

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	25.65	25.65	25.65	25.65	25.65	25.65	0.00	0.00%
Personal Services	1,759,356	1,692,406	1,772,403	1,773,145	3,451,762	3,545,548	93,786	2.72%
Operating Expenses	1,743,665	1,935,860	2,567,982	2,382,389	3,679,525	4,950,371	1,270,846	34.54%
Equipment & Intangible Assets	25,547	25,622	25,547	25,547	51,169	51,094	(75)	(0.15%)
Local Assistance	0	0	5,000,000	5,000,000	0	10,000,000	10,000,000	n/a
Grants	1,364,016	1,292,156	1,804,016	1,404,016	2,656,172	3,208,032	551,860	20.78%
Benefits & Claims	0	0	200,000	200,000	0	400,000	400,000	n/a
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$4,892,584	\$4,946,044	\$11,369,948	\$10,785,097	\$9,838,628	\$22,155,045	\$12,316,417	125.18%
General Fund	976,643	985,337	1,005,989	1,008,041	1,961,980	2,014,030	52,050	2.65%
State Special	3,633,141	3,640,954	10,065,693	9,478,790	7,274,095	19,544,483	12,270,388	168.69%
Federal Special	282,800	319,753	298,266	298,266	602,553	596,532	(6,021)	(1.00%)
Total Funds	\$4,892,584	\$4,946,044	\$11,369,948	\$10,785,097	\$9,838,628	\$22,155,045	\$12,316,417	125.18%

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 2012 included \$530 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$39 million, and private loans for \$21.4 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs.

Program Highlights

Conservation and Resource Development Division Major Budget Highlights	
◆	The legislatively approved budget increased by budget by 125.18% from the previous biennium primarily due to a \$5.0 million per year addition for range land loans and other loans for the private non-point source loan program and funding for special projects for conservation districts.

Program Narrative

CARDD provides tools to help communities in Eastern Montana that have need for financing of water and wastewater improvements. The legislature provided funds for increased operating costs to service the projects that come into the program.

Programs the department is planning to provide loan funding for include water and wastewater system upgrades, development, and improvements. Entities that are receiving these services include the cities of Culbertson, Glendive, Flaxville, Sidney, Billings, and Miles City, and the Dry Prairie water system, with loan amounts surpassing \$21 million.

Funding

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

Total Dept Of Natural Resources & Conservation Funding by Source of Authority 2015 Biennium Budget - Conservation/Resource Dev Div							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$2,014,030	\$0	\$0	\$2,014,030	9.1%		
State Special Total	\$19,544,483	\$0	\$0	\$19,544,483	88.2%		
02015 Tsep Regional Water System	\$1,463,998	\$0	\$0	\$1,463,998	6.6%		
02052 Rangeland Improvement Loans	\$1,019,000	\$0	\$0	\$1,019,000	4.6%		
02316 Go94b/ban 93d Admin	\$53,478	\$0	\$0	\$53,478	0.2%		
02340 Coal Sev. Tax Shared Ssr	\$5,687,000	\$0	\$0	\$5,687,000	25.7%		
02433 Grazing District Fees	\$48,652	\$0	\$0	\$48,652	0.2%		
02490 Drinking Water Investment	\$400,000	\$0	\$0	\$400,000	1.8%		
02576 Natural Resources Operations Ssr Fu	\$1,362,355	\$0	\$0	\$1,362,355	6.1%		
02694 Coal Bed Methane Protection	\$510,000	\$0	\$0	\$510,000	2.3%		
02971 Srf Go Bond 2000f Tax Nps/rcb	\$9,000,000	\$0	\$0	\$9,000,000	40.6%		
Federal Special Total	\$596,532	\$0	\$0	\$596,532	2.7%		
03149 Wpc Srf Fy06 Grant	\$136,259	\$0	\$0	\$136,259	0.6%		
03152 Dw Srf Fy15 Grant	\$162,007	\$0	\$0	\$162,007	0.7%		
03409 Wpc Srf Fy10 Grant	\$136,259	\$0	\$0	\$136,259	0.6%		
03430 Dw Srf Fy14 Grant	\$162,007	\$0	\$0	\$162,007	0.7%		
Total All Funds	\$22,155,045	\$0	\$0	\$22,155,045	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

General fund supports program administration, salaries, and operating expenses. Funding from the natural resource operations fund is used to administer the Reclamation and Development Grants Program (RDGP) and the Renewable Resources Grant and Loan Program (RRGLP). Coal severance tax is used to cover division administrative costs and provide grants to conservation districts for natural resource related projects such as streambed stabilization, soil conservation, educational activities, and demonstrations of new technologies. The remaining sources of state special revenue are program specific and support such activities as the Montana Grass Commission and the Treasure State Endowment Program.

Coal Severance Tax Shared Account

The legislature appropriates funds from the coal severance tax shared account for this program, the Department of Agriculture’s Growth through Agriculture program, and for general support of the Montana State Library. For a further discussion, see the summary section of the Department of Agriculture.

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	976,643	976,643	1,953,286	96.98%	4,892,584	4,892,584	9,785,168	44.17%
Statewide PL Adjustments	25,846	27,898	53,744	2.67%	14,364	16,513	30,877	0.14%
Other PL Adjustments	0	0	0	0.00%	5,522,500	5,522,500	11,045,000	49.85%
New Proposals	3,500	3,500	7,000	0.35%	940,500	353,500	1,294,000	5.84%
Total Budget	\$1,005,989	\$1,008,041	\$2,014,030		\$11,369,948	\$10,785,097	\$22,155,045	

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					86,888					87,663
Vacancy Savings					(73,841)					(73,874)
Inflation/Deflation					(1,386)					(464)
Fixed Costs					2,703					3,188
Total Statewide Present Law Adjustments		\$25,846	(\$3,648)	(\$7,834)	\$14,364		\$27,898	(\$3,551)	(\$7,834)	\$16,513
DP 50 - Initial Motion to FY 2012 Base	0.00	(25,846)	3,648	7,834	(14,364)	0.00	(27,898)	3,551	7,834	(16,513)
DP 51 - Adjustment for Statewide Personal Services	0.00	22,754	(2,453)	(7,254)	13,047	0.00	21,943	(1,310)	(6,844)	13,789
DP 52 - Adjustment for Statewide Operations	0.00	3,092	(1,195)	(580)	1,317	0.00	5,955	(2,241)	(990)	2,724
DP 2301 - CARDD Operating Adjustments (OTO/RST)	0.00	0	171,700	23,300	195,000	0.00	0	171,700	23,300	195,000
DP 2305 - CARDD Regional Water Admin Funds (OTO/RST)	0.00	0	47,500	0	47,500	0.00	0	47,500	0	47,500
DP 2306 - Drinking Water Program Loan Forgiveness (OTO/RST)	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
DP 2307 - CARDD Coal Bed Methane Program Operating Funds	0.00	0	80,000	0	80,000	0.00	0	80,000	0	80,000
DP 2311 - CARDD Loan Appropriation Authority	0.00	0	5,000,000	0	5,000,000	0.00	0	5,000,000	0	5,000,000
Total Other Present Law Adjustments	0.00	\$0	\$5,499,200	\$23,300	\$5,522,500	0.00	\$0	\$5,499,200	\$23,300	\$5,522,500
Grand Total All Present Law Adjustments	0.00	\$25,846	\$5,495,552	\$15,466	\$5,536,864	0.00	\$27,898	\$5,495,649	\$15,466	\$5,539,013

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 2301 - CARDD Operating Adjustments OTO/RST - The legislature approved state and federal special revenue, primarily from the natural resources operations account, for administrative expenses related to the increasing demand for loan and grant programs administered by the division across the state and particularly in Eastern Montana. The major cost drivers are rent increases, legal fees and court costs, and janitorial services contract increases.

DP 2305 - CARDD Regional Water Admin Funds OTO/RST - The legislature approved funding from the TSEP regional water system account for regional water system operating expenses. The primary cost driver is the final engineering documents required in the Dry-Redwater and North Central Montana systems. Water system staff in these two regions are preparing the documents for federal authorization. The Dry Prairie and Musselshell systems also received minor increases in operating costs primarily related to fuel, travel, and supplies.

DP 2306 - Drinking Water Program Loan Forgiveness OTO/RST - The legislature approved one-time-only restricted funding from the drinking water investment account to match federal funds for hardship communities in the Safe Drinking Water program. These funds will be used by the state to provide local assistance to borrowers in the form of

loan forgiveness and are aimed at disadvantaged communities who borrowed from the program yet are unable to meet loan obligations. No state special funds were used in the previous biennium as federal funds awarded to the program provided the loan forgiveness.

DP 2307 - CARDD Coal Bed Methane Program Operating Funds - The legislature approved funding from the coal bed methane account to allow conservation districts with coal bed methane development or impacts associated with such development to use these funds for expenses involved in operating the Coal Bed Methane Protection Program established under 76-15-901, MCA.

DP 2311 - CARDD Loan Appropriation Authority - The legislature approved authority for range land loans and other loans in the private non-point source loan program from the rangeland improvement loans and SRF bonding account.

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 2315 - Yellowstone River Cons. District Council (OTO/RST)										
23	0.00	0	75,000	0	75,000	0.00	0	0	0	0
DP 2316 - Sheridan County Cons Dist Groundwater (OTO/RST)										
23	0.00	0	23,000	0	23,000	0.00	0	23,000	0	23,000
DP 2317 - Cons. Dist. Support (OTO/RST)										
23	0.00	0	287,000	0	287,000	0.00	0	287,000	0	287,000
DP 2318 - Upgrade Drilling Equipment MT Salinity (OTO/RST)										
23	0.00	0	112,000	0	112,000	0.00	0	0	0	0
DP 2319 - Provide Technical Assistance MT Salinity (OTO/RST)										
23	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 2320 - MT University System Water Center MSU (OTO/RST)										
23	0.00	0	400,000	0	400,000	0.00	0	0	0	0
DP 2321 - Montana Grass Conservation Commission (OTO)										
23	0.00	3,500	0	0	3,500	0.00	3,500	0	0	3,500
Total	0.00	\$3,500	\$937,000	\$0	\$940,500	0.00	\$3,500	\$350,000	\$0	\$353,500

DP 2315 - Yellowstone River Cons. District Council OTO/RST - The legislature approved funding from the coal tax shared account for FY 2014 for the Yellowstone River Conservation District Council. This funding is contingent upon passage and approval of HB 556, which was vetoed by the Governor. As of this writing, a HB 556 veto override poll had been sent to legislators.

DP 2316 - Sheridan County Cons Dist Groundwater OTO/RST - The legislature approved funding from the coal tax shared account for each year of the biennium to support the Sheridan County Conservation District Groundwater Monitoring Program. This funding is contingent upon passage and approval of HB 556, which was vetoed by the Governor. As of this writing, a HB 556 veto override poll had been sent to legislators.

DP 2317 - Cons. Dist. Support OTO/RST - The legislature approved funding from the coal taxed shared account for each year of the biennium to support the Natural Streambed Preservation Act, fire rehabilitation activities, office operations, soil health improvement, irrigation waste management, range improvement for livestock and wildlife, watershed management, and other natural resource conservation activities. This funding is contingent upon passage and approval of HB 556, which was vetoed by the Governor. As of this writing, a HB 556 veto override poll had been sent to legislators.

DP 2318 - Upgrade Drilling Equipment MT Salinity OTO/RST - The legislature approved funding from the coal tax shared account for FY 2014 to upgrade drilling equipment for the Montana Salinity Control Association. This funding is contingent upon passage and approval of HB 556, which was vetoed by the Governor. As of this writing, a HB 556 veto override poll had been sent to legislators.

DP 2319 - Provide Technical Assistance MT Salinity OTO/RST - The legislature approved funding from the coal tax shared account for each year of the biennium to be used by the Montana Salinity Control Association to work with the Conservation Districts to provide technical assistance to Montana's farms and ranches to address saline problems. This funding is contingent upon passage and approval of HB 556, which was vetoed by the Governor. As of this writing, a HB 556 veto override poll had been sent to legislators.

DP 2320 - MT University System Water Center MSU OTO/RST - The legislature approved funding from the coal tax shared account for FY 2014 for improved water supply planning tools and outreach for the Montana University System Water Center at Montana State University. This funding is contingent upon passage and approval of HB 556, which was vetoed by the Governor. As of this writing, a HB 556 veto override poll had been sent to legislators.

DP 2321 - Montana Grass Conservation Commission OTO - The legislature approved general fund for both years of the biennium to better manage grassland resources of the Montana Cooperative State Grazing Districts.

Language and Statutory Authority

The legislature included the following language in HB 2.

"If House Bill No. 556 is not passed and approved, Yellowstone River Conservation District Council, Sheridan County Conservation District, Conservation District Support, MT Salinity Drilling Equipment, MT Salinity Technical Assistance, and MSU Montana Water Center funding is void."

"The department is appropriated up to \$600,000 for the 2015 biennium from the natural resources operations account established in 15-38-301 for the purchase of prior liens on property held as loan security as provided in 85-1-615."