

Conservation District Funding in the MT Legislature

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Background: 2020-2022

Funding crisis leading into 2021 legislative session. MACD:

1. Supported HB 374 (temporary funding fix)
2. Wrote and supported HJ 27: CD Funding Study Bill

Interim session: Environmental Quality Council (EQC)

- ▶ 2021 and 2022 Convention Sessions
- ▶ Continued engagement with EQC during the 2021/2022 Interim Session, including presentations by MACD, individual districts, and partners.
- ▶ MACD Budget Justification/Proposal for an increase in funding to the CD Account (administered by DNRC).



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2023 Legislative Session

EQC pre-introduced legislation

- ▶ Funding source in proposed bill: Combination of coal tax + new marijuana tax funds (SB 28 - Sen. Lang)

Alternative Funding Proposal - Conservation District Trust

- ▶ \$100 million Conservation District Fund within the *constitutional* Coal Trust (HB 321 - Rep. Reksten, Governor's Office support)
- ▶ ***This is the bill that we passed!***

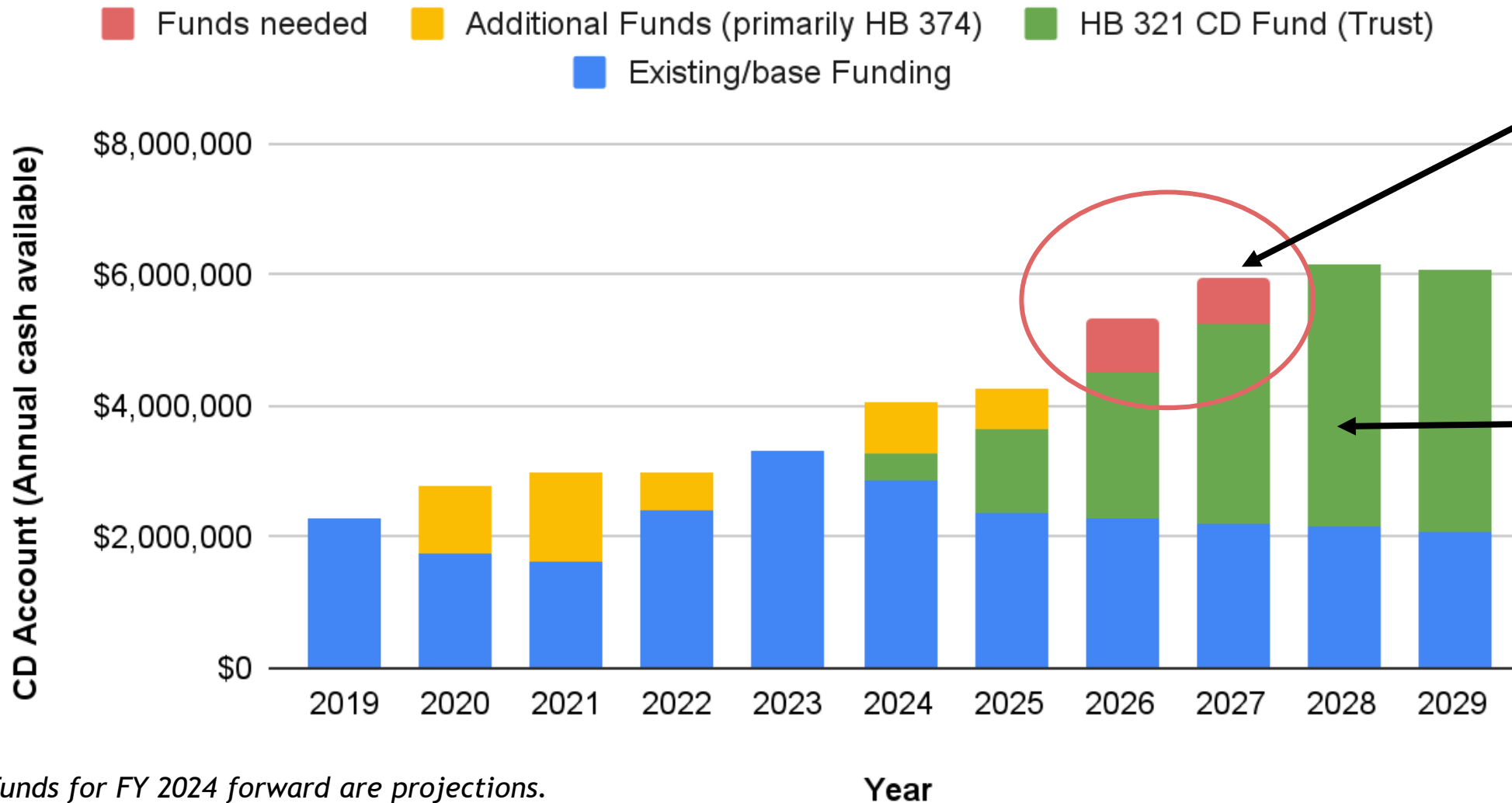
There were additional bills and issues that MACD worked on during the 2021 and 2023 Legislative Sessions that are not highlighted in this presentation.



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Impact of MACD legislative work on CD Funding

Funding in the Conservation District Account (DNRC)



The 'Funds needed' shown in **RED** will need to be sought in the 2025 Legislative Session.

WITH MACD's legislative work, the additional funding sources shown in **YELLOW** and **GREEN** were secured.

WITHOUT MACD's work, only the funds shown in blue would be available.

Funds for FY 2024 forward are projections.
These numbers are from the HB 321 Fiscal note

Summary: **IMPACT OF MACD** on CD Funding

WITHOUT the work of MACD

- ▶ Shortfalls in the CD Account from \$1-\$1.9 million annually for the foreseeable future. The CD account would not have enough funds to meet the \$3 million budget.
- ▶ **The annual budget for the CD account would settle around \$2 million annually (*with not enough cash for the \$3 million budget*).**

WITH the work of MACD

- ▶ HB374, HJ27, and HB321 passed
- ▶ The shortfall for the CD Account was covered in 2020-2023 and the budget was stabilized at \$3 million for these years.
- ▶ Starting in FY 2024, the CD Account will ***continue increasing*** in the total available cash and budget, focused on boosting CD operations.
- ▶ **Current projections show the CD Account will have \$6 million annually by 2028.**
- ▶ This is **3x what would be annually available** (only \$2 million) without MACD's legislative work.

**Thank you to everyone who
participated in the 2023 Session!**

Looking forward:

- DNRC Funding Forums
- 2023 Area Meetings
- 2023 Convention

Setting Districts Up for *Continued* Success

Reaching out to Legislators

- ▶ Districts to contact legislators/candidates
- ▶ MACD Legislative Resources Hub (MACD website)
(updated talking points, tips on contacting legislators, etc!)
- ▶ Trainings: Contacting your legislators / Telling your story / Testifying

Legislative events

- ▶ Convention, Area Meetings, 2025 Legislative Meet and Greet, Spring Board, local events

2025 Session

- ▶ Continued contact with legislators
- ▶ Testimony at the capitol (MACD legislative fund)
- ▶ MACD Legislative Committee
- ▶ Additional ask - One time only funds in 2025 Session
(shown in **red** on previous slide) This amount/strategy may shift as we approach the 2025 Session.



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Questions?

The background features abstract, overlapping geometric shapes in various shades of blue and green, primarily concentrated on the right side of the frame. The shapes are semi-transparent, creating a layered effect. The overall aesthetic is clean and modern.

*Additional Info on the
following slides:*

DNRC Conservation Districts Bureau (CDB): Annual Budget

*(This annual budget
is prior to increase
in funding starting
in FY 2024)*

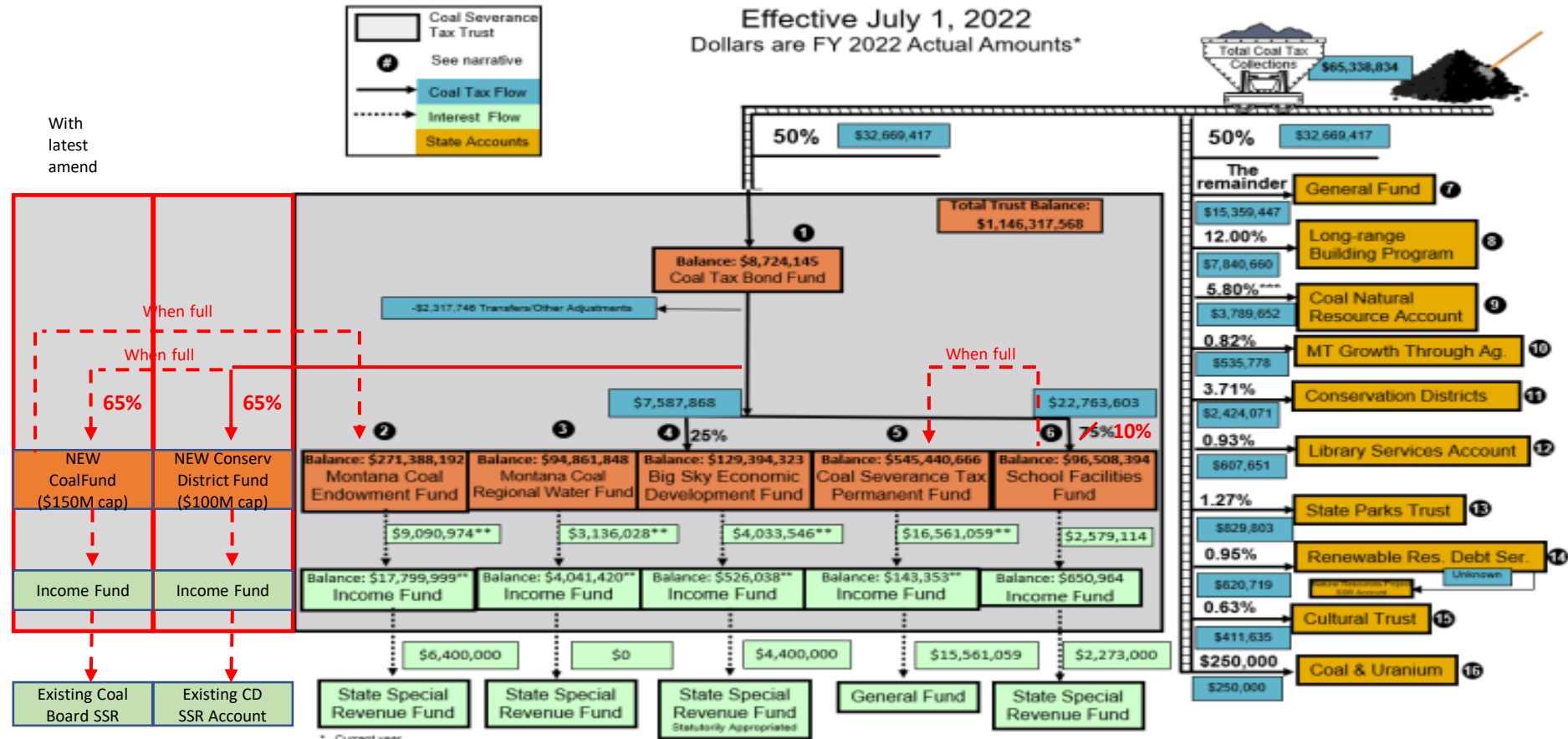
As of Aug. 2023 the CDB is
awaiting a final budget from
Fiscal Div. for FY 2024
(Which started in July 2024)

*(Some funds have been shifted
around within this budget.
Questions should be directed
to Steph Criswell, CDB Bureau
Chief)*

Expenditure		Budget
10XX	Director's Office - All Orgs	16,893.00
3003	CDB Operations	670,697.00
3003	CDB Operations (RST)	25,589.00
3005	DNRC Conservation Dist Project Grants	162,869.00
3007	DNRC Envirothon	35,000.00
3010C	DNRC 310 Projects-Contracts	10,000.00
3010G	DNRC 310 Projects-Grants	250,000.00
3015	DNRC Saline Seep (MT Salinity Control Assoc.)	273,000.00
3018	Federal Match	5,000.00
3019	DNRC Cons. Dist. Admin. Grants	548,000.00
3021	DNRC Pollinator Grant	50,000.00
3030	CD Additional Grants	200,000.00
3044	Milk River Watershed	35,000.00
3045	Grass Conservation Commission	30,616.00
3046	DNRC Sheridan County CD	33,000.00
3047	DNRC Yellowstone Council	110,400.00
3048	DNRC Missouri River Council	110,400.00
3201	CARDD Administration	149,755.00
3202	CARDD Finance	187,678.00
3203	Admin Unallocated	44,483.00
3205F	Admin Fixed Costs	115,115.00
3403	DNRC Renewable Resources Public Loan-(RST)	23,572.00
Total Expenditures		3,087,067.00

Changes under HB 321 – Reksten (as amended by HB 321.2.2)

COAL SEVERANCE TAX TRUST FUND



School Facility Fund is filled to its current \$200 M cap with transfer [in Section 3 of the bill]; flow is reduced from 75% to 10% going forward and cap is raised to \$300M [Section 1]

Remaining 65% goes to new Conservation District Fund with a \$100M cap [Sections 1 and 2]

Earnings from these two funds within the trust provide stable revenue to support existing programs

When caps are hit for either fund, that fund's flow is directed to the Coal Severance Tax Permanent Fund (second orange box from right) [Section 1]