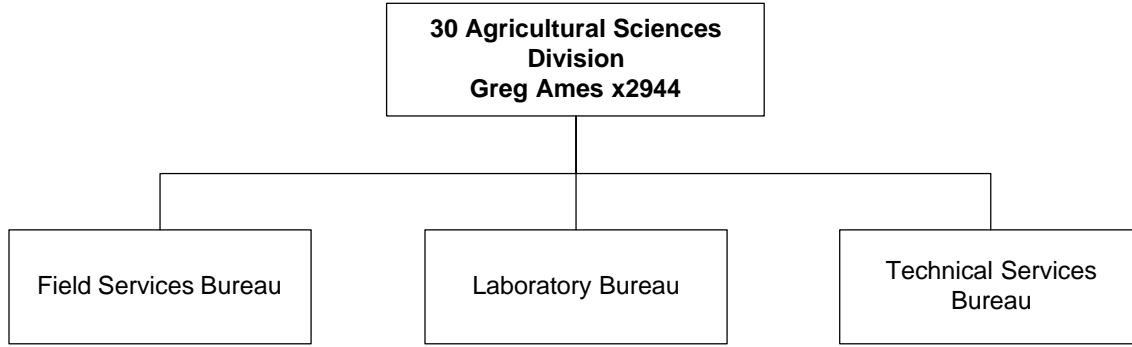
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,000	\$0
FY07	\$25,000	\$0

**NP- 1503 - Electronic Government -**

The budget includes \$25,000 state special and proprietary funds each year for development of electronic government applications for use by and at the request of the agricultural industry.

## Department of Agriculture-6201 Agricultural Sciences Division-30



**Program Description** - The Agricultural Sciences Division (ASD) administers, manages, coordinates, and evaluates the major activities of: 1) pesticide and pest management; 2) analytical laboratory services; 3) noxious weed management; 4) agricultural chemical groundwater management; and 5) vertebrate pest management. This program administers the Montana Pesticides Act, Agricultural Chemical Groundwater Protection Act, Crop Insect Detection Act, Vertebrate Pest Management Act, Noxious Weed Trust Fund Act, elements of the Weed Assistance Act, and the department's Chemical Analytical Laboratory. Duties also include administering agricultural programs related to the production, manufacturing, and marketing of commodities exported from or distributed in the state.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Commercial Agricultural Products Registered	11,920	12,200	13,200	13,600	13,800	14,000
Analysis of Commercial Agricultural Products	5708	5712	5800	5800	6500	6500
Commodity Certificates	4016	4171	4427	4260	4270	4280
Noxious Weed Trust Fund Grants Awarded	141	150	150	150	180	180
Pest Quarantines and Surveys	18	17	19	17	19	20
Compliance Assistance, Education, and Inspections	1759	1823	1753	1750	1750	1750

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	59.16	2.00	0.00	61.16	2.50	0.00	61.66
Personal Services	2,342,375	348,623	0	2,690,998	365,340	0	2,707,715
Operating Expenses	836,479	552,309	0	1,388,788	441,360	0	1,277,839
Equipment	137,865	77,117	0	214,982	69,000	0	206,865
Grants	2,097,603	3,706,000	0	5,803,603	206,000	0	2,303,603
<b>Total Costs</b>	<b>\$5,414,322</b>	<b>\$4,684,049</b>	<b>\$0</b>	<b>\$10,098,371</b>	<b>\$1,081,700</b>	<b>\$0</b>	<b>\$6,496,022</b>
General Fund	101,341	0	0	101,341	0	0	101,341
State/Other Special	4,591,277	519,051	0	5,110,328	512,187	0	5,103,464
Federal Special	721,704	4,164,998	0	4,886,702	569,513	0	1,291,217
<b>Total Funds</b>	<b>\$5,414,322</b>	<b>\$4,684,049</b>	<b>\$0</b>	<b>\$10,098,371</b>	<b>\$1,081,700</b>	<b>\$0</b>	<b>\$6,496,022</b>

**Department of Agriculture-6201  
Agricultural Sciences Division-30**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,580,000	\$0
FY07	\$0	\$0

**PL- 3001 - USDA Federal Mitigation of Noxious Weed Impacts -**

This budget request of \$3.58 million biennial federal authority is for noxious weed control on private and public lands. The department has entered into a cooperative agreement with the US Forest Service to provide the funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$194,836	\$0
FY07	\$171,458	\$0

**PL- 3002 - Pesticide Base Budget Adjustments -**

The Executive recommends this request of \$194,836 in FY 2006 and \$171,458 in FY 2007 of state and federal special revenue for the purchase of replacement trucks, field office rent, travel, pesticide disposal contract, and Federal State Inspection (FSI) contract expenditures.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$158,792	\$0
FY07	\$165,482	\$0

**PL- 3003 - Organic Program -**

This request is recommended by the Executive to fund 0.50 FTE in FY 2006 and 1.00 FTE in FY 2007 and related operating expenditures totaling \$158,792 in FY 2006 and \$165,482 in FY 2007. Funding comes from both state and federal special revenue. A part-time inspector and increased administrative support will enable the department to meet the demand for organic certification of farmers, ranchers, and agricultural processors.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$294,490	\$0
FY07	\$294,438	\$0

**PL- 3005 - EPA Homeland Security -**

This request would fund 1.50 FTE and related operational costs of approximately \$294,000 federal funds each year. Funding will be based on grants received from the United States Environmental Protection Agency (EPA). A program would be developed to include training on safety, security, and establishing security procedures for agricultural chemicals.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,080	\$0
FY07	\$5,080	\$0

**PL- 3010 - Produce Base Budget Adjustments -**

This budget request restores \$5,080 federal authority in FY2006 and FY 2007 for inspections and feed samples.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$12,000	\$0
FY07	\$7,000	\$0

**PL- 3011 - Feed and Fertilizer Base Budget Adjustments -**

This budget request restores state special authority of \$12,000 in FY2006 and \$7,000 FY 2007 for maintenance contracts to update laboratory equipment and purchase a vehicle.

**Department of Agriculture-6201  
Agricultural Sciences Division-30**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,890	\$0
FY07	\$2,890	\$0

**PL- 3012 - Mint Committee Base Budget Adjustments -**

This budget request restores \$2,890 state special authority in both fiscal years for committee meeting and related expenditures.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$116,000	\$0
FY07	\$116,000	\$0

**PL- 3013 - Noxious Weed Admin Base Budget Adjustments -**

The budget includes an increase of \$116,000 state special authority each year for meeting and travel costs and to increase grants by \$100,000 to fight noxious weeds in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$23,277	\$0
FY07	\$23,277	\$0

**PL- 3014 - Groundwater Base Budget Adjustments -**

The Executive recommends restoring the base state special revenue authority of \$23,277 in FY 2006 and FY 2007 for replacement of two trucks, installation of groundwater monitoring wells, travel, laboratory equipment maintenance contracts, and other operating expenditures.

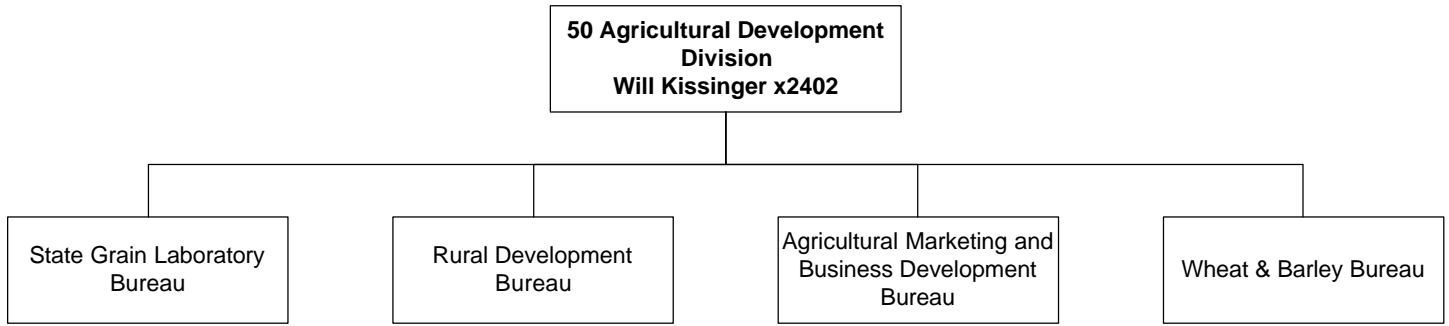
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$35,208	\$0
FY07	\$35,208	\$0

**PL- 3015 - Caps Base Budget Adjustments -**

The budget includes \$35,208 federal authority each year of the 2007 biennium for committee travel and related pest survey costs to administer the Montana Cooperative Agricultural Pest Survey (CAPS) and Pest Detection program.



## Department of Agriculture-6201 Agricultural Development Division-50



**Program Description** - The Agricultural Development Division administers programs to promote Montana agriculture through market development and enhancement. Assistance is given toward commercialization of traditional as well as innovative agricultural products and processes. The program provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, and the Board of Hail Insurance. The division is comprised of the following bureaus: Rural Development, Wheat and Barley, Agriculture Marketing & Business Development and State Grain Laboratory. The State Grain Laboratory provides grades, protein determinations, malting barley germination, and falling number tests for contract settlement prices between buyers and sellers of grain crops in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	39.38	0.00	0.00	39.38	0.00	0.00	39.38
Personal Services	1,094,588	562,941	0	1,657,529	560,452	0	1,655,040
Operating Expenses	924,184	153,251	0	1,077,435	183,330	0	1,107,514
Equipment	11,195	73,163	0	84,358	53,663	0	64,858
Grants	1,000,175	642,885	0	1,643,060	634,377	0	1,634,552
<b>Total Costs</b>	<b>\$3,030,142</b>	<b>\$1,432,240</b>	<b>\$0</b>	<b>\$4,462,382</b>	<b>\$1,431,822</b>	<b>\$0</b>	<b>\$4,461,964</b>
General Fund	328,678	5,600	0	334,278	5,303	0	333,981
State/Other Special	2,458,526	1,250,901	0	3,709,427	1,246,893	0	3,705,419
Federal Special	13,401	100,000	0	113,401	100,000	0	113,401
Proprietary	229,537	75,739	0	305,276	79,626	0	309,163
<b>Total Funds</b>	<b>\$3,030,142</b>	<b>\$1,432,240</b>	<b>\$0</b>	<b>\$4,462,382</b>	<b>\$1,431,822</b>	<b>\$0</b>	<b>\$4,461,964</b>

## Department of Agriculture-6201 Agricultural Development Division-50

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
<b>Wheat and Barley:</b>						
Market Info Requests	232	250	250	250	275	275
Research & Marketing Projects	64	47	28	30	35	40
Foreign Trade Delegation Representatives	47	50	50	50	45	40
<b>State Grain Lab:</b>						
Official & Submitted Grades	11,465	14,100	18,500	20,000	21,000	22,000
Commodity Grades (Peas, Beans, Lentils)	213	240	250	300	315	330
Related Testing (Proteins, Germinations, Falling Numbers)	13,750	15,550	20,000	21,500	22,575	23,650
<b>Hail Insurance:</b>						
Insurance Policies*	1,232	1,350	2,395	2,500	2,600	2,600
Acreage Insured*	532,939	1,751,000	1,751,570	1,900,00	2,000,000	2,000,000
<b>Ag Finance:</b>						
Junior Ag Loans	127	139	100	125	140	155
Subordination Loans	10	11	11	15	19	23
Rural Assistance Loans	53	58	58	65	70	75
Loan Portfolio Amount	\$1,775,820	\$2,000,000	\$2,150,000	\$2,350,000	\$2,700,000	\$3,000,000
<b>Marketing &amp; Business Development:</b>						
GTA Investment Portfolio	\$1,131,168	\$522,616*	\$1,217,259	\$1,098,369	\$1,246,579	\$1,246,579
GTA Awards Made	37	15	38	40	40	40
Companies Assisted w/ Business Start-up, Expansion, or Business Recruitment/Relocation	57	70	78	90	115	130
Promotions Conducted	8	8	6	8	8	8
Dept Trade Show Participation	10	7	15	15	15	15
Dept Assisted Trade Show Participants	9**	15	15	30	35	40
Trade Missions & Reverse Trade Missions	5	6	7	7	7	7

\*Reduced Funding Special Session

\*\*Transition to Trade Show Assistance Program

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,000	\$5,000
FY07	\$5,000	\$5,000

#### PL- 5001 - Montana Agricultural Statistics Service GF Approp -

This request of \$5,000 increases general fund authority for FY 2006 and FY 2007 for producing Montana agricultural statistical information.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,968	\$0
FY07	\$4,968	\$0

#### PL- 5002 - Mt Agricultural Statistics-Alternative Crop Survey -

This budget request restores \$4,968 state special authority in both fiscal years. The expenditure was funded with a federal grant in FY 2004 that expires in FY 2005.

**Department of Agriculture-6201  
Agricultural Development Division-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$258,463	\$0
FY07	\$256,663	\$0

**PL- 5003 - State Grain Lab Bureau Base Adjustment -**

The Executive recommends this proposal to restore \$258,463 state special revenue authority in FY 2006 and \$256,663 in FY 2007. The increase will ensure adequate services during a heavier workload biennium at the State Grain Laboratory.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$15,000	\$0
FY07	\$18,500	\$0

**PL- 5004 - Montana State Hail Insurance Prog. Base Adjustment -**

The Executive recommends this request for \$15,000 in FY 2006 and \$18,500 in FY 2007 proprietary funds for hail insurance adjusters and associated travel costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$650,146	\$0
FY07	\$650,439	\$0

**PL- 5005 - Wheat & Barley Bureau Base Adjustment -**

This budget includes approximately \$650,000 state special funding in both years of the 2007 biennium for marketing and research services. The request includes \$16,200 in FY 2006 to replace a vehicle, approximately \$550,000 for grants, and \$83,496 for other operational costs in FY 2006 and FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$100,000	\$0
FY07	\$100,000	\$0

**PL- 5009 - Federal Marketing Appropriation Authority -**

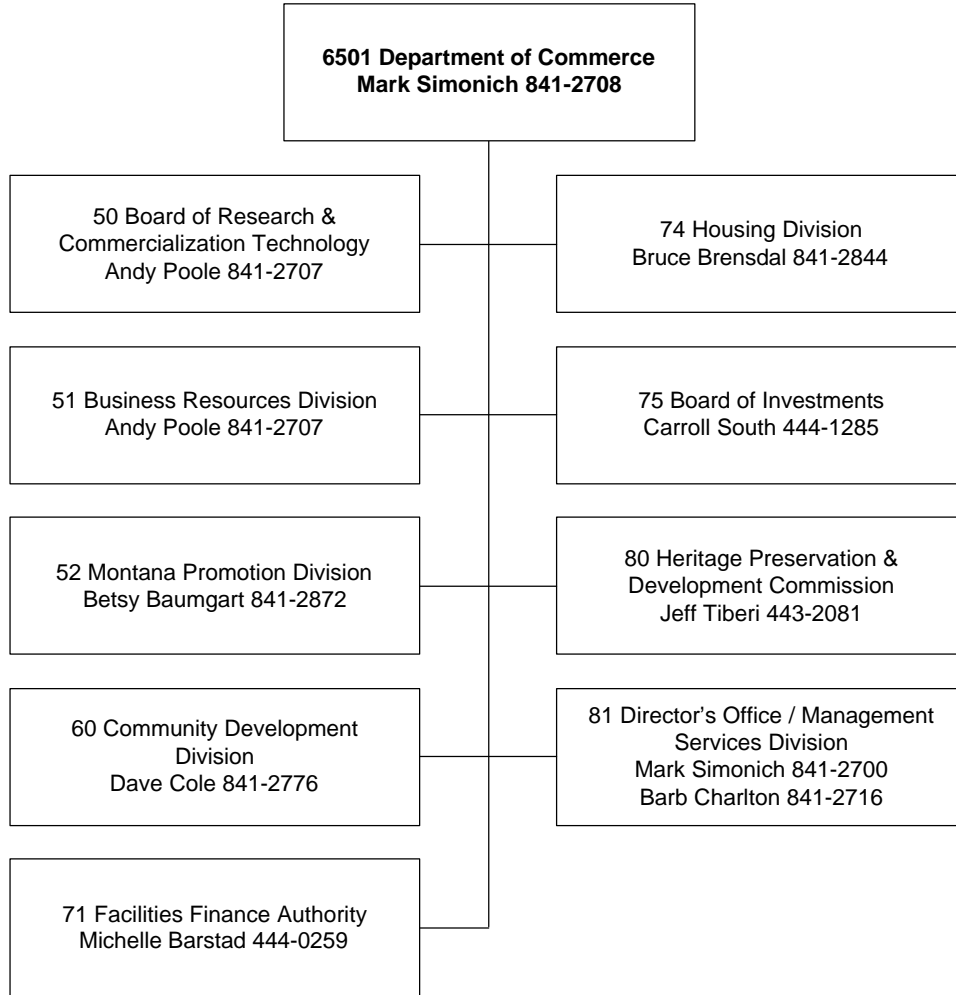
This request of \$100,000 federal revenue authority each year is for grants to develop agriculture markets and marketing projects and related operating costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$33,939	\$0
FY07	\$33,938	\$0

**PL- 5020 - Montana Agriculture Development Council Grants -**

Under MCA 15-35-108, 7.75 percent of the Coal Severance Tax collections are to be credited to a state special revenue account known as the Coal Severance Tax Shared Account, a portion of which is to be allocated by the legislature to the Montana Growth Through Agriculture program. An increase of \$67,877 for the 2007 biennium is requested and will be used to increase the funds available for investments and agricultural development projects.

## Department of Commerce-6501

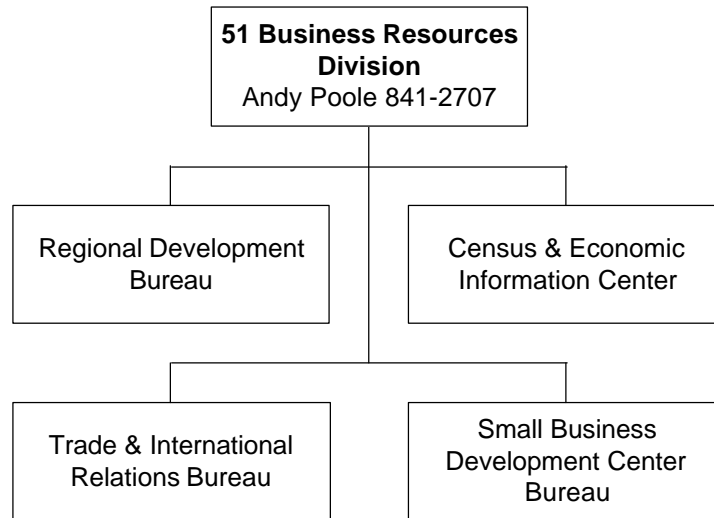


**Mission Statement** - To enhance economic prosperity in Montana by working with our community partners to foster community led diversification of our economy; and to maintain and improve our infrastructure, housing and facilities.

**Statutory Authority** - 2-15-18, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	47.00	(5.34)	0.00	41.66	(5.34)	0.00	41.66
Personal Services	2,091,891	39,026	0	2,130,917	39,576	0	2,131,467
Operating Expenses	2,253,689	446,667	0	2,700,356	404,236	0	2,657,925
Grants	15,130,854	2,718,469	0	17,849,323	1,403,068	0	16,533,922
Benefits & Claims	210,496	264,504	0	475,000	264,504	0	475,000
<b>Total Costs</b>	<b>\$19,686,930</b>	<b>\$3,468,666</b>	<b>\$0</b>	<b>\$23,155,596</b>	<b>\$2,111,384</b>	<b>\$0</b>	<b>\$21,798,314</b>
General Fund	1,565,311	60,216	0	1,625,527	59,598	0	1,624,909
State/Other Special	1,622,888	1,809,510	0	3,432,398	220,921	0	1,843,809
Federal Special	16,498,731	1,598,940	0	18,097,671	1,830,865	0	18,329,596
<b>Total Funds</b>	<b>\$19,686,930</b>	<b>\$3,468,666</b>	<b>\$0</b>	<b>\$23,155,596</b>	<b>\$2,111,384</b>	<b>\$0</b>	<b>\$21,798,314</b>

## Department of Commerce-6501 Business Resources Division-51



**Program Description** - The Business Resources Division is comprised of a variety of programs aimed at improving, enhancing, and diversifying Montana's economic and business climate. Working closely with the private sector, the Governor's Office, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs; the division strives to enhance the economic base of Montana through business creation, expansion, and retention efforts.

### Program Indicators -

Indicator	Actual CY2003	Actual CY2004	Estimated CY2005
Finance Ctr. Website Visitor Sessions	22,161	23,000	24,000
RDO Business Financing	\$94,310,230	\$75,000,000	\$85,000,000
CDBG Business Financing	\$2,200,000	\$2,200,000	\$2,200,000
CRDC 5-Year Strategic Plans	9	12	12
CEIC Website Visitor Sessions	124,238	150,000	180,000
Export Trade Counseling Cases	700	740	780
SBDC Counseling Hours	6,214	6,116	7,978
Phase 1 and II SBIR Awards	33	41	49
Micro Business Development Center Clients	1,205	1300	1400
NxLevel Training Participants	333	330	330

## Department of Commerce-6501 Business Resources Division-51

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	26.50	(3.34)	0.00	23.16	(3.34)	0.00	23.16
Personal Services	1,126,589	93,778	0	1,220,367	94,346	0	1,220,935
Operating Expenses	1,115,614	88,934	0	1,204,548	80,427	0	1,196,041
Grants	2,856,896	156,651	0	3,013,547	156,651	0	3,013,547
<b>Total Costs</b>	<b>\$5,099,099</b>	<b>\$339,363</b>	<b>\$0</b>	<b>\$5,438,462</b>	<b>\$331,424</b>	<b>\$0</b>	<b>\$5,430,523</b>
General Fund	1,363,945	41,582	0	1,405,527	40,964	0	1,404,909
State/Other Special	182,270	48,919	0	231,189	48,760	0	231,030
Federal Special	3,552,884	248,862	0	3,801,746	241,700	0	3,794,584
<b>Total Funds</b>	<b>\$5,099,099</b>	<b>\$339,363</b>	<b>\$0</b>	<b>\$5,438,462</b>	<b>\$331,424</b>	<b>\$0</b>	<b>\$5,430,523</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$150,459)	(\$150,459)
FY07	(\$150,043)	(\$150,043)

#### PL- 5101 - BRD FTE Reallocation HB0002 -

The executive recommends moving 3.00 FTE from HB 2 to a statutory appropriation in the division. The general fund savings for HB 2 in FY 2006 is \$150,459 and \$150,043 in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$156,651	\$0
FY07	\$156,651	\$0

#### PL- 5104 - BRD Federal Grants Adjustment HB002 -

The budget includes \$156,651 each year of the 2007 biennium of federal authority for Community Development Block Grants.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$107,611	\$62,611
FY07	\$109,076	\$64,076

#### PL- 5111 - BRD Administrative Costs Adjustments HB0002 -

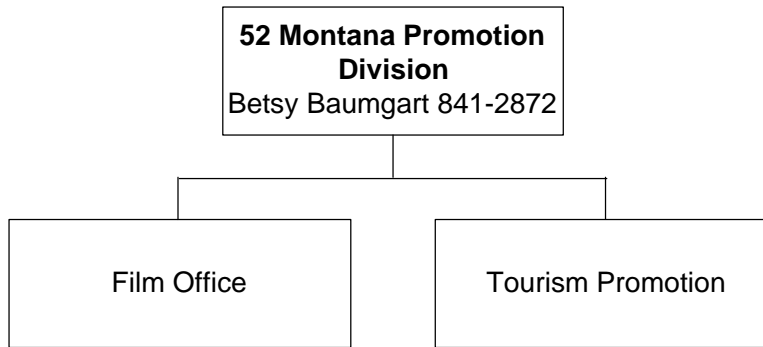
This request adds \$62,611 general fund and \$45,000 state special revenue for FY 2006 and \$64,076 general fund and \$45,000 state special revenue for FY 2007 for administrative costs adjustments in the Business Resource Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$13,984)	(\$13,984)
FY07	(\$13,975)	(\$13,975)

#### PL- 5126 - BRD Statewide FTE Reduction HB0002 -

This decision package implements an FTE reduction equivalent to the reduction taken in the 2003 legislative session. This 0.34 FTE and nearly \$14,000 of general fund are removed each year from the budget permanently.

**Department of Commerce-6501  
Montana Promotion Division-52**



**Program Description** - The Montana Promotion Division strives to strengthen Montana’s economy through increased visitor travel, visitor expenditures, and film production, in the state. The division works to project a positive image of the state through consumer advertising, electronic marketing, publicity, international and domestic group travel marketing, printing and distribution of literature, and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes infrastructure grants and oversees expenditures of six regional non-profit corporations and the ten qualified convention and visitors bureaus.

The Montana Promotion Division is primarily funded by the statutorily appropriated lodging facility use tax.

Montana Promotion Division responsibilities are mandated primarily in Title 15, Chapter 65, and Title 2, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	476,286	293,100	0	769,386	273,714	0	750,000
<b>Total Costs</b>	<b>\$476,286</b>	<b>\$293,100</b>	<b>\$0</b>	<b>\$769,386</b>	<b>\$273,714</b>	<b>\$0</b>	<b>\$750,000</b>
State/Other Special	476,286	293,100	0	769,386	273,714	0	750,000
<b>Total Funds</b>	<b>\$476,286</b>	<b>\$293,100</b>	<b>\$0</b>	<b>\$769,386</b>	<b>\$273,714</b>	<b>\$0</b>	<b>\$750,000</b>

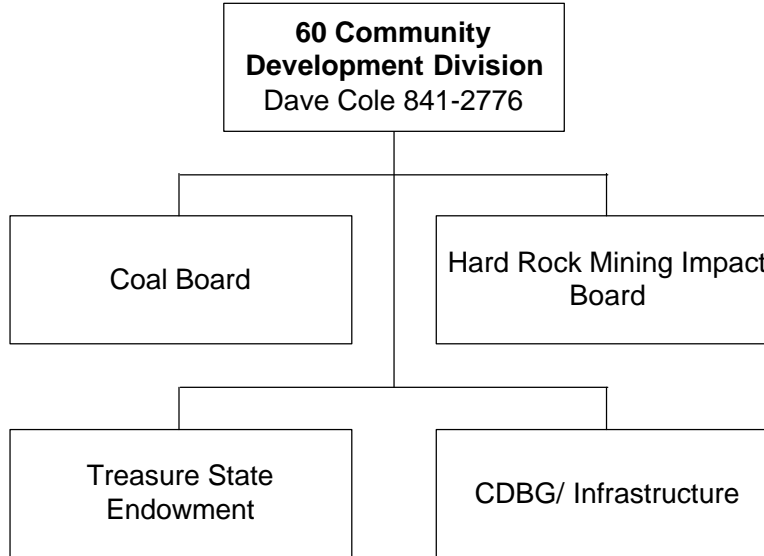
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$292,055	\$0
FY07	\$292,055	\$0

**PL- 5212 - MPD Private Funds & Audit Adjustments HB0002 -**

The executive recommends an increase of \$292,055 each year to continue the historical trend of \$750,000 each year of private authority for the Montana Promotion Division.

## Department of Commerce-6501 Community Development Division-60



**Program Description** - The Community Development Division works with federal, state, and local governments, private non-profit organizations, and private citizens in regard to community needs identification, public facilities planning and financing, housing development for low and moderate income families, neighborhood revitalization, and coal and hard rock mining mitigation, as well as management of projects funded through division programs.

There are two major programs directly administered by the division:

- The Community Development Block Grant Program (CDBG), and
- The Treasure State Endowment Program (TSEP).

The Montana Coal Board and the Montana Hard Rock Mining Impact Board are also attached to the Community Development Division for administrative purposes. The division provides office facilities and necessary staff and administrative support for the boards.

These four programs provide both financial and technical assistance to Montana communities, local elected officials and staff, nonprofit organizations, private sector developers and consultants, Indian Tribes, and private citizens. Other assisted entities include local planning boards and zoning commissions, community development corporations, human resource development councils, water and sewer districts, fire departments, and housing authorities.

- The Community Development Block Grant (CDBG) program is primarily funded with federal funds allocated through the U.S. Department of Housing and Urban Development (HUD) although the general fund provides a required match for a portion of the administrative costs of the program equal to two percent of the annual CDBG allocation.
- The Coal Board is funded from the coal severance tax shared state special revenue account. This account receives its revenues from 7.75 percent of all coal severance tax collections. The Hard-Rock Mining Impact Board is funded by a 2.5 percent allocation of the Metalliferous Mines License Tax.
- The Treasure State Endowment Program is funded by interest earnings from the treasure state endowment fund, a sub-fund within the coal tax trust fund. Fifty percent of the coal severance taxes that go into the coal tax trust fund are to be transferred to the treasure state endowment fund for a 20-year period, which began in 1993.

The Community Development Division's responsibilities are primarily mandated in Title 90, Chapter 1 and Chapter 6, MCA; and federal authorizations 24 CFR 570, subpart 1; and 42 USC 5301.



## Department of Commerce-6501 Community Development Division-60

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
<b>Coal Board</b>						
Applications	24	30	24	24	30	25
Grants	12	16	9	10	15	10
Board Meetings	4	4	4	4	4	4
Conference Calls	1	1	4	2	2	2
<b>Hard Rock</b>						
Board Meetings	4	2	1	2	2	2
Conference Calls	2	4	4	4	4	4
<b>TSEP</b>						
Construction Applications Received	55	0	47	0	50	0
Construction Awards	0	40	0	44	0	48
Active Construction Projects	55	40	74	34	78	70
Preliminary Engineering Awards	39	0	32	0	34	0
Emergency Awards	2	3	3	4	3	3
<b>CDBG / Applications Reviewed</b>						
Public Facilities	8	13	10	14	14	14
Housing	7*	*	6	8	8	8
Planning	17	26	33	30	35**	30
<b>Grants Awarded</b>						
Public Facilities	8	12	7	10	10	10
Housing	4*	*	3	4	4	4
Planning	13	16	14	20	20	20

\*Housing applications were combined for FY 2002/2003

\*\*Higher number of CDBG planning grant applications is anticipated in even-numbered years because all available TSEP preliminary engineering grant funds is generally disbursed in the first year of the biennium.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	13.00	0.00	0.00	13.00	0.00	0.00	13.00
Personal Services	625,775	30,057	0	655,832	30,600	0	656,375
Operating Expenses	409,881	126,169	0	536,050	118,554	0	528,435
Grants	6,587,183	2,807,729	0	9,394,912	1,240,652	0	7,827,835
<b>Total Costs</b>	<b>\$7,622,839</b>	<b>\$2,963,955</b>	<b>\$0</b>	<b>\$10,586,794</b>	<b>\$1,389,806</b>	<b>\$0</b>	<b>\$9,012,645</b>
General Fund	201,366	18,634	0	220,000	18,634	0	220,000
State/Other Special	964,332	1,467,491	0	2,431,823	(101,553)	0	862,779
Federal Special	6,457,141	1,477,830	0	7,934,971	1,472,725	0	7,929,866
<b>Total Funds</b>	<b>\$7,622,839</b>	<b>\$2,963,955</b>	<b>\$0</b>	<b>\$10,586,794</b>	<b>\$1,389,806</b>	<b>\$0</b>	<b>\$9,012,645</b>

**Department of Commerce-6501  
Community Development Division-60**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,747,085	\$0
FY07	\$1,180,008	\$0

**PL- 6003 - CD Grants Adjustment HB0002 -**

The executive recommends \$1.5 million each fiscal year for the federally funded portion of the Community Development Block Grant program. In addition, adjustments to the biennial appropriation for the Coal Board for grants to local coal communities equal \$1,247,085 in FY 2006 and (\$319,992) in FY 2007. Funding for the Coal Board grants comes from the Coal Severance Tax shared account.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$144,139	\$0
FY07	\$145,143	\$0

**PL- 6013 - CD Administrative Costs Adjustments HB0002 -**

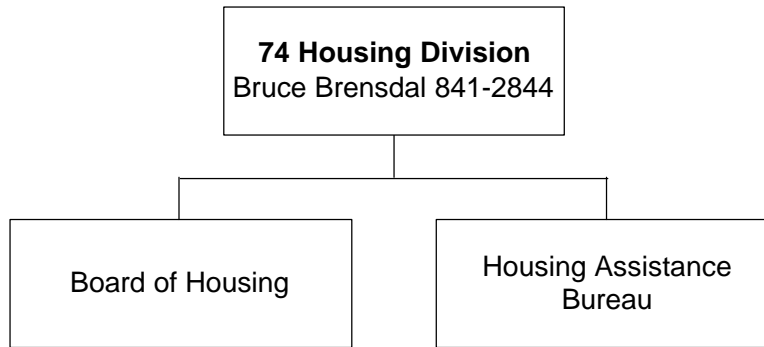
The executive recommends \$144,139 in FY 2006 and \$145,143 in FY2007 state and federal special revenue for increased operating costs to administer the Community Development Block Grant program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$60,644	\$0
FY07	\$60,644	\$0

**PL- 6060 - CD Grants Hard Rock Adjustments HB0002 -**

In accordance with 90-6-331, MCA, prior to each October 31, all money segregated by the county in the hard-rock mining impact trust account, following allocation to the hard-rock mining impact trust reserve account, must be transferred to the county for which the funds have been held in deposit. This request accomplishes that transfer.

**Department of Commerce-6501  
Housing Division-74**



**Program Description** - The Housing Division established on July 1, 1995, consolidated housing programs within the Department of Commerce into one division. The division includes the Housing and Urban Development (HUD) HOME Investment Partnerships program, the HUD Tenant Based and Project Based Section 8 Housing programs, and the Board of Housing and its programs.

Housing Division responsibilities are mandated primarily in Title 2, Chapter 15; Title 90, Chapter 1, and Chapter 6, MCA; 24 CFR 91, and 92; 24 CFR 5, 792, 813, 887, 982, and 984; and the Governor's Executive Order 27-81.

**Program Indicators -**

<b>Indicator</b>	<b>Actual FY2003</b>	<b>Actual FY2004</b>	<b>Estimated FY2005</b>	<b>Estimated FY2006</b>	<b>Estimated FY2007</b>
<b>Applications Reviewed (\$)</b>					
Homebuyer Assistance	1,608,335	1,531,543	1,766,000	1,854,000	1,947,000
Homeowner Rehabilitation	173,300	869,656	604,000	634,000	666,000
New Construction – Rental	770,276	1,855,679	1,030,000	1,082,000	1,136,000
New Construction - Single Family	193,500	943,300	400,000	420,000	441,000
Acquisition Rehabilitation – Rental	1,000,000	1,099,093	1,448,000	1,524,000	1,587,000
Tenant Based Rental Assistance	64,724	-	125,000	130,000	150,000
<b>Totals:</b>	<b>\$ 3,810,135</b>	<b>\$ 6,299,271</b>	<b>\$ 5,373,000</b>	<b>\$ 5,644,000</b>	<b>\$ 5,927,000</b>
<b>Grants Awarded (\$)</b>					
Homebuyer Assistance	1,608,335	1,331,543	1,424,000	1,424,000	1,424,000
Homeowner Rehabilitation	173,300	869,656	475,000	475,000	475,000
New Construction - Rental	770,276	1,605,679	863,000	863,000	863,000
New Construction - Single Family	193,500	443,300	216,000	216,000	216,000
Acquisition Rehabilitation - Rental	1,000,000	837,093	1,222,000	1,222,000	1,222,000
Tenant Based Rental Assistance	64,724	-	100,000	100,000	100,000
<b>Totals:</b>	<b>\$ 3,810,135</b>	<b>\$ 5,087,271</b>	<b>\$ 4,300,000</b>	<b>\$ 4,300,000</b>	<b>\$ 4,300,000</b>

**Department of Commerce-6501  
Housing Division-74**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.50	0.00	0.00	5.50	0.00	0.00	5.50
Personal Services	254,825	(107)	0	254,718	(668)	0	254,157
Operating Expenses	156,973	33,399	0	190,372	26,476	0	183,449
Grants	5,686,775	(245,911)	0	5,440,864	5,765	0	5,692,540
<b>Total Costs</b>	<b>\$6,098,573</b>	<b>(\$212,619)</b>	<b>\$0</b>	<b>\$5,885,954</b>	<b>\$31,573</b>	<b>\$0</b>	<b>\$6,130,146</b>
Federal Special	6,098,573	(212,619)	0	5,885,954	31,573	0	6,130,146
<b>Total Funds</b>	<b>\$6,098,573</b>	<b>(\$212,619)</b>	<b>\$0</b>	<b>\$5,885,954</b>	<b>\$31,573</b>	<b>\$0</b>	<b>\$6,130,146</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$245,911)	\$0
FY07	\$5,765	\$0

**PL- 7405 - HD HOME Federal Grants Adjustment HB0002 -**

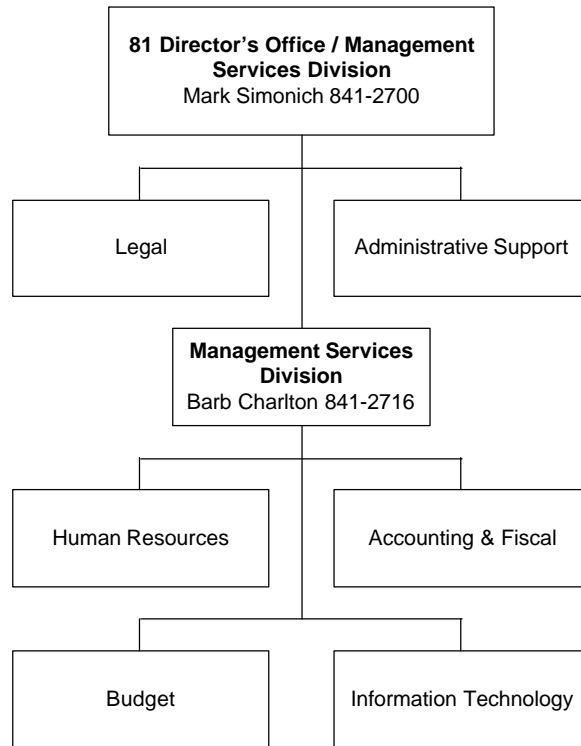
The executive recommends a reduction of \$245,911 in FY 2006 and an increase of \$5,765 in FY 2007 of federal authority. This request more closely represents anticipated expenses for the HOME federal grant through the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$35,271	\$0
FY07	\$28,611	\$0

**PL- 7414 - HD Administrative Costs Adjustments HB0002 -**

The executive recommends adjustments for operating the HOME grant program of \$35,271 of federal special revenue in FY 2006 and \$28,611 of federal special revenue in FY 2007.

# Department of Commerce-6501 Director/Management Services-81



**Program Description** - The Director's Office/Management Services Division consists of three programs:

The Director's Office assists the department with executive, administrative, legal, and policy guidance. This office acts as the liaison among private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, and the Governor's office in the effort to improve and stabilize the economic climate in Montana.

The Management Services Division provides internal support to all agency divisions, bureaus, and programs. Services provided by the Management Services Division include accounting, budgeting, fiscal management, contracting, purchasing, information technology, human resources, payroll, benefits, and training.

The Director's Office/Management Services Division responsibilities are mandated primarily in Title 2, Chapter 15 and Title 90, Chapter 1, MCA.

In 2003, the 58<sup>th</sup> Montana Legislature transferred the Developmental Disabilities Planning and Advisory Council (DDPAC) from the Department of Public Health and Human Services to the Department of Commerce with the provision the state could contract with a nonprofit corporation for the purposes of carrying out the responsibilities delegated to the DDPAC. In January 2004, the department entered into a contract with the Montana Council on Developmental Disabilities (MCDD) as a nonprofit corporation. The Department of Commerce remains the cognizant state agency with the Federal Department of Health and Human Services; disbursing (pass through) funds to the newly created nonprofit under the terms and conditions of the contract. The MCDD program is funded entirely in HB 2 with federal special revenue. MCDD responsibilities are mandated primarily in Title 53, Chapter 20, MCA.

**Department of Commerce-6501  
Director/Management Services-81**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	2.00	(2.00)	0.00	0.00	(2.00)	0.00	0.00
Personal Services	84,702	(84,702)	0	0	(84,702)	0	0
Operating Expenses	94,935	(94,935)	0	0	(94,935)	0	0
Equipment	0	0	0	0	0	0	0
Local Assistance	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0
Benefits & Claims	210,496	264,504	0	475,000	264,504	0	475,000
<b>Total Costs</b>	<b>\$390,133</b>	<b>\$84,867</b>	<b>\$0</b>	<b>\$475,000</b>	<b>\$84,867</b>	<b>\$0</b>	<b>\$475,000</b>
Federal Special	390,133	84,867	0	475,000	84,867	0	475,000
<b>Total Funds</b>	<b>\$390,133</b>	<b>\$84,867</b>	<b>\$0</b>	<b>\$475,000</b>	<b>\$84,867</b>	<b>\$0</b>	<b>\$475,000</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$67,235	\$0
FY07	\$67,520	\$0

**PL- 8115 - MSD Administrative Costs/DDPAC Realignment HB002 -**

This proposal realigns the 2007 biennium operating plan for the Developmental Disabilities Planning and Advisory Council (DDPAC) and adjusts the appropriation for this federally funded program to match available funds for the 2007 biennium. Approval of this proposal eliminates 2.00 FTE, and all personal services and operating budgets would be reclassified in the grants expenditure category; reflecting the programs conversion in January 2004 to the nonprofit entity authorized in 2-15-1870, MCA.