

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	207.14	207.14	209.14	209.14	207.14	209.14	2.00	0.97%
Personal Services	13,323,147	14,081,666	13,660,514	13,673,224	27,404,813	27,333,738	(71,075)	(0.26%)
Operating Expenses	8,441,458	11,112,640	13,051,359	12,944,747	19,554,098	25,996,106	6,442,008	32.94%
Equipment & Intangible Assets	60,755	90,872	101,740	101,740	151,627	203,480	51,853	34.20%
Grants	1,635,863	1,806,461	1,635,863	1,635,863	3,442,324	3,271,726	(170,598)	(4.96%)
Transfers	23,034	22,832	23,034	23,034	45,866	46,068	202	0.44%
Total Costs	\$23,484,257	\$27,114,471	\$28,472,510	\$28,378,608	\$50,598,728	\$56,851,118	\$6,252,390	12.36%
General Fund	1,736,659	1,742,085	1,768,951	1,770,115	3,478,744	3,539,066	60,322	1.73%
State Special	15,313,001	18,498,895	20,068,931	19,981,250	33,811,896	40,050,181	6,238,285	18.45%
Federal Special	6,434,597	6,873,491	6,634,628	6,627,243	13,308,088	13,261,871	(46,217)	(0.35%)
Total Funds	\$23,484,257	\$27,114,471	\$28,472,510	\$28,378,608	\$50,598,728	\$56,851,118	\$6,252,390	12.36%

Program Description

The Permitting and Compliance Division administers all DEQ permitting and compliance activities based on 17 state regulatory and 5 related federal authorities. The division: 1) reviews and assesses environmental permit applications (coordinating with other state, local, and federal agencies) to determine control measures needed to ensure compliance with the law and to prevent land, water, and air conditions detrimental to public health welfare, safety, and the environment; 2) prepares supporting environmental documents under the Montana Environmental Policy Act and provides training and technical assistance when needed; 3) inspects to determine compliance with permit conditions, laws, and rules; and 4) when compliance problems are discovered, provides assistance to resolve the facility's compliance issues, and when necessary recommends formal enforcement actions to the Enforcement Division. Activities are organized in the Air Resources Management Bureau (air); Industrial and Energy Minerals Bureau (coal, uranium, opencut); Environmental Management Bureau (hard rock, facility siting); Public Water and Subdivision Bureau (public water supply, subdivision and operator certification); Water Protection Bureau (water discharge); and Waste and Underground Tank Management Bureau (solid waste, junk vehicles, septage pumpers, hazardous waste, asbestos, underground storage tanks, and meth standards).

Program Highlights

Permitting and Compliance Division Major Budget Highlights	
◆	The legislatively approved budget increased by 12.36% primarily due to: <ul style="list-style-type: none"> ● Statewide present law adjustments ● \$2.5 million operations increase ● \$6.1 million for projects administered by the Hard Rock and Major Facility Siting Act (MFSa) for cost reimbursement projects, primarily for the Zortman/Landusky sites ● An additional 2.0 FTE and funding for an systems specialist and an opencut science specialist ● \$250,000 county air program funding increase ● \$62,400 from general fund for IEMB FileNet data storage
◆	These increases were partially offset by the application of an additional 2% vacancy savings that can be allocated among all divisions

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Environmental Quality Funding by Source of Authority 2015 Biennium Budget - Permitting & Compliance Div.							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$3,539,066	\$0	\$0	\$3,539,066	6.2%		
State Special Total	\$40,050,181	\$0	\$0	\$40,050,181	70.4%		
02036 Opencut Fees	\$817,213	\$0	\$0	\$817,213	1.4%		
02054 Ust-installer Lic & Permit Acc	\$97,334	\$0	\$0	\$97,334	0.2%		
02070 Hazardous Waste-cercla	\$716,826	\$0	\$0	\$716,826	1.3%		
02075 Ust Leak Prevention Program	\$38,538	\$0	\$0	\$38,538	0.1%		
02096 Reclamation - Bond Forfeitures	\$108,092	\$0	\$0	\$108,092	0.2%		
02157 Solid Waste Management Fee	\$1,156,444	\$0	\$0	\$1,156,444	2.0%		
02201 Air Quality-operating Fees	\$8,187,583	\$0	\$0	\$8,187,583	14.4%		
02202 Asbestos Control	\$520,886	\$0	\$0	\$520,886	0.9%		
02204 Public Drinking Water	\$1,695,073	\$0	\$0	\$1,695,073	3.0%		
02278 Mpdcs Permit Program	\$4,494,871	\$0	\$0	\$4,494,871	7.9%		
02418 Subdivision Plat Review	\$1,331,494	\$0	\$0	\$1,331,494	2.3%		
02420 Bd Of Cert For W&ww Op	\$293,437	\$0	\$0	\$293,437	0.5%		
02421 Hazardous Waste Fees	\$456,652	\$0	\$0	\$456,652	0.8%		
02428 Major Facility Siting	\$1,938,220	\$0	\$0	\$1,938,220	3.4%		
02472 Orphan Share Fund	\$500,000	\$0	\$0	\$500,000	0.9%		
02521 Pegasus Bankruptcy/operations	\$1,462,642	\$0	\$0	\$1,462,642	2.6%		
02576 Natural Resources Operations Ssr Fu	\$3,799,270	\$0	\$0	\$3,799,270	6.7%		
02579 Coal & Uranium Mine Account	\$579,526	\$0	\$0	\$579,526	1.0%		
02845 Junk Vehicle Disposal	\$3,842,332	\$0	\$0	\$3,842,332	6.8%		
02954 Septage Fees	\$134,764	\$0	\$0	\$134,764	0.2%		
02988 Hard Rock Mining Reclamation	\$7,878,984	\$0	\$0	\$7,878,984	13.9%		
Federal Special Total	\$13,261,871	\$0	\$0	\$13,261,871	23.3%		
03028 Ust Energy Policy Act Prov	\$392,000	\$0	\$0	\$392,000	0.7%		
03067 Dsl Federal Reclamation Grant	\$1,465,504	\$0	\$0	\$1,465,504	2.6%		
03107 National Park Service - Yellowstone	\$43,200	\$0	\$0	\$43,200	0.1%		
03152 Dw Srf Fy15 Grant	\$511,524	\$0	\$0	\$511,524	0.9%		
03243 Blm-armb 9/30/16	\$91,414	\$0	\$0	\$91,414	0.2%		
03262 Epa Ppg	\$6,023,978	\$0	\$0	\$6,023,978	10.6%		
03309 Ust Leak Prevention Grant	\$392,000	\$0	\$0	\$392,000	0.7%		
03325 Pm 2.5 To 3/31/09	\$780,000	\$0	\$0	\$780,000	1.4%		
03326 Blm For Zortman & Landusky	\$744,926	\$0	\$0	\$744,926	1.3%		
03430 Dw Srf Fy14 Grant	\$810,428	\$0	\$0	\$810,428	1.4%		
03433 Epa Ppg Fy10-11	(\$1)	\$0	\$0	(\$1)	0.0%		
03436 Nps 09 Staffing & Support	\$98,791	\$0	\$0	\$98,791	0.2%		
03438 Brownsfield State Response	\$21,387	\$0	\$0	\$21,387	0.0%		
03595 Dw Srf Fy13	\$300,000	\$0	\$0	\$300,000	0.5%		
03691 Non Pt Source Staffing/support	\$98,791	\$0	\$0	\$98,791	0.2%		
03816 Doi Osm A&e Grant	\$1,466,542	\$0	\$0	\$1,466,542	2.6%		
03973 Brownfields Grants	\$21,387	\$0	\$0	\$21,387	0.0%		
Total All Funds	\$56,851,118	\$0	\$0	\$56,851,118	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The division is funded with general fund and a variety of state and federal special revenue sources. The general fund supports operating expenses.

State special revenue consists of forfeited hard rock reclamation bonds, and fees collected for various activities such as air permits, junk vehicle fines, public water supply connections, and subdivision reviews. These funds are used to administer related permits and compliance operations in the division. The division also receives Resource Indemnity Trust (RIT) interest, Resource Indemnity Ground Water Assessment (RIGWA) taxes, and metal mines and oil and gas taxes via the hazardous waste and natural resources operations funds.

Federal special revenue sources include the Environmental Protection Agency (EPA) and the Bureau of Land Management (BLM). Federal funds are directed toward specific sites or for primary costs of the permitting programs.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	1,736,659	1,736,659	3,473,318	98.14%	23,484,257	23,484,257	46,968,514	82.62%
Statewide PL Adjustments	8,157	8,625	16,782	0.47%	816,265	830,644	1,646,909	2.90%
Other PL Adjustments	26,892	27,343	54,235	1.53%	4,222,249	4,221,885	8,444,134	14.85%
New Proposals	(2,757)	(2,512)	(5,269)	(0.15%)	(50,261)	(158,178)	(208,439)	(0.37%)
Total Budget	\$1,768,951	\$1,770,115	\$3,539,066		\$28,472,510	\$28,378,608	\$56,851,118	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,411,711					1,422,486
Vacancy Savings					(589,402)					(589,834)
Inflation/Deflation					(5,945)					(1,909)
Fixed Costs					(99)					(99)
Total Statewide Present Law Adjustments		\$8,157	\$636,033	\$172,075	\$816,265		\$8,625	\$647,564	\$174,455	\$830,644
DP 50 - Initial Motion to FY 2012 Base	0.00	(8,157)	(636,033)	(172,075)	(816,265)	0.00	(8,625)	(647,564)	(174,455)	(830,644)
DP 51 - Adjustment for Statewide Personal Services	0.00	8,774	639,375	174,160	822,309	0.00	9,075	648,374	175,203	832,652
DP 52 - Adjustment for Statewide Operations	0.00	(617)	(3,342)	(2,085)	(6,044)	0.00	(450)	(810)	(748)	(2,008)
DP 5001 - Permitting & Compliance Division Operations Adjust	0.00	24,947	990,640	256,871	1,272,458	0.00	24,947	989,202	256,871	1,271,020
DP 5002 - Hard Rock Reclamation/MFSA Projects (RST/BIEN)	0.00	0	2,812,946	0	2,812,946	0.00	0	2,812,946	0	2,812,946
DP 5003 - County Air Program Funding Increase	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 5004 - Permitting & Compliance Division Leased Vehicles	0.00	1,945	6,691	3,209	11,845	0.00	2,396	7,143	3,380	12,919
Total Other Present Law Adjustments	0.00	\$26,892	\$3,935,277	\$260,080	\$4,222,249	0.00	\$27,343	\$3,934,291	\$260,251	\$4,221,885
Grand Total All Present Law Adjustments	0.00	\$35,049	\$4,571,310	\$432,155	\$5,038,514	0.00	\$35,968	\$4,581,855	\$434,706	\$5,052,529

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - The adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 5001 - Permitting & Compliance Division Operations Adjust - The legislature approved general fund, state special, and federal special revenue to bring funding to the FY 2012 appropriated level. Reduced base year expenditures are primarily due to staff vacancies, which led to reduced operating expenditures for activities including inspections, compliance work and permit review. Additionally, several staff were assigned to the Yellowstone oil spill response and charged their time there, the costs of which were reimbursed by Exxon Mobile.

DP 5002 - Hard Rock Reclamation/MFSA Projects RST/BIEN - The legislature approved state special revenue, primarily from the major facility siting and hard rock mining reclamation accounts, for projects administered by the Hard Rock and Major Facility Siting Act Programs (MFSA). Hard rock mining reclamation authority will be used for operation and maintenance of the Zortman/Landusky mine site and the funding will come from the hard rock mining reclamation fund. MFSA budget authority will be used for cost reimbursement projects for MFSA analysis of project applications that arise during the 2015 biennium. Bond forfeitures and settlements over the course of the biennium will be used for reclamation of specific mine sites and funded by settlement agreements or by forfeitures of various reclamation surety bonds.

DP 5003 - County Air Program Funding Increase - The legislature added funding from the air quality operating fees account for county air quality programs to keep pace with inflation as well as for increased workload related to air quality within the division. County air quality programs conduct monitoring, permitting, and/or compliance activities either on behalf of or in lieu of the department. Federal grant funding typically passed through to counties has not increased, nor has it kept up with inflation and workload. County air quality programs have not received an increase in state assistance since the year 2000.

DP 5004 - Permitting & Compliance Division Leased Vehicles - The legislature approved general fund, state special, and federal special revenue for leased vehicles in the Permitting and Compliance Division. The funding includes five SUVs-two replacing vehicles currently rented and three replacing division owned vehicles that have excessive miles and wear. Due to location, the MDT motor pool is not an available option. The vehicles are required for inspections and site visits.

New Proposals

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 54 - Additional Vacancy Savings	50	0.00	(33,957)	(290,347)	(232,124)	(556,428)	0.00	(33,712)	(281,120)	(242,060)	(556,892)
DP 5005 - Zortman/Landusky Additional Funding (OTO/RST/BIEN)	50	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 5006 - Opencut Mining Program Database (OTO/REST/BIEN)	50	0.00	0	100,000	0	100,000	0.00	0	0	0	0
DP 5007 - IEMB (Coal and Opencut) Systems Specialist (OTO)	50	1.00	0	81,753	0	81,753	1.00	0	77,298	0	77,298
DP 5008 - Opencut Science Specialist (OTO)	50	1.00	0	43,214	0	43,214	1.00	0	40,216	0	40,216
DP 5009 - IEMB FileNet Data Storage	50	0.00	31,200	0	0	31,200	0.00	31,200	0	0	31,200
Total	2.00	(\$2,757)	\$184,620	(\$232,124)	(\$50,261)	2.00	(\$2,512)	\$86,394	(\$242,060)	(\$158,178)	

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 5005 - Zortman/Landusky Additional Funding OTO/RST/BIEN - The legislature approved a one-time-only, restricted amount of \$250,000 per year from the orphan share account for site reclamation and water treatment projects at the Zortman and Landusky mine sites. If federal funds are received to help meet the annual shortfall in operating costs for the wastewater treatment plants at Zortman-Landusky, this general fund spending authority will be reduced by the same amount. Annual site operating costs are approximately \$2.5 million, over triple the amount of the water treatment bond that is available annually. Costs also have increased substantially due to weather patterns and increasing costs of water treatment inputs such as lime, fuel, electricity, and labor.

DP 5006 - Opencut Mining Program Database OTO/REST/BIEN - The legislature approved \$100,000, all from the opencut fee account, to replace an existing Access 2003 database that does not properly support the program's business processes. In 2014, Access 2003 will no longer be supported by Microsoft.

DP 5007 - IEMB (Coal and Opencut) Systems Specialist OTO - The legislature approved funding from the opencut fees and coal and uranium mine accounts for 1.00 FTE to support the development and maintenance of system tools in support of coal and open cut mining regulatory programs.

DP 5008 - Opencut Science Specialist OTO - The legislature approved partial funding from the opencut fees accounts for an additional FTE to perform permit review, compliance assistance, inspections, and bond release for the opencut mining program.

DP 5009 - IEMB FileNet Data Storage - The legislature approved general fund to cover additional costs of FileNet data storage. Storage charges have increased 600% in this program due to increased use and an eroding rate base for FileNet among state agencies.

Language and Statutory Authority

The legislature approved the following language in HB 2.

“Permitting and Compliance Division includes a reduction in general fund of \$33,957 in fiscal year 2014 and \$33,712 in fiscal year 2015, state special revenue of \$290,347 in fiscal year 2014 and \$281,120 in fiscal year 2015, and federal special revenue of \$232,124 in fiscal year 2014 and \$242,060 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans.”

"If federal funds are received to help meet the annual shortfall in operating and maintenance costs at the Zortman-Landusky mine sites, this orphan share spending authority will be reduced by the same amount."