



GOVERNOR
STEVE BULLOCK

STATE OF MONTANA

SECTION C: NATURAL RESOURCES & TRANSPORTATION

Dept of Fish, Wildlife & Parks
Dept of Environmental Quality
Dept of Transportation

Dept of Livestock
Dept of Natural Resources & Conservation
Dept of Agriculture

OBPP Staff:

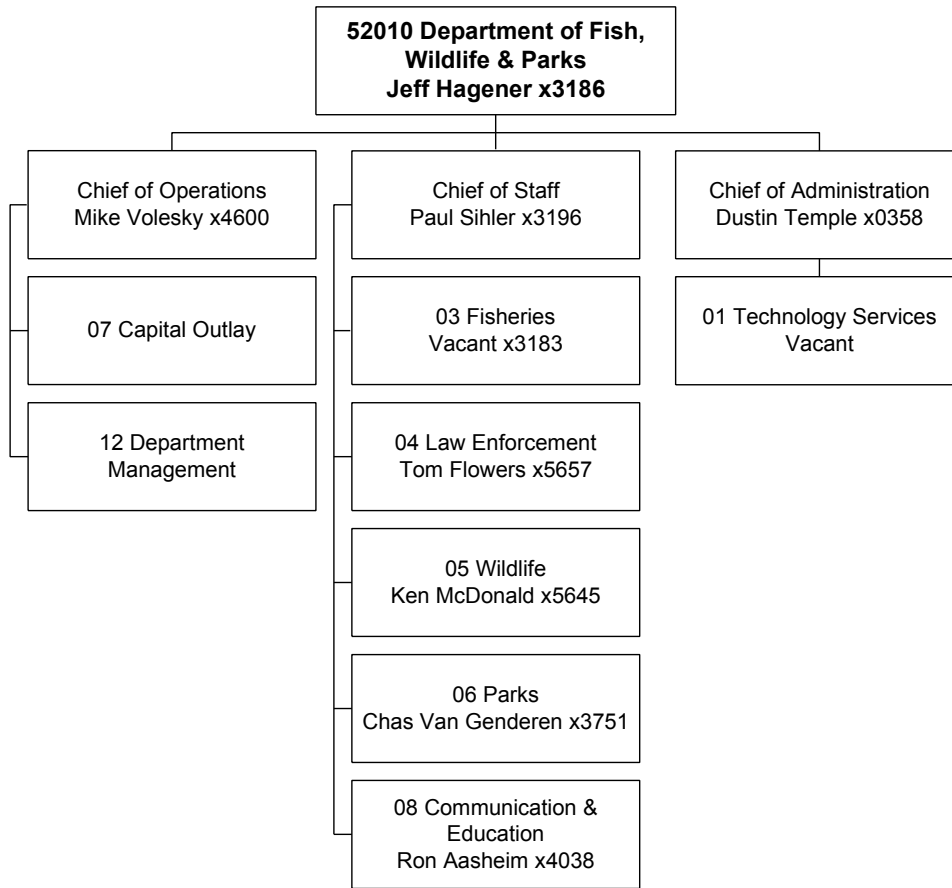
Gerry Murphy
Brent Doig

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Department of Fish, Wildlife, and Parks - 52010



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

Statutory Authority - Title 87 and 23, MCA.

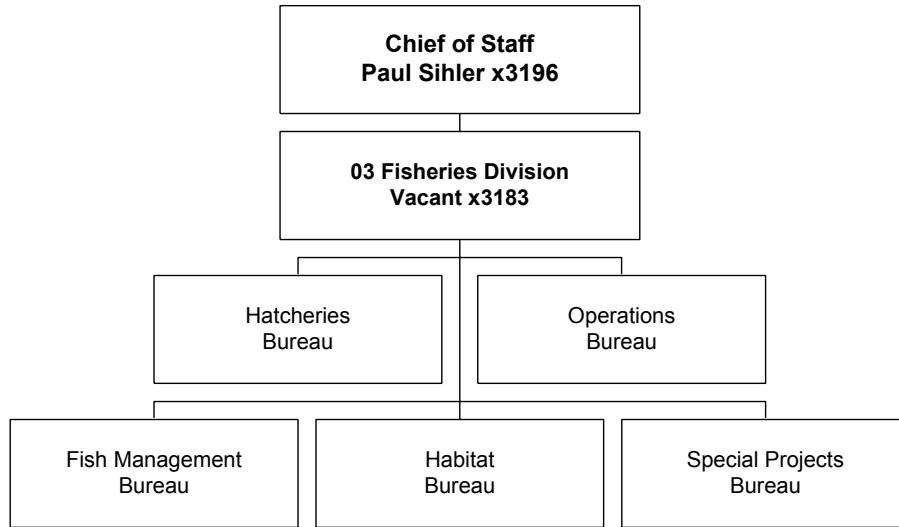
Agency Proposed Budget	Total Exec. Budget Fiscal 2018	Total Exec. Budget Fiscal 2019	Total Exec. Budget 2019 Biennium
Budget Item			
FTE	707.98	707.98	
Personal Services	52,580,845	52,733,047	105,313,892
Operating Expenses	36,238,744	36,276,117	72,514,861
Equipment & Intangible Assets	1,028,509	998,509	2,027,018
Capital Outlay	0	0	0
Grants	1,716,004	1,716,004	3,432,008
Benefits & Claims	800	800	1,600
Transfers	372,157	372,157	744,314
Debt Service	12,427	12,427	24,854
Total Costs	\$91,949,486	\$92,109,061	\$184,058,547
General Fund	1,175,000	1,175,440	2,350,440
State/Other Special	68,607,790	68,693,043	137,300,833
Federal Spec. Rev. Funds	22,166,696	22,240,578	44,407,274
Total Funds	\$91,949,486	\$92,109,061	\$184,058,547

Department of Fish, Wildlife, and Parks - 52010

Agency Appropriated Biennium to Biennium Comparison								
Program	2017 Biennium Appropriated Budget		2019 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
03 - Fisheries Division	1,767,158	36,874,670	2,350,440	42,378,607	583,282	5,503,937	33.01 %	14.93 %
04 - Enforcement Division	180,000	22,414,764	0	23,982,090	(180,000)	1,567,326	(100.00)%	6.99 %
05 - Wildlife Division	0	41,165,520	0	48,381,277	0	7,215,757	0.00 %	17.53 %
06 - Parks Division	0	17,427,412	0	17,070,361	0	(357,051)	0.00 %	(2.05)%
08 - Communication and Education Div	0	8,135,142	0	7,994,237	0	(140,905)	0.00 %	(1.73)%
09 - Administration	0	27,308,439	0	27,910,734	0	602,295	0.00 %	2.21 %
12 - Department Management	0	15,299,578	0	16,341,241	0	1,041,663	0.00 %	6.81 %
Agency Total	\$1,947,158	\$168,625,525	\$2,350,440	\$184,058,547	\$403,282	\$15,433,022	20.71 %	9.15 %

Department of Fish, Wildlife, and Parks - 52010

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
- Provides adequate public access

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	174.65	15.50	190.15	15.50	190.15	
Personal Services	12,084,861	874,533	12,959,394	913,973	12,998,834	25,958,228
Operating Expenses	4,766,648	2,327,748	7,094,396	2,369,411	7,136,059	14,230,455
Equipment & Intangible Assets	370,455	90,000	460,455	90,000	460,455	920,910
Grants	632,115	0	632,115	0	632,115	1,264,230
Transfers	2,392	0	2,392	0	2,392	4,784
Total Costs	\$17,856,471	\$3,292,281	\$21,148,752	\$3,373,384	\$21,229,855	\$42,378,607
General Fund	0	1,175,000	1,175,000	1,175,440	1,175,440	2,350,440
State/Other Special	7,825,288	1,343,118	9,168,406	1,376,108	9,201,396	18,369,802
Federal Spec. Rev. Funds	10,031,183	774,163	10,805,346	821,836	10,853,019	21,658,365
Total Funds	\$17,856,471	\$3,292,281	\$21,148,752	\$3,373,384	\$21,229,855	\$42,378,607

Department of Fish, Wildlife, and Parks - 52010

Fisheries Division - 03

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	144,534	0	183,533
SWPL - 3 - Inflation Deflation	0	(22,253)	0	19,411
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$122,281</i>	<i>\$0</i>	<i>\$202,944</i>
Present Law Adjustments				
PL - 302 - FAS Operations & Maintenance	0	640,000	0	640,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$640,000</i>	<i>\$0</i>	<i>\$640,000</i>
New Proposals				
NP - 301 - AIS Restore Operations & Maintenance (OTO/RST)	1,175,000	1,175,000	1,175,440	1,175,440
NP - 303 - Long-Term Federal Contract Authority	0	1,850,000	0	1,850,000
NP - 304 - Data Management OTO	0	30,000	0	30,000
NP - 305 - River Recreation Program	0	200,000	0	200,000
NP - 306 - Drought Management Planning	0	150,000	0	150,000
NP - 307 - Federal DJ Adjustment	0	(875,000)	0	(875,000)
<i>Total New Proposals</i>	<i>\$1,175,000</i>	<i>\$2,530,000</i>	<i>\$1,175,440</i>	<i>\$2,530,440</i>
Total Budget Adjustments	\$1,175,000	\$3,292,281	\$1,175,440	\$3,373,384

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$144,534
FY 2019	\$0	\$183,533

SWPL - 1 - Personal Services -

The budget includes \$144,534 in FY 2018 and \$183,533 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$22,253)
FY 2019	\$0	\$19,411

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$22,253 in FY 2018 and an increase of \$19,411 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$640,000
FY 2019	\$0	\$640,000

PL - 302 - FAS Operations & Maintenance -

This request is for an increase of \$640,000, in operations, maintenance, and equipment addressing the fishing access site program (FAS). A portion of the funding would be used to create modified FTE or use temporary services to hire workers for maintenance, cleaning latrines, weed control, road maintenance, erosion control, signs, fencing, and boat ramp maintenance. State funding would be matched with federal funds.

Department of Fish, Wildlife, and Parks - 52010

Fisheries Division - 03

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$1,175,000	\$1,175,000
FY 2019	\$1,175,440	\$1,175,440

NP - 301 - AIS Restore Operations & Maintenance (OTO/RST) -

This request restores Aquatic Invasive Species (AIS) funding. Funding is needed to ensure Montana stays on the leading edge of new and current AIS threats. Funding provides for watercraft inspections and staff at inspection stations, supports biological monitoring and prevention efforts, and supports law enforcement operation statewide for the boating season. The AIS mission is to minimize the risk of introducing or spreading AIS into or between Montana's water bodies.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$1,850,000
FY 2019	\$0	\$1,850,000

NP - 303 - Long-Term Federal Contract Authority -

This request will increase federal long term (LT) authority by \$1,850,000 in each year of the biennium and to align with the multiple long term federal contracts the Fisheries Division receives annually. Over the last 12 years, the division has requested budget amendment authority from the Governor's Budget Office on contracts such as the Bonneville Power Administration (BPA), U.S. Army Corps of Engineers (ACOE), and other federal sources. These contracts are anticipated to continue long into the future and the division is requesting permanent LT authority which would continue to fund modified FTE and operations.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$30,000
FY 2019	\$0	\$30,000

NP - 304 - Data Management OTO -

This request is for one-time only funding of \$30,000 each year for modified positions or temporary services to input valuable historical fisheries data, which is in a variety of unsecured forms such as paper reports, compact discs, and computer hard drives. Data would be entered into the Fisheries Information System database that is secure, centralized, standardized, web-accessible and which the division uses as a repository to store all fisheries biological, hatchery, statistical, conservation, and sampling data. Data that isn't currently in the system is inaccessible and exposed to being misplaced, deterioration, and fire and flood damage.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$200,000
FY 2019	\$0	\$200,000

NP - 305 - River Recreation Program -

This request is for funding of \$400,000 for the biennium including \$200,000 per year for contracted services to protect, maintain, or enhance the public recreational experience on our rivers. Funds would be used to : 1) identify social conflict or develop metrics of recreator satisfaction; 2) develop methods or proposals to resolve river conflict; and 3) facilitate stakeholder groups to develop solutions to social conflict. The goal is to provide sustainable quality river/water recreation experience for Montanans and their guests, while minimizing impacts on cultural, physical and biological resources, and private landowners.

Department of Fish, Wildlife, and Parks - 52010

Fisheries Division - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$150,000
FY 2019	\$0	\$150,000

NP - 306 - Drought Management Planning -

This request of \$300,000 for the biennium is for contracted services with conservation districts that will assist watershed communities to develop and implement voluntary drought responses that included protection of instream flow conditions. Funds would be granted to watershed communities to 1) facilitate the implementation of their existing plan, monitor participation, and quantify plan effectiveness, or 2) to support the public dialog process needed to develop a plan and to conduct specific sub-basin investigations related to drought planning, water management, and water conservation efforts.

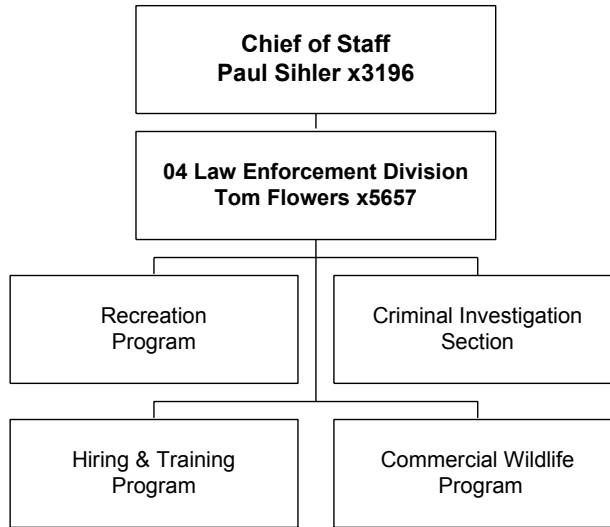
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$875,000)
FY 2019	\$0	(\$875,000)

NP - 307 - Federal DJ Adjustment -

This request is to reduce the federal Dingell-Johnson Sport Fish Restoration (DJ) funding in the Fisheries Program budget by \$1,600,000 and replace a portion with general license funding. Apportionments in the Dingell-Johnson Sport Fish Restoration funding are not sufficient to sustain the current level of federal funding. General license funds have been redirected from other areas resulting in a net reduction to the program of \$875,000.

Department of Fish, Wildlife, and Parks - 52010

Enforcement Division - 04



Program Description - The Law Enforcement Division is responsible for ensuring compliance with laws and regulations pertaining to the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other protected wildlife species. It also enforces the laws and regulations relative to lands or waters under agency jurisdiction and authority of the department such as state parks, fishing access sites, and wildlife management areas, as well as those laws and regulations pertaining to outfitters/guides, boating, snowmobiles, and off-highway vehicle safety and registration. Other duties include block management area administration and patrols, stream access enforcement, commercial wildlife permitting, hunter education, license vendor contacts, game damage response, urban wildlife activities, and assisting other law enforcement agencies as requested.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	115.61	0.39	116.00	0.39	116.00	
Personal Services	8,948,117	698,758	9,646,875	725,378	9,673,495	19,320,370
Operating Expenses	2,046,908	174,753	2,221,661	189,863	2,236,771	4,458,432
Equipment & Intangible Assets	80,200	0	80,200	0	80,200	160,400
Transfers	0	21,444	21,444	21,444	21,444	42,888
Total Costs	\$11,075,225	\$894,955	\$11,970,180	\$936,685	\$12,011,910	\$23,982,090
General Fund	0	0	0	0	0	0
State/Other Special	10,446,607	856,694	11,303,301	895,187	11,341,794	22,645,095
Federal Spec. Rev. Funds	628,618	38,261	666,879	41,498	670,116	1,336,995
Total Funds	\$11,075,225	\$894,955	\$11,970,180	\$936,685	\$12,011,910	\$23,982,090

Department of Fish, Wildlife, and Parks - 52010

Enforcement Division - 04

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	614,582	0	641,203
SWPL - 3 - Inflation Deflation	0	25,911	0	41,363
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$640,493</i>	<i>\$0</i>	<i>\$682,566</i>
Present Law Adjustments				
PL - 401 - Overtime Request - Game Wardens	0	64,571	0	64,571
PL - 402 - Enforcement Ops Adjustment	0	169,944	0	169,944
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$234,515</i>	<i>\$0</i>	<i>\$234,515</i>
New Proposals				
NP - 403 - Region 4 (Great Falls) Warden	0	19,947	0	19,604
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$19,947</i>	<i>\$0</i>	<i>\$19,604</i>
Total Budget Adjustments	\$0	\$894,955	\$0	\$936,685

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$614,582
FY 2019	\$0	\$641,203

SWPL - 1 - Personal Services -

The budget includes \$614,582 in FY 2018 and \$641,203 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$25,911
FY 2019	\$0	\$41,363

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$25,911 in FY 2018 and \$41,363 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$64,571
FY 2019	\$0	\$64,571

PL - 401 - Overtime Request - Game Wardens -

This funding request is for the differential between 2017 appropriations and anticipated overtime costs.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$169,944
FY 2019	\$0	\$169,944

PL - 402 - Enforcement Ops Adjustment -

FWP requests an increase to the operation budget for Law Enforcement due to unfunded expenses for dispatch services with Department of Justice, turnover costs, and regional investigator budgets.

Department of Fish, Wildlife, and Parks - 52010

Enforcement Division - 04

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

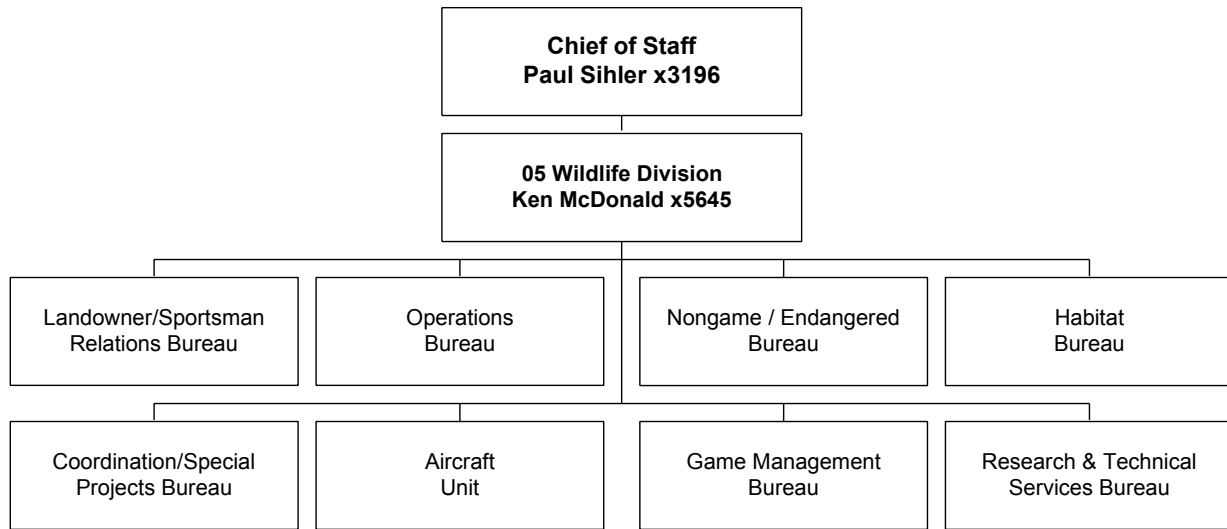
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$19,947
FY 2019	\$0	\$19,604

NP - 403 - Region 4 (Great Falls) Warden -

Since FY 2014, there has been a vacant warden position in Region 4 (Great Falls based) that has not been fully funded. The Law Enforcement Division needs additional FTE and operations to fully fund this position. This warden position will have primary season responsibilities in State Parks and other warden duties for the remainder of the year.

Department of Fish, Wildlife, and Parks - 52010

Wildlife Division - 05



Program Description - The Wildlife Division is responsible for the conservation and management of Montana's 600+ birds, mammals, reptiles, and amphibians and their habitat for public benefit. Activities related to the Wildlife Division include program coordination and planning, monitoring the status of wildlife and habitats, conserving and enhancing wildlife habitat, and providing opportunity for public enjoyment of wildlife through hunting, trapping, and viewing. The division manages animals legislatively categorized as big game, nongame wildlife, migratory game birds, upland game, furbearers, and threatened and endangered species. Responsibilities within the Wildlife Division fall into four major themes: management, habitat, access, and wildlife conflict.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	133.82	6.50	140.32	6.50	140.32	
Personal Services	8,961,584	1,512,242	10,473,826	1,541,375	10,502,959	20,976,785
Operating Expenses	10,345,230	3,129,529	13,474,759	3,145,569	13,490,799	26,965,558
Equipment & Intangible Assets	47,867	0	47,867	0	47,867	95,734
Grants	170,800	0	170,800	0	170,800	341,600
Benefits & Claims	800	0	800	0	800	1,600
Total Costs	\$19,526,281	\$4,641,771	\$24,168,052	\$4,686,944	\$24,213,225	\$48,381,277
State/Other Special	10,863,375	4,316,820	15,180,195	4,339,114	15,202,489	30,382,684
Federal Spec. Rev. Funds	8,662,906	324,951	8,987,857	347,830	9,010,736	17,998,593
Total Funds	\$19,526,281	\$4,641,771	\$24,168,052	\$4,686,944	\$24,213,225	\$48,381,277

Department of Fish, Wildlife, and Parks - 52010

Wildlife Division - 05

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	497,606	0	526,068
SWPL - 3 - Inflation Deflation	0	20,907	0	38,321
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$518,513</i>	<i>\$0</i>	<i>\$564,389</i>
Present Law Adjustments				
PL - 502 - Hunter Access Enhancement Program	0	3,106,801	0	3,106,801
PL - 503 - Wolf Management	0	471,218	0	471,575
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$3,578,019</i>	<i>\$0</i>	<i>\$3,578,376</i>
New Proposals				
NP - 501 - Restore Forest Management FTE and Operations	0	143,096	0	142,807
NP - 504 - Bison Containment	0	54,130	0	54,047
NP - 506 - Grizzly Bear Management	0	348,013	0	347,325
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$545,239</i>	<i>\$0</i>	<i>\$544,179</i>
Total Budget Adjustments	\$0	\$4,641,771	\$0	\$4,686,944

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$497,606
FY 2019	\$0	\$526,068

SWPL - 1 - Personal Services -

The budget includes \$497,606 in FY 2018 and \$526,068 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$20,907
FY 2019	\$0	\$38,321

SWPL - 3 - Inflation Deflation -

This change package includes funding to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$3,106,801
FY 2019	\$0	\$3,106,801

PL - 502 - Hunter Access Enhancement Program -

Funding authority is needed to fully utilize earmarked Hunter Access funds for Block Management and to provide assistance to landowners and hunters to facilitate access. Additional staff is needed to fully and effectively implement the Block Management program, as well as Hunt Information Coordinators to help with implementation of elk shoulder seasons. Additional operations are needed to enable staff to effectively operate on the ground (i.e., vehicles, mileage, supplies, communications) to deliver the programs.

Department of Fish, Wildlife, and Parks - 52010

Wildlife Division - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$471,218
FY 2019	\$0	\$471,575

PL - 503 - Wolf Management -

This proposal is for spending authority to implement the statewide wolf program, replacing funding that was previously provided through the United States Fish and Wildlife Service. That federal funding has declined since wolves were delisted, and went to zero at the end of FY 2016. While the five-year federal post-delisting monitoring has now been completed, FWP still has statutory obligations to radio-collar wolves (87-5-132, MCA), and implement a wolf management program (87-1-625, MCA). To offset the loss of federal funds and to continue to be able to meet these statutory obligations, FWP is requesting to use available wolf license funds, with eligible parts of that funding to be used as match with federal P-R funds. Elements of the wolf management program include: monitoring, data management, harvest management, livestock conflict resolution, and outreach.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$143,096
FY 2019	\$0	\$142,807

NP - 501 - Restore Forest Management FTE and Operations -

The 2015 Legislature funded (state special revenue) a forester position through FY 2017. FWP is requesting that this position be made permanent. The forester position has been instrumental in developing, planning, implementing, overseeing, and championing forest management on FWP lands. FWP is responsible for managing approximately 360,000 acres of forested land, of which 151,000 (236 square miles) is classified as potential commercial forest. Statute mandates that FWP develop and implement forest management plans that addresses fire mitigation, pine beetle infestation, and wildlife habitat enhancement. In the absence of this position, FWP would continue to periodically undertake forest projects and utilize contracted services to complete them. However, this project-to-project contracted approach lacks the initiative, institutional foresight, and programmatic development that a staff forester provides.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$54,130
FY 2019	\$0	\$54,047

NP - 504 - Bison Containment -

Under the amended Interagency Bison Management Plan (IBMP), bison are allowed in various areas outside Yellowstone National Park (YNP) during different times of year. Upon exiting YNP, there is potential for conflict including safety and property damage concerns. This proposal is for work in the vicinity of YNP, primarily hazing, to protect property and implement the IBMP agreements with regards to bison containment.

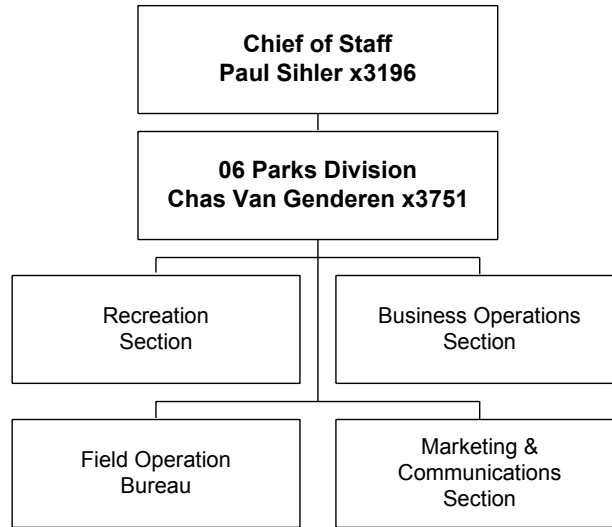
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$348,013
FY 2019	\$0	\$347,325

NP - 506 - Grizzly Bear Management -

As grizzly bears continue to move towards delisting across Montana, management of grizzly/human interactions and population information continue to be integral to achieving and maintaining delisting. The request includes funding to help address grizzly bear issues as a result of an expanding grizzly bear population to the north and east of Yellowstone National Park as well as other affected areas in the state. Currently, FWP has no bear specialist available to address grizzly bear management in Region 5, despite a growing workload associated with this expanding population. The area biologist has been addressing conflict and depredation complaints.

Department of Fish, Wildlife, and Parks - 52010

Parks Division - 06



Program Description - Montana State Parks 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 55 park units and 12 affiliated lands. The division also manages Recreational Trails, OHV, Snowmobile, and LWCF grants which provide support for recreation on local, state, and federal lands for use by all citizens.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	83.17	0.00	83.17	0.00	83.17	
Personal Services	5,760,660	(426,651)	5,334,009	(410,532)	5,350,128	10,684,137
Operating Expenses	2,316,818	30,100	2,346,918	70,638	2,387,456	4,734,374
Equipment & Intangible Assets	149,838	209,400	359,238	179,400	329,238	688,476
Grants	590,400	(108,713)	481,687	(108,713)	481,687	963,374
Total Costs	\$8,817,716	(\$295,864)	\$8,521,852	(\$269,207)	\$8,548,509	\$17,070,361
State/Other Special	8,632,136	(284,712)	8,347,424	(258,828)	8,373,308	16,720,732
Federal Spec. Rev. Funds	185,580	(11,152)	174,428	(10,379)	175,201	349,629
Total Funds	\$8,817,716	(\$295,864)	\$8,521,852	(\$269,207)	\$8,548,509	\$17,070,361

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(426,651)	0	(410,532)
SWPL - 3 - Inflation Deflation	0	(8,400)	0	2,138
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$435,051)</i>	<i>\$0</i>	<i>(\$408,394)</i>
Present Law Adjustments				
PL - 602 - Snowmobile Education	0	90,000	0	90,000
PL - 603 - Snomo/OHV Trail Pass Adjustment	0	(160,813)	0	(160,813)
PL - 604 - Snowmobile Equipment - Biennial	0	210,000	0	210,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$139,187</i>	<i>\$0</i>	<i>\$139,187</i>
Total Budget Adjustments	\$0	(\$295,864)	\$0	(\$269,207)

Department of Fish, Wildlife, and Parks - 52010

Parks Division - 06

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$426,651)
FY 2019	\$0	(\$410,532)

SWPL - 1 - Personal Services -

The budget includes a reduction in funding to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$8,400)
FY 2019	\$0	\$2,138

SWPL - 3 - Inflation Deflation -

This change package includes funding to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$90,000
FY 2019	\$0	\$90,000

PL - 602 - Snowmobile Education -

This request will increase spending by \$90,000 each year from the the Snowmobile Fuel Tax Fund based on available funding. Operating funds will be used to improve training throughout the state on topics of safety and avalanche awareness as well as ethics (trespassing, regulations, etc.). The request includes a one-time purchase of snowmobiles (two used and one new) in the first year of the biennium. The snowmobiles will be used in the safety and ethics education program.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$160,813)
FY 2019	\$0	(\$160,813)

PL - 603 - Snomo/OHV Trail Pass Adjustment -

This requests adjusts authority for the funding established in HB 167, the non-resident OHV permit, and HB 300, the snowmobile trail pass, from the 2015 Legislature. Authority is being reduced to reflect actual revenue generated.

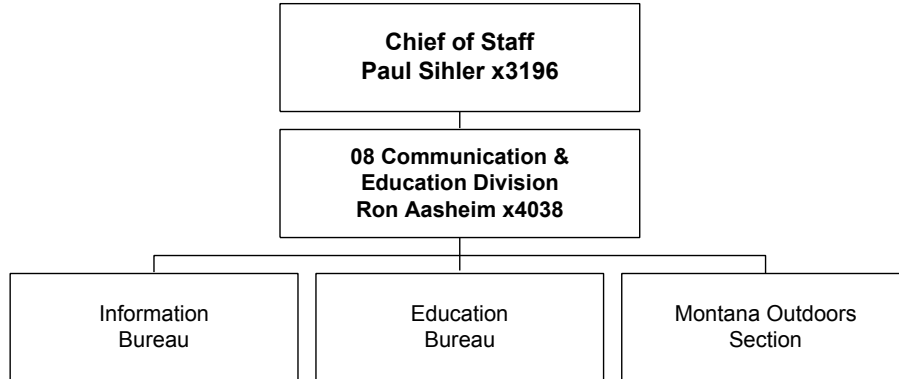
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$210,000
FY 2019	\$0	\$210,000

PL - 604 - Snowmobile Equipment - Biennial -

This request reinstates the biennial appropriation to purchase snowmobile groomers at the level authorized in the previous session. The funding was fully spent in FY 2016 and this adjustment would restore the biennial appropriation to \$210,000 annually for a total of \$420,000 for the biennium.

Department of Fish, Wildlife, and Parks - 52010

Communication and Education Div - 08



Program Description - The Communication & Education Division coordinates the department's information and education programs, administers a statewide shooting range grants program, and oversees a wild animal rehabilitation center. Specific responsibilities include:

- Distribution of public information through various media outlets, including Montana Outdoors Magazine
- Coordination of youth education programs
- Coordination of the production of hunting, fishing, and trapping regulations
- Coordination of the hunter, bow-hunter, trapper, boat education, and safety programs
- Oversight of the Montana Wild education center
- Provision of reception services at the department's Helena Headquarters
- Management of FWP's website and social media platform

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	25.75	0.00	25.75	0.00	25.75	
Personal Services	2,239,955	(107,474)	2,132,481	(98,551)	2,141,404	4,273,885
Operating Expenses	1,430,510	(2,968)	1,427,542	(504)	1,430,006	2,857,548
Equipment & Intangible Assets	0	0	0	0	0	0
Grants	431,402	0	431,402	0	431,402	862,804
Total Costs	\$4,101,867	(\$110,442)	\$3,991,425	(\$99,055)	\$4,002,812	\$7,994,237
State/Other Special	3,118,040	(91,227)	3,026,813	(81,821)	3,036,219	6,063,032
Federal Spec. Rev. Funds	983,827	(19,215)	964,612	(17,234)	966,593	1,931,205
Total Funds	\$4,101,867	(\$110,442)	\$3,991,425	(\$99,055)	\$4,002,812	\$7,994,237

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(107,474)	0	(98,551)
SWPL - 3 - Inflation Deflation	0	(2,968)	0	(504)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$110,442)</i>	<i>\$0</i>	<i>(\$99,055)</i>
Total Budget Adjustments	\$0	(\$110,442)	\$0	(\$99,055)

Department of Fish, Wildlife, and Parks - 52010

Communication and Education Div - 08

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$107,474)
FY 2019	\$0	(\$98,551)

SWPL - 1 - Personal Services -

The budget includes decreases of \$107,474 in FY 2018 and \$98,551 in FY 2019 to annualize various personal services costs include FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

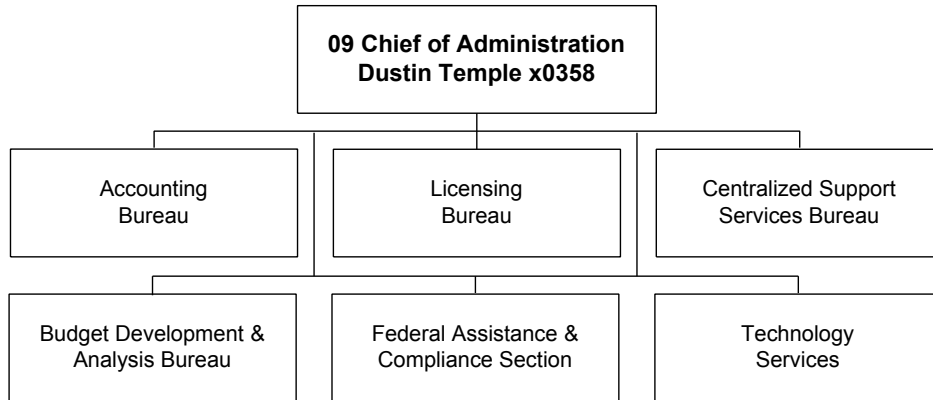
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$2,968)
FY 2019	\$0	(\$504)

SWPL - 3 - Inflation Deflation -

This change package includes reductions of \$2,968 in FY 2018 and \$504 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Fish, Wildlife, and Parks - 52010

Administration - 09



Program Description - The Administration Division manages the administrative branch of the department. This branch is responsible for providing consistent, quality direction to the division and regions throughout the agency. The division is centralized to provide services including accounting, information technology services, fiscal management and budget preparation, procurement and property management, managing federal aid, maintaining internal control procedures, selling hunting, fishing and other recreational licenses and maintaining biological and GIS applications.

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	76.12	0.00	76.12	0.00	76.12	
Personal Services	6,206,616	(147,525)	6,059,091	(132,994)	6,073,622	12,132,713
Operating Expenses	7,239,790	417,338	7,657,128	334,213	7,574,003	15,231,131
Equipment & Intangible Assets	65,751	0	65,751	0	65,751	131,502
Capital Outlay	0	0	0	0	0	0
Transfers	207,694	0	207,694	0	207,694	415,388
Total Costs	\$13,719,851	\$269,813	\$13,989,664	\$201,219	\$13,921,070	\$27,910,734
State/Other Special	13,394,427	272,592	13,667,019	207,068	13,601,495	27,268,514
Federal Spec. Rev. Funds	325,424	(2,779)	322,645	(5,849)	319,575	642,220
Total Funds	\$13,719,851	\$269,813	\$13,989,664	\$201,219	\$13,921,070	\$27,910,734

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(147,525)	0	(132,994)
SWPL - 2 - Fixed Costs	0	232,186	0	146,661
SWPL - 3 - Inflation Deflation	0	(15,337)	0	(15,069)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$69,324</i>	<i>\$0</i>	<i>(\$1,402)</i>
Present Law Adjustments				
PL - 901 - Campground Reservation Commissions	0	200,000	0	200,000
PL - 902 - Tech Services: SmartCop	0	92,489	0	94,621
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$292,489</i>	<i>\$0</i>	<i>\$294,621</i>
New Proposals				
NP - 556 - IT Convergence Savings	0	(92,000)	0	(92,000)
<i>Total New Proposals</i>	<i>\$0</i>	<i>(\$92,000)</i>	<i>\$0</i>	<i>(\$92,000)</i>
Total Budget Adjustments	\$0	\$269,813	\$0	\$201,219

Department of Fish, Wildlife, and Parks - 52010

Administration - 09

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$147,525)
FY 2019	\$0	(\$132,994)

SWPL - 1 - Personal Services -

The budget includes reductions of funding to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$232,186
FY 2019	\$0	\$146,661

SWPL - 2 - Fixed Costs -

The request includes the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$15,337)
FY 2019	\$0	(\$15,069)

SWPL - 3 - Inflation Deflation -

This change package includes reductions to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$200,000
FY 2019	\$0	\$200,000

PL - 901 - Campground Reservation Commissions -

Authority is needed to properly record the fee for use of the ReserveAmerica reservation system. The system is used by the Parks Division for reserving campsites at parks state wide and is administered by the State of Idaho under a contract with Fish, Wildlife & Parks (FWP). As part of that contract, a per transaction fee of \$10 is collected by FWP and paid to the State of Idaho.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$92,489
FY 2019	\$0	\$94,621

PL - 902 - Tech Services: SmartCop -

Continued technology support for the warden's "smart cop" program which has been expanded to include captains, sergeants, and investigators. State of the art mobile computer terminals ensure safe and effective communication for Fish, Wildlife & Park wardens. This project is in cooperation with Montana Department of Justice, Montana Highway Patrol and the Statewide Radio Interoperability group.

Department of Fish, Wildlife, and Parks - 52010

Administration - 09

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

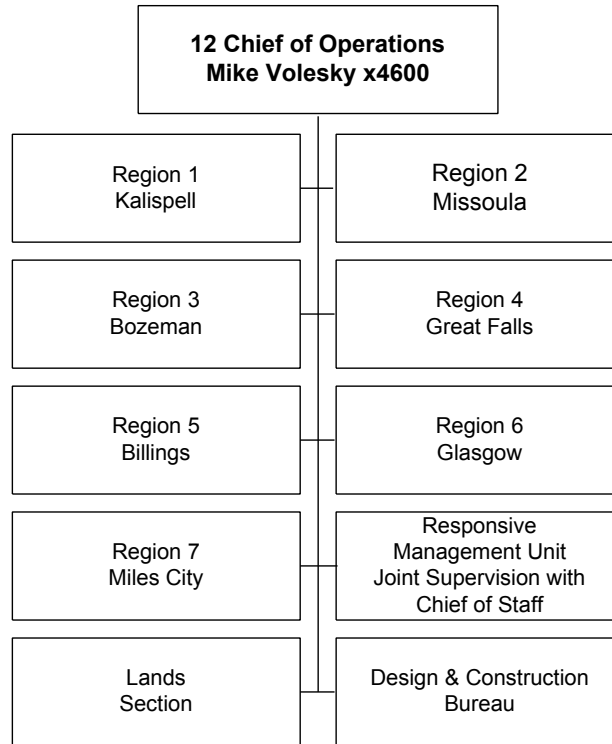
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$92,000)
FY 2019	\$0	(\$92,000)

NP - 556 - IT Convergence Savings -

In accordance with Executive Order 09-2016, state agencies have migrated information technology assets to the state data center and taken advantage of other enterprise IT solutions. The estimated savings for the Department of Fish, Wildlife and Parks is \$92,000 per year.

Department of Fish, Wildlife, and Parks - 52010

Department Management - 12



Program Description - Department Management provides oversight of the Enforcement, Wildlife, Fisheries, Communication and Education, and Parks Divisions, and the seven regional offices that are responsible for program implementation. The program also includes a strategic planning section to support division wide planning needs, the Design and Construction Bureau which oversees the departments capital construction, and the Lands Section.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	76.47	0.00	76.47	0.00	76.47	
Personal Services	5,748,435	226,734	5,975,169	244,170	5,992,605	11,967,774
Operating Expenses	2,022,262	(5,922)	2,016,340	(1,239)	2,021,023	4,037,363
Equipment & Intangible Assets	14,998	0	14,998	0	14,998	29,996
Capital Outlay	0	0	0	0	0	0
Transfers	140,627	0	140,627	0	140,627	281,254
Debt Service	12,427	0	12,427	0	12,427	24,854
Total Costs	\$7,938,749	\$220,812	\$8,159,561	\$242,931	\$8,181,680	\$16,341,241
State/Other Special	7,693,008	221,624	7,914,632	243,334	7,936,342	15,850,974
Federal Spec. Rev. Funds	245,741	(812)	244,929	(403)	245,338	490,267
Total Funds	\$7,938,749	\$220,812	\$8,159,561	\$242,931	\$8,181,680	\$16,341,241

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	226,734	0	244,170
SWPL - 3 - Inflation Deflation	0	(5,922)	0	(1,239)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$220,812</i>	<i>\$0</i>	<i>\$242,931</i>
Total Budget Adjustments	\$0	\$220,812	\$0	\$242,931

Department of Fish, Wildlife, and Parks - 52010

Department Management - 12

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$226,734
FY 2019	\$0	\$244,170

SWPL - 1 - Personal Services -

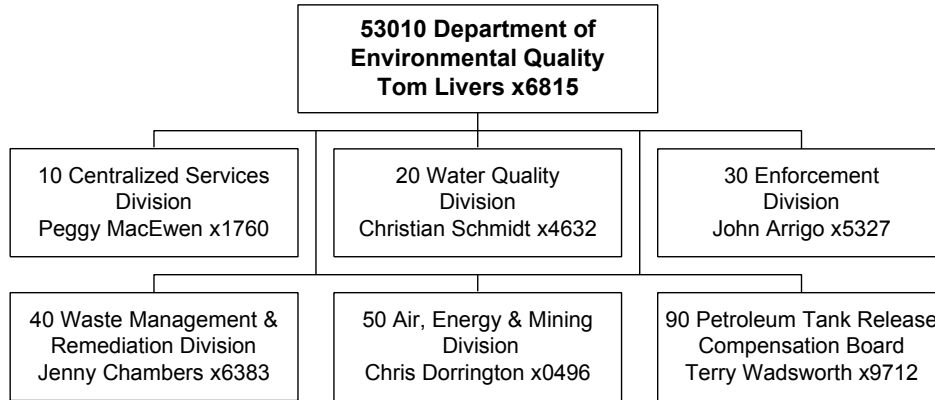
The budget includes \$226,734 in FY 2018 and \$244,170 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$5,922)
FY 2019	\$0	(\$1,239)

SWPL - 3 - Inflation Deflation -

This change package includes reductions of \$5,922 in 2018 and \$1,239 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Environmental Quality - 53010



Mission Statement - To protect, sustain, and improve a clean and healthful environment to benefit present and future generations.

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.

Language - The department is appropriated up to \$1,000,000 of the funds recovered under the petroleum tank compensation board subrogation program in the 2017 biennium for the purpose of paying contract expenses related to the recovery of funds.

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

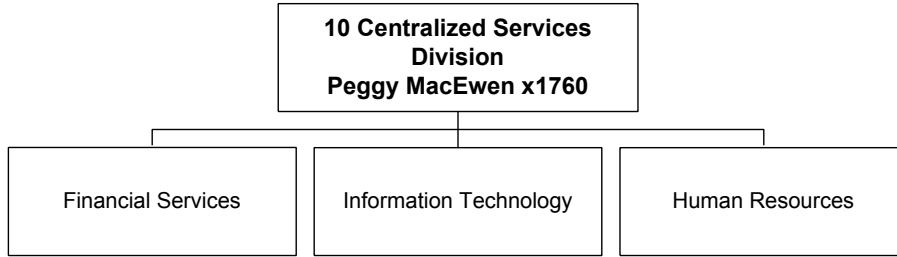
Agency Proposed Budget	Total Exec. Budget Fiscal 2018	Total Exec. Budget Fiscal 2019	Total Exec. Budget 2019 Biennium
Budget Item			
FTE	365.54	365.54	
Personal Services	29,653,247	29,752,292	59,405,539
Operating Expenses	31,844,972	32,583,015	64,427,987
Equipment & Intangible Assets	101,740	101,740	203,480
Grants	1,635,863	1,635,863	3,271,726
Transfers	2,532,398	2,532,398	5,064,796
Total Costs	\$65,768,220	\$66,605,308	\$132,373,528
General Fund	6,285,978	6,294,836	12,580,814
State/Other Special	36,412,429	37,174,227	73,586,656
Federal Spec. Rev. Funds	23,069,813	23,136,245	46,206,058
Total Funds	\$65,768,220	\$66,605,308	\$132,373,528

Department of Environmental Quality - 53010

Agency Appropriated Biennium to Biennium Comparison								
Program	2017 Biennium Appropriated Budget		2019 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
10 - Central Management	571,867	3,750,414	660,626	5,363,962	88,759	1,613,548	15.52 %	43.02 %
20 - Water Quality Division	5,179,605	34,537,370	5,093,720	33,444,487	(85,885)	(1,092,883)	(1.66)%	(3.16)%
30 - Enforcement Division	1,149,255	2,928,883	1,064,988	2,801,936	(84,267)	(126,947)	(7.33)%	(4.33)%
40 - Waste Management & Remediation Division	694,215	48,593,384	665,884	44,754,145	(28,331)	(3,839,239)	(4.08)%	(7.90)%
50 - Air Energy & Mining Division	3,821,113	41,315,266	5,095,596	44,791,255	1,274,483	3,475,989	33.35 %	8.41 %
90 - Petroleum Tank Release Compensation Board	0	1,298,937	0	1,217,743	0	(81,194)	0.00 %	(6.25)%
Agency Total	\$11,416,055	\$132,424,254	\$12,580,814	\$132,373,528	\$1,164,759	(\$50,726)	10.20 %	(0.04)%

Department of Environmental Quality - 53010

Central Management - 10



Program Description - The Central Management Program consists of the Director's Office and the Centralized Services Division. The Central Management Program is responsible and accountable for the administration, management, planning, and evaluation of agency performance in carrying out the department's mission to protect, sustain, and improve a clean and healthful environment to benefit present and future generations.

The Director's Office includes the director's staff, a centralized legal pool, the Montana Environmental Policy Act, and the Montana Facility Siting Act functions, as well as the Public Policy Director for the agency.

The Centralized Services Division (CSD) provides the following agency support services: human resources, information technology, fiscal, safety, emergency management, records management, and operations project management.

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
Budget Item						
FTE	9.00	0.00	9.00	0.00	9.00	
Personal Services	798,506	46,405	844,911	47,541	846,047	1,690,958
Operating Expenses	1,091,808	745,551	1,837,359	743,837	1,835,645	3,673,004
Transfers	0	0	0	0	0	0
Total Costs	\$1,890,314	\$791,956	\$2,682,270	\$791,378	\$2,681,692	\$5,363,962
General Fund	288,646	41,956	330,602	41,378	330,024	660,626
State/Other Special	1,227,514	750,000	1,977,514	750,000	1,977,514	3,955,028
Federal Spec. Rev. Funds	374,154	0	374,154	0	374,154	748,308
Total Funds	\$1,890,314	\$791,956	\$2,682,270	\$791,378	\$2,681,692	\$5,363,962

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	46,405	46,405	47,541	47,541
SWPL - 3 - Inflation Deflation	(4,449)	(4,449)	(6,163)	(6,163)
<i>Total Statewide Present Law Adjustments</i>	<i>\$41,956</i>	<i>\$41,956</i>	<i>\$41,378</i>	<i>\$41,378</i>
Present Law Adjustments				
PL - 5 - Hard Rock Reclamation/MFSA Projects (RST/BIEN)	0	750,000	0	750,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$750,000</i>	<i>\$0</i>	<i>\$750,000</i>
Total Budget Adjustments	\$41,956	\$791,956	\$41,378	\$791,378

Department of Environmental Quality - 53010

Central Management - 10

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$46,405	\$46,405
FY 2019	\$47,541	\$47,541

SWPL - 1 - Personal Services -

The budget includes adjustments to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$4,449)	(\$4,449)
FY 2019	(\$6,163)	(\$6,163)

SWPL - 3 - Inflation Deflation -

This change package includes reductions in FY 2018 and FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

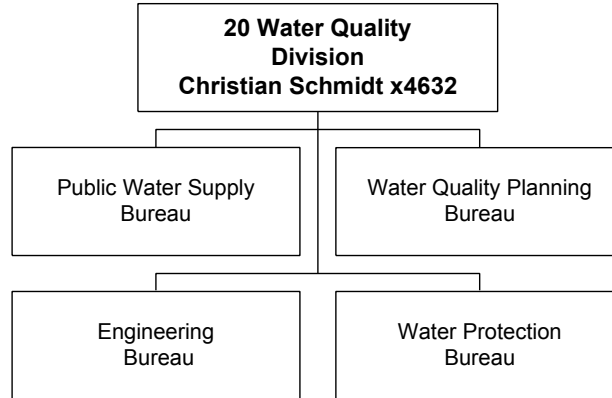
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$750,000
FY 2019	\$0	\$750,000

PL - 5 - Hard Rock Reclamation/MFSA Projects (RST/BIEN) -

The department requests \$750,000 per year of restricted biennial state special revenue authority for expenditures related to review and analysis of Major Facility Siting Act Program (MFSA) project applications.

Department of Environmental Quality - 53010

Water Quality Division - 20



Program Description - The Water Quality Division 1) finances construction and improvement of community drinking water and wastewater systems and provides engineering review and technical assistance to community water infrastructure planners; 2) monitors water quality conditions, assesses potential pollution problems, and aids industry to achieve cost effective compliance with water quality laws and regulations; 3) assists communities in planning for drinking water and wastewater infrastructure, and watershed water quality management; 4) reviews plans and specifications for subdivisions; 5) develops water quality restoration plans (Total Maximum Daily Loads or TMDLs); 6) works with permittees and monitors compliance with permit conditions, laws, and rules for water discharge permits and public water supply systems; 7) proposes rules, drafts policy, and develops water quality standards. The division consists of four bureaus: Engineering, Water Quality Planning, Water Protection, and Public Water Supply, along with a Financial Management and Budgeting Unit.

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	134.68	0.00	134.68	0.00	134.68	
Personal Services	11,081,229	(30,276)	11,050,953	12,330	11,093,559	22,144,512
Operating Expenses	5,622,665	(89,338)	5,533,327	(88,059)	5,534,606	11,067,933
Equipment & Intangible Assets	0	0	0	0	0	0
Grants	112,020	0	112,020	0	112,020	224,040
Transfers	4,001	0	4,001	0	4,001	8,002
Total Costs	\$16,819,915	(\$119,614)	\$16,700,301	(\$75,729)	\$16,744,186	\$33,444,487
General Fund	2,639,125	(95,668)	2,543,457	(88,862)	2,550,263	5,093,720
State/Other Special	6,460,826	36,124	6,496,950	56,786	6,517,612	13,014,562
Federal Spec. Rev. Funds	7,719,964	(60,070)	7,659,894	(43,653)	7,676,311	15,336,205
Total Funds	\$16,819,915	(\$119,614)	\$16,700,301	(\$75,729)	\$16,744,186	\$33,444,487

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(3,914)	(30,276)	2,756	12,330
SWPL - 3 - Inflation Deflation	306	2,722	442	4,001
<i>Total Statewide Present Law Adjustments</i>	<i>(\$3,608)</i>	<i>(\$27,554)</i>	<i>\$3,198</i>	<i>\$16,331</i>
New Proposals				
NP - 555 - Appropriation Rebase	(92,060)	(92,060)	(92,060)	(92,060)
<i>Total New Proposals</i>	<i>(\$92,060)</i>	<i>(\$92,060)</i>	<i>(\$92,060)</i>	<i>(\$92,060)</i>
Total Budget Adjustments	(\$95,668)	(\$119,614)	(\$88,862)	(\$75,729)

Department of Environmental Quality - 53010

Water Quality Division - 20

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$3,914)	(\$30,276)
FY 2019	\$2,756	\$12,330

SWPL - 1 - Personal Services -

The budget includes a reduction of \$30,276 in FY 2018 and an increase of \$12,330 in FY 2019 to annualize various personal services costs including the FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$306	\$2,722
FY 2019	\$442	\$4,001

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$2,722 in FY 2018 and \$4,001 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$92,060)	(\$92,060)
FY 2019	(\$92,060)	(\$92,060)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes a Water Quality Division Appropriation Rebase totaling \$184,120 and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Department of Environmental Quality - 53010

Enforcement Division - 30

30 Enforcement Division
John Arrigo x5327

Program Description - The Enforcement Division is responsible for formal enforcement of the public health and environmental protection laws and rules administered by the department. Division staff work with department attorneys and regulatory programs to draft administrative orders, calculate penalties, negotiate settlements, and monitor compliance with orders issued by the division. The division also responds to citizen complaints and reports of spills or releases of materials, validates violations, establishes compliance plans, and monitors compliance with the plans.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	13.73	0.00	13.73	0.00	13.73	
Personal Services	1,106,655	(56,244)	1,050,411	(52,301)	1,054,354	2,104,765
Operating Expenses	376,511	(28,017)	348,494	(27,834)	348,677	697,171
Total Costs	\$1,483,166	(\$84,261)	\$1,398,905	(\$80,135)	\$1,403,031	\$2,801,936
General Fund	581,939	(50,255)	531,684	(48,635)	533,304	1,064,988
State/Other Special	507,819	(19,158)	488,661	(17,748)	490,071	978,732
Federal Spec. Rev. Funds	393,408	(14,848)	378,560	(13,752)	379,656	758,216
Total Funds	\$1,483,166	(\$84,261)	\$1,398,905	(\$80,135)	\$1,403,031	\$2,801,936

Program Proposed Budget Adjustments		Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
		General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments					
SWPL - 1 - Personal Services		(22,068)	(56,244)	(20,521)	(52,301)
SWPL - 3 - Inflation Deflation		104	274	177	457
<i>Total Statewide Present Law Adjustments</i>		<i>(\$21,964)</i>	<i>(\$55,970)</i>	<i>(\$20,344)</i>	<i>(\$51,844)</i>
New Proposals					
NP - 555 - Appropriation Rebase		(28,291)	(28,291)	(28,291)	(28,291)
<i>Total New Proposals</i>		<i>(\$28,291)</i>	<i>(\$28,291)</i>	<i>(\$28,291)</i>	<i>(\$28,291)</i>
Total Budget Adjustments		(\$50,255)	(\$84,261)	(\$48,635)	(\$80,135)

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$22,068)	(\$56,244)
FY 2019	(\$20,521)	(\$52,301)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$56,244 in FY 2018 and \$52,301 in FY 2019 to annualize various personal services costs include FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Environmental Quality - 53010

Enforcement Division - 30

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$104	\$274
FY 2019	\$177	\$457

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$274 in FY 2018 and \$457 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

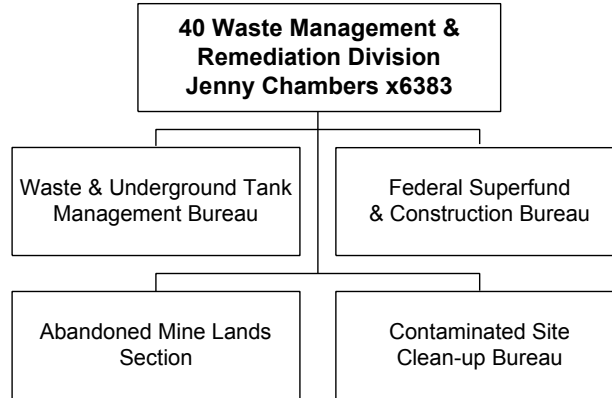
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$28,291)	(\$28,291)
FY 2019	(\$28,291)	(\$28,291)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes an Enforcement Division Appropriation Rebase totaling \$56,582 and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Department of Environmental Quality - 53010

Waste Management & Remediation Division - 40



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

- The Abandoned Mine Lands Section is responsible for administering historic (pre-1977) abandoned mine reclamation projects.
- The Contaminated Site Cleanup Bureau oversees or conducts the investigation and cleanup of sites contaminated by chemical spills, hazardous substances, and petroleum released by industrial and commercial operations. The bureau works with the Petroleum Tank Release Compensation Board for eligibility and reimbursement determinations.
- The Waste and Underground Tank Management Bureau is delegated the responsibility for the administration of Solid Waste, Junk Vehicle, Underground Storage Tanks, Hazardous Waste, Methamphetamine and Asbestos programs. Administration of program areas is carried out through permitting, inspection, compliance assistance, technical assistance, closure plan review, and training and education activities.
- The Federal Superfund and Construction Bureau is responsible for administering and overseeing the state provisions of the federal Comprehensive Environmental Response and Liability Act (CERCLA or federal Superfund program) for cleanup activities at National Priority List sites and implements the remedial actions for state-lead sites

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	97.01	0.00	97.01	0.00	97.01	
Personal Services	7,792,026	(362,604)	7,429,422	(345,124)	7,446,902	14,876,324
Operating Expenses	9,367,875	1,531,617	10,899,492	1,533,370	10,901,245	21,800,737
Equipment & Intangible Assets	0	0	0	0	0	0
Grants	1,523,843	0	1,523,843	0	1,523,843	3,047,686
Transfers	2,514,699	0	2,514,699	0	2,514,699	5,029,398
Total Costs	\$21,198,443	\$1,169,013	\$22,367,456	\$1,188,246	\$22,386,689	\$44,754,145
General Fund	349,945	(17,003)	332,942	(17,003)	332,942	665,884
State/Other Special	10,004,910	1,499,805	11,504,715	1,486,744	11,491,654	22,996,369
Federal Spec. Rev. Funds	10,843,588	(313,789)	10,529,799	(281,495)	10,562,093	21,091,892
Total Funds	\$21,198,443	\$1,169,013	\$22,367,456	\$1,188,246	\$22,386,689	\$44,754,145

Department of Environmental Quality - 53010

Waste Management & Remediation Division - 40

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(362,604)	0	(345,124)
SWPL - 3 - Inflation Deflation	0	557	0	2,310
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$362,047)</i>	<i>\$0</i>	<i>(\$342,814)</i>
Present Law Adjustments				
PL - 7 - 40 Orphan Share Expanded Use (Rest/Bien)	0	625,000	0	625,000
PL - 9 - CERCLA GO Bond (RST/OTO/BIEN)	0	1,100,000	0	1,100,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,725,000</i>	<i>\$0</i>	<i>\$1,725,000</i>
New Proposals				
NP - 12 - Balance Hazardous Waste CERCLA Acct	0	(176,937)	0	(176,937)
NP - 555 - Appropriation Rebase	(17,003)	(17,003)	(17,003)	(17,003)
<i>Total New Proposals</i>	<i>(\$17,003)</i>	<i>(\$193,940)</i>	<i>(\$17,003)</i>	<i>(\$193,940)</i>
Total Budget Adjustments	(\$17,003)	\$1,169,013	(\$17,003)	\$1,188,246

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$362,604)
FY 2019	\$0	(\$345,124)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$362,604 in FY 2018 and \$345,124 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$557
FY 2019	\$0	\$2,310

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$557 in FY 2018 and \$2,310 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$625,000
FY 2019	\$0	\$625,000

PL - 7 - 40 Orphan Share Expanded Use (Rest/Bien) -

This request for \$625,000 per year in state special spending authority is required to continue the cleanup of contaminated properties across the state. Last legislative session SB 96 was passed, allowing the department to work on sites where there was no readily apparent responsible party to conduct the necessary work. HB 2 included a restricted, biennial, one-time-only appropriation of \$7,000,000 entitled Orphan Share Expanded Usage. The use of the orphan share account has allowed the department to take remedial actions to address risks to human health and/or the environment from hazardous substance sites, and additional funds are requested to continue with this effort.

Department of Environmental Quality - 53010

Waste Management & Remediation Division - 40

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$1,100,000
FY 2019	\$0	\$1,100,000

PL - 9 - CERCLA GO Bond (RST/OTO/BIEN) -

This request is for a one-time-only (OTO), biennial, restricted appropriation of \$2.2 million of revenue from Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) general obligation bonds. This appropriation would provide a required 10% match to federal funds expended for remedial actions at the Carpenter/Snow and Barker/Hughesville National Priority List (NPL) sites.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$176,937)
FY 2019	\$0	(\$176,937)

NP - 12 - Balance Hazardous Waste CERCLA Acct -

Revenue projections for the Hazardous Waste - CERCLA fund are insufficient to support projected expenditures. This budget request reduces funding and expenditures by \$176,937 per year of the biennium in order to balance the account.

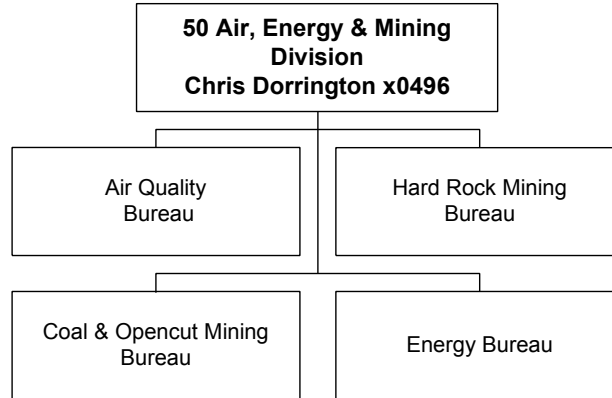
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$17,003)	(\$17,003)
FY 2019	(\$17,003)	(\$17,003)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes a Waste Management & Remediation Division Appropriation Rebase totaling \$34,006 and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Department of Environmental Quality - 53010

Air Energy & Mining Division - 50



Program Description - The Air, Energy & Mining Division reviews and assesses permit and license applications to determine whether Montana environmental laws and rules have been met to protect the quality of the state's air, water, and land.

The Air and Mining Bureaus work with other programs to prepare appropriate environmental review documents to comply with the Montana Environmental Policy Act (MEPA). This work may include coordination and preparation of environmental assessments and environmental impact statements.

The Energy Bureau offers information to citizens, schools, businesses, and local and state government to conserve energy, promote renewable and alternative energy forms, while compiling statistics on the full spectrum of energy production, generation, and consumption in Montana.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
		Fiscal 2018	Fiscal 2018	Fiscal 2019	Fiscal 2019	2019 Biennium
FTE	105.52	0.00	105.52	0.00	105.52	
Personal Services	9,329,117	(409,188)	8,919,929	(376,119)	8,952,998	17,872,927
Operating Expenses	11,479,923	1,495,540	12,975,463	2,232,066	13,711,989	26,687,452
Equipment & Intangible Assets	101,740	0	101,740	0	101,740	203,480
Transfers	13,698	0	13,698	0	13,698	27,396
Total Costs	\$20,924,478	\$1,086,352	\$22,010,830	\$1,855,947	\$22,780,425	\$44,791,255
General Fund	1,680,988	866,305	2,547,293	867,315	2,548,303	5,095,596
State/Other Special	14,706,289	629,842	15,336,131	1,381,802	16,088,091	31,424,222
Federal Spec. Rev. Funds	4,537,201	(409,795)	4,127,406	(393,170)	4,144,031	8,271,437
Total Funds	\$20,924,478	\$1,086,352	\$22,010,830	\$1,855,947	\$22,780,425	\$44,791,255

Department of Environmental Quality - 53010

Air Energy & Mining Division - 50

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(409,188)	0	(376,119)
SWPL - 3 - Inflation Deflation	1,001	8,867	1,648	14,072
<i>Total Statewide Present Law Adjustments</i>	<i>\$1,001</i>	<i>(\$400,321)</i>	<i>\$1,648</i>	<i>(\$362,047)</i>
Present Law Adjustments				
PL - 5 - Hard Rock Reclamation/MFSA Projects (RST/BIEN)	0	1,568,679	0	2,300,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,568,679</i>	<i>\$0</i>	<i>\$2,300,000</i>
New Proposals				
NP - 11 - Balance Natural Resources Operations Account	947,310	0	947,673	0
NP - 555 - Appropriation Rebase	(82,006)	(82,006)	(82,006)	(82,006)
<i>Total New Proposals</i>	<i>\$865,304</i>	<i>(\$82,006)</i>	<i>\$865,667</i>	<i>(\$82,006)</i>
Total Budget Adjustments	\$866,305	\$1,086,352	\$867,315	\$1,855,947

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$409,188)
FY 2019	\$0	(\$376,119)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$409,188 in FY 2018 and \$376,119 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$1,001	\$8,867
FY 2019	\$1,648	\$14,072

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$8,867 in FY 2018 and \$14,072 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$1,568,679
FY 2019	\$0	\$2,300,000

PL - 5 - Hard Rock Reclamation/MFSA Projects (RST/BIEN) -

This a restricted biennial request for \$1,568,679 for FY 2018 and \$2,300,000 for FY 2019 in state special revenue for projects administered by the Hard Rock and Major Facility Siting Act Programs (MFSA). This appropriation would be used for the operation and maintenance of the Zortman/Landusky mine site, administering MFSA project applications, and reclamation of specific mine sites.

Department of Environmental Quality - 53010

Air Energy & Mining Division - 50

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$947,310	\$0
FY 2019	\$947,673	\$0

NP - 11 - Balance Natural Resources Operations Account -

This budget request represents a budget neutral shift of \$947,310 in FY 2018 and \$947,673 in FY 2019 from state special revenue to general fund in the Hard Rock Mining Bureau. Revenue into the Natural Resources Operations Account is no longer adequate to support all operational activities historically supported by the fund.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$82,006)	(\$82,006)
FY 2019	(\$82,006)	(\$82,006)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes an Air Energy and Mining Division Appropriation Rebase totaling \$164,012 and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Department of Environmental Quality - 53010

Petroleum Tank Release Compensation Board - 90

**90 Petroleum Tank Release
Compensation Board
Terry Wadsworth x9712**

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 is attached to DEQ for administrative purposes.

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
Budget Item						
FTE	5.60	0.00	5.60	0.00	5.60	
Personal Services	405,347	(47,726)	357,621	(46,915)	358,432	716,053
Operating Expenses	250,889	(52)	250,837	(36)	250,853	501,690
Total Costs	\$656,236	(\$47,778)	\$608,458	(\$46,951)	\$609,285	\$1,217,743
State/Other Special	656,236	(47,778)	608,458	(46,951)	609,285	1,217,743
Total Funds	\$656,236	(\$47,778)	\$608,458	(\$46,951)	\$609,285	\$1,217,743

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(47,726)	0	(46,915)
SWPL - 3 - Inflation Deflation	0	(52)	0	(36)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$47,778)</i>	<i>\$0</i>	<i>(\$46,951)</i>
Total Budget Adjustments	\$0	(\$47,778)	\$0	(\$46,951)

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$47,726)
FY 2019	\$0	(\$46,915)

SWPL - 1 - Personal Services -

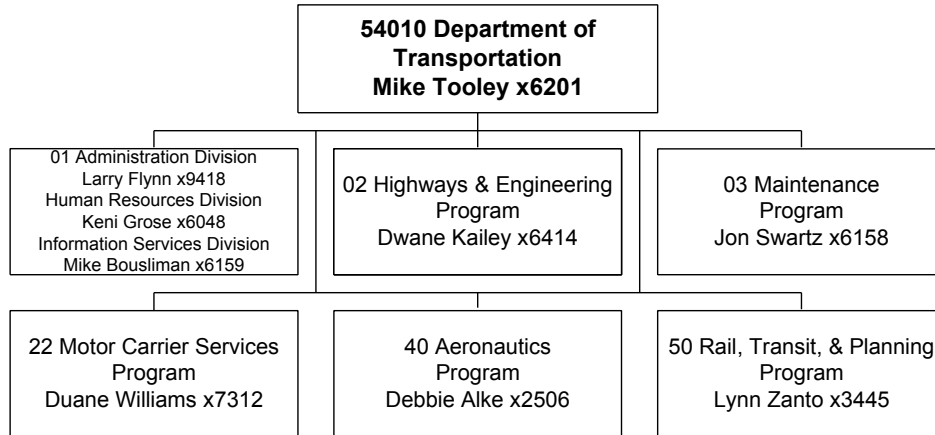
The budget includes a reduction of \$47,726 in FY 2018 and \$46,915 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$52)
FY 2019	\$0	(\$36)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$52 in FY 2018 and \$36 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Transportation - 54010



Mission Statement - To serve the public by providing a transportation system and services that emphasize quality, safety, cost effectiveness, economic vitality, and sensitivity to the environment.

Statutory Authority - Title 2, Chapter 15, part 25; and Titles 15-70, 60, 61, and 67 MCA; Title s 23 and 49 USC, Titles 23 and 49 CFR .

Language - The following language is requested in HB 2 :

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

"All appropriations in the department are biennial."

"All remaining federal pass-through grant appropriations for highway traffic safety, including reversions for the 2017 biennium, are authorized to continue and are appropriated in FY 2018 and FY 2019."

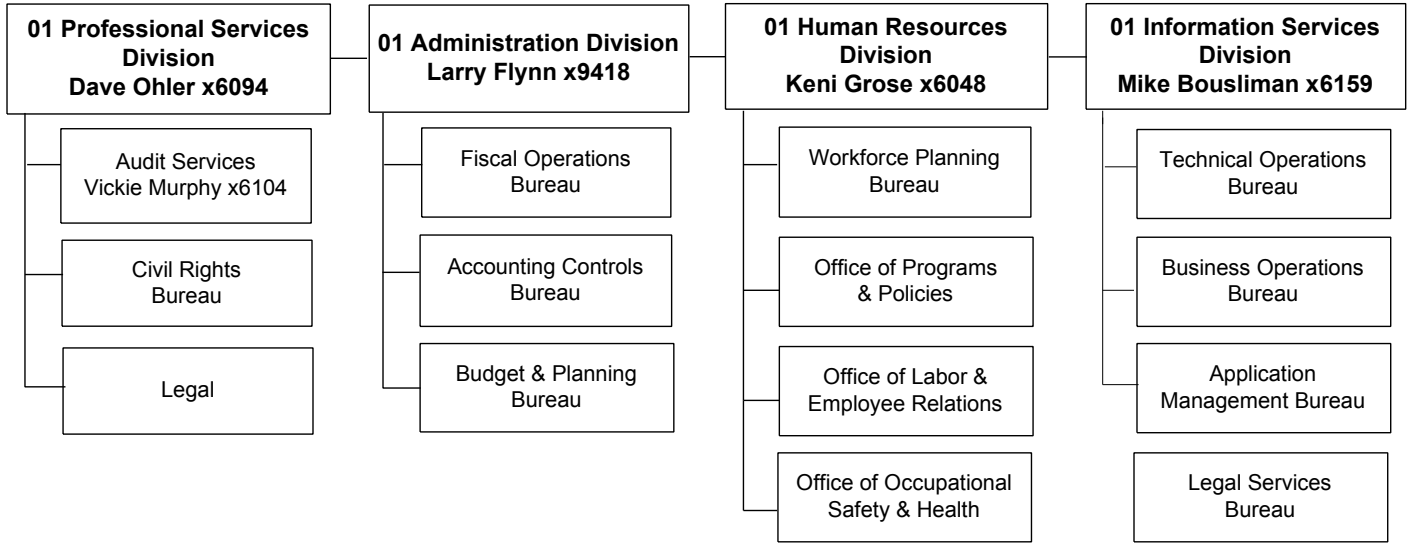
Agency Proposed Budget	Total Exec. Budget Fiscal 2018	Total Exec. Budget Fiscal 2019	Total Exec. Budget 2019 Biennium
FTE	2,057.32	2,057.32	
Personal Services	167,185,687	167,734,876	334,920,563
Operating Expenses	327,330,520	385,267,960	712,598,480
Equipment & Intangible Assets	3,257,658	3,257,658	6,515,316
Capital Outlay	12,956,865	12,956,865	25,913,730
Grants	24,905,320	24,905,320	49,810,640
Benefits & Claims	500	500	1,000
Transfers	1,651,843	1,651,843	3,303,686
Debt Service	85,270	85,270	170,540
Total Costs	\$537,373,663	\$595,860,292	\$1,133,233,955
State/Other Special	232,752,652	241,227,564	473,980,216
Federal Spec. Rev. Funds	304,621,011	354,632,728	659,253,739
Total Funds	\$537,373,663	\$595,860,292	\$1,133,233,955

Department of Transportation - 54010

Agency Appropriated Biennium to Biennium Comparison								
Program	2017 Biennium Appropriated Budget		2019 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - General Operations Program	0	63,365,551	0	67,450,180	0	4,084,629	0.00 %	6.45 %
02 - Construction Program	0	906,066,676	0	696,218,706	0	(209,847,970)	0.00 %	(23.16)%
03 - Maintenance Program	0	282,871,177	0	270,337,671	0	(12,533,506)	0.00 %	(4.43)%
22 - Motor Carrier Services Program	0	24,440,729	0	24,983,100	0	542,371	0.00 %	2.22 %
40 - Aeronautics Program	0	11,091,118	0	5,260,409	0	(5,830,709)	0.00 %	(52.57)%
50 - Rail Transit and Planning Program	0	70,663,491	0	68,983,889	0	(1,679,602)	0.00 %	(2.38)%
Agency Total	\$0	\$1,358,498,742	\$0	\$1,133,233,955	\$0	(\$225,264,787)	0.00 %	(16.58)%

Department of Transportation - 54010

General Operations Program - 01



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

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	198.60	0.00	198.60	0.00	198.60	
Personal Services	17,623,406	(183,063)	17,440,343	(115,608)	17,507,798	34,948,141
Operating Expenses	14,101,645	2,042,550	16,144,195	1,844,053	15,945,698	32,089,893
Equipment & Intangible Assets	45,803	0	45,803	0	45,803	91,606
Grants	75,000	0	75,000	0	75,000	150,000
Transfers	0	0	0	0	0	0
Debt Service	85,270	0	85,270	0	85,270	170,540
Total Costs	\$31,931,124	\$1,859,487	\$33,790,611	\$1,728,445	\$33,659,569	\$67,450,180
State/Other Special	30,719,243	1,468,515	32,187,758	1,334,301	32,053,544	64,241,302
Federal Spec. Rev. Funds	1,211,881	390,972	1,602,853	394,144	1,606,025	3,208,878
Total Funds	\$31,931,124	\$1,859,487	\$33,790,611	\$1,728,445	\$33,659,569	\$67,450,180

Department of Transportation - 54010

General Operations Program - 01

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
	Statewide Present Law Adjustments			
SWPL - 1 - Personal Services	0	(162,458)	0	(95,003)
SWPL - 2 - Fixed Costs	0	2,098,438	0	1,899,163
SWPL - 3 - Inflation Deflation	0	(3,609)	0	(3,002)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,932,371</i>	<i>\$0</i>	<i>\$1,801,158</i>
Present Law Adjustments				
PL - 103 - Overtime/Differential	0	(20,605)	0	(20,605)
PL - 106 - On the Job Training and Disadvantaged Business Programs	0	508,333	0	508,333
PL - 304 - Equipment Rental	0	(612)	0	(441)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$487,116</i>	<i>\$0</i>	<i>\$487,287</i>
New Proposals				
NP - 556 - IT Convergence Savings	0	(560,000)	0	(560,000)
<i>Total New Proposals</i>	<i>\$0</i>	<i>(\$560,000)</i>	<i>\$0</i>	<i>(\$560,000)</i>
Total Budget Adjustments	\$0	\$1,859,487	\$0	\$1,728,445

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$162,458)
FY 2019	\$0	(\$95,003)

SWPL - 1 - Personal Services -

The budget includes reductions of \$162,458 in FY 2018 and \$95,003 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$2,098,438
FY 2019	\$0	\$1,899,163

SWPL - 2 - Fixed Costs -

The request includes \$2,098,438 in FY 2018 and \$1,899,163 in FY 2019 to provide the increase in funding required in the budget for increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$3,609)
FY 2019	\$0	(\$3,002)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$3,609 in FY 2018 and \$3,002 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Transportation - 54010

General Operations Program - 01

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$20,605)
FY 2019	\$0	(\$20,605)

PL - 103 - Overtime/Differential -

This adjustment reduces the budget by \$20,605 each year for anticipated overtime and per diem expenses.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$508,333
FY 2019	\$0	\$508,333

PL - 106 - On the Job Training and Disadvantaged Business Programs -

This request is to include the On the Job Training (OJT) and Disadvantaged Business Enterprise (DBE) programs into the base budget of the Office of Civil Rights which is responsible for administering these programs. The OJT and DBE programs have increased in recent years and have been sustained through the use of carry forward and budget amendments. State funds will be allocated to implement the federal directives (49 CFR 26 and 23 CFR 230.20) for the DBE Small Business Element supportive service program. This request would provide for adequate budget to support these programs solely within the Office of Civil Rights's HB 2 budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$612)
FY 2019	\$0	(\$441)

PL - 304 - Equipment Rental -

This budget request is for a reduction of \$612 in FY 2018 and \$441 for FY 2019 in state special revenue to adjust for expected equipment rental rates. These decreases are due primarily to cost decreases in the Equipment program for inflation adjustments in repairs and maintenance and statewide adjustments for personal services.

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

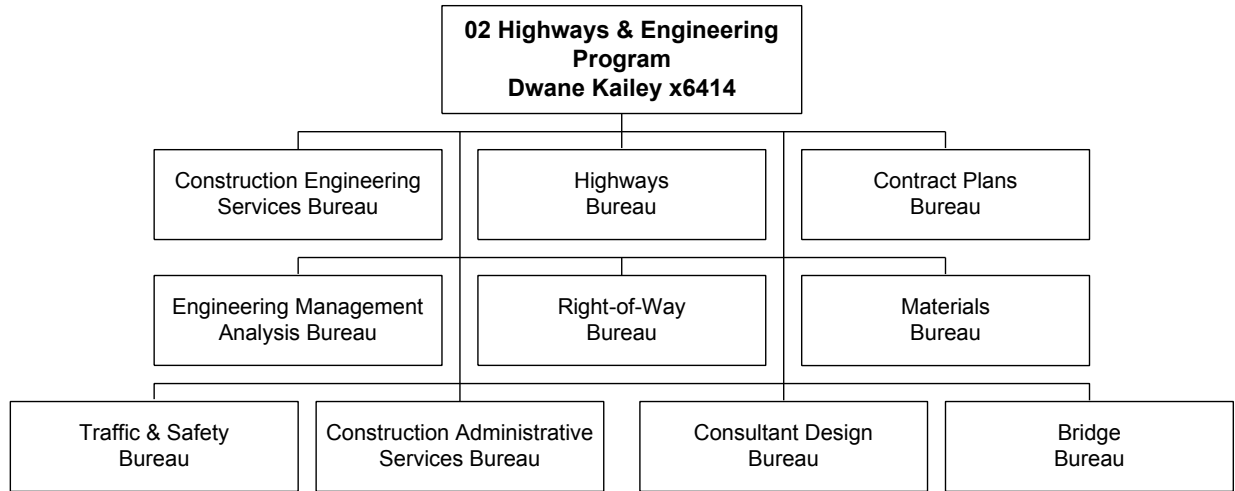
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$560,000)
FY 2019	\$0	(\$560,000)

NP - 556 - IT Convergence Savings -

In accordance with Executive Order 09-2016, state agencies have migrated information technology assets to the state data center and taken advantage of other enterprise IT solutions. The estimated savings for the Department of Transportation is \$560,000 per year.

Department of Transportation - 54010

Construction Program - 02



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

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	876.72	0.00	876.72	0.00	876.72	
Personal Services	73,698,694	1,201,321	74,900,015	1,451,558	75,150,252	150,050,267
Operating Expenses	361,480,568	(140,333,022)	221,147,546	(81,965,185)	279,515,383	500,662,929
Equipment & Intangible Assets	2,665,262	0	2,665,262	0	2,665,262	5,330,524
Capital Outlay	12,956,865	0	12,956,865	0	12,956,865	25,913,730
Grants	7,130,628	0	7,130,628	0	7,130,628	14,261,256
Total Costs	\$457,932,017	(\$139,131,701)	\$318,800,316	(\$80,513,627)	\$377,418,390	\$696,218,706
State/Other Special	71,667,805	(17,785,340)	53,882,465	(10,101,362)	61,566,443	115,448,908
Federal Spec. Rev. Funds	386,264,212	(121,346,361)	264,917,851	(70,412,265)	315,851,947	580,769,798
Total Funds	\$457,932,017	(\$139,131,701)	\$318,800,316	(\$80,513,627)	\$377,418,390	\$696,218,706

Department of Transportation - 54010

Construction Program - 02

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
	Statewide Present Law Adjustments			
SWPL - 1 - Personal Services	0	3,621,579	0	3,871,816
SWPL - 2 - Fixed Costs	0	(2,481)	0	(1,984)
SWPL - 3 - Inflation Deflation	0	(22,563)	0	(16,054)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$3,596,535</i>	<i>\$0</i>	<i>\$3,853,778</i>
Present Law Adjustments				
PL - 203 - Overtime/Differential	0	(2,420,258)	0	(2,420,258)
PL - 304 - Equipment Rental	0	(217,978)	0	(157,147)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$2,638,236)</i>	<i>\$0</i>	<i>(\$2,577,405)</i>
New Proposals				
NP - 560 - Balance Highway State Special Revenue Account	0	(140,090,000)	0	(81,790,000)
<i>Total New Proposals</i>	<i>\$0</i>	<i>(\$140,090,000)</i>	<i>\$0</i>	<i>(\$81,790,000)</i>
Total Budget Adjustments	\$0	(\$139,131,701)	\$0	(\$80,513,627)

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$3,621,579
FY 2019	\$0	\$3,871,816

SWPL - 1 - Personal Services -

The budget includes \$3,621,579 in FY 2018 and \$3,871,816 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$2,481)
FY 2019	\$0	(\$1,984)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$2,481 in FY 2018 and \$1,984 in FY 2019 to provide the funding required in the budget for decreases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$22,563)
FY 2019	\$0	(\$16,054)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$22,563 in FY 2018 and \$16,054 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Transportation - 54010

Construction Program - 02

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$2,420,258)
FY 2019	\$0	(\$2,420,258)

PL - 203 - Overtime/Differential -

This change packages reduces the FY 2017 Starting Point by \$2,420,258 in both FY 2018 and FY 2019 for anticipated overtime and differential pay expenses.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$217,978)
FY 2019	\$0	(\$157,147)

PL - 304 - Equipment Rental -

This budget request is for a reduction of \$217,978 in FY 2018 and \$157,147 for FY 2019 in state special revenue to adjust for expected equipment rental rates. These decreases are due primarily to cost decreases in the Equipment program for inflation adjustments in repairs and maintenance and statewide adjustments for personal services.

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

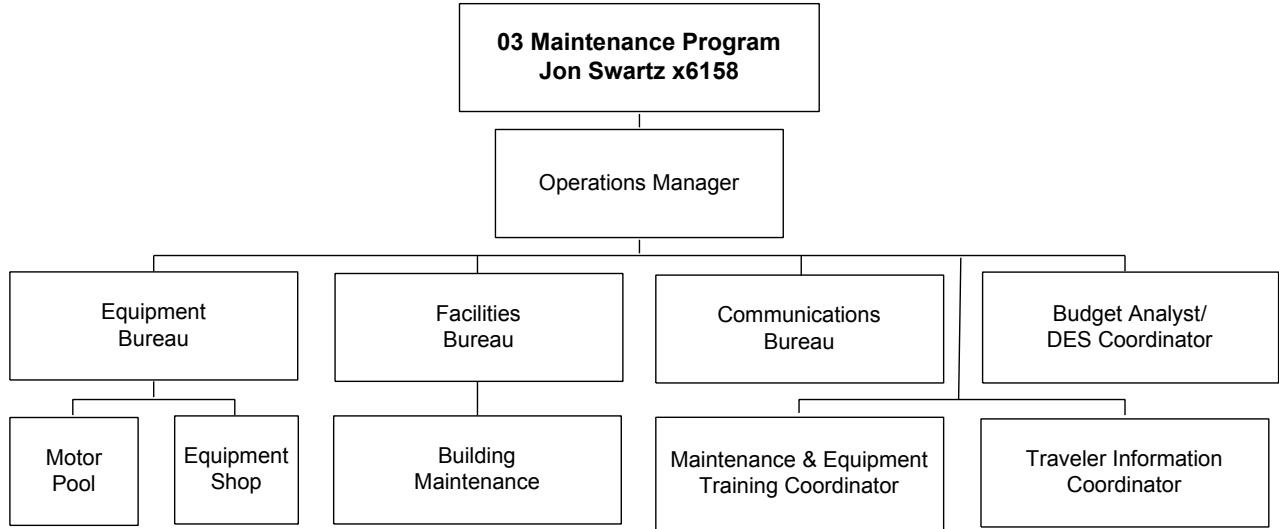
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$140,090,000)
FY 2019	\$0	(\$81,790,000)

NP - 560 - Balance Highway State Special Revenue Account -

In order to provide a balance of revenues and expenditures in the Highway State Special Revenue Account, the Construction Program is budgeted a reduction of \$18,210,000 in FY 2018 and \$10,630,000 in FY 2019 to cover its share of the pro-rata reduction. In addition, the federal match associated with the state funds that will be reduced is \$121,880,000 in FY 2018 and \$71,160,000 in FY 2019.

Department of Transportation - 54010

Maintenance Program - 03



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

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	741.55	2.00	743.55	2.00	743.55	
Personal Services	56,519,824	(633,081)	55,886,743	(460,923)	56,058,901	111,945,644
Operating Expenses	85,617,592	(7,066,712)	78,550,880	(6,276,861)	79,340,731	157,891,611
Equipment & Intangible Assets	225,208	0	225,208	0	225,208	450,416
Capital Outlay	0	0	0	0	0	0
Grants	25,000	0	25,000	0	25,000	50,000
Total Costs	\$142,387,624	(\$7,699,793)	\$134,687,831	(\$6,737,784)	\$135,649,840	\$270,337,671
State/Other Special	134,123,096	(7,527,239)	126,595,857	(6,612,076)	127,511,020	254,106,877
Federal Spec. Rev. Funds	8,264,528	(172,554)	8,091,974	(125,708)	8,138,820	16,230,794
Total Funds	\$142,387,624	(\$7,699,793)	\$134,687,831	(\$6,737,784)	\$135,649,840	\$270,337,671

Department of Transportation - 54010

Maintenance Program - 03

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
	Statewide Present Law Adjustments			
SWPL - 1 - Personal Services	0	1,626,037	0	1,798,107
SWPL - 3 - Inflation Deflation	0	(279,268)	0	(216,450)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,346,769</i>	<i>\$0</i>	<i>\$1,581,657</i>
Present Law Adjustments				
PL - 303 - Overtime / Differential	0	(1,394,817)	0	(1,394,817)
PL - 304 - Equipment Rental	0	(1,517,744)	0	(1,094,187)
PL - 306 - Secondary Roads	0	94,848	0	377,728
PL - 307 - Rest Area Maintenance	0	168,907	0	189,204
PL - 308 - Deicer	0	159,000	0	159,000
PL - 309 - Kalispell Bypass Maintenance	0	281,299	0	281,387
PL - 310 - MMS	0	150,000	0	150,000
PL - 311 - Maintenance Contracts	0	11,945	0	12,244
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$2,046,562)</i>	<i>\$0</i>	<i>(\$1,319,441)</i>
New Proposals				
NP - 560 - Balance Highway State Special Revenue Account	0	(7,000,000)	0	(7,000,000)
<i>Total New Proposals</i>	<i>\$0</i>	<i>(\$7,000,000)</i>	<i>\$0</i>	<i>(\$7,000,000)</i>
Total Budget Adjustments	\$0	(\$7,699,793)	\$0	(\$6,737,784)

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$1,626,037
FY 2019	\$0	\$1,798,107

SWPL - 1 - Personal Services -

The budget includes \$1,626,037 in FY 2018 and \$1,798,108 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$279,268)
FY 2019	\$0	(\$216,450)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$279,269 in FY 2018 and \$216,450 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$1,394,817)
FY 2019	\$0	(\$1,394,817)

PL - 303 - Overtime / Differential -

This request reduces the FY 2017 Starting Point by \$1,394,817 each year of the next biennium for anticipated overtime expenses.

Department of Transportation - 54010

Maintenance Program - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$1,517,744)
FY 2019	\$0	(\$1,094,187)

PL - 304 - Equipment Rental -

This budget request is for a reduction of \$1,517,744 in FY 2018 and \$1,094,187 for FY 2019 in state special revenue to adjust for expected equipment rental rates. These decreases are due primarily to cost decreases in the Equipment program for inflation adjustments in repairs and maintenance and statewide adjustments for personal services.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$94,848
FY 2019	\$0	\$377,728

PL - 306 - Secondary Roads -

This budget request is for \$94,848 in FY 2018 and \$377,728 in FY 2019 in state special revenue to maintain additional secondary road miles. The 56th Montana Legislature enacted SB 333, which requires the Department of Transportation to maintain paved secondary roads as they become eligible (45.4 miles of additional secondary roads are projected to become eligible for MDT maintenance in the 2019 biennium).

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$168,907
FY 2019	\$0	\$189,204

PL - 307 - Rest Area Maintenance -

This request is for \$168,907 for FY 2018 and \$189,204 for FY 2019 in state special revenue for the service and upkeep of rest areas. This request includes funding for expenses for rest area supplies which are not currently in the budget as well as an increase for contracts that will be rebid for the 2019 biennium. The Columbus rest area is in the process of being rebuilt and should be completed by FY 2018. The rest area contracts at Divide, Jefferson City, Anaconda, Lima, Culbertson, Flowing Wells, Glasgow, Bad Route, Broadus, Hathaway, Wibaux, and Hysham and the truck parking at Dell are expected to increase by 3% per year.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$159,000
FY 2019	\$0	\$159,000

PL - 308 - Deicer -

This request is for \$159,000 each year of the biennium in state special revenue. The request is for additional funding for the increased costs of liquid chemical deicer for fixed anti-icing spray technology on the reconstructed I-15 bridge between the Capital Interchange and Cedar Street Interchange in Helena. Additional funding is also requested for chemical deicer in the Wolf Point Division to keep MDT roadways safe for the traveling public.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$281,299
FY 2019	\$0	\$281,387

PL - 309 - Kalispell Bypass Maintenance -

This request is for \$281,299 in FY 2018 and \$281,387 in FY 2019 in state special revenue. This request is to fund additional road maintenance responsibility due to the increase in lane miles and infrastructure from the Kalispell Bypass construction project. Funding will be used to address additional operational costs associated with winter maintenance operations and normal maintenance activities including surface, shoulders, and roadside maintenance. The Kalispell Bypass adds 35 lane miles that will require additional resources, including 2.00 FTE.

Department of Transportation - 54010

Maintenance Program - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$150,000
FY 2019	\$0	\$150,000

PL - 310 - MMS -

The Maintenance Division received funding in the 2017 biennium for a new maintenance management system (MMS). The new MMS system will be supported by a maintenance contract with the vendor who developed the system. The contract is expected to cost \$120,000 per year. The MMS system will have data input from remote handheld devices to record information regarding maintenance activities on the road. The statewide cost for cell service for this data package is \$30,000 annually.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$11,945
FY 2019	\$0	\$12,244

PL - 311 - Maintenance Contracts -

This request is for \$11,945 in FY 2018 and \$12,244 in FY 2019 in state special revenue as a result of increased road maintenance contract costs with the City of Missoula. This request provides a 2.5% increase to the maintenance contract with the City of Missoula.

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

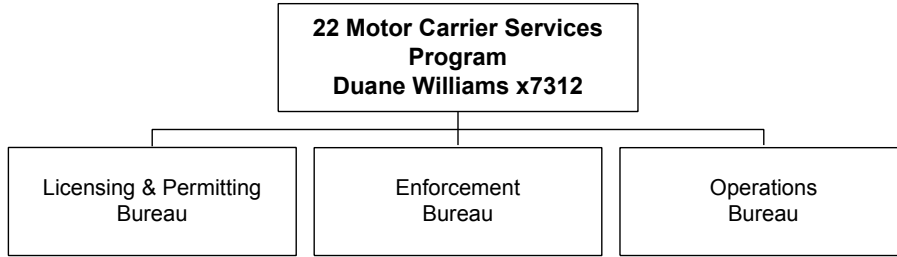
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$7,000,000)
FY 2019	\$0	(\$7,000,000)

NP - 560 - Balance Highway State Special Revenue Account -

In order to provide a balance of revenues and expenditures in the Highway State Special Revenue Account, the Maintenance Program is budgeted a reduction of \$7,000,000 each year of the biennium to cover its share of the pro-rata reduction. Reductions include \$5,000,000 annually in 100% state funded construction projects and \$2,000,000 annually in winter maintenance expenditures.

Department of Transportation - 54010

Motor Carrier Services Program - 22



Program Description - The Motor Carrier Services Program enforces state and federal commercial motor carrier laws including laws on vehicle size and weight, insurance, licensing, dyed fuel, and vehicle and driver safety. The Licensing and Permit Bureau registers interstate fleet vehicles, issues commercial vehicle licenses and oversize/overweight permits, and collects and distributes fees and taxes. The Enforcement Bureau operates a statewide weigh station and mobile enforcement program and assigns uniformed officers to inspect commercial vehicles for compliance with state and federal safety, registration, fuel, insurance, and size/weight laws. The Motor Carrier Safety Assistance Program (MCSAP) conducts commercial motor carrier safety compliance reviews and safety audits to ensure commercial vehicles, drivers, and motor carriers are compliant with state safety laws and federal regulations by conducting vehicle and driver inspections and motor carrier compliance reviews and safety audits.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
		Fiscal 2018	Fiscal 2018	Fiscal 2019	Fiscal 2019	2019 Biennium
FTE	128.94	0.00	128.94	0.00	128.94	
Personal Services	9,056,563	132,765	9,189,328	158,975	9,215,538	18,404,866
Operating Expenses	3,065,425	(28,116)	3,037,309	(19,364)	3,046,061	6,083,370
Equipment & Intangible Assets	197,716	0	197,716	0	197,716	395,432
Transfers	49,716	0	49,716	0	49,716	99,432
Total Costs	\$12,369,420	\$104,649	\$12,474,069	\$139,611	\$12,509,031	\$24,983,100
State/Other Special	9,436,200	81,801	9,518,001	108,314	9,544,514	19,062,515
Federal Spec. Rev. Funds	2,933,220	22,848	2,956,068	31,297	2,964,517	5,920,585
Total Funds	\$12,369,420	\$104,649	\$12,474,069	\$139,611	\$12,509,031	\$24,983,100

Program Proposed Budget Adjustments	Budget Adjustments		Budget Adjustments	
	Fiscal 2018		Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	232,254	0	258,464
SWPL - 3 - Inflation Deflation	0	(4,092)	0	(2,044)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$228,162</i>	<i>\$0</i>	<i>\$256,420</i>
Present Law Adjustments				
PL - 2203 - Overtime/Differential	0	(99,489)	0	(99,489)
PL - 304 - Equipment Rental	0	(24,024)	0	(17,320)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$123,513)</i>	<i>\$0</i>	<i>(\$116,809)</i>
Total Budget Adjustments	\$0	\$104,649	\$0	\$139,611

Department of Transportation - 54010

Motor Carrier Services Program - 22

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$232,254
FY 2019	\$0	\$258,464

SWPL - 1 - Personal Services -

The budget includes \$232,254 in FY 2018 and \$258,464 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$4,092)
FY 2019	\$0	(\$2,044)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$4,092 in FY 2018 and \$2,044 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$99,489)
FY 2019	\$0	(\$99,489)

PL - 2203 - Overtime/Differential -

This request reduces overtime and differential pay by \$99,489 each year of the biennium to anticipated levels.

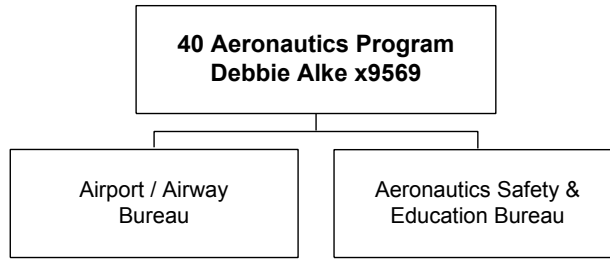
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$24,024)
FY 2019	\$0	(\$17,320)

PL - 304 - Equipment Rental -

This budget request is for a reduction of \$24,024 in FY 2018 and \$17,320 for FY 2019 in state special revenue to adjust for expected equipment rental rates. MDT's equipment rental rates increased or decreased due primarily to inflation/deflation on fuel, repairs and maintenance on equipment, and statewide adjustments for personal services.

Department of Transportation - 54010

Aeronautics Program - 40



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

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

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	9.00	0.00	9.00	0.00	9.00	
Personal Services	779,292	24,291	803,583	26,208	805,500	1,609,083
Operating Expenses	874,443	1,037,515	1,911,958	3,123	877,566	2,789,524
Grants	424,000	0	424,000	0	424,000	848,000
Transfers	6,901	0	6,901	0	6,901	13,802
Total Costs	\$2,084,636	\$1,061,806	\$3,146,442	\$29,331	\$2,113,967	\$5,260,409
State/Other Special	1,889,734	62,829	1,952,563	29,331	1,919,065	3,871,628
Federal Spec. Rev. Funds	194,902	998,977	1,193,879	0	194,902	1,388,781
Total Funds	\$2,084,636	\$1,061,806	\$3,146,442	\$29,331	\$2,113,967	\$5,260,409

Department of Transportation - 54010

Aeronautics Program - 40

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
	Statewide Present Law Adjustments			
SWPL - 1 - Personal Services	0	24,291	0	26,208
SWPL - 2 - Fixed Costs	0	(2,856)	0	(780)
SWPL - 3 - Inflation Deflation	0	(7,780)	0	(5,671)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$13,655</i>	<i>\$0</i>	<i>\$19,757</i>
Present Law Adjustments				
PL - 304 - Equipment Rental	0	(426)	0	(426)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$426)</i>	<i>\$0</i>	<i>(\$426)</i>
New Proposals				
NP - 4007 - West Yellowstone Airport Obstruction Removal	0	90,000	0	0
NP - 4008 - West Yellowstone Airport Pavement Maintenance	0	152,577	0	0
NP - 4009 - Lincoln Airport Hangar Taxi-lane Construction	0	396,000	0	0
NP - 4010 - West Yellowstone Airport Terminal Improvements	0	400,000	0	0
NP - 4015 - Whitefish Airport	0	10,000	0	10,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$1,048,577</i>	<i>\$0</i>	<i>\$10,000</i>
Total Budget Adjustments	\$0	\$1,061,806	\$0	\$29,331

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$24,291
FY 2019	\$0	\$26,208

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$2,856)
FY 2019	\$0	(\$780)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$2,856 in FY 2018 and \$780 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$7,780)
FY 2019	\$0	(\$5,671)

SWPL - 3 - Inflation Deflation -

This change package includes funding to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Transportation - 54010

Aeronautics Program - 40

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$426)
FY 2019	\$0	(\$426)

PL - 304 - Equipment Rental -

This budget request is for a reduction of \$426 in FY 2018 and \$426 for FY 2019 in state special revenue to adjust for expected equipment rental rates. These decreases are due primarily to cost decreases in the Equipment program for inflation adjustments in repairs and maintenance and statewide adjustments for personal services.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$90,000
FY 2019	\$0	\$0

NP - 4007 - West Yellowstone Airport Obstruction Removal -

Federal funds in the amount of \$90,000 are requested to provide for removal of obstructions at the West Yellowstone Airport. The Federal Aviation Administration (FAA) designates specific areas of the airspace within the airport environment to be free from obstructions. In particular, the runway approach and departure areas as well as the areas extending laterally from the centerline of the runway must be free from obstructions penetrating designated slopes. The West Yellowstone Airport airspace environment contains numerous penetrations of the protected slopes caused by trees. This project will include removal and disposal of the trees causing the penetrations. The match portion for this request will come from the Yellowstone Airport proprietary fund.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$152,577
FY 2019	\$0	\$0

NP - 4008 - West Yellowstone Airport Pavement Maintenance -

Federal funds in the amount of \$152,577 are requested to provide for the design and construction associated with pavement rehabilitation at the West Yellowstone Airport. This project will be limited to pavements not reconstructed as part of the 2017 and 2018 Taxiway & Apron reconstruction project. These improvements will assist the airport in maintaining compliance with FAA mandated requirements and assure the viability of future aviation operations at the airport. The project will consist of the pavement rehabilitation design and associated construction to include filling of cracked asphalt, sealing the asphalt surfaces, repainting the asphalt surfaces (as necessary), and incidentals associated with this work. The match portion for this request will come from the West Yellowstone Airport proprietary fund.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$396,000
FY 2019	\$0	\$0

NP - 4009 - Lincoln Airport Hangar Taxi-lane Construction -

State and federal funds in the amount of \$39,600 and \$356,400 for a total of \$396,000 are requested to construct a hangar taxi-lane to make available an additional 20 hangar building sites thus increasing the ability to generate airport revenues. There are currently 10 hangars in existence at the Lincoln Airport and two additional sites are available for future construction. Hangar site rent is paid to the State of Montana as the predominant revenue generating source of income for the airport.

Department of Transportation - 54010

Aeronautics Program - 40

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$400,000
FY 2019	\$0	\$0

NP - 4010 - West Yellowstone Airport Terminal Improvements -

Federal funds in the amount of \$400,000 are requested to provide for the design and construction of terminal improvements at the West Yellowstone Airport. The West Yellowstone Airport terminal was constructed in 1964 and has received only minor improvements over the years. The terminal was designed prior to Transportation Security Administration (TSA) requirements and prior to Federal Aviation Regulations (FAR) Part 139 Certification. In addition, SkyWest Airlines, which provides commercial airline service to the airport, significantly increased the passenger carrying capacity of their aircraft in 2015. These factors combine to make the existing terminal inefficient in layout and function. Due to the anticipated segmenting of available federal funds, this project will be phased over multiple years.

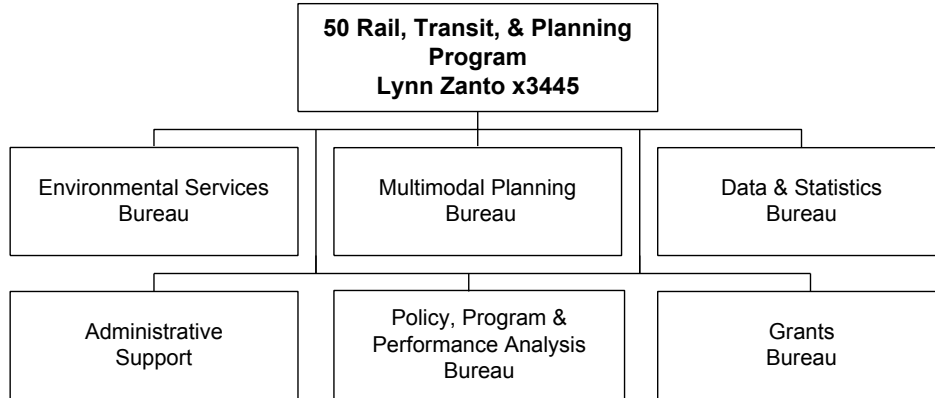
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$10,000
FY 2019	\$0	\$10,000

NP - 4015 - Whitefish Airport -

This budget request is for \$10,000 in FY 2018 and FY2019 of state special revenue funds to provide for miscellaneous maintenance due to the reversion of the Whitefish Airport back to the Aeronautics Division.

Department of Transportation - 54010

Rail Transit and Planning Program - 50



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

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	100.51	0.00	100.51	0.00	100.51	
Personal Services	8,646,997	318,678	8,965,675	349,890	8,996,887	17,962,562
Operating Expenses	5,838,887	699,745	6,538,632	703,634	6,542,521	13,081,153
Equipment & Intangible Assets	123,669	0	123,669	0	123,669	247,338
Grants	17,250,692	0	17,250,692	0	17,250,692	34,501,384
Benefits & Claims	500	0	500	0	500	1,000
Transfers	1,595,226	0	1,595,226	0	1,595,226	3,190,452
Total Costs	\$33,455,971	\$1,018,423	\$34,474,394	\$1,053,524	\$34,509,495	\$68,983,889
State/Other Special	8,372,132	243,876	8,616,008	260,846	8,632,978	17,248,986
Federal Spec. Rev. Funds	25,083,839	774,547	25,858,386	792,678	25,876,517	51,734,903
Total Funds	\$33,455,971	\$1,018,423	\$34,474,394	\$1,053,524	\$34,509,495	\$68,983,889

Department of Transportation - 54010

Rail Transit and Planning Program - 50

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
	Statewide Present Law Adjustments			
SWPL - 1 - Personal Services	0	299,298	0	330,510
SWPL - 2 - Fixed Costs	0	115	0	115
SWPL - 3 - Inflation Deflation	0	1,139	0	1,816
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$300,552</i>	<i>\$0</i>	<i>\$332,441</i>
Present Law Adjustments				
PL - 304 - Equipment Rental	0	(11,509)	0	(8,297)
PL - 5003 - Overtime/Differential	0	19,380	0	19,380
PL - 5007 - Revegetation	0	710,000	0	710,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$717,871</i>	<i>\$0</i>	<i>\$721,083</i>
Total Budget Adjustments	\$0	\$1,018,423	\$0	\$1,053,524

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$299,298
FY 2019	\$0	\$330,510

SWPL - 1 - Personal Services -

The budget includes \$299,298 in FY 2018 and \$330,510 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$115
FY 2019	\$0	\$115

SWPL - 2 - Fixed Costs -

The request includes \$115 in FY 2018 and \$115 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$1,139
FY 2019	\$0	\$1,816

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$1,139 in FY 2018 and \$1,816 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Transportation - 54010

Rail Transit and Planning Program - 50

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$11,509)
FY 2019	\$0	(\$8,297)

PL - 304 - Equipment Rental -

This budget request is for a reduction of \$11,509 in FY 2018 and \$8,297 for FY 2019 in state special revenue to adjust for expected equipment rental rates. These decreases are due primarily to cost decreases in the Equipment program for inflation adjustments in repairs and maintenance and statewide adjustments for personal services.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$19,380
FY 2019	\$0	\$19,380

PL - 5003 - Overtime/Differential -

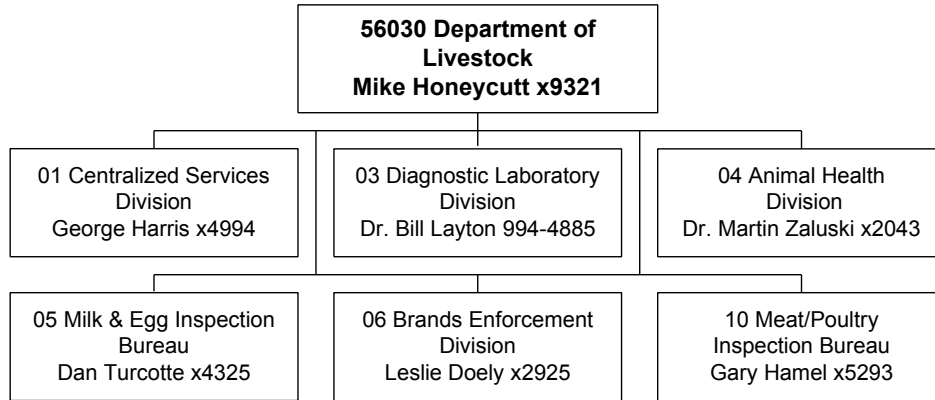
This change package adds \$19,380 each year of the biennium for estimated overtime and per diem requirements.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$710,000
FY 2019	\$0	\$710,000

PL - 5007 - Revegetation -

This request is for support of the federal aid revegetation program (\$475K) and the MS4 program (\$235K) for a total request of \$710,000 in FY 2018 and FY 2019. MDT will need this budget adjustment or risk environmental non-compliance with permitted actions.

Department of Livestock - 56030



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

The 64th Montana Legislature appropriated the majority of the Department of Livestock's budget on a one-time-only basis for the 2017 biennium.

Agency Proposed Budget	Total Exec. Budget Fiscal 2018	Total Exec. Budget Fiscal 2019	Total Exec. Budget 2019 Biennium
Budget Item			
FTE	136.62	136.62	
Personal Services	8,498,248	8,522,309	17,020,557
Operating Expenses	4,068,205	3,937,942	8,006,147
Equipment & Intangible Assets	13,000	13,000	26,000
Transfers	384,481	384,481	768,962
Debt Service	19,967	19,967	39,934
Total Costs	\$12,983,901	\$12,877,699	\$25,861,600
General Fund	2,623,661	2,628,535	5,252,196
State/Other Special	8,513,459	8,387,971	16,901,430
Federal Spec. Rev. Funds	1,846,781	1,861,193	3,707,974
Total Funds	\$12,983,901	\$12,877,699	\$25,861,600

Agency Appropriated Biennium to Biennium Comparison									
Program	2017 Biennium Appropriated Budget		2019 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)		
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	
01 - Centralized Services Program	207,992	3,955,390	185,584	4,239,684	(22,408)	284,294	(10.77)%	7.19 %	
03 - Diagnostic Laboratory	1,818,513	4,477,534	1,836,039	4,968,906	17,526	491,372	0.96 %	10.97 %	
04 - Animal Health Division	1,600,877	5,049,516	1,699,369	4,884,871	98,492	(164,645)	6.15 %	(3.26)%	
05 - Milk & Egg Program	0	1,338,327	0	1,422,346	0	84,019	0.00 %	6.28 %	
06 - Brands Enforcement Division	0	7,533,982	0	7,066,609	0	(467,373)	0.00 %	(6.20)%	
10 - Meat Inspection	1,792,261	3,515,225	1,531,204	3,279,184	(261,057)	(236,041)	(14.57)%	(6.71)%	
Agency Total	\$5,419,643	\$25,869,974	\$5,252,196	\$25,861,600	(\$167,447)	(\$8,374)	(3.09)%	(0.03)%	

Department of Livestock - 56030

Centralized Services Program - 01

**01 Centralized Services
Division
George Harris x4994**

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

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	1.00	17.00	18.00	17.00	18.00	
Personal Services	138,336	1,206,800	1,345,136	1,209,873	1,348,209	2,693,345
Operating Expenses	17,096	738,511	755,607	598,674	615,770	1,371,377
Transfers	0	87,481	87,481	87,481	87,481	174,962
Total Costs	\$155,432	\$2,032,792	\$2,188,224	\$1,896,028	\$2,051,460	\$4,239,684
General Fund	98,369	(6,062)	92,307	(5,092)	93,277	185,584
State/Other Special	57,063	2,038,854	2,095,917	1,901,120	1,958,183	4,054,100
Total Funds	\$155,432	\$2,032,792	\$2,188,224	\$1,896,028	\$2,051,460	\$4,239,684

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(2,374)	(53,387)	(1,484)	(52,497)
SWPL - 2 - Fixed Costs	(3,688)	33,042	(3,608)	(7,564)
SWPL - 3 - Inflation Deflation	0	540	0	1,309
<i>Total Statewide Present Law Adjustments</i>	<i>(\$6,062)</i>	<i>(\$19,805)</i>	<i>(\$5,092)</i>	<i>(\$58,752)</i>
Present Law Adjustments				
PL - 1 - Restore Department of Livestock Base	0	1,840,110	0	1,842,214
PL - 26 - PC Replacement	0	3,900	0	3,900
PL - 28 - Milk Control Travel Increase	0	4,800	0	4,800
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,848,810</i>	<i>\$0</i>	<i>\$1,850,914</i>
New Proposals				
NP - 17 - Attorney Position	0	103,787	0	103,866
NP - 200 - Milk Control Study (Biennial)	0	100,000	0	0
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$203,787</i>	<i>\$0</i>	<i>\$103,866</i>
Total Budget Adjustments	(\$6,062)	\$2,032,792	(\$5,092)	\$1,896,028

Department of Livestock - 56030

Centralized Services Program - 01

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$2,374)	(\$53,387)
FY 2019	(\$1,484)	(\$52,497)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$53,387 in FY 2018 and \$52,496 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$3,688)	\$33,042
FY 2019	(\$3,608)	(\$7,564)

SWPL - 2 - Fixed Costs -

The request includes \$33,042 in FY 2018 and a reduction of \$7,564 in FY 2019 to provide the funding required in the budget to increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$540
FY 2019	\$0	\$1,309

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$540 in FY 2018 and \$1,309 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$1,840,110
FY 2019	\$0	\$1,842,214

PL - 1 - Restore Department of Livestock Base -

During the 2015 legislative session, the Department of Livestock was appropriated as one-time-only in HB 2. This request of \$1,840,110 in FY 2018 and \$1,184,214 in FY 2019 of state special revenue restore's the program's base.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$3,900
FY 2019	\$0	\$3,900

PL - 26 - PC Replacement -

This budget request of \$3,900 per year of state special revenue is for PC replacement in the program. The department has increased active personal computers from 128 to 145 with the increase primarily in the brand enforcement districts. The standard state replacement cycle is five years.

Department of Livestock - 56030

Centralized Services Program - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$4,800
FY 2019	\$0	\$4,800

PL - 28 - Milk Control Travel Increase -

This budget request of \$4,800 per year of state special revenue is to fund travel costs associated with administering the program, including audit functions, board and committee meetings, and industry gatherings.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$103,787
FY 2019	\$0	\$103,866

NP - 17 - Attorney Position -

This budget request is for \$103,787 in FY 2018 and \$103,886 in FY 2019 of state special revenue. The Department of Livestock has been contracting for legal services since 2003. From 2012 through 2016 there has been a substantial increase in legal challenges throughout the department. There is a need for legal services to the board and each division serving the livestock industry.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$100,000
FY 2019	\$0	\$0

NP - 200 - Milk Control Study (Biennial) -

The Board of Milk Control requests \$100,000 in the 2019 biennium state special revenue to contract for a study of the price formulas and the methodology of the statewide pooling arrangement and quota plan systems that determine dairy compensation. Current applicable administrative rules have not substantively changed since 2000. The study would provide information for potential administrative rule changes by the board. It would also consider the balance between the production and consumption of milk, the costs of production and distribution, and prices in adjacent and neighboring or comparable states.

Department of Livestock - 56030

Diagnostic Laboratory - 03

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

Program Description - The Montana Veterinary Diagnostic Laboratory is the only accredited, full-service veterinary laboratory in Montana. The division provides disease diagnostic support to veterinarians, livestock producers, companion animal owners, and the Department of Fish, Wildlife, & Parks as well as many other state and federal agencies. The division provides laboratory support to the department's Animal Health Division and Milk & Egg Bureau, and helps protect public health by testing dairy products and testing for zoonotic diseases.

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
Budget Item						
FTE	0.00	21.51	21.51	21.51	21.51	
Personal Services	75,436	1,352,435	1,427,871	1,357,224	1,432,660	2,860,531
Operating Expenses	0	1,043,471	1,043,471	1,024,970	1,024,970	2,068,441
Debt Service	0	19,967	19,967	19,967	19,967	39,934
Total Costs	\$75,436	\$2,415,873	\$2,491,309	\$2,402,161	\$2,477,597	\$4,968,906
General Fund	0	918,064	918,064	917,975	917,975	1,836,039
State/Other Special	0	1,467,225	1,467,225	1,453,580	1,453,580	2,920,805
Federal Spec. Rev. Funds	75,436	30,584	106,020	30,606	106,042	212,062
Total Funds	\$75,436	\$2,415,873	\$2,491,309	\$2,402,161	\$2,477,597	\$4,968,906

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(75,436)	0	(75,436)
SWPL - 2 - Fixed Costs	115	1,670	84	1,218
SWPL - 3 - Inflation Deflation	0	(8,889)	0	(8,038)
<i>Total Statewide Present Law Adjustments</i>	<i>\$115</i>	<i>(\$82,655)</i>	<i>\$84</i>	<i>(\$82,256)</i>
Present Law Adjustments				
PL - 1 - Restore Department of Livestock Base	936,277	2,431,456	936,219	2,436,245
PL - 22 - Lab Continuing Education	0	7,500	0	7,500
PL - 29 - Lab Supplies	0	37,000	0	37,000
PL - 4 - Lab Safety and Minor Equipment - Under \$5,000	0	3,900	0	0
<i>Total Present Law Adjustments</i>	<i>\$936,277</i>	<i>\$2,479,856</i>	<i>\$936,219</i>	<i>\$2,480,745</i>
New Proposals				
NP - 31 - Lab Equipment (OTO)	0	15,000	0	0
NP - 555 - Appropriation Rebase	(18,328)	(18,328)	(18,328)	(18,328)
NP - 9 - Lab Computer Maintenance	0	22,000	0	22,000
<i>Total New Proposals</i>	<i>(\$18,328)</i>	<i>\$18,672</i>	<i>(\$18,328)</i>	<i>\$3,672</i>
Total Budget Adjustments	\$918,064	\$2,415,873	\$917,975	\$2,402,161

Department of Livestock - 56030

Diagnostic Laboratory - 03

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$75,436)
FY 2019	\$0	(\$75,436)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$75,436 per year in state special revenue to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$115	\$1,670
FY 2019	\$84	\$1,218

SWPL - 2 - Fixed Costs -

The request includes \$1,670 in FY 2018 and \$1,218 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$8,889)
FY 2019	\$0	(\$8,038)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$8,889 in FY 2018 and \$8,038 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$936,277	\$2,431,456
FY 2019	\$936,219	\$2,436,245

PL - 1 - Restore Department of Livestock Base -

During the 2015 legislative session, the Department of Livestock was appropriated as one-time-only in HB 2. This request of \$2,431,456 in FY 2018 and \$2,436,245 in FY 2019 of general fund and state special revenue restore's the program's base.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$7,500
FY 2019	\$0	\$7,500

PL - 22 - Lab Continuing Education -

The Diagnostic Laboratory budget includes a request of \$7,500 per year of state special revenue to provide laboratory staff additional continuing education opportunities and to replace outdated reference books.

Department of Livestock - 56030

Diagnostic Laboratory - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$37,000
FY 2019	\$0	\$37,000

PL - 29 - Lab Supplies -

The budget includes a request of \$37,000 per year in state special revenue for lab supplies. Lab supply costs can be erratic depending on disease outbreaks, weather, the number of tests performed, and other variables.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$3,900
FY 2019	\$0	\$0

PL - 4 - Lab Safety and Minor Equipment - Under \$5,000 -

This request of \$3,900 in FY 2018 of state special revenue is to replace minor equipment. Equipment includes a portable bunsen burner required to replace an open flame burner; a freezer data collector and phone warning system is needed to warn staff of disruption of electrical service to vital ultra-low freezer equipment protecting critical specimens; and a 35 degree incubator. All are essential for lab safety and continuity of service.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$15,000
FY 2019	\$0	\$0

NP - 31 - Lab Equipment (OTO) -

This one-time-only budget request of \$15,000 state special revenue is for replacement of equipment in the Diagnostic Laboratory.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$18,328)	(\$18,328)
FY 2019	(\$18,328)	(\$18,328)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes a Diagnostic Laboratory Appropriation Rebase totaling \$18,328 and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$22,000
FY 2019	\$0	\$22,000

NP - 9 - Lab Computer Maintenance -

This budget request is for \$22,000 in state special revenue to address required maintenance in a mission critical system. The Diagnostic Laboratory's computer system, Vetstar Animal Disease Diagnostic System (VADDS), requires a maintenance agreement that is currently not in the program's base. The vendor of this system provides remote and on-site maintenance services as needed for the this new system.

Department of Livestock - 56030

Animal Health Division - 04

**04 Animal Health
Division
Dr. Martin Zaluski x2043**

Program Description - The Animal Health Division (State Veterinarian Office) works with animal owners and veterinarians to prevent, control, and eradicate animal diseases, including those in bison and alternative livestock animals. The program cooperates with the Departments of Public Health and Human Services and Fish, Wildlife and Parks and the US Department of Agriculture to protect human health from animal diseases transmissible to humans including rabies and brucellosis by monitoring testing and enforcing animal quarantines. The division also regulates the importation of animals into Montana.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	0.00	14.25	14.25	14.25	14.25	
Personal Services	52,427	993,378	1,045,805	998,531	1,050,958	2,096,763
Operating Expenses	0	1,078,734	1,078,734	1,089,374	1,089,374	2,168,108
Equipment & Intangible Assets	0	13,000	13,000	13,000	13,000	26,000
Transfers	0	297,000	297,000	297,000	297,000	594,000
Total Costs	\$52,427	\$2,382,112	\$2,434,539	\$2,397,905	\$2,450,332	\$4,884,871
General Fund	0	849,216	849,216	850,153	850,153	1,699,369
State/Other Special	52,427	679,885	732,312	683,395	735,822	1,468,134
Federal Spec. Rev. Funds	0	853,011	853,011	864,357	864,357	1,717,368
Total Funds	\$52,427	\$2,382,112	\$2,434,539	\$2,397,905	\$2,450,332	\$4,884,871

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(52,427)	0	(52,427)
SWPL - 2 - Fixed Costs	204	1,752	149	1,278
SWPL - 3 - Inflation Deflation	(1,525)	(21,012)	(1,146)	(15,889)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$1,321)</i>	<i>(\$71,687)</i>	<i>(\$997)</i>	<i>(\$67,038)</i>
Present Law Adjustments				
PL - 1 - Restore Department of Livestock Base	850,537	2,449,341	851,150	2,454,494
PL - 11 - Department Leased Vehicles	0	4,458	0	10,449
<i>Total Present Law Adjustments</i>	<i>\$850,537</i>	<i>\$2,453,799</i>	<i>\$851,150</i>	<i>\$2,464,943</i>
Total Budget Adjustments	\$849,216	\$2,382,112	\$850,153	\$2,397,905

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$52,427)
FY 2019	\$0	(\$52,427)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$52,427 per year of state special revenue to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Livestock - 56030

Animal Health Division - 04

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$204	\$1,752
FY 2019	\$149	\$1,278

SWPL - 2 - Fixed Costs -

The request includes \$1,752 in FY 2018 and \$1,278 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$1,525)	(\$21,012)
FY 2019	(\$1,146)	(\$15,889)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$21,012 in FY 2018 and \$15,889 in FY 2019 of general fund, state, and federal special revenue to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$850,537	\$2,449,341
FY 2019	\$851,150	\$2,454,494

PL - 1 - Restore Department of Livestock Base -

During the 2015 legislative session, the Department of Livestock was appropriated as one-time-only in HB 2. This request of \$2,449,341 in FY 2018 and \$2,545,494 in FY 2019 of general fund, state, and federal special revenue restore's the program's base appropriation.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$4,458
FY 2019	\$0	\$10,449

PL - 11 - Department Leased Vehicles -

This request of \$4,458 in FY 2018 and \$10,449 in FY 2019 of state and federal special revenue is for leased vehicles used by the program. In Animal Health, a large pickup is necessary for an area supervisor who travels 35,000 miles a year to perform his duties. The supervisor's time is evenly shared with the Brands Enforcement Division. Half of this leased truck is paid in Animal Health at a cost of \$4,458 each year. In addition in, FY 2019, the federal bison program needs a leased truck costing \$5,991.

Department of Livestock - 56030

Milk & Egg Program - 05

**05 Milk & Egg
Inspection Bureau
Dan Turcotte x4325**

Program Description - The Milk and Egg Inspection program ensures that eggs, milk, and milk products sold or manufactured in Montana are safe, wholesome and meet the appropriate USDA and FDA grade quality required for interstate marketing. Ensured compliance with state and federal laws is accomplished through licensing, sampling, laboratory testing, and on- site inspections.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	1.00	6.25	7.25	6.25	7.25	
Personal Services	80,300	415,825	496,125	417,265	497,565	993,690
Operating Expenses	0	210,085	210,085	218,571	218,571	428,656
Total Costs	\$80,300	\$625,910	\$706,210	\$635,836	\$716,136	\$1,422,346
State/Other Special	80,300	604,910	685,210	614,836	695,136	1,380,346
Federal Spec. Rev. Funds	0	21,000	21,000	21,000	21,000	42,000
Total Funds	\$80,300	\$625,910	\$706,210	\$635,836	\$716,136	\$1,422,346

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(30,857)	0	(30,825)
SWPL - 2 - Fixed Costs	0	831	0	606
SWPL - 3 - Inflation Deflation	0	(3,165)	0	(2,392)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$33,191)</i>	<i>\$0</i>	<i>(\$32,611)</i>
Present Law Adjustments				
PL - 1 - Restore Department of Livestock Base	0	643,219	0	644,627
PL - 11 - Department Leased Vehicles	0	15,882	0	23,820
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$659,101</i>	<i>\$0</i>	<i>\$668,447</i>
Total Budget Adjustments	\$0	\$625,910	\$0	\$635,836

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$30,857)
FY 2019	\$0	(\$30,825)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$30,857 in FY 2018 and \$30,826 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Livestock - 56030

Milk & Egg Program - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$831
FY 2019	\$0	\$606

SWPL - 2 - Fixed Costs -

The request includes \$831 in FY 2018 and \$606 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$3,165)
FY 2019	\$0	(\$2,392)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$3,165 in FY 2018 and \$2,392 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$643,219
FY 2019	\$0	\$644,627

PL - 1 - Restore Department of Livestock Base -

During the 2015 legislative session, the Department of Livestock was appropriated as one-time-only in HB 2. This request of \$643,219 in FY 2018 and \$644,627 in FY 2019 of state special revenue restore's the program's base.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$15,882
FY 2019	\$0	\$23,820

PL - 11 - Department Leased Vehicles -

This request is for \$15,882 in FY 2018 and \$23,820 in FY 2019 for leased vehicles. The Milk Inspection program has a vast area to cover for inspection work and it is estimated that inspectors travel 30,000 miles per. Two vehicles will be leased in FY 2018 and a third one will be leased in FY 2019.

Department of Livestock - 56030

Brands Enforcement Division - 06

**06 Brands Enforcement
Division
Leslie Doely x2925**

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

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	0.00	53.11	53.11	53.11	53.11	
Personal Services	189,896	2,850,789	3,040,685	2,856,934	3,046,830	6,087,515
Operating Expenses	0	486,392	486,392	492,702	492,702	979,094
Transfers	0	0	0	0	0	0
Total Costs	\$189,896	\$3,337,181	\$3,527,077	\$3,349,636	\$3,539,532	\$7,066,609
State/Other Special	189,896	3,337,181	3,527,077	3,349,636	3,539,532	7,066,609
Total Funds	\$189,896	\$3,337,181	\$3,527,077	\$3,349,636	\$3,539,532	\$7,066,609

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(133,917)	0	(133,917)
SWPL - 2 - Fixed Costs	0	5,983	0	4,361
SWPL - 3 - Inflation Deflation	0	(26,592)	0	(18,660)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$154,526)</i>	<i>\$0</i>	<i>(\$148,216)</i>
Present Law Adjustments				
PL - 1 - Restore Department of Livestock Base	0	3,610,258	0	3,616,403
PL - 11 - Department Leased Vehicles	0	10,449	0	10,449
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$3,620,707</i>	<i>\$0</i>	<i>\$3,626,852</i>
New Proposals				
NP - 30 - Reduce Budget Request	0	(129,000)	0	(129,000)
<i>Total New Proposals</i>	<i>\$0</i>	<i>(\$129,000)</i>	<i>\$0</i>	<i>(\$129,000)</i>
Total Budget Adjustments	\$0	\$3,337,181	\$0	\$3,349,636

Department of Livestock - 56030

Brands Enforcement Division - 06

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$133,917)
FY 2019	\$0	(\$133,917)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$133,917 per year to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$5,983
FY 2019	\$0	\$4,361

SWPL - 2 - Fixed Costs -

The request includes \$5,983 in FY 2018 and \$4,361 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$26,592)
FY 2019	\$0	(\$18,660)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$26,592 in FY 2018 and \$18,660 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$3,610,258
FY 2019	\$0	\$3,616,403

PL - 1 - Restore Department of Livestock Base -

During the 2015 legislative session, the Department of Livestock was appropriated as one-time-only in HB 2. This request of \$3,610,258 in FY 2018 and \$3,616,403 in FY 2019 of state special revenue restore's the program's base.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$10,449
FY 2019	\$0	\$10,449

PL - 11 - Department Leased Vehicles -

This request of \$10,449 per year in state special revenue is for leased vehicles in the program. The division requires additional leased vehicles because several districts have increased in size over the last biennium. Based on 20,000 miles a year for a large pick up the lease cost is \$5,991 each year. The Brand Enforcement Division shares 50% of the lease costs for the area supervisor leased vehicle with the Animal Health Division.

Department of Livestock - 56030

Brands Enforcement Division - 06

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$129,000)
FY 2019	\$0	(\$129,000)

NP - 30 - Reduce Budget Request -

This request reduces the program budget by \$129,000 per year. The base year had \$129,000 of authority for a one time adjustment that is not necessary in FY 2018 and FY 2019.

Department of Livestock - 56030

Meat Inspection - 10

**10 Meat & Poultry
Inspection Program
Gary Hamel 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	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
Budget Item						
FTE	0.00	22.50	22.50	22.50	22.50	
Personal Services	180,743	961,883	1,142,626	965,344	1,146,087	2,288,713
Operating Expenses	0	493,916	493,916	496,555	496,555	990,471
Total Costs	\$180,743	\$1,455,799	\$1,636,542	\$1,461,899	\$1,642,642	\$3,279,184
General Fund	90,371	673,703	764,074	676,759	767,130	1,531,204
State/Other Special	0	5,718	5,718	5,718	5,718	11,436
Federal Spec. Rev. Funds	90,372	776,378	866,750	779,422	869,794	1,736,544
Total Funds	\$180,743	\$1,455,799	\$1,636,542	\$1,461,899	\$1,642,642	\$3,279,184

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(90,372)	(180,743)	(90,372)	(180,743)
SWPL - 2 - Fixed Costs	1,171	2,343	854	1,708
<i>Total Statewide Present Law Adjustments</i>	<i>(\$89,201)</i>	<i>(\$178,400)</i>	<i>(\$89,518)</i>	<i>(\$179,035)</i>
Present Law Adjustments				
PL - 1 - Restore Department of Livestock Base	862,260	1,730,239	863,986	1,733,690
<i>Total Present Law Adjustments</i>	<i>\$862,260</i>	<i>\$1,730,239</i>	<i>\$863,986</i>	<i>\$1,733,690</i>
New Proposals				
NP - 555 - Appropriation Rebase	(102,672)	(102,672)	(102,662)	(102,662)
<i>Total New Proposals</i>	<i>(\$102,672)</i>	<i>(\$102,672)</i>	<i>(\$102,662)</i>	<i>(\$102,662)</i>
Total Budget Adjustments	\$670,387	\$1,449,167	\$671,806	\$1,451,993

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$90,372)	(\$180,743)
FY 2019	(\$90,372)	(\$180,743)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$90,371 per year annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Livestock - 56030

Meat Inspection - 10

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$1,171	\$2,343
FY 2019	\$854	\$1,708

SWPL - 2 - Fixed Costs -

The request includes \$2,343 in FY 2018 and \$1,708 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$862,260	\$1,730,239
FY 2019	\$863,986	\$1,733,690

PL - 1 - Restore Department of Livestock Base -

During the 2015 legislative session, the Department of Livestock was appropriated as one-time-only in HB 2. This request of \$1,730,239 in FY 2018 and \$1,733,690 in FY 2019 of state special revenue restore's the program's base.

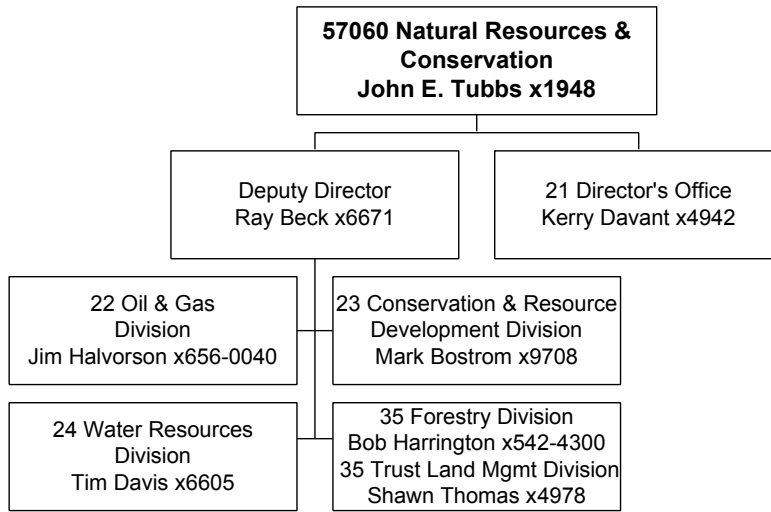
-----**New Proposals**-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$102,672)	(\$102,672)
FY 2019	(\$102,662)	(\$102,662)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes a Meat Inspection Division Appropriation Rebase totaling \$102,672 and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Natural Resources and Conservation - 57060



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.

Language - The following language is recommended for HB 2:

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

"The department is appropriated up to \$600,000 for the 2019 biennium from the loan loss reserve account of the private loan program established in 85-1-603 for the purchase of prior liens on property held as loan security as provided in 85-1-615."

"During the 2019 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility."

"During the 2019 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project."

"During the 2019 biennium, up to \$500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated for the purpose of repairing, improving, or rehabilitating department state water projects."

"During the 2019 biennium, up to \$1 million of funds currently in or to be deposited in the Contract Timber Harvest account is appropriated to the department for contract harvesting, a tool to improve forest health and generate revenue for trust beneficiaries."

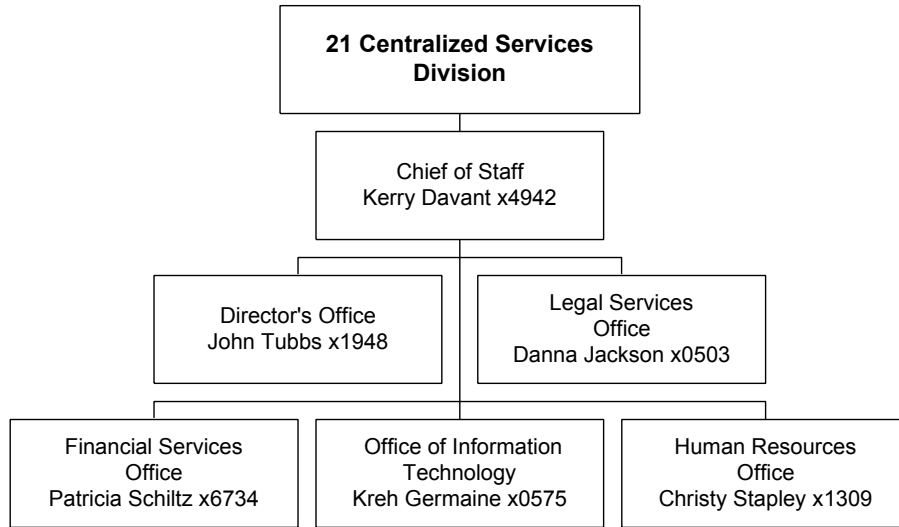
Natural Resources and Conservation - 57060

Agency Proposed Budget			
Budget Item	Total Exec. Budget Fiscal 2018	Total Exec. Budget Fiscal 2019	Total Exec. Budget 2019 Biennium
FTE	527.36	527.36	
Personal Services	39,658,066	39,785,923	79,443,989
Operating Expenses	17,774,906	17,707,466	35,482,372
Equipment & Intangible Assets	1,353,066	1,353,066	2,706,132
Capital Outlay	0	0	0
Local Assistance	3,874,477	3,890,936	7,765,413
Grants	1,715,262	1,715,262	3,430,524
Benefits & Claims	200,000	200,000	400,000
Transfers	1,683,743	1,703,743	3,387,486
Debt Service	785,341	785,341	1,570,682
Total Costs	\$67,044,861	\$67,141,737	\$134,186,598
General Fund	15,555,138	15,487,512	31,042,650
State/Other Special	49,166,577	49,327,528	98,494,105
Federal Spec. Rev. Funds	2,323,146	2,326,697	4,649,843
Total Funds	\$67,044,861	\$67,141,737	\$134,186,598

Agency Appropriated Biennium to Biennium Comparison								
Program	2017 Biennium Appropriated Budget		2019 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
21 - Director's Office	11,077,049	16,375,947	7,446,692	12,239,490	(3,630,357)	(4,136,457)	(32.77)%	(25.26)%
22 - Oil & Gas Conservation Div.	0	4,321,247	0	4,315,169	0	(6,078)	0.00 %	(0.14)%
23 - Conservation & Resource Development Division	4,316,701	21,552,832	3,505,788	20,670,534	(810,913)	(882,298)	(18.79)%	(4.09)%
24 - Water Resources Division	20,148,345	33,167,202	19,771,926	32,999,762	(376,419)	(167,440)	(1.87)%	(0.50)%
35 - Forestry & Trust Lands Management Division	24,618,260	57,581,652	318,244	63,961,643	(24,300,016)	6,379,991	(98.71)%	11.08 %
Agency Total	\$60,160,355	\$132,998,880	\$31,042,650	\$134,186,598	(\$29,117,705)	\$1,187,718	(48.40)%	0.89 %

Natural Resources and Conservation - 57060

Director's Office - 21



Program Description - The Director's Office is comprised of the Director's Office, Legal Services Office, Financial Services Office, Office of Information Technology, and the Human Resources Office. The director is responsible for the administration of all the functions vested by law in the department and for establishing policy to be followed by the department. In addition, the work units in the Director's Office provide legal, personnel, financial, budgetary, procurement and contracting, information technology, and communications services to the director and the divisions within the agency.

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	57.00	0.00	57.00	0.00	57.00	
Personal Services	4,977,543	(237,321)	4,740,222	(217,361)	4,760,182	9,500,404
Operating Expenses	3,337,635	(1,995,908)	1,341,727	(2,108,784)	1,228,851	2,570,578
Equipment & Intangible Assets	62,554	0	62,554	0	62,554	125,108
Transfers	0	0	0	0	0	0
Debt Service	21,700	0	21,700	0	21,700	43,400
Total Costs	\$8,399,432	(\$2,233,229)	\$6,166,203	(\$2,326,145)	\$6,073,287	\$12,239,490
General Fund	5,678,745	(1,901,321)	3,777,424	(2,009,477)	3,669,268	7,446,692
State/Other Special	2,393,983	(309,701)	2,084,282	(296,315)	2,097,668	4,181,950
Federal Spec. Rev. Funds	326,704	(22,207)	304,497	(20,353)	306,351	610,848
Total Funds	\$8,399,432	(\$2,233,229)	\$6,166,203	(\$2,326,145)	\$6,073,287	\$12,239,490

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(66,084)	(237,321)	(53,792)	(217,361)
SWPL - 2 - Fixed Costs	(65,786)	(201,206)	(186,590)	(314,669)
SWPL - 3 - Inflation Deflation	(387)	(638)	(31)	(51)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$132,257)</i>	<i>(\$439,165)</i>	<i>(\$240,413)</i>	<i>(\$532,081)</i>
New Proposals				
NP - 2101 - Reduce funding for CSKT Water Compact	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
NP - 555 - Appropriation Rebase	(244,064)	(244,064)	(244,064)	(244,064)
NP - 556 - IT Convergence Savings	(25,000)	(50,000)	(25,000)	(50,000)
<i>Total New Proposals</i>	<i>(\$1,769,064)</i>	<i>(\$1,794,064)</i>	<i>(\$1,769,064)</i>	<i>(\$1,794,064)</i>
Total Budget Adjustments	(\$1,901,321)	(\$2,233,229)	(\$2,009,477)	(\$2,326,145)

Natural Resources and Conservation - 57060

Director's Office - 21

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$66,084)	(\$237,321)
FY 2019	(\$53,792)	(\$217,361)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$317,469 in FY 2018 and \$297,509 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$65,786)	(\$201,206)
FY 2019	(\$186,590)	(\$314,669)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$201,206 in FY 2018 and \$314,669 in FY 2019 to adjust the funding required in the budget for changes in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$387)	(\$638)
FY 2019	(\$31)	(\$51)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$638 in FY 2018 and \$51 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$1,500,000)	(\$1,500,000)
FY 2019	(\$1,500,000)	(\$1,500,000)

NP - 2101 - Reduce funding for CSKT Water Compact -

The budget includes a reduction of \$1.5 million general fund each year. This funding was available in the 2017 biennium for work related to the CSKT water compact and is not needed in the 2019 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$244,064)	(\$244,064)
FY 2019	(\$244,064)	(\$244,064)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Director's Office Appropriation Rebase totaling \$244,064 per year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Natural Resources and Conservation - 57060

Director's Office - 21

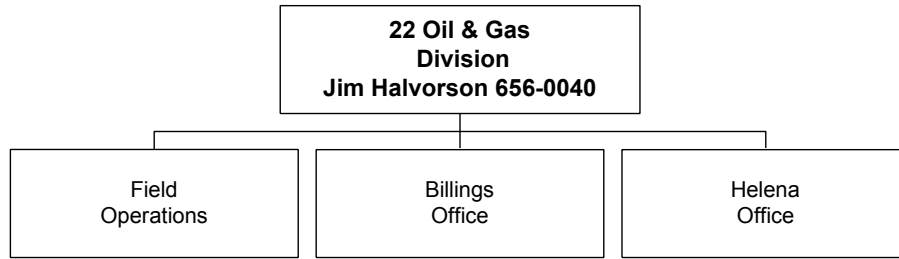
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$25,000)	(\$50,000)
FY 2019	(\$25,000)	(\$50,000)

NP - 556 - IT Convergence Savings -

In accordance with Executive Order 09-2016, state agencies have migrated information technology assets to the state data center and taken advantage of other enterprise IT solutions. The estimated savings for the Department of Natural Resources and Conservation is \$50,000 per year.

Natural Resources and Conservation - 57060

Oil & Gas Conservation Div. - 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's responsibilities include the following:

- o Issue drilling permits
- o Require measures to be taken to prevent damage to land and underground strata
- o Classify wells
- o Establish well spacing units and pooling orders
- o Inspect drilling, production, and seismic operations
- o Investigate complaints
- o Perform engineering studies
- o Determine incremental production for enhanced recovery and horizontal wells to implement the tax incentive program for those projects
- o Operate the underground injection control program
- o Plug orphan wells
- o Collect and maintain complete well data and production information

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
		Fiscal 2018	Fiscal 2018	Fiscal 2019	Fiscal 2019	2019 Biennium
FTE	20.00	0.00	20.00	0.00	20.00	
Personal Services	1,607,567	(28,367)	1,579,200	(24,844)	1,582,723	3,161,923
Operating Expenses	515,772	3,747	519,519	4,855	520,627	1,040,146
Equipment & Intangible Assets	56,550	0	56,550	0	56,550	113,100
Total Costs	\$2,179,889	(\$24,620)	\$2,155,269	(\$19,989)	\$2,159,900	\$4,315,169
State/Other Special	2,074,213	(24,620)	2,049,593	(19,989)	2,054,224	4,103,817
Federal Spec. Rev. Funds	105,676	0	105,676	0	105,676	211,352
Total Funds	\$2,179,889	(\$24,620)	\$2,155,269	(\$19,989)	\$2,159,900	\$4,315,169

Program Proposed Budget Adjustments	Budget Adjustments		Budget Adjustments	
	Fiscal 2018		Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(28,367)	0	(24,844)
SWPL - 2 - Fixed Costs	0	9,013	0	8,462
SWPL - 3 - Inflation Deflation	0	(5,266)	0	(3,607)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$24,620)</i>	<i>\$0</i>	<i>(\$19,989)</i>
Total Budget Adjustments	\$0	(\$24,620)	\$0	(\$19,989)

Natural Resources and Conservation - 57060

Oil & Gas Conservation Div. - 22

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$28,367)
FY 2019	\$0	(\$24,844)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$28,367 in FY 2018 and \$24,844 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$9,013
FY 2019	\$0	\$8,462

SWPL - 2 - Fixed Costs -

The request includes \$9,013 in FY 2018 and \$8,462 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

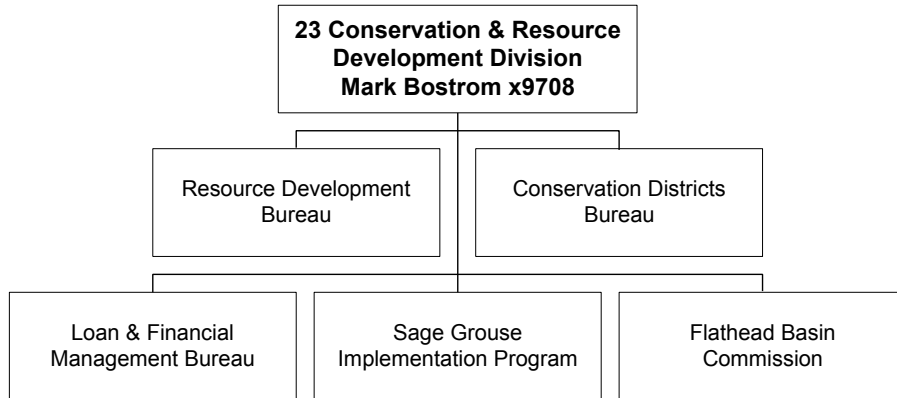
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$5,266)
FY 2019	\$0	(\$3,607)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$5,266 in FY 2018 and \$3,607 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Natural Resources and Conservation - 57060

Conservation & Resource Development Division - 23



Program Description - The Conservation and Resource Development Division (CARDD) 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 at the end of FY 2016 included \$770 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$42 million, and private loans for \$22 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
FTE	27.17	0.00	27.17	0.00	27.17	
Personal Services	2,377,689	(128,063)	2,249,626	(121,152)	2,256,537	4,506,163
Operating Expenses	2,441,740	(7,477)	2,434,263	(6,125)	2,435,615	4,869,878
Equipment & Intangible Assets	43,743	0	43,743	0	43,743	87,486
Local Assistance	3,058,090	816,387	3,874,477	832,846	3,890,936	7,765,413
Grants	1,445,797	75,000	1,520,797	75,000	1,520,797	3,041,594
Benefits & Claims	0	200,000	200,000	200,000	200,000	400,000
Total Costs	\$9,367,059	\$955,847	\$10,322,906	\$980,569	\$10,347,628	\$20,670,534
General Fund	1,751,995	(883)	1,751,112	2,681	1,754,676	3,505,788
State/Other Special	7,340,506	956,730	8,297,236	977,888	8,318,394	16,615,630
Federal Spec. Rev. Funds	274,558	0	274,558	0	274,558	549,116
Total Funds	\$9,367,059	\$955,847	\$10,322,906	\$980,569	\$10,347,628	\$20,670,534

Natural Resources and Conservation - 57060

Conservation & Resource Development Division - 23

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
	Statewide Present Law Adjustments			
SWPL - 1 - Personal Services	(29,217)	(107,620)	(26,264)	(100,709)
SWPL - 2 - Fixed Costs	14,322	33,773	14,563	34,297
SWPL - 3 - Inflation Deflation	(545)	(1,250)	(175)	(422)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$15,440)</i>	<i>(\$75,097)</i>	<i>(\$11,876)</i>	<i>(\$66,834)</i>
Present Law Adjustments				
PL - 2302 - CARDD Conservation Districts - Administration	115,000	115,000	115,000	115,000
PL - 2306 - CARDD Loan Appropriation	0	1,000,000	0	1,000,000
PL - 2309 - CARDD Drinking Water Loan Forgiveness	0	200,000	0	200,000
<i>Total Present Law Adjustments</i>	<i>\$115,000</i>	<i>\$1,315,000</i>	<i>\$115,000</i>	<i>\$1,315,000</i>
New Proposals				
NP - 2310 - Balance Coal Tax Shared Account	0	(183,613)	0	(167,154)
NP - 555 - Appropriation Rebase	(100,443)	(100,443)	(100,443)	(100,443)
<i>Total New Proposals</i>	<i>(\$100,443)</i>	<i>(\$284,056)</i>	<i>(\$100,443)</i>	<i>(\$267,597)</i>
Total Budget Adjustments	(\$883)	\$955,847	\$2,681	\$980,569

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$29,217)	(\$107,620)
FY 2019	(\$26,264)	(\$100,709)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$107,620 in FY 2018 and \$100,709 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$14,322	\$33,773
FY 2019	\$14,563	\$34,297

SWPL - 2 - Fixed Costs -

The request includes \$33,773 in FY 2018 and \$34,297 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$545)	(\$1,250)
FY 2019	(\$175)	(\$422)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$1,250 in FY 2018 and \$422 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Natural Resources and Conservation - 57060

Conservation & Resource Development Division - 23

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$115,000	\$115,000
FY 2019	\$115,000	\$115,000

PL - 2302 - CARDD Conservation Districts - Administration -

This change package is to address the administration of the Conservation District to be able to assist the communities of Montana. This request is for \$115,000 for each year of the biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$1,000,000
FY 2019	\$0	\$1,000,000

PL - 2306 - CARDD Loan Appropriation -

This change package is for the administration of loans for the non-point source program to loan to private individuals. This request is for \$1,000,000 for each year of the biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$200,000
FY 2019	\$0	\$200,000

PL - 2309 - CARDD Drinking Water Loan Forgiveness -

This change package allows the state to provide local assistance to borrowers in the form of loan forgiveness. This is provided for in federal legislation. This request is for \$200,000 for each year of the biennium.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$183,613)
FY 2019	\$0	(\$167,154)

NP - 2310 - Balance Coal Tax Shared Account -

In order to provide a balance of revenues and expenditures in the Coal Severance Tax Shared Account, the Conservation and Resource Development Division is budgeted a reduction of \$183,613 in FY 2018 and \$167,154 in FY 2019 to cover its share of the pro-rata reduction.

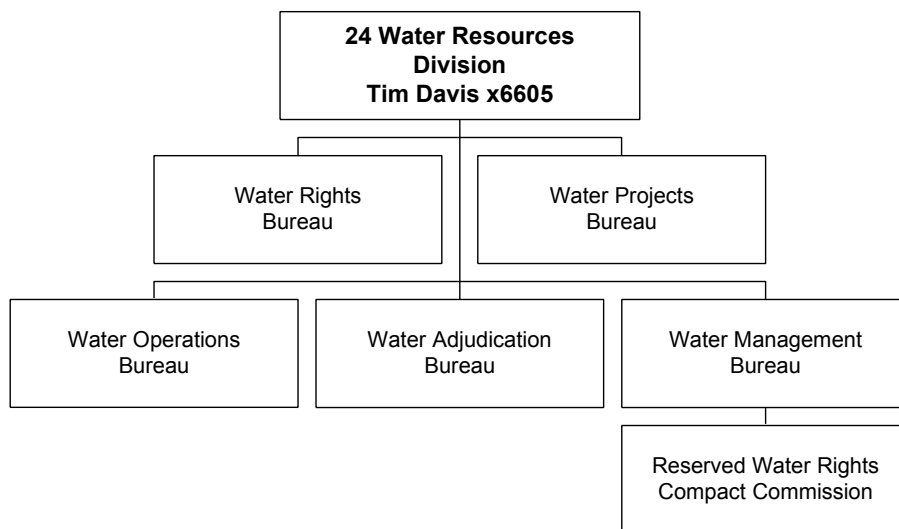
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$100,443)	(\$100,443)
FY 2019	(\$100,443)	(\$100,443)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Conservation & Resource Development Division Appropriation Rebase totaling \$100,443 per year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Natural Resources and Conservation - 57060

Water Resources Division - 24



Program Description - The Water Resources Division is responsible for programs associated with the uses, development, and protection of Montana's water.

The division consists of an administration unit and five bureaus:

- o Water Management Bureau
- o Water Rights Bureau
- o Water Adjudication Bureau
- o State Water Projects Bureau
- o Water Operations Bureau

Responsibilities of the division include:

- o To manage and maintain the state-owned dams, reservoirs, and canals
- o To develop and recommend in-state, interstate, and international water policy to the director, Governor, and legislature
- o To administer the Dam Safety, Floodplain Management, and Water Management programs
- o To conduct coordinated water resource planning, hydrologic assessments, water measurement and implementation of federal and tribal water compacts.
- o To provide support to the Board of Water Well Contractors
- o To assist the Water Court with the adjudication of pre-July 1, 1973, water rights
- o To administer applications for new water rights, changes in historic water rights, and ownership updates
- o To maintain centralized water rights records

Natural Resources and Conservation - 57060

Water Resources Division - 24

Program Proposed Budget	Starting Point	Budget Adjustments	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	134.30	0.00	134.30	0.00	134.30	
Personal Services	10,557,091	74,635	10,631,726	109,175	10,666,266	21,297,992
Operating Expenses	5,252,967	(300,198)	4,952,769	(291,554)	4,961,413	9,914,182
Equipment & Intangible Assets	133,499	0	133,499	0	133,499	266,998
Transfers	21,591	0	21,591	0	21,591	43,182
Debt Service	738,704	0	738,704	0	738,704	1,477,408
Total Costs	\$16,703,852	(\$225,563)	\$16,478,289	(\$182,379)	\$16,521,473	\$32,999,762
General Fund	10,274,595	(407,089)	9,867,506	(370,175)	9,904,420	19,771,926
State/Other Special	6,157,288	183,406	6,340,694	189,648	6,346,936	12,687,630
Federal Spec. Rev. Funds	271,969	(1,880)	270,089	(1,852)	270,117	540,206
Total Funds	\$16,703,852	(\$225,563)	\$16,478,289	(\$182,379)	\$16,521,473	\$32,999,762

Program Proposed Budget Adjustments				
	Budget Adjustments		Budget Adjustments	
	Fiscal 2018		Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	36,393	12,096	65,660	46,636
SWPL - 2 - Fixed Costs	38,785	44,449	43,404	49,673
SWPL - 3 - Inflation Deflation	4,653	4,812	7,681	8,232
<i>Total Statewide Present Law Adjustments</i>	<i>\$79,831</i>	<i>\$61,357</i>	<i>\$116,745</i>	<i>\$104,541</i>
Present Law Adjustments				
PL - 2401 - Per Diem Adjustment	(15,028)	(15,028)	(15,028)	(15,028)
PL - 2402 - WRD Additional Personal Svcs-Water Rights Filing Fees	0	200,000	0	200,000
<i>Total Present Law Adjustments</i>	<i>(\$15,028)</i>	<i>\$184,972</i>	<i>(\$15,028)</i>	<i>\$184,972</i>
New Proposals				
NP - 555 - Appropriation Rebase	(471,892)	(471,892)	(471,892)	(471,892)
<i>Total New Proposals</i>	<i>(\$471,892)</i>	<i>(\$471,892)</i>	<i>(\$471,892)</i>	<i>(\$471,892)</i>
Total Budget Adjustments	(\$407,089)	(\$225,563)	(\$370,175)	(\$182,379)

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$36,393	\$12,096
FY 2019	\$65,660	\$46,636

SWPL - 1 - Personal Services -

The budget includes \$12,096 in FY 2018 and \$46,636 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$38,785	\$44,449
FY 2019	\$43,404	\$49,673

SWPL - 2 - Fixed Costs -

The request includes \$44,449 in FY 2018 and \$49,673 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

Natural Resources and Conservation - 57060

Water Resources Division - 24

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$4,653	\$4,812
FY 2019	\$7,681	\$8,232

SWPL - 3 - Inflation Deflation -

This change package includes \$4,812 in FY 2018 and \$8,232 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$15,028)	(\$15,028)
FY 2019	(\$15,028)	(\$15,028)

PL - 2401 - Per Diem Adjustment -

This change package removes \$15,028 general fund that is included in the FY 2017 starting point for per diem and is not needed for FY 2018 or FY 2019.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$200,000
FY 2019	\$0	\$200,000

PL - 2402 - WRD Additional Personal Srvcs-Water Rights Filing Fees -

The department requests additional personal services authority from Water Right Filings Fees to have the ability to meet statutory review timelines if there is an increased demand in the number of water rights applications.

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

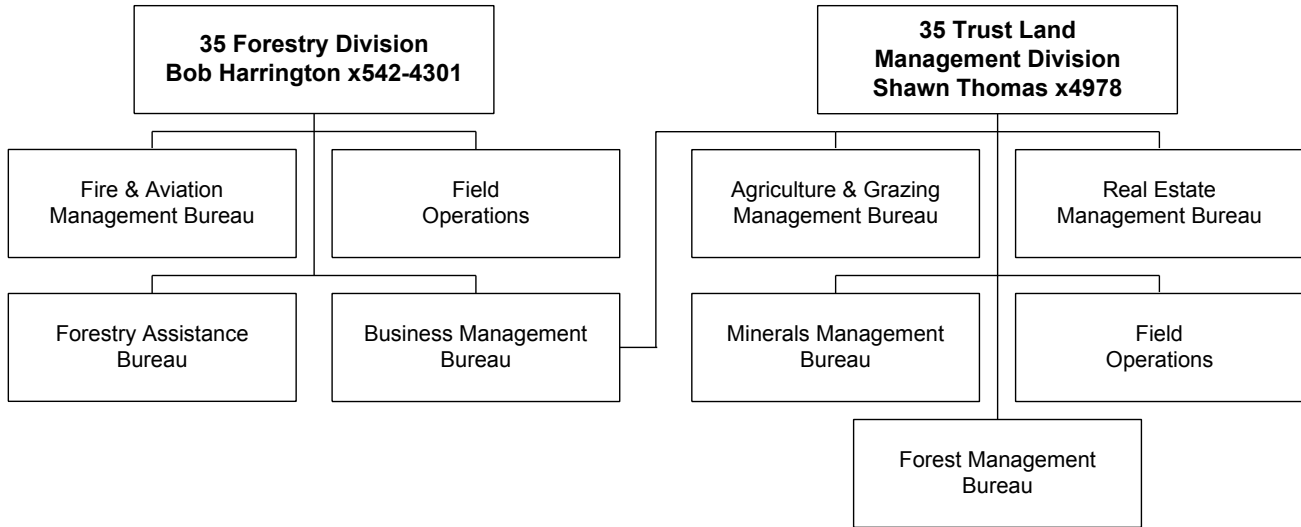
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$471,892)	(\$471,892)
FY 2019	(\$471,892)	(\$471,892)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Water Resources Division Appropriation Rebase totaling \$471,892 per year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Natural Resources and Conservation - 57060

Forestry & Trust Lands Management 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 Lands Management Division administers and manages the state trust timber, surface and mineral resources for the benefit of the Common Schools (K-12), and other endowed institutions under the direction of the Board of Land Commissioners. These trust lands were granted to the State of Montana by the Enabling Act of 1889 and total approximately 5.2 million surface acres and 6.2 million mineral acres. Additionally, the division is responsible for the administration of approximately 3,400 miles (210,000+ acres) of the beds of navigable waterways. The Trust Land Management Division is divided into four primary programs:

- Forest Management: Responsible for the preparation, sale, and administration of 56.9 million board feet of timber through timber sales and permits. Forest Management also performs over \$1 million per year in Forest Improvement work, such as planting, thinning, and road maintenance activities on over 700,000 acres of classified forest land.
- Real Estate Management: Responsible for commercial and residential land leases, rights-of-way grants and acquisitions, land sales, land acquisitions, and land exchanges.
- Minerals Management: Responsible for oil and gas, coal, and other mineral leasing activities.
- Agriculture and grazing management: Responsible for overseeing agricultural and grazing activities on 4.7 million acres. There are approximately 8,900 agreements to lease land for grazing and crop production. The Agriculture and Grazing Bureau also manages the Recreational Use Program on Trust Lands.

Natural Resources and Conservation - 57060

Forestry & Trust Lands Management Division - 35

Program Proposed Budget	Starting Point	Budget Adjustments	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	285.89	3.00	288.89	3.00	288.89	
Personal Services	20,547,287	(89,995)	20,457,292	(27,072)	20,520,215	40,977,507
Operating Expenses	8,097,565	429,063	8,526,628	463,395	8,560,960	17,087,588
Equipment & Intangible Assets	1,056,720	0	1,056,720	0	1,056,720	2,113,440
Capital Outlay	0	0	0	0	0	0
Grants	194,465	0	194,465	0	194,465	388,930
Transfers	1,462,152	200,000	1,662,152	220,000	1,682,152	3,344,304
Debt Service	24,937	0	24,937	0	24,937	49,874
Total Costs	\$31,383,126	\$539,068	\$31,922,194	\$656,323	\$32,039,449	\$63,961,643
General Fund	12,595,756	(12,436,660)	159,096	(12,436,608)	159,148	318,244
State/Other Special	17,419,420	12,975,352	30,394,772	13,090,886	30,510,306	60,905,078
Federal Spec. Rev. Funds	1,367,950	376	1,368,326	2,045	1,369,995	2,738,321
Total Funds	\$31,383,126	\$539,068	\$31,922,194	\$656,323	\$32,039,449	\$63,961,643

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(27,769)	(116,512)	(3,221)	(53,734)
SWPL - 2 - Fixed Costs	79,016	134,898	85,650	141,363
SWPL - 3 - Inflation Deflation	(45,908)	(78,381)	(30,272)	(50,370)
<i>Total Statewide Present Law Adjustments</i>	<i>\$5,339</i>	<i>(\$59,995)</i>	<i>\$2,157</i>	<i>\$37,259</i>
Present Law Adjustments				
PL - 350101 - Forestry-Air Operations Fixed Costs Transfer	133,400	200,000	146,700	220,000
PL - 350102 - Forestry-Funding Adjustment & CSKT Contracted Fire Protection	67,000	100,000	67,000	100,000
PL - 350201 - TLMD MSU-Morrill Trust - Spending Authority Restoration	80,000	80,000	80,000	80,000
PL - 350202 - TLMD Reinstate Cabin Site Sales Program	0	265,500	0	265,500
PL - 350203 - TLMD Lease Marketing and Negotiation	0	80,000	0	80,000
<i>Total Present Law Adjustments</i>	<i>\$280,400</i>	<i>\$725,500</i>	<i>\$293,700</i>	<i>\$745,500</i>
New Proposals				
NP - 350104 - Forestry-DNRC - USFS Liaison	91,999	91,999	92,000	92,000
NP - 350111 - Forestry - Fund Switch	(12,595,962)	0	(12,656,029)	0
NP - 555 - Appropriation Rebase	(218,436)	(218,436)	(218,436)	(218,436)
<i>Total New Proposals</i>	<i>(\$12,722,399)</i>	<i>(\$126,437)</i>	<i>(\$12,782,465)</i>	<i>(\$126,436)</i>
Total Budget Adjustments	(\$12,436,660)	\$539,068	(\$12,436,608)	\$656,323

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$27,769)	(\$116,512)
FY 2019	(\$3,221)	(\$53,734)

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Natural Resources and Conservation - 57060

Forestry & Trust Lands Management Division - 35

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$79,016	\$134,898
FY 2019	\$85,650	\$141,363

SWPL - 2 - Fixed Costs -

The request includes funding in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$45,908)	(\$78,381)
FY 2019	(\$30,272)	(\$50,370)

SWPL - 3 - Inflation Deflation -

This change package includes funding to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$133,400	\$200,000
FY 2019	\$146,700	\$220,000

PL - 350101 - Forestry-Air Operations Fixed Costs Transfer -

This request is for \$200,000 each year of the biennium to fund fixed cost increases such as rent, insurance, and salaries for the Air Operations internal service proprietary fund within the Forestry Division.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$67,000	\$100,000
FY 2019	\$67,000	\$100,000

PL - 350102 - Forestry-Funding Adjustment & CSKT Contracted Fire Protection -

The Department of Natural Resources & Conservation is responsible for the prevention and suppression of wildland fire on all state and private land in Montana. DNRC contracts fire protection of 131,000 acres of state and private land located within the Flathead Indian Reservation. The Bureau of Indian Affairs, Flathead Agency has requested an increase for this protection by roughly \$.75 per acre due to the rising costs of fire detection and suppression. The total cost increase is roughly \$100,000 per year. Contracting fire protection on these lands allows DNRC to reduce total operating funds by not duplicating the cost of establishing and maintaining its own fire protection unit when an existing fire protection agency exists. This change package also adjusts federal funds for the Forestry Division to FY 2018 & FY 2019 federal funds.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$80,000	\$80,000
FY 2019	\$80,000	\$80,000

PL - 350201 - TLMD MSU-Morrill Trust - Spending Authority Restoration -

The budget request includes \$80,000 per year general fund for land management work on MSU-Morrill trust lands. The 2015 Legislature approved one-time-only funding. Section 77-1-109(c), MCA, prohibits deductions from the interest or income generated from lands granted to the state pursuant to the Morrill Act of 1862 and 1890. Therefore, the division is requesting general fund on an on-going basis to cover recurring costs related to Morrill Trust Lands. MSU-Morrill Trust Lands for the State of Montana include 63,424 surface acres (or 1.2% of total trust acres) and 77,929 mineral acres. Annual land management activities for this trust, include agriculture and grazing leases, recreational use, mineral leases and production, timber sales, forest improvement projects, and land transactions. Revenues generated from FY 2014 through FY 2016, total \$3.7 million.

Natural Resources and Conservation - 57060

Forestry & Trust Lands Management Division - 35

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$265,500
FY 2019	\$0	\$265,500

PL - 350202 - TLMD Reinstate Cabin Site Sales Program -

The Trust Lands Management Division requests \$265,500 per year in state special revenues funds to reinstate the Cabin Site Sales Program, which was passed during the 2015 legislative session as an OTO. Senate Bill 34 was passed to facilitate cabin and home site sales of trust lands. The program proposes to sell an estimated 40 cabin and home sites per year. There are approximately 746 cabin and home sites. There are 104 sites selected to participate in sales in the 2017 biennium.

The request includes personal services and operating costs for 1.00 FTE. Duties include contracting surveys, appraisal, and appraisal reviews: conducting appraisal dispute hearings, preparing Board of Land Commissioners (Land Board) agenda items; marketing sales and conducting auctions; and preparing documents and closing sales. In addition to the FTE costs, the division is requesting operating costs pertaining to land survey/Certificate of Survey costs, advertising, and marketing costs.

The division is also requesting spending authority for the private funds paid by lessors, who wish to purchase their cabin and home sites. Costs to the lessors, include appraisal costs that deal with the value of the improvements and the sale processing fees.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$80,000
FY 2019	\$0	\$80,000

PL - 350203 - TLMD Lease Marketing and Negotiation -

The budget request is for \$80,000 per year for real estate lease management and marketing. The Trust Lands Management Division is requesting 1.00 FTE and operating budget to diversify the real estate lease portfolio and increase revenue potential for the trust beneficiaries. The position would be responsible for pursuing new leasing opportunities, developing request for proposals, solicitation and marketing material, and conducting complex lease negotiations on behalf of the trust beneficiaries. This position would work with state, county, and city governments, including development organizations, and department field offices, to prepare land for lease and find qualified lessees. The position would also oversee a standard Request for Proposals procedure in addition to a general leasing procedure to ensure consistency and accountability within the leasing program. A few of the opportunities that exist are renewable energy development (primarily solar and wind), retail, and professional space, as well as, a backlog of residential lease marketing.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$91,999	\$91,999
FY 2019	\$92,000	\$92,000

NP - 350104 - Forestry-DNRC - USFS Liaison -

The change package includes \$91,999 in FY 2018 and \$92,000 in FY 2019 for the DNRC – USFS liaison. The position is responsible for overseeing \$2 million in USFS grants and works with the USFS and forest collaborative groups on projects that restore forest and watersheds, reduce fire risk, improve wildlife habitat and water quality, and provide raw material to Montana timber processing facilities.

Natural Resources and Conservation - 57060

Forestry & Trust Lands Management Division - 35

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$12,595,962)	\$0
FY 2019	(\$12,656,029)	\$0

NP - 350111 - Forestry - Fund Switch -

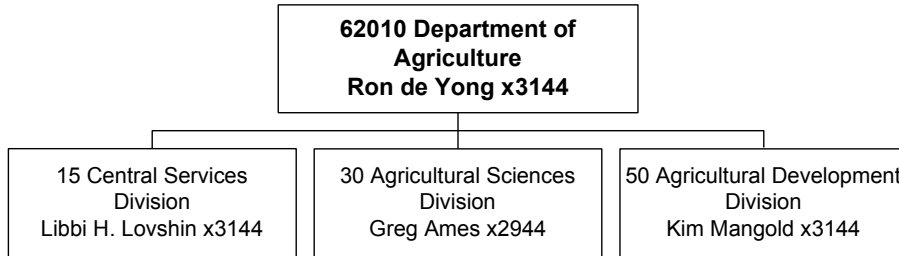
This change package switches all expenditures in the Forestry Division that were funded with general fund to be funded from the Fire Suppression Fund for the 2019 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$218,436)	(\$218,436)
FY 2019	(\$218,436)	(\$218,436)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Forestry & Trust Lands Management Division Appropriation Rebase totaling \$218,436 per year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Department of Agriculture - 62010



Mission Statement - The mission of the Department of Agriculture is 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 1-20, MCA; Title 90, Chapter 9, MCA; Title 2, Chapter 15, Part 30, MCA

Agency Proposed Budget	Total Exec. Budget Fiscal 2018	Total Exec. Budget Fiscal 2019	Total Exec. Budget 2019 Biennium
FTE	114.74	114.74	
Personal Services	8,129,685	8,149,189	16,278,874
Operating Expenses	5,012,960	4,327,640	9,340,600
Equipment & Intangible Assets	413,889	413,889	827,778
Grants	6,166,778	4,816,778	10,983,556
Transfers	129,757	129,757	259,514
Total Costs	\$19,853,069	\$17,837,253	\$37,690,322
General Fund	923,755	877,787	1,801,542
State/Other Special	17,218,265	15,240,342	32,458,607
Proprietary Funds	475,859	476,209	952,068
Federal Spec. Rev. Funds	1,235,190	1,242,915	2,478,105
Total Funds	\$19,853,069	\$17,837,253	\$37,690,322

Agency Appropriated Biennium to Biennium Comparison								
Program	2017 Biennium Appropriated Budget		2019 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
15 - Central Services Division	270,147	3,056,269	269,406	2,966,788	(741)	(89,481)	(0.27)%	(2.93)%
30 - Agricultural Sciences Division	493,903	17,797,934	465,798	17,875,711	(28,105)	77,777	(5.69)%	0.44 %
50 - Agricultural Development Division	1,226,791	15,145,746	1,066,338	16,847,823	(160,453)	1,702,077	(13.08)%	11.24 %
Agency Total	\$1,990,841	\$35,999,949	\$1,801,542	\$37,690,322	(\$189,299)	\$1,690,373	(9.51)%	4.70 %

Department of Agriculture - 62010

Central Services Division - 15

**15 Central Services
Division
Libbi H. Lovshin x3144**

Program Description - The Central Services Division provides support services essential to the effective operation of the department, including financial, human resource, information technology, public information, legal, and administrative support activities. Included in this division is the Director's Office, which provides overall guidance and policy development for the department as well as coordination with the agricultural industry and other branches of government.

Program Proposed Budget	Starting Point Fiscal 2017	Budget Adjustments Fiscal 2018	Total Exec. Budget Fiscal 2018	Budget Adjustments Fiscal 2019	Total Exec. Budget Fiscal 2019	Executive Budget Request 2019 Biennium
Budget Item						
FTE	15.10	0.00	15.10	0.00	15.10	
Personal Services	1,349,840	(51,161)	1,298,679	(49,999)	1,299,841	2,598,520
Operating Expenses	157,441	49,483	206,924	3,903	161,344	368,268
Total Costs	\$1,507,281	(\$1,678)	\$1,505,603	(\$46,096)	\$1,461,185	\$2,966,788
General Fund	114,106	43,994	158,100	(2,800)	111,306	269,406
State/Other Special	1,148,885	20,127	1,169,012	18,746	1,167,631	2,336,643
Proprietary Funds	133,143	(59,998)	73,145	(59,998)	73,145	146,290
Federal Spec. Rev. Funds	111,147	(5,801)	105,346	(2,044)	109,103	214,449
Total Funds	\$1,507,281	(\$1,678)	\$1,505,603	(\$46,096)	\$1,461,185	\$2,966,788

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	1,862	(51,161)	1,862	(49,999)
SWPL - 2 - Fixed Costs	46,794	68,766	0	23,295
SWPL - 3 - Inflation Deflation	0	379	0	270
<i>Total Statewide Present Law Adjustments</i>	<i>\$48,656</i>	<i>\$17,984</i>	<i>\$1,862</i>	<i>(\$26,434)</i>
New Proposals				
NP - 555 - Appropriation Rebase	(4,662)	(4,662)	(4,662)	(4,662)
NP - 556 - IT Convergence Savings	0	(15,000)	0	(15,000)
<i>Total New Proposals</i>	<i>(\$4,662)</i>	<i>(\$19,662)</i>	<i>(\$4,662)</i>	<i>(\$19,662)</i>
Total Budget Adjustments	\$43,994	(\$1,678)	(\$2,800)	(\$46,096)

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$1,862	(\$51,161)
FY 2019	\$1,862	(\$49,999)

SWPL - 1 - Personal Services -

The budget includes reductions of \$51,161 in FY 2018 and \$49,999 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Agriculture - 62010

Central Services Division - 15

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$46,794	\$68,766
FY 2019	\$0	\$23,295

SWPL - 2 - Fixed Costs -

The request includes \$68,766 in FY 2018 and \$23,295 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$379
FY 2019	\$0	\$270

SWPL - 3 - Inflation Deflation -

This change package includes increases of \$379 in FY 2018 and \$270 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$4,662)	(\$4,662)
FY 2019	(\$4,662)	(\$4,662)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Central Services Division Appropriation Rebase totaling \$4,662 per year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

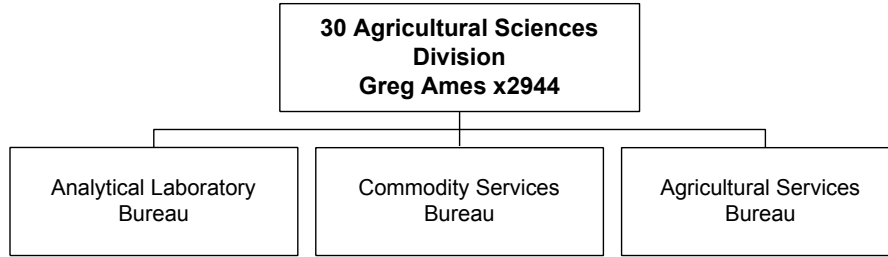
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$15,000)
FY 2019	\$0	(\$15,000)

NP - 556 - IT Convergence Savings -

In accordance with Executive Order 09-2016, state agencies have migrated information technology assets to the state data center and taken advantage of other enterprise IT solutions. The estimated savings for the Department of Agriculture is \$15,000 per year.

Department of Agriculture - 62010

Agricultural Sciences Division - 30



Program Description - The Agricultural Sciences Division (ASD) administers and coordinates the major activities related to:

- o Pesticide management
- o Pest management
- o Analytical laboratory services
- o Noxious weed management
- o Agricultural chemical groundwater program
- o Seed, feed and fertilizer program
- o Organic certification
- o Nursery program
- o Apiary program
- o Commodity programs
- o Invasive species

ASD also administers agricultural programs related to the production, manufacturing, certification, and marketing of commodities exported from or distributed in the state. The division provides support to the Montana Noxious Weed Management Advisory Council, Noxious Weed Seed Free Forage Advisory Council, Montana Noxious Weed Summit Advisory Council, and the Montana Organic Commodity Advisory Council.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
	Fiscal 2017	Fiscal 2018	Fiscal 2018	Fiscal 2019	Fiscal 2019	2019 Biennium
FTE	61.42	0.00	61.42	0.00	61.42	
Personal Services	4,524,240	32,176	4,556,416	48,396	4,572,636	9,129,052
Operating Expenses	1,765,998	21,590	1,787,588	26,955	1,792,953	3,580,541
Equipment & Intangible Assets	339,012	0	339,012	0	339,012	678,024
Grants	2,244,047	0	2,244,047	0	2,244,047	4,488,094
Total Costs	\$8,873,297	\$53,766	\$8,927,063	\$75,351	\$8,948,648	\$17,875,711
General Fund	249,256	(16,482)	232,774	(16,232)	233,024	465,798
State/Other Special	7,517,071	148,085	7,665,156	165,495	7,682,566	15,347,722
Federal Spec. Rev. Funds	1,106,970	(77,837)	1,029,133	(73,912)	1,033,058	2,062,191
Total Funds	\$8,873,297	\$53,766	\$8,927,063	\$75,351	\$8,948,648	\$17,875,711

Department of Agriculture - 62010

Agricultural Sciences Division - 30

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(4,265)	32,176	(3,993)	48,396
SWPL - 2 - Fixed Costs	(379)	(16,254)	(401)	(15,219)
SWPL - 3 - Inflation Deflation	0	(18,858)	0	(14,528)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$4,644)</i>	<i>(\$2,936)</i>	<i>(\$4,394)</i>	<i>\$18,649</i>
Present Law Adjustments				
PL - 3006 - Authority for fees amended by rule	0	68,540	0	68,540
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$68,540</i>	<i>\$0</i>	<i>\$68,540</i>
New Proposals				
NP - 555 - Appropriation Rebase	(11,838)	(11,838)	(11,838)	(11,838)
<i>Total New Proposals</i>	<i>(\$11,838)</i>	<i>(\$11,838)</i>	<i>(\$11,838)</i>	<i>(\$11,838)</i>
Total Budget Adjustments	(\$16,482)	\$53,766	(\$16,232)	\$75,351

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$4,265)	\$32,176
FY 2019	(\$3,993)	\$48,396

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$379)	(\$16,254)
FY 2019	(\$401)	(\$15,219)

SWPL - 2 - Fixed Costs -

The request includes reductions of \$16,254 in FY 2018 and \$15,219 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$18,858)
FY 2019	\$0	(\$14,528)

SWPL - 3 - Inflation Deflation -

This change package includes reductions of \$18,858 in FY 2018 and \$14,525 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Department of Agriculture - 62010

Agricultural Sciences Division - 30

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$68,540
FY 2019	\$0	\$68,540

PL - 3006 - Authority for fees amended by rule -

This request is for \$68,540 state special revenue each year of the biennium. Four programs in the Agricultural Sciences Division passed rule amendments that change fees to be commensurate with costs. In the Noxious Weed Seed Free Forage program, \$12,240 will be used for inspection related travel and supplies and shipping. In the Organic program, \$22,500 will be used for inspection and review costs, laboratory testing, printing, and supplies. In the Manuals and Training program, \$13,800 will be used for printing, trainers, venues, and software for online pesticide applicator training. In the Industrial Hemp program, \$20,000 will be used for seed importation fees, seed storage, travel, printing, supplies, and laboratory testing.

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

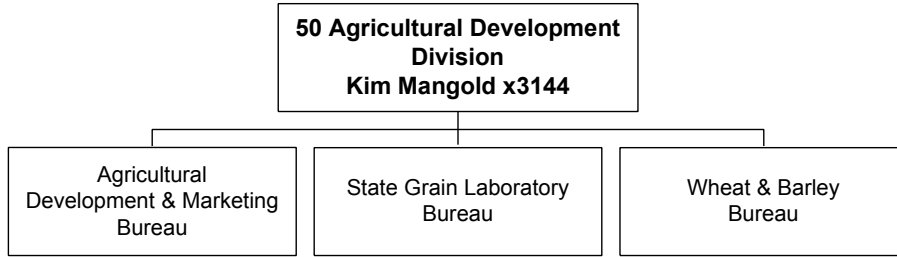
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$11,838)	(\$11,838)
FY 2019	(\$11,838)	(\$11,838)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Agricultural Sciences Division Appropriation Rebase totaling \$11,838 per year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Department of Agriculture - 62010

Agricultural Development Division - 50



Program Description - The Agriculture Development Division (ADD) assists the Montana agricultural industry by providing services which include market and agribusiness development, Growth Through Agriculture grants and loans, wheat and barley research and marketing, agriculture loans including beginning farmer/rancher loans, hail insurance, grain grading and inspection, agriculture literacy and curriculum development, domestic and international marketing and trade assistance, collect and publish agricultural statistics, and administration of agricultural commodity research and market development programs. The division provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, the Board of Hail Insurance, and advisory committees of cherries, potatoes, and pulse crops.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2017	Adjustments Fiscal 2018	Exec. Budget Fiscal 2018	Adjustments Fiscal 2019	Exec. Budget Fiscal 2019	Budget Request 2019 Biennium
FTE	38.22	0.00	38.22	0.00	38.22	
Personal Services	2,278,793	(4,203)	2,274,590	(2,081)	2,276,712	4,551,302
Operating Expenses	2,481,189	537,259	3,018,448	(107,846)	2,373,343	5,391,791
Equipment & Intangible Assets	24,877	50,000	74,877	50,000	74,877	149,754
Grants	2,572,731	1,350,000	3,922,731	0	2,572,731	6,495,462
Transfers	129,757	0	129,757	0	129,757	259,514
Total Costs	\$7,487,347	\$1,933,056	\$9,420,403	(\$59,927)	\$7,427,420	\$16,847,823
General Fund	596,338	(63,457)	532,881	(62,881)	533,457	1,066,338
State/Other Special	6,269,019	2,115,078	8,384,097	121,126	6,390,145	14,774,242
Proprietary Funds	515,518	(112,804)	402,714	(112,454)	403,064	805,778
Federal Spec. Rev. Funds	106,472	(5,761)	100,711	(5,718)	100,754	201,465
Total Funds	\$7,487,347	\$1,933,056	\$9,420,403	(\$59,927)	\$7,427,420	\$16,847,823

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2018		Budget Adjustments Fiscal 2019	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(27,840)	(6,753)	(27,651)	(4,631)
SWPL - 2 - Fixed Costs	(5,363)	(81,010)	(5,025)	(80,386)
SWPL - 3 - Inflation Deflation	128	(4,255)	177	(3,794)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$33,075)</i>	<i>(\$92,018)</i>	<i>(\$32,499)</i>	<i>(\$88,811)</i>
Present Law Adjustments				
PL - 3006 - Authority for fees amended by rule	0	85,000	0	85,000
PL - 5001 - Per Diem Adjustment	0	2,550	0	2,550
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$87,550</i>	<i>\$0</i>	<i>\$87,550</i>
New Proposals				
NP - 5007 - Montana Wheat and Barley Committee (BIEN/OTO)	0	2,000,000	0	0
NP - 5011 - Balance Coal Tax Shared Account	0	(32,094)	0	(28,284)
NP - 555 - Appropriation Rebase	(30,382)	(30,382)	(30,382)	(30,382)
<i>Total New Proposals</i>	<i>(\$30,382)</i>	<i>\$1,937,524</i>	<i>(\$30,382)</i>	<i>(\$58,666)</i>
Total Budget Adjustments	(\$63,457)	\$1,933,056	(\$62,881)	(\$59,927)

Department of Agriculture - 62010

Agricultural Development Division - 50

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$27,840)	(\$6,753)
FY 2019	(\$27,651)	(\$4,631)

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$5,363)	(\$81,010)
FY 2019	(\$5,025)	(\$80,386)

SWPL - 2 - Fixed Costs -

The request includes reductions of funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$128	(\$4,255)
FY 2019	\$177	(\$3,794)

SWPL - 3 - Inflation Deflation -

This change package includes reductions of funding to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$85,000
FY 2019	\$0	\$85,000

PL - 3006 - Authority for fees amended by rule -

This request is for \$85,000 state special revenue each year of the biennium. The State Grain Laboratory passed a rule amendment to change fees to be commensurate with costs. The amounts will be used for laboratory equipment, replacement sampling vehicles, maintenance on the equipment and vehicles, and testing supplies at both the main Great Falls lab and the Plentywood satellite lab.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$2,550
FY 2019	\$0	\$2,550

PL - 5001 - Per Diem Adjustment -

The change package adds \$2,550 state special revenue each year of the 2019 biennium for anticipated per diem payments.

Department of Agriculture - 62010

Agricultural Development Division - 50

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	\$2,000,000
FY 2019	\$0	\$0

NP - 5007 - Montana Wheat and Barley Committee (BIEN/OTO) -

This request is for \$2.0 million one-time-only, biennial state special revenue for Montana Wheat and Barley Committee grants. The committee is transitioning to a calendar year grant cycle from the current fiscal year cycle. The new cycle will allow the research, marketing, education, and transportation projects funded by the committee to serve both the spring and winter growing seasons and harvest. This request will enable the appropriation to match the year of the award, ensure all voluntary checkoff dollars collected are used without interrupting services, and maintain sound accounting practices.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	\$0	(\$32,094)
FY 2019	\$0	(\$28,284)

NP - 5011 - Balance Coal Tax Shared Account -

In order to provide a balance of revenues and expenditures in the Coal Severance Tax Shared Account, the Agriculture Development Division is budgeted a reduction of \$32,094 in FY 2018 and \$28,284 in FY 2019 to cover its share of the pro-rata reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2018	(\$30,382)	(\$30,382)
FY 2019	(\$30,382)	(\$30,382)

NP - 555 - Appropriation Rebase -

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Agricultural Development Division Appropriation Rebase totaling \$30,382 per year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.