

Montana's Conservation Districts

Locally Led, Voluntary Conservation

Conservation Districts (CDs) are Montana's legislatively mandated local soil and water conservation authority, which are led by boards of locally elected, unpaid supervisors. Conservation districts are units of local government with broad responsibility to carry out programs that conserve soil, water, and other natural resources. For 80 years, Montana's 58 conservation districts have accomplished these objectives by working shoulder to shoulder with producers and communities to develop voluntary, tailored solutions through a variety of restoration projects, education, demonstration, and research that conserve Montana's natural resources.

- **Low cost, huge benefit:** Despite a relatively small statewide investment in conservation districts, they serve as hubs of local leadership and have a significant conservation impact across Montana.
- **The value of donated hours exceeds \$5,000,000 annually.**

Statute and Funding

"MCA 76-15-102. Declaration of policy. It is hereby declared to be the policy of the legislature to provide for the conservation of soil and soil resources of this state, for the control and prevention of soil erosion, for the prevention of floodwater and sediment damages, and for furthering the conservation, development, utilization, and disposal of water and thereby to preserve natural resources, control floods, prevent impairment of dams and reservoirs, preserve wildlife, protect the tax base, protect public lands, and protect and promote the health, safety, and general welfare of the people of this state." CDs receive funds through a combination of local mill dollars and state funding, primarily from the coal severance tax. CDs also seek additional project grants and funding from a variety of sources.

What we do...

<ul style="list-style-type: none">- 310 Stream permitting- Streambank restoration- Rangeland management<ul style="list-style-type: none">- Water reservations- Noxious weed control- Aquifer management- Forest fuel mitigation- Pollinator programs	<ul style="list-style-type: none">- Flood and fire restoration (ex. 2022 flooding, 2017 fires)<ul style="list-style-type: none">- Irrigation efficiency- Aquatic Invasive Species check stations- Watershed planning- Conservation education and the MT Envirothon- Stream gauges	<ul style="list-style-type: none">- River councils- Salinity control- Voluntary soil conservation programs- Equipment rentals- Wildlife (ex. Sage Grouse)- Coordination with state and federal agencies.... And more
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Challenges Facing Conservation Districts

Unstable and insufficient funding: Conservation districts were in a funding crisis in 2020, with a *nearly* \$2 million shortfall in cash for a \$3.1 million budget due to a significant drop in coal tax receipts. In response, the 2021 Legislature passed a temporary funding fix in HB 374 as well as HJ 27, a study of conservation district funding, which was worked on by the Environmental Quality Council (EQC). Ultimately, EQC identified the urgent need for stable and adequate funding, and proposed a funding bill that would provide districts an additional \$2.9 million annually.

- CDs have been historically underfunded, compounded by uncertainty in available cash. **All of this limits the ability of conservation districts to fulfill their statutory duties and get conservation on the ground locally.**
- **Conservation districts need adequate, long term, stable funding** that will allow individual districts to **(1)** fulfill their mandated duties and **(2)** address increasing local needs related to land use changes, increasing populations, development, and natural disasters (ex 2022 flooding, 2017 fires, etc).

HB 321: A key part of the solution to the funding needs of Montana's 58 Conservation Districts (CDs)

Chart 1: The funding solution presented in HB 321 will cover the majority of CD funding needs. In the short term, there will be a funding gap that requires an additional source for approximately four years.

Conservation Districts currently receive state funding directly from the coal severance tax **[1]**. Projected funding for conservation districts through HB 321, as introduced with two different projections for interest on the CD Trust from **[2A]** Legislative Services and **[2B]** HB 321 Fiscal Note. This chart also contains **[3A]** the recommended funding level for CDs by the Environmental Quality Council (EQC) following a study of CD funding during the interim session, as well as **[3B]** the appropriation request from CDs to the Section C Subcommittee. **[4]** This chart also contains the estimated short term funds still needed by CDs.

****Note:** There is expected to be an ending fund balance in the CD Account of up to \$1.3 million that can help cover the funding shortfall in FY 2024. This is due to temporarily high coal tax revenues for FY 2023 combined with the impact of HB 374 passed in 2021 (which sunsets at the end of FY 2023).

Fiscal Year	[1] Funding from spendable side of coal tax (*Projected FY 2023 forward)	[2A] Interest from CD Trust (Projections from Legislative Services)	Combined: Spendable plus interest from trust (Using Legislative Services Projections)	[2B] Interest from CD Trust (Fiscal Note Projections)	Combined: Spendable plus interest from trust (Using Fiscal Note projections)	[3A] Recommended Funding: Recommended by Environmental Quality Council (EQC)	[3B] Appropriation Request by MACD: Conservation District Account	[4] Funds still needed: To fully fund CDs (Estimated with [2B] HB 321 Fiscal Note.)
2015	\$2,123,452							
2016	\$2,706,698							
2017	\$1,985,913							
2018	\$2,335,708							
2019	\$2,299,132							
2020	\$1,762,699							
2021	\$1,605,016							
2022	\$2,424,071							
*2023	\$3,300,469							
2024	\$2,844,234	\$506,414	\$3,350,648	\$410,000	\$3,254,234	\$6,000,000	\$4,500,000	\$1,300,000**
2025	\$2,369,815	\$1,533,246	\$3,903,061	\$1,290,000	\$3,659,815	\$6 million +	\$6,000,000	\$2,400,000**
2026	\$2,293,847	\$2,541,629	\$4,835,475	\$2,230,000	\$4,523,847	\$6 million +	\$6,000,000	\$1,500,000
2027	\$2,220,272	\$3,615,647	\$5,835,918	\$3,030,000	\$5,250,272	\$6 million +	\$6,000,000	\$800,000
2028	\$2,147,905	\$4,227,475	\$6,375,380				\$6 million +	\$0
2029	\$2,077,118	\$4,638,427	\$6,715,545				\$6 million +	\$0

Total estimated funds needed for the next biennium (assuming a \$1.3 million ending fund balance) = \$2.4 million**