

Fund Purpose

The Alternative Energy Revolving Loan Program was established to encourage Montana homeowners and small businesses to use renewable energy. Loans are made for technologies appropriate to Montana at interest rates below the market average. The fund is managed by the Montana Department of Environmental Quality (DEQ).

Funds from the alternative energy revolving loan account may be used to provide loans to individuals, small businesses, units of local government, units of the university system, and nonprofit organizations for the purpose of building alternative energy systems

Revenues

Revenue is primarily from air quality penalties collected by the DEQ.

Use of funds

DEQ administers the loan program and covers staff salaries, travel, printing, promotional materials and office support for the program. In addition, DEQ contracts with a financial institution to complete credit checks, loan origination and monthly payment collection. Statute allows the program to use up to 10% of the outstanding loan balance for program administration. The legislature, in the 2017 special session, transferred \$1.2 million from this account to the general fund.

For FY 2013-2017, historically 71% of the ending fund balance is in the form of long-term loans.

Ending Fund Balance Actual & Forecast

Alternative Energy Revenue Loan Fund Ending Fund Balance							
	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Forecast FY 2018	Forecast FY 2019
Beginning Fund Balance	\$3,650,622	\$3,724,182	\$4,028,554	\$4,139,242	\$4,531,656	\$4,703,122	\$3,952,414
Nominal Revenues							
Charges For Services	\$42,600	(\$38,550)	\$3,250	\$3,200	\$3,700	\$5,904	\$5,904
BOI Investment Earnings Class	99,461	107,247	82,866	98,253	115,050	183,573	183,573
Fines/Forfeits	27,817	377,160	167,171	443,150	230,022	367,023	367,023
Total Revenues	\$169,877	\$445,857	\$253,287	\$544,603	\$348,772	\$556,500	\$556,500
Nominal Disbursements							
Personal Services	(\$42,184)	(\$74,886)	(\$74,612)	(\$74,980)	(\$99,687)	(\$60,276)	(\$61,310)
Operating Expenses	(\$4,133)	(\$66,599)	(\$67,988)	(\$77,209)	(\$77,619)	(\$46,932)	(\$47,738)
Transfer to the General Fund	-	-	-	-	-	(1,200,000)	-
Total Disbursements	(\$96,317)	(\$141,485)	(\$142,599)	(\$152,189)	(\$177,306)	(\$1,307,208)	(\$109,048)
Ending Fund Balance							
Cash In Bank	\$3,072	\$19,571	\$26,950	\$22,260	\$12,337	\$15,751	\$17,534
Receivables	10,036	17,479	5,522	608	1,087	6,498	7,233
Long Term Notes	2,883,667	2,587,420	2,818,207	3,256,997	3,544,887	2,823,272	3,142,894
STIP Investment	855,500	1,425,079	1,318,793	1,319,268	1,159,967	1,137,192	1,265,933
Liabilities	(30,431)	(22,059)	(33,278)	(73,037)	(15,156)	(32,545)	(36,229)
Other	2,337	1,065	3,049	5,559	-	2,247	2,501
Ending Fund Balance	<u>\$3,724,182</u>	<u>\$4,028,554</u>	<u>\$4,139,242</u>	<u>\$4,531,656</u>	<u>\$4,703,122</u>	<u>\$3,952,414</u>	<u>\$4,399,866</u>

Statutory Reference

Enabling Legislation: SB 506, 2001 Legislature
Establishment of Fund: 75-25-101, MCA

Fund Purpose

The Department of Fish Wildlife and Parks uses this fund to support the general operations of the state park system.

Revenues

Revenue sources are nonresident day-use park entry fees, camping fees, cabin site rentals, concessionaire payments, and other miscellaneous fees used to support the general operations of the state park system.

Use of funds

The agency uses the fund to support the personal services and general operating expenses related to general operation of the state parks. The agency has an appropriation for grants totaling \$2.1 million in the 2019 biennium for Garfield County transportation project and \$0.1 million for other projects. As of November 2017, \$2.0 million of this appropriation has been transferred. FWP also has appropriation authority for various capital projects totaling \$3.6 million, as of November 2017 the agency has expended \$1.1 million of this appropriation. The legislature, in the 2017 special session, transferred \$250,000 to the general fund.

Ending Fund Balance Actual & Forecast

State Parks Miscellaneous Account Ending Fund Balance							
	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Forecast FY 2018	Forecast FY 2019
Beginning Fund Balance	\$2,656,702	\$2,559,366	\$3,957,222	\$5,505,413	\$7,008,856	\$7,734,500	\$1,603,005
Nominal Revenues							
Licenses & Permits	42,076	28,230	40,490	46,855	(10)	0	0
Taxes	3,795,664	3,756,994	3,754,593	3,769,230	3,797,536	3,797,726	3,797,726
Charges For Services	1,728,151	2,273,509	2,506,366	2,874,845	2,646,040	2,905,820	2,927,896
Grants/Transfers/Misc	231,927	230,557	432,910	363,824	269,708	19,000	19,000
Other Revenue	40,523	41,505	49,016	33,045	40,684	42,000	42,000
Total Revenues	\$5,838,342	\$6,330,795	\$6,783,375	\$7,087,799	\$6,753,959	\$6,764,546	\$6,786,622
Nominal Disbursements							
Personal Services	(2,995,844)	(3,035,720)	(2,958,748)	(3,184,339)	(3,458,191)	(3,572,655)	(3,407,233)
Operating Expenses	(1,124,617)	(1,474,236)	(1,247,607)	(1,786,117)	(1,793,268)	(1,486,758)	(1,625,024)
Equipment & Intangible Assets	(32,718)	(232,048)	(241,452)	(34,340)	(10,856)	(77,944)	(51,944)
Capital Outlay	(855,623)	192,954	(359,102)	(0)	(90,832)	(3,636,318)	\$0
Grants	0	0	0	0	0	(2,100,000)	\$0
Transfers-out	(930,477)	(383,889)	(420,729)	(580,917)	(675,168)	(1,772,365)	(\$1,757,655)
Transfer to the General Fund	-	-	-	-	-	(250,000)	-
Total Disbursements	(5,939,278)	(4,932,939)	(5,227,639)	(5,585,713)	(6,028,315)	(12,896,040)	(6,841,856)
Other Adjustments	\$3,600	\$0	(\$7,545)	\$1,357	\$0	\$0	\$0
Ending Fund Balance							
Cash In Bank	\$3,287,211	\$4,491,666	\$5,602,759	\$7,644,860	\$8,317,504	\$1,757,443	\$1,696,888
Receivables	1,270	1,459	2,047	563	1,012	380	367
Inter-Entity Loans Receivables	370,000	370,000	670,000	144,000	400,000	117,027	112,995
Liabilities	(1,102,715)	(905,904)	(761,847)	(781,924)	(984,015)	(271,690)	(262,329)
Other	3,600		(7,545)	1,357		(155)	(150)
Ending Fund Balance	\$2,559,366	\$3,957,222	\$5,505,413	\$7,008,856	\$7,734,500	\$1,603,005	\$1,547,771

Statutory Reference

(Section 23-1-105, Section 61-3-321(19)(b), and Section 61-3-512 MCA)

Fund Purpose

The State Building Energy Conservation Program (SBECP) is a revolving loan program that funds state agency energy conservation projects and recoups the costs from energy savings realized by the agency. The funds that are recouped are then used for new energy conservation projects in a revolving loan scenario.

Revenues

Revenues of the account are derived from loan payments on energy improvements in state agency facilities.

Use of funds

Funds from loan repayments are used to pay for the administrative expenses of the program as well as fund new energy conservation projects for state agencies.

Available Funds Analysis

State Building Energy Capital Projects Account (05145)		
	FY 2018	FY 2019
FY 2018 Beginning Fund Balance	\$1,097,918	\$0
Transfer to the General Fund - 6/30/2018	(450,000)	0
Total Balance	647,918	(149,544)
Account Revenues		
Projected Loans Repayment	372,429	363,667
Appropriations		
HB 2 - SBECP Administration	12,431	12,431
Long-Range-Prior Biennia Continued Authority	257,461	
65th LEG Long-Range Legislation	900,000	0
Total Appropriations	1,169,892	12,431
Ending Fund Balance	(\$149,544)	\$201,692

In the 2017 Special Session, the legislature transferred \$450,000 from the SBECP capital projects account to the general fund. The transfer is included in the figure above. The account is expected to have sufficient funds available to cover the transfer and appropriations planned in the 2019 biennium. The account is projected to have a fund balance of \$201,692 at the end of the 2019 biennium.

Statutory Reference

[90-4-617, MCA](#) - Energy conservation capital projects account

Fund Purpose

The natural resource projects account (NR projects), administered by the Department of Natural Resources and Conservation (DNRC), provides natural resource focused grants to local governments through a variety of programs including:

- The renewable resource grants program (RRGL – as provided in HB 6 in a regular session)
- Irrigation grants (as provided in HB 6 in a regular session)
- The reclamation and development grants program (RDGP – as provided in HB 7 in a regular session)
- Aquatic Invasive Species grants (as provided in HB 7 in a regular session)
- Various other short-term grant programs as determined by DNRC

Revenues

Primary revenues for the program are derived from:

- Interest from the Resource Indemnity Trust
- A statutory distribution of resource indemnity tax
- A statutory distribution of the oil and natural gas tax

Occasionally, the legislature adds funds from other sources to the program to support more projects.

Fund Balance and Cash Flow Analysis

Natural Resource Project Account (02577) Fund Balance Projection - 2019 Biennium			Cash Flow Project Account (02577) Fund Balance Projection - 2019 Biennium		
	FY 2018 Projected	FY 2019 Projected		FY 2018 Projected	FY 2019 Projected
Beginning Fund Balance	\$8,484,966	\$0	Beginning Fund Balance	\$8,484,966	\$0
Accruals	(6,226,453)	0	Accruals (included in spending below)	0	0
Transfer to General Fund-12/15/2017 ²	<u>(2,050,000)</u>	0	Transfer to General Fund-12/15/2017	<u>(2,050,000)</u>	0
Total Available Balance	208,512	(5,690,912)	Total Available Balance	6,434,966	1,422,008
Revenue Projections ¹			Revenue Projections ¹		
RIT Interest Earnings	2,131,729	2,676,421	RIT Interest Earnings	2,131,729	2,676,421
Resource Indemnity & Groundwater	902,763	1,006,667	Resource Indemnity & Groundwater	902,763	1,006,667
Oil and Gas Tax	1,191,853	1,167,381	Oil and Gas Tax	1,191,853	1,167,381
Bond Pool Transfer	10,000	10,000	Bond Pool Transfer	10,000	10,000
Administrative Fees	<u>25,000</u>	<u>500</u>	Administrative Fees	<u>25,000</u>	<u>500</u>
Total Revenues	4,261,344	4,860,968	Total Revenues	4,261,344	4,860,968
RRGL Appropriations - HB 6			RRGL Projected Spending		
Emergency Grants	100,000	0	Emergency Grants	50,000	50,000
Project Planning Grants	800,000	0	Project Planning Grants	400,000	400,000
Irrigation Development Grants	300,000	0	Irrigation Development Grants	150,000	150,000
Watershed Grants	300,000	0	Watershed Grants	150,000	150,000
Private Grants	50,000	0	Private Grants	25,000	25,000
RRGL Project Grants	3,231,640	0	Prior Biennia	812,455	0
	0	0	Cash Flow Requirements 2017B	1,434,136	717,068
	0	0	Cash Flow Requirements 2019B	<u>1,066,441</u>	<u>1,195,707</u>
Total RRGL Appropriations	4,781,640	0	Total RRGL Projected Spending	4,088,032	2,687,775
RDGP Appropriations - HB 7			RDGP Projected Spending		
Project Planning	800,000	0	Project Planning	800,000	0
Aquatic Invasive Species Control	500,000	0	Aquatic Invasive Species Control	500,000	0
RDGP Project Grants	4,079,129	0	Prior Biennia	1,467,889	0
	0	0	Cash Flow Requirements 2017B	1,398,598	396,307
	0	0	Cash Flow Requirements 2019B	<u>1,019,782</u>	<u>1,427,695</u>
Total RDGP Appropriations	5,379,129	0	Total RDGP Projected Spending	5,186,269	1,824,002
Total Appropriations	10,160,769	0	Total Projected Spending	9,274,302	4,511,777
Projected Ending Fund Balance	(\$5,690,912)	(\$829,944)	Projected Ending Cash Flow Balance	\$1,422,008	\$1,771,199

¹Revenue projections unrevised from HJ 2

²Legislative actions of the November 2017 special session

In the 2017 November special session, the legislature transferred \$2.05 million from the NR projects account to the general fund. The figures above include the transfer. The NR projects account, had a significant balance of \$8.5 million at the beginning of the 2019 biennium, but also had accruals of \$6.2 million. The fund balance shows that should all the authorized grants and other expenditures be fully expended in the 2019 biennium and after the transfer of \$2.05 million, the fund would have a balance of negative \$829,944. However, the cash flow analysis shows that program is projected to be able to cash flow all the projects through the 2019 biennium.

The cash flow analysis for the NR projects account, as shown in the fund balance figure above, is based on cash flow needs by project and biennium for the past three biennia. This research shows that it takes four to six years for all the approved projects funded through the NR projects account to receive their full grant award. The analysis does not consider the potential of local governments withdrawing their grant requests, which occasionally happens. As suggested in the cash flow analysis, the program will have approximately \$1.8 million of unused funds at the end of the 2019 biennium, after consideration of the general fund transfer.

The legislature has no authority in directing the actions that the agency could take given the transfer of \$2.05 million of funds from the program. However, given that this analysis shows that the program has sufficient funds to manage the grant projects while lacking sufficient funds to cover all the existing appropriations, the following options are available to the program (list may not be fully inclusive):

1. Reduce or eliminate grants,
2. reduce other (non-ranked) grants costs, and/or
3. allow the program to function as though no transfer was made and correct the shortfall of funding in the 2019 session.

Statutory Reference

[15-38-302, MCA](#)

Fund Purpose

The Hard Rock Mining Reclamation state special revenue account funds are used to implement legally required reclamation, operation, and maintenance at hard-rock mines that would otherwise not occur because there is no likelihood of getting additional funds from the mine operator, the available surety bond is insufficient, or there is no available federal or private source of funds.

Revenues

Revenue is primarily from:

- interest earned through short term investments with the state board of investments
- funds transferred from the hard rock mining reclamation debt service fund in excess of the amount needed to satisfy the annual principal and interest payment requirements

Use of funds

The DEQ uses the fund to pay various contractors for reclamation work and the purchase of equipment. During the 2017 special session, the legislature directed \$500,000 to be transferred to the general fund.

For FY 2013-2017, almost all of the ending fund balance is invested in short term investments with the state board of investment.

Ending Fund Balance: Actual & Forecast

Hard Rock Mining Reclamation Fund Ending Fund Balance							
	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Forecast FY 2018	Forecast FY 2019
Beginning Fund Balance	\$6,979,733	\$7,198,958	\$6,012,094	\$6,855,385	\$6,315,555	\$6,092,528	\$5,222,528
Nominal Revenues							
Board of Investment Earnings	\$17,862	\$9,132	\$8,481	\$28,706	\$53,011	\$30,000	\$30,000
Grants & Transfers	1,381,902	1,018,811	1,060,399	719,643	649,710	800,000	800,000
Total Revenues	<u>\$1,399,763</u>	<u>\$1,027,943</u>	<u>\$1,068,879</u>	<u>\$748,350</u>	<u>\$702,721</u>	<u>\$830,000</u>	<u>\$830,000</u>
Nominal Disbursements							
Operating Expenses	(\$1,180,538)	(\$2,214,807)	(\$197,743)	(\$1,288,180)	(\$925,748)	(\$1,200,000)	(\$1,200,000)
Equipment & Intangible Assets	-	-	(27,846)	-	-	-	-
Transfer to the General Fund						(500,000)	-
Total Disbursements	<u>(\$1,180,538)</u>	<u>(\$2,214,807)</u>	<u>(\$225,589)</u>	<u>(\$1,288,180)</u>	<u>(\$925,748)</u>	<u>(\$1,700,000)</u>	<u>(\$1,200,000)</u>
Ending Fund Balance							
Cash In Bank	\$0	\$24,000	\$48,029	\$253,548	\$202	\$52,392	\$48,680
Receivables	1,163	578	1,102	3,024	5,683	1,858	1,726
Stip Investment	7,471,686	6,018,361	6,831,493	6,346,946	6,328,701	5,306,583	4,930,628
Liabilities	(273,891)	(30,844)	(25,240)	(287,964)	(242,059)	(138,304)	(128,506)
Ending Fund Balance	<u>\$7,198,958</u>	<u>\$6,012,094</u>	<u>\$6,855,385</u>	<u>\$6,315,555</u>	<u>\$6,092,528</u>	<u>\$5,222,528</u>	<u>\$4,852,528</u>

Statutory Reference

82-4-312 MCA, 82-4-313 MCA, 82-4-315 MCA

Fund Purpose

The Petroleum Storage Tank Cleanup account is used to reimburse owners and operators for eligible costs resulting from cleanup after a release by a petroleum storage tank.

Revenues

Revenue is primarily from the taxes imposed on the sale of gasoline, aviation fuels, heating oil and other special fuels at the rate of \$0.75 per gallon.

Use of funds

The account is primarily used to pay claims due to leaking storage tanks. Other uses are for personal services and operating costs for the board and agency to administer to the fund. During the 2017 special session of the legislature, \$1.0 million was transferred to the general fund in FY 2018.

For FY 2017, 87% or \$3.5 million of the ending fund balance is invested in short-term investments with the state board of investments.

Ending Fund Balance: Actual & Forecast

Petroleum Storage Tank Cleanup Fund Ending Fund Balance							
	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Forecast FY 2018	Forecast FY 2019
Beginning Fund Balance	\$1,116,773	\$1,314,758	\$105,457	(\$90,143)	\$2,071,513	\$4,007,479	\$3,468,979
Nominal Revenues							
Taxes	\$7,048,774	\$7,034,794	\$7,221,648	\$7,113,694	\$7,853,266	\$7,100,000	7,100,000
Charges for Services	24,875	5,000	20,000	239,065	150,000	100,000	100,000
Board of Investment Earnings	4,701	1,484	914	6,620	28,953	1,500	\$1,500
Grants & Transfers	-	-	8,000	-	-	-	-
Total Revenues	\$7,078,351	\$7,041,278	\$7,250,562	\$7,359,378	\$8,032,218	\$7,201,500	\$7,201,500
Nominal Disbursements							
Personal Services	(\$1,352,281)	(\$1,368,808)	(\$1,309,992)	(\$1,313,900)	(\$1,383,699)	(\$1,400,000)	(\$1,400,000)
Operating Expense	(451,416)	(646,723)	(936,967)	(651,983)	(520,692)	(640,000)	(640,000)
Equipment & Intangible Assets	0	(454)	0	0	0	-	-
Petroleum Release Claims	(5,066,770)	(6,138,649)	(5,129,617)	(3,219,784)	(4,160,807)	(4,700,000)	(4,700,000)
Fund Transfers	(5,145)	(95,945)	(69,586)	(12,055)	(31,054)	(1,000,000)	-
Other	(4,753)	-	-	-	-	-	-
Total Disbursements	(\$6,880,366)	(\$8,250,579)	(\$7,446,162)	(\$5,197,722)	(\$6,096,253)	(\$7,740,000)	(\$6,740,000)
Ending Fund Balance							
Cash In Bank	\$967,789	\$1,270,170	\$1,052,478	\$866,705	\$918,979	\$1,019,001	\$1,154,566
Receivables	194	64	72	994	643,364	367,703	416,621
STIP Investment	802,186	100,074	-	2,008,844	3,500,577	3,143,953	3,562,213
Liabilities	(455,860)	(1,264,851)	(1,144,022)	(807,142)	(1,057,836)	(1,064,250)	(1,205,834)
Other	449	-	1,330	2,112	2,394	2,572	2,914
Ending Fund Balance	\$1,314,758	\$105,457	(\$90,143)	\$2,071,513	\$4,007,479	\$3,468,979	\$3,930,479

Statutory Reference

75-11-313, MCA: Petroleum tank release cleanup fund

75-11-314 MCA: Petroleum storage tank cleanup fee
75-11-318 MCA: Powers and duties of board

Fund Purpose

Funds in the Hydroelectric Power Generation account are used for repairs and rehabilitation on state-owned water infrastructure throughout Montana, including 22 dams and approximately 250 miles of irrigation canals. Water from state-owned facilities is marketed to local water users associations primarily for irrigation use.

Revenues

Energy sales from the state-owned Broadwater Power Project (Toston Dam) provides the revenue for this account. The Toston Dam began generating power in June 1989 and has an operating capacity of 10 megawatts. DNRC owns and operates the facility and the electrical energy produced is sold to NorthWestern Energy.

Use of funds

The funds in this account are primarily used to pay contractors for rehabilitation work of state-owned water projects. HB 6 of the 2017 special session transferred \$2.0 million to the general fund.

Ending Fund Balance: Actual & Forecast

State Water Project Hydroelectric Power Generation Ending Fund Balance							
	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Forecast FY 2018	Forecast FY 2019
Beginning Fund Balance	(\$41,296)	\$1,755,227	(\$5,983,355)	(\$3,252,495)	(\$1,570,814)	\$54,897	(\$295,795)
Nominal Revenues							
Charges for Services	\$150	\$0	\$0	\$0	\$0	\$0	\$0
Grants & Transfers	2,218,489	1,710,419	3,544,107	2,235,924	2,478,805	2,250,000	2,250,000
Total Revenues	<u>\$2,218,639</u>	<u>\$1,710,419</u>	<u>\$3,544,107</u>	<u>\$2,235,924</u>	<u>\$2,478,805</u>	<u>\$2,250,000</u>	<u>\$2,250,000</u>
Nominal Disbursements							
Operating Expense	(\$98,288)	(\$453,970)	\$196,258	(\$23,014)	(\$407,841)	(\$160,000)	(\$160,000)
Equipment & Intangible Assets	-	-	-	(11,650)	11,650	-	-
Land & Interest In Land	-	(3,680,661)	(484,865)	(85,506)	(36,641)	(40,000)	(40,000)
Fund Transfers	-	(5,000,000)	-	-	-	(2,000,000)	-
Loans	(323,828)	(314,370)	(524,640)	(434,072)	(420,262)	(400,692)	(400,000)
Total Disbursements	<u>(\$422,116)</u>	<u>(\$9,449,002)</u>	<u>(\$813,247)</u>	<u>(\$554,242)</u>	<u>(\$853,094)</u>	<u>(\$2,600,692)</u>	<u>(\$600,000)</u>
Ending Fund Balance							
Cash In Bank	\$5,230,153	\$3,619,442	\$3,580,669	\$4,697,057	\$6,114,404	\$5,704,205	\$7,354,205
Liabilities	(3,474,926)	(9,602,797)	(6,833,164)	(6,267,871)	(6,059,507)	(6,000,000)	(6,000,000)
Ending Fund Balance	<u>\$1,755,227</u>	<u>(\$5,983,355)</u>	<u>(\$3,252,495)</u>	<u>(\$1,570,814)</u>	<u>\$54,897</u>	<u>(\$295,795)</u>	<u>\$1,354,205</u>

Statutory Reference

85-1-220, MCA: State water project hydroelectric power generation special revenue account