

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Gary Spaeth, on February 2, 1989, at
8:00 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Carl Schweitzer, LFA; Jane Hamman, OBPP; Donna
Grace, Committee Secretary

HEARING ON DEPARTMENT OF FISH, WILDLIFE AND PARKS

List of Proponents and Group they Represent

Dave Mott, FWP
Arnie Olsen, FWP
Chuck Virag, FWP
Dick Johnson, FWP
Ron Aashiem, FWP
Janet Ellis, Audubon
Jim Smith, HRDC

Management Services Division 46:A (001)

Mr. Dave Mott, Administrator of the Management Services Division, stated that the division's primary function is the accounting and financial bureau. They prepare budgets for review, allocate the funds into working projects, monitor projects to insure that the funds are being spent in concurrence with legislative intent. They also provide centralized management of all vehicles and do the traditional bookkeeping functions such as payroll, paying bills, collecting license fees, etc. In addition they have a planning unit which is relatively new. This bureau identifies priorities of the agency, insures the funds for priority items are identified and put into those projects. There is a system for tracking the money when it has been allocated. The division also includes the personnel unit, collective bargaining units and legal services.

Executive Action: (087)

The LFA analysis is identified as Exhibit 1.

Issue No. 1. Personal Services Adjustment. Mr. Schweitzer stated that when the executive first considered the personal services budget there were some steps and certain positions that had been reclassified which were not picked up by the executive and the LFA has included them. There is a \$15,185 difference. Mr. Mott said there were two vacant positions and the executive office budgeted those at entry level, step two. The positions were filled by the time the LFA came in and the employees were several steps higher as they were people who had more experience in state government.

MOTION: Senator Jergeson made a motion to adopt the LFA recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 2. Printing of the Strategic Planning Document and Fish, Wildlife and Parks Section of the Statutes into a book. Mr. Mott said that when the legislative session is over, the department's legal counsel puts these documents together to incorporate any changes that might affect the Department. They provide a convenient reference for wardens in lieu of buying the full set of codes. The second document is a planning document that is put together every five years. It is the strategic plan for the Department and outlines at a fairly high level what the agency is proposing to do for the next five years.

There was some discussion and Chairman Spaeth asked the agency to break the figures down by project to be considered at a later date.

Issue No. 3. Office Equipment. Mr. Mott stated that the equipment budget identified in the analysis was their entire equipment budget and included the replacement of calculators, locking file cabinets and miscellaneous chairs and tables that are needed.

MOTION: Senator Jergeson made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor of the motion.

Issue No. 4. Helicopter. Mr. Mott stated that the department has two helicopters and three fixed wing aircraft. They are asking for an appropriation to replace one of the helicopters. Two years ago the Livestock Department replaced a helicopter and the Fish and Game Department bought their old one and have used it since. It is a 1966 Bell which has about 10,000 hours on it which would represent approximately 350,000 vehicle miles. The reasons for wanting to replace this helicopter are safety, and because this machine does have a lot of hours on the airframe, there are a lot of pieces to be replaced. Mr. Mott presented a copy of a magazine article (Exhibit 2)

which stated "the fatal accident rate for piston-powered rotorcraft is two and a half times greater than that for turbine-powered helicopters . . .". The second reason for buying a new helicopter is that the department believes it is the improper equipment to get their job done. They are flying close to the ground, at high altitudes, rough terrain and a piston drive machine does not have the power to get them out of changes in wind current, etc.

Mr. Mott said the Department would like to buy a used turbine, either a Jet Ranger or a Hughes 500, and the price would be approximately \$350,000. They think they could get a good machine in that price range with approximately 1,000 hours on it. Mr. Mott estimated that they should be able to get at least a decade of use from this helicopter. Other costs associated with the helicopter would be \$80,000 for insurance and \$73,097 for maintenance biennially. Mr. Mott also passed out photos of the type of helicopter they are requesting (Exhibit 3) as well as pictures of the helicopter presently owned by the department. (Exhibit 4)

Senator Jenkins asked if they had looked into a purchase from surplus property and Mr. Mott replied that could be a possibility but the problem was that the type of helicopter the department was looking at is less sophisticated and not nearly as heavy as the ones that are available. He said that was how they got their first helicopter.

Senator Devlin questioned the amount for insurance. Mr. Mott said that the amount was the figure given to them by the Department of Administration as it would be included under the state's self-insurance program. Senator Devlin also asked about the amount for maintenance and why the amount for maintenance was not lower being it was a newer machine. Mr. Olsen replied that depending on the machine there is a different rate of inspection and mandatory tear-down and the Hughes is on a schedule of inspection every 300 hours with a complete tear-down every 600 to 1,200 hours. It will require more frequent maintenance. Mr. Mott also stated that the turbine engine is more sophisticated and maintenance is more costly. Mr. Schweitzer clarified that the amount shown for maintenance was for all five aircraft and not just for the new machine. Mr. Mott stated that 80% of the total use would be in the Wildlife Division, however, it does not appear in that budget because all aircraft and vehicles are managed and kept track of by the Management Services Division. However, use will be billed to the department using the helicopter. The funds for the helicopter would come from a mixture of funds, primarily license fees and federal funds.

Senator Devlin asked if the division has considered leasing and Mr. Mott stated that they had but it was difficult to depend on the availability of the charter services. They need to have the machine available when conditions are just right

and that is usually when the private contractors are busy doing other things.

MOTION: Senator Kimberley made a motion to accept the executive recommendation to purchase the helicopter and provide the associated costs. However, the insurance and maintenance are to be line-itemed so that the money could not be transferred elsewhere.

VOTE: MOTION PASSED. Devlin voted no; all others voted yes.

Budget Modification - Cost Accounting. This modification would provide contract services for preparing management system specifications that will enable the agency to track cost information related to expenses of meeting goals and objectives established through the department's planning process. Mr. Mott stated that they have 35 different accounts and 100 appropriations and the public is demanding more accountability for public funds. They would like to contract for one year only with a programmer to develop a more detailed accounting system than what is now available in the Department of Administration's SBAS program. They need to step the system down to a project level.

Ms. Hamman stated that the executive office supported this request. What the department will do is a refinement to the SBAS system. She indicated that the department often "pioneers" projects which are then adopted by other agencies.

MOTION: Senator Jenkins made a motion to adopt the executive recommendation at a cost of \$35,000 for FY 1990 only.

VOTE: MOTION PASSED. All committee members voted in favor of the motion.

Budget Modification - Travel Costs. This modification is to provide the additional proprietary fund authority to cover the vehicle expenses related to travel which is included in the department's modified level budget requests. Mr. Schweitzer stated that a similar budget modification was done during the last biennium. This is for all the vehicles they have to replace or have added because of budget modifications. Mr. Mott said that this is the accounting mechanism that they use to track all the costs in the Management Services Division and bill the vehicles out on a per hour or per mile basis. If you add up all the mods in the agency, you will get the amount that is requested in this modification, \$168,378.

MOTION: Senator Jergeson made a motion to approve this modification to be adjusted for any budget modifications which may or may not be approved in other divisions of the Department of Fish, Wildlife and Parks.

VOTE: MOTION PASSED. All present voted in favor.

Conservation Education 46:B (151)

Ron Aashiem, Administrator, stated that the title, "Conservation Education" might be a little misleading. He stated that they handle information and education activities for the department. Their primary responsibilities are informing people regarding the issues, activities, policies, changes in regulations and those kinds of things that affect individuals interested in the activities they are involved with. There are five specific education programs which are hunter education, bowhunter education, snowmobile education, boating education and youth education. Mr. Aashiem gave a short review of how information is disseminated from the division.

Executive Action: (312)

LFA Analysis - Exhibit 5.

Issue No. 1, dealing with vacancy savings, will be considered later.

Issue No. 2. The House Appropriations Committee has eliminated one vacant position. Mr. Aashiem stated that the position is a youth education project. The demands they have the most trouble satisfying are requests from teachers. They want the department's people to be in the classroom presenting resource issues and programs. He said he did not think it was feasible to have the division's employees in the classroom all the time but they do have two new programs that are very popular entitled "Project Wild" and "Aquatic" which are activity guides for elementary and secondary teachers. The intent is to get the handbooks into the hands of teachers so that they can teach other teachers. The department would put on workshops and provide the curriculum guides and get more students in the classroom to benefit from the program. The program is sanctioned by the National Education Association and the National Science Teachers Foundation. Forty-four states have adopted the program and they see it as the best opportunity for their agency to help satisfy the demand. Mr. Aashiem said that the Fisheries, Wildlife and Administration divisions combined some vacant positions and said they would give the position to the Conservation Education Division if they could find the money to fund it. With that in mind, they carried over to this year with the understanding that at the beginning of the new biennium they would have the dollars to fund the position and about \$10,000 for operating costs. They did not have the money to fill the position previously.

MOTION: Senator Devlin made a motion to adopt the recommendation of the House Appropriations Committee and cut the position from the budget.

Janet Ellis, representing the Montana Audubon Legislative Fund, testified that she was familiar with Project Wild. It is a youth education program which she felt is a critical issue. She said that the legislature deals with so many issues that relate to problems that develop with adults, she felt strongly that if youth are educated on the importance of resources and importance of wildlife management, it will make a big difference in the long run. She said this is a nationally accepted program which combines science, social studies and mathematics. She said the Audubon Legislative Fund strongly supports this position.

VOTE: The Chairman called for a roll call vote. MOTION PASSED. Spaeth, Devlin and Jenkins voted yes; Kimberley and Jergeson voted no. As Representatives Iverson and Swift had been temporarily excused from the meeting, Chairman Spaeth said that he would discuss this action with them and there was a possibility that the matter would be reconsidered.

Budget Modification - Hunter Safety Program. This budget modification will provide awards and incentives to formally acknowledge and thank volunteer hunter safety instructors for their contributions.

MOTION: Senator Jenkins made a motion to approve the modification.

VOTE: MOTION PASSED. All committee members voted yes.

Budget Modification - Public Shooting Ranges. This budget modification would initiate a pilot grant program with the department providing dollars to assist in the development of shooting ranges in hope of eliminating increasing pressure on private landowners and providing increased safe shooting opportunities to youth participating in hunter education courses as well as to the hunting and shooting public. The Department is requesting \$20,000 from the General License Account.

MOTION: Representative Kimberley made a motion to adopt the modification.

VOTE: MOTION PASSED. Devlin voted no; all others voted yes.

Jim Smith, Human Resource Development Council Association, asked permission to address the committee regarding the Montana Conservation Corps which was discussed on February 1. He said he wanted to expand some on what he had said at the prior meeting. His principals are expressing some concerns regarding the funding mix in the request that the committee looked at which would be tenuous at best. He said he was asked to inquire if they could really do this with AFDC, unemployed parent money and job training partnership money. It seemed the only line item that was really secure was the

state parks special revenue money which was \$64,000. He said he knew from five years of working with the JTP system that it is a very tight, very competitive system. It is not an easy arena to participate in. He did notice in looking back in the literature that the parks division is contemplating going to the private industry councils and will apply to become a program operator and this is a concern to the people he works for. He said he looked at one version of Senator Eck's bill and there was a \$300,000 appropriation from the Job Training Partnership Act funds. The budget that he looked at yesterday is scaled back to \$21,000. The concern is that they will get squeezed out of the whole system over time and they wonder what will happen to the youths in the program. There is a great deal of movement during this session about jobs and welfare programs, a package of bills moving through the Senate being heard by the Senate Labor Committee and it is being acted upon almost daily in the Human Services Appropriations Subcommittee. The people he works for inquired about the relationship between the Conservation Corps and all the other action on jobs and welfare. He said he could not provide an answer to that question. He said he did not want to retreat from what he had said previously because they liked working with the Montana Conservation Corps during the pilot program and they would like to continue to do so as a full partner and not get squeezed out of the whole system.

Chairman Spaeth advised Mr. Smith that the Natural Resources Subcommittee had no control over anything other than the funding in the parks system budget and he suggested that Mr. Smith share his concerns with the Human Resources Committee.

Ms. Hamman stated that all this committee would be doing would be to approve spending authority up to \$64,000. Chairman Spaeth said that if Mr. Smith needed some help it was possible that the subcommittee could furnish a letter to the other committee to help coordinate activities. He also suggested that Mr. Schweitzer meet with Mr. Smith to compose a letter.

Wildlife Division 47:A (038)

LFA Analysis - Exhibit 6.

Mr. Olsen stated that the committee had already passed the pheasant request; however, there was an item that was not brought up and that was language in the appropriations bill that would allow for a biennial appropriation rather than annual.

MOTION: Representative Devlin made a motion that the appropriation would be biennial rather than annual.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 7. High Vacancy Savings Caused by Low Expenditure in the Base Period. Mr. Olsen stated that this issue relates to the vacancy savings issue. They usually have a fairly low turnover but, in the base year, they lost several people because of retirement and two persons died. Because of that they had as many as 12 positions vacant for various periods of time. These particular positions were critical because they were remote field personnel. Because they were vacant they did not have the opportunity to spend the money on basic operations that they usually do. The department has asked for an adjustment of \$120,758.

MOTION: Senator Jergeson stated that pending any directions to the contrary, he made a motion to approve the executive on this issue.

VOTE: MOTION PASSED. All present voted in favor of the motion.

Issue No. 8. Grizzly Bear Damage Control. This issue is outlined in Exhibit 7 and summarizes the activity on the Rocky Mountain Front.

MOTION: Representative Kimberley made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 9. Higher rates for the New Helicopter. This issue was discussed under the Management Services Division.

MOTION: Representative Iverson made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 10. Private Helicopter Rate Increase. Mr. Olsen stated that this was a reasonable rate of increase for contracted services. Discussion followed.

Senator Devlin asked if the new helicopter couldn't cover more area and perhaps cut down on the amount of contracted services. Mr. Olsen said it was faster but most of their work was done in timed blocks and when they are working in one area it is not cost effective to move the helicopter around the state. It stays in one area until the job is completed. Chairman Spaeth commented that there are three agencies that have appeared before the committee that have aircraft and he felt that perhaps there could be some cooperation between the agencies. Mr. Marcoux said they had considered it, however the major use times are often in conflict.

MOTION: Senator Devlin made a motion to accept the executive.

VOTE: MOTION PASSED. Senator Jergeson voted no; all others

voted yes.

Issue No. 11. Student Stipends. Mr. Schweitzer stated that there was an increase of \$47,310 over what was expended in 1988. Mr. Olsen clarified that this was another case of difficulty in coding because some goes into grants and some into contracted services. The actual increase is \$230 for 1990 and \$5,680 for 1991, for a total of \$5,910 for the biennium. The program is with both universities which is a cooperative effort to educate students at the Masters' Level Program. The students work for about 1/3 of what a full time employee would and can accomplish similar work. Most of the projects are of two-year duration. Mr. Schweitzer stated that he agreed with the division's analysis.

MOTION: Senator Iverson made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 12. Legislative Contract Authority. Mr. Schweitzer stated that this is federal money the division receives for special projects that comes in during the year which isn't anticipated. The LFA has \$1,165,000 and the executive has \$1,253,000 more, a difference of \$631,000 one year and \$622,000 the next year for a total of \$1.2 million. Mr. Marcoux stated that they would recommend going with the LFA on this issue.

MOTION: Senator Devlin made a motion to accept the LFA.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 13. Equipment. Mr. Schweitzer stated that the LFA went with a three-year average and the executive recommends \$75,727 in addition. Mr. Olsen stated that there are some items that are one-time only purchases. The major item would be the trailer used at the Gallatin Checking Station. The trailer now in use was purchased in 1967 and has received a lot of hard use and the community has complained about the condition. They are also requesting two-way radios for biologists in remote areas which would cost \$25,000 and the balance would be for radio telemetry equipment.

MOTION: Senator Devlin made a motion to approve the LFA recommendation.

VOTE: There was a tie vote. MOTION FAILED.

SUBSTITUTE MOTION: Senator Jenkins made a motion to approve the LFA plus the purchase of the trailer in Fiscal 1991.

VOTE: SUBSTITUTE MOTION PASSED. All present voted in favor.

Issue No. 14. Contracted Services. Mr. Schweitzer said this was

a complicated issue because there was a difference in the coding used during the formulation of the budget. The LFA has reduced contracted services below the current level by about \$23,000 and also identified increases in the current level of approximately \$10,900, so to maintain the contracted services base, the \$23,000 should be added back in and if there were additional things, the \$10,900 should also be added in. Mr. Olsen said the \$10,900 increase was needed because of the additional costs of veterinary services, lab tests and blood work in connection with brucellosis testing which has become necessary. The number of tests is not only increasing but are costing more.

MOTION: Representative Kimberley made a motion to accept the executive.

VOTE: MOTION PASSED. Devlin and Iverson voted no; all others voted yes.

Issue No. 15. House Appropriations eliminated 5 positions which resulted in 1.95 FTE being eliminated. Mr. Schweitzer clarified that .25 of the FTE was in the Fisheries Division and 1.70 was in the Wildlife Division.

- (1) Mr. Marcoux stated that the first position was a laborer position that they use in wildlife management in the Bozeman area, Region No. 3, and there was some use of that position during the base year. It is a seasonal position and that is why it was vacant on July 1. The person works on repairing fences and weed control.
- (2) The next position is clerical and is used in emergency efforts in Helena when there is an excess of typing. Mr. Marcoux said this is a position that could be contracted for if necessary and they would be willing to drop it.
- (3) This position is a wildlife lab assistant in the forensic lab in Bozeman. This technician does blood work to determine blood types of various animals and determine where they were taken. The supervisor for this position died and since he was ill or gone most of the year he could not act as a supervisor of this position so the position was not filled for that reason. When they can get approval for the vacancy they will also fill the lab assistant position.
- (4) The next position is a research assistant which is a two-month position which is currently filled and the individual helps with elk trapping and research program and also assists with turkey trapping. He also has some capabilities in computer work where he does some keypunching and data analysis.
- (5) The final position is a fulltime position in the wildlife division as assistant wildlife manager and the position is currently filled. This is one of the busiest regions

(Bozeman) with a lot of management areas and late hunts on both private and public land. The division feels that this position is necessary.

MOTION: Senator Jergeson made a motion to approve positions 1, 3, and 5 and to eliminate positions 2 and 4.

VOTE: MOTION PASSED. All present voted in favor.

Fisheries Division 47:B (067)

Mr. Marcoux stated that one of the positions identified by the Appropriations Committee as vacant on July 1, 1988 was a .25 FTE located in Region 3. The fisheries manager applied for and became the supervisor in Region 2. They hired a new regional manager in Region 3 and in the interim this position did not get filled in a timely manner. It has now been filled. The position is for help in electrofishing at Canyon Ferry and on the Missouri.

MOTION: Senator Kimberley made a motion to reinstate the .25 FTE in the fisheries division into the budget.

VOTE: MOTION PASSED. All present voted in favor.

Announcements/Discussion: None.

ADJOURNMENT

Adjournment At: 11:30 a.m.



REP. GARY SPAETH, Chairman

GS/dg

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AGENCY: DEPT OF FISH, WILDLIFE, PARKS

LEGISLATIVE ACTION

PROGRAM: Management Services

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	40.20	40.20	40.20	40.20	0.00
Personal Services	\$1,001,611	\$990,240	\$1,004,245	\$992,715	(\$11,530)
Operating Expenses	1,661,546	1,584,061	1,626,822	1,557,652	(69,170)
Equipment	983,854	630,201	610,177	608,499	(1,678)
Non-Operating	213,651	213,651	176,020	176,020	0
TOTAL EXPENSES	\$3,860,662	\$3,418,153	\$3,417,264	\$3,334,886	(\$82,378)
FUNDING					
State Special Rev	\$1,759,639	\$1,412,946	\$1,315,233	\$1,308,656	(\$6,577)
Federal Revenue	443,440	443,440	429,593	429,593	0
Other Revenue	1,657,583	1,561,767	1,672,438	1,596,637	(75,801)
TOTAL FUNDING	\$3,860,662	\$3,418,153	\$3,417,264	\$3,334,886	(\$82,378)

EXHIBIT 1
 DATE 2-2-89
 HB 100

	FTE	General Fund	Gross
1. Personal Services Adjustment	0.00	\$ -0-	\$(15,185)
2. Printing of the strategic planning document and Fish, Wildlife, and Parks sections of statutes into a book.	0.00	-0-	5,936
3. Office Equipment	0.00	-0-	6,711

	<u>FTE</u>	<u>General Fund</u>	<u>Gross</u>
4. Purchase and Operations of a Helicopter	0.00	-0-	503,097
Purchase Cost			\$350,000
Additional Insurance			80,000
Maintenance			<u>73,097</u>
Total			\$503,097

Budget Modifications

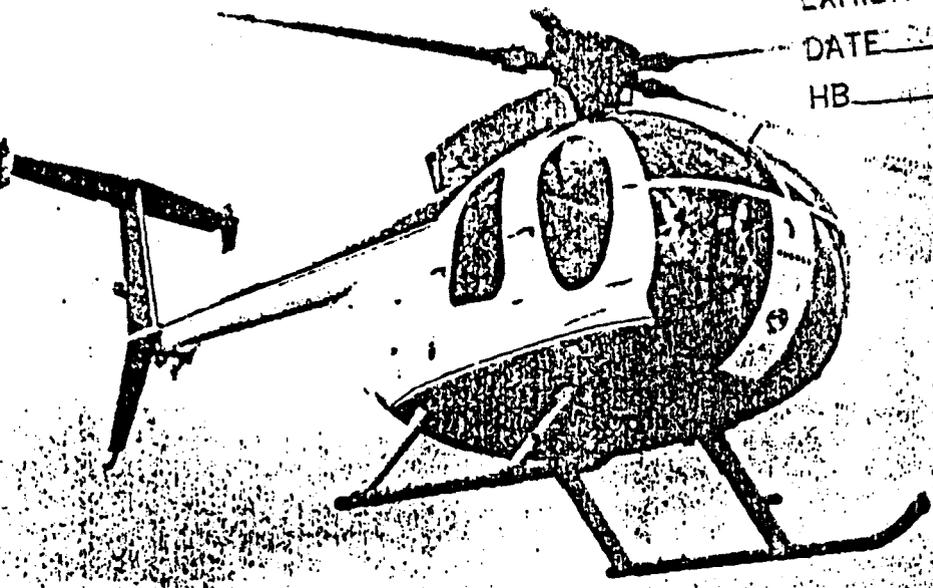
The executive budget recommends two budget modifications. Table A details the two modifications for fiscal 1990 and 1991 by FTE.

Table A
Management Services Division
Budget Modifications

	FTE	General License Acct.	Total	FTE	General License Acct.	Total
Cost Accounting	0.00	\$35,000	\$ 35,000	0.00	\$ -0-	\$ -0-
Vehicle Travel Costs	0.00	-0-	<u>139,560</u>	0.00	-0-	<u>168,378</u>
Total Budget Modifications	<u>0.00</u>	<u>\$35,000</u>	<u>\$174,560</u>	<u>0.00</u>	<u>\$ -0-</u>	<u>\$168,378</u>

The cost accounting budget modification would provide contract services for preparing management system specifications that will enable the agency to track cost information related to expenses of meeting goals and objectives established through the department's planning process. The vehicle travel costs budget modification is to provide the additional proprietary fund authority to cover the vehicle expenses related to travel which is included in the department's modified level budget requests.

EXHIBIT 2
DATE 2-2-89
HB 100



hovering ceilings of the Jet-Rangers, either in or out of ground effect—presumably because of the 500s' higher disk loading.)

One operator of 35 Hughes 500s—Viking Helicopters, near Montreal, Canada—told us they liked the quickness, power, maneuverability and small size for getting in and out of tight spaces—especially in mining and forest operations. At the other end of the continent, Miami Helicopters said the same qualities of speed and maneuverability—coupled with the smooth platform provided by the five-blade main rotor system—made the ship a good one for aerial photography, including high-speed boat chases. But the small size of the rear cabin made the JetRanger preferable where large video equipment had to be carried. The two-bladed main rotor of the Bell ship, however, is not as smooth.

Though fast and maneuverable, it displays a rare docility in approach, flare and hovering maneuvers. Even a low-time helicopter pilot can feel right at home quickly—though the controls are strictly direct linkage, with no hydraulic boost or artificial stability augmentation. One fixed-wing transferee who got his rotorcraft rating and bought a Hughes 500 said he initially asked himself, "Am I stepping into the rotorcraft equivalent of a Learjet?" Far from it, he discovered. "You don't have to be three to five times the pilot to fly the 500," he told us.

The 500D model got a new T-tail and a five-blade main rotor, along with a searing new max cruise speed of 170 mph.

discomfortingly steep glide ratio on autorotations. Pilots also say the 500 has enough blade inertia to chop power in a hover and hold the aircraft off for three to five seconds before settling in and running out of collective. Judging from its accident record, the good autorotational qualities may be a blessing, since the highest number of accidents involved engine stoppages.

McDonnell Douglas claims the small size and maneuverability—coupled with the reduced sound generated by the four-bladed tail rotor—make the 500 ideal for law enforcement use, and that they've taken the "lion's share" of the business in this category.

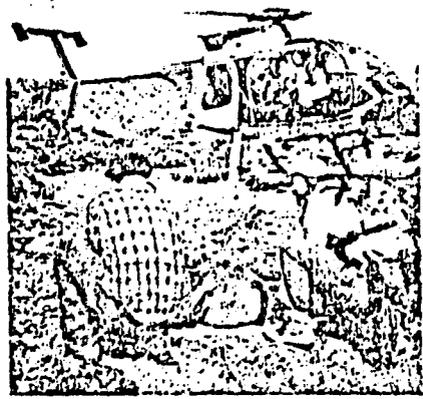
The same pilot, incidentally, said he could not find insurance coverage to buy a piston-powered helicopter, but got the okay for the turbine-powered 500. This sounds logical since the fatal accident rate for piston-powered rotorcraft is two and a half times greater than that for turbine-powered helicopters—according to a special study by the National Transportation Safety Board in the late 1970s. And the total accident rate is almost four and a half times higher.

Speed to Burn

Although the factory lists economy cruise speeds at no more than 107 to 113 knots or so, Hughes 500 pilots tell us they commonly cruise with conservative power settings at 125 to 135 knots indicated. And the specs show max cruise is a respectable 139 knots on the 500D, E and F at gross and a positively blazing 147 knots at 2,000 pounds. (Max cruise on the 500C is only 130 knots, however.)

Load Carrying & Cabin Comfort

Although the Hughes 500s are generally lighter in gross weight



The climb rate of the Hughes 500 also is outstanding—up to 1,700 to 1,900 fpm, depending on the model. This compares with figures 400 to 600 fpm less for the Jet-Rangers. (On the other hand, the Hughes 500s do not have the

The ambulance litter configuration on the 530F places the stretcher crossways in the rear compartment.

EXHIBIT 3
DATE 2-2-89
HB 100

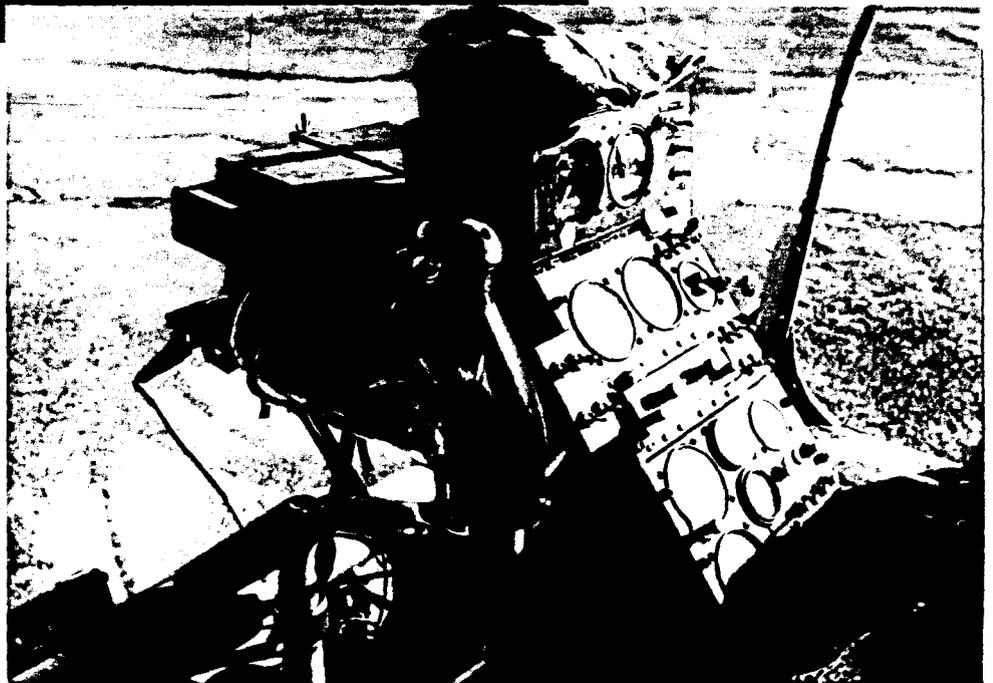
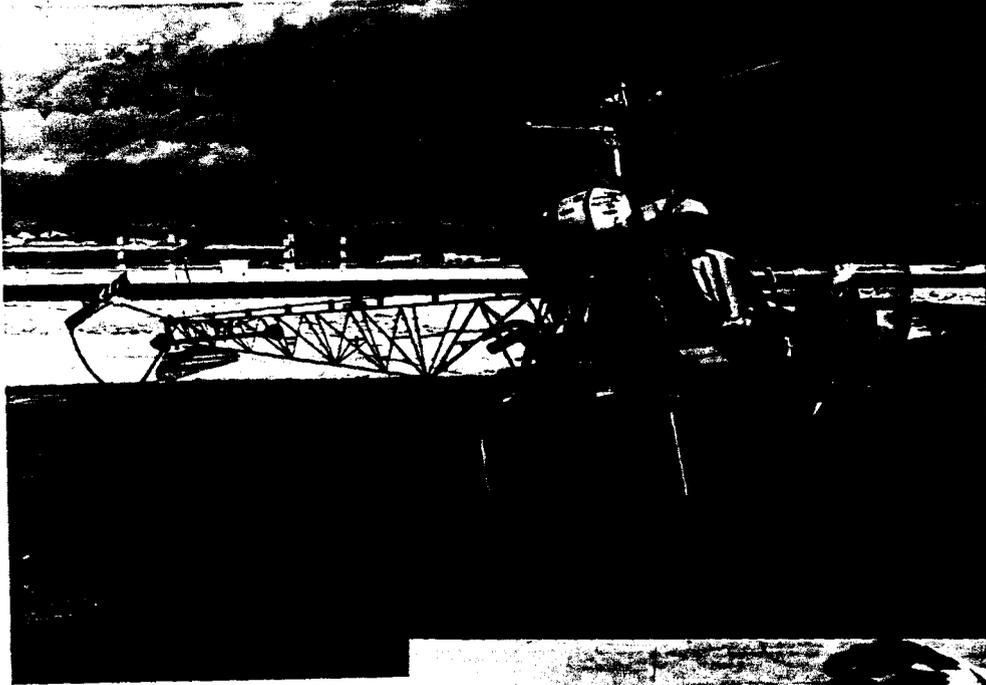
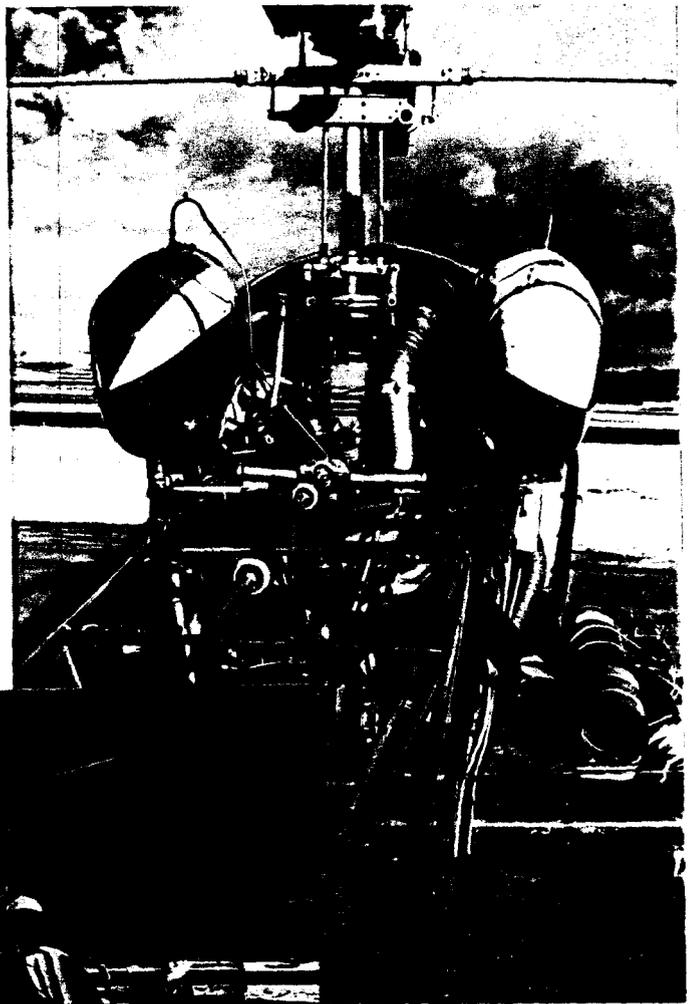


Hughes 500



*Department's
old helicopter.*

EXHIBIT 4
DATE 2-2-89
HB 100



AGENCY, DEPT OF FISH, WILDLIFE, PARKS

LEGISLATIVE ACTION

PROGRAM, CONSERVATION EDUCATION

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	23.05	23.05	23.05	23.05	0.00
Personal Services	\$709,202	\$694,233	\$711,746	\$696,723	(\$15,023)
Operating Expenses	540,293	552,508	555,573	568,185	12,612
Equipment	25,750	25,750	19,000	19,000	0
TOTAL EXPENSES	\$1,275,245	\$1,272,491	\$1,286,319	\$1,283,908	(\$2,411)
FUNDING					
State Special Rev	\$1,139,343	\$1,136,589	\$1,148,226	\$1,145,815	(\$2,411)
Federal Revenue	135,902	135,902	138,093	138,093	0
TOTAL FUNDING	\$1,275,245	\$1,272,491	\$1,286,319	\$1,283,908	(\$2,411)

DATE 2-2-89
HB 100

	FTE	General Fund	Gross
1. Executive reductions taken to offset vacancy savings	0.00	\$ -0-	\$24,827
2. House Appropriations Committee has eliminated one vacant position	1.00	-0-	55,748

Budget Modifications

The executive budget recommends budget modifications for the Conservation Education Division. Table G details the modifications for fiscal 1990 and 1991 by FTE, the recommended amount of general hunting and fishing revenues to finance the modification, and the total cost of the modifications.

Table G
Conservation Education Division
Budget Modifications

	Fiscal 1990	Fiscal 1991		
	General License Acct.	General License Acct.	FTE	Total
Hunter Safety Program	0.00	\$1,875	0.00	\$7,500
Public Shooting Ranges	0.00	-0-	0.00	-0-
Total Budget Modifications	<u>0.00</u>	<u>\$1,875</u>	<u>0.00</u>	<u>\$7,500</u>
		<u>\$1,875</u>		<u>\$27,500</u>
		<u>\$1,875</u>		<u>\$27,500</u>

The hunter safety program budget modification will provide awards/incentives to formally acknowledge and thank volunteer hunter safety instructors for their contributions.

The public shooting ranges budget modification would initiate a pilot grant program with the department providing dollars to assist in the development of ranges in hopes of eliminating increasing pressure on private landowners and providing increased safe shooting opportunities to youth participating in hunter education courses and to the hunting and shooting public.

AGENCY: DEPT OF FISH, WILDLIFE, PARKS

LEGISLATIVE ACTION

PROGRAM: WILDLIFE PROGRAM

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference	Executive LFA Curr Lvl	Executive LFA Curr Lvl	Difference
	Executive	FTE	Executive	FTE				
Personal Services	\$2,715,896	94.69	\$2,643,943	93.94	(\$71,953)	\$2,728,564	\$2,656,279	(\$72,285)
Operating Expenses	2,930,511		1,562,447		(1,368,064)	2,957,167	1,608,645	(1,348,522)
Equipment	125,324		91,885		(33,439)	134,173	91,885	(42,288)
Non-Operating	1,826,930		1,175,000		(651,930)	1,823,380	1,175,000	(648,380)
TOTAL EXPENSES	\$7,598,661		\$5,473,275		(\$2,125,386)	\$7,643,284	\$5,531,809	(\$2,111,475)

FUNDING

State Special Rev	\$3,563,732	\$2,277,386	(\$1,286,346)	\$3,577,443	\$2,295,057	(\$1,282,386)
Federal Revenue	4,034,929	3,195,889	(839,040)	4,065,841	3,236,752	(829,089)
TOTAL FUNDING	\$7,598,661	\$5,473,275	(\$2,125,386)	\$7,643,284	\$5,531,809	(\$2,111,475)

EXHIBIT 6
 DATE 2-2-89
 HB 100

	FTE	General Fund	Gross
1. Pheasant Program: The LFA current level does not contain this item because in fiscal 1988 the department expended only \$24,117 and it was proposed that the legislature would wish to revise the program, its direction, and costs.	0.75	\$ -0-	\$1,974,866
2. Mt. Haggin Timber Contract	0.00	-0-	120,000
3. Wildlife Habitat Improvements	0.00	-0-	128,034

General
Fund Gross

FTE

4. Special Revenue Accounts

Base Reduction Overstatement

A. Wetlands	\$22,000		
B. Sheep	-0-	\$19,080	
C. Non-game	3,769	5,467	
D. Pheasant	<u>4,268</u>	522	
	\$30,037	<u>2,920</u>	
		\$27,989	

Base Reduction by LFA
Overstatement by OBPP

5. Reduction for Vacancy Savings made by OBPP

6. The executive proposes increasing the base because of a mild winter resulting in less flying.

7. High vacancy savings caused low expenditure in the base period.

8. Grizzly bear damage control

9. Higher rates for the new helicopter

10. Private helicopter rate increase

11. Student stipends

12. LCA

13. Equipment

14. Differences in contracted services

- LFA reduced below current level
- Increase above current level by OBPP

15. House Appropriations eliminated ⁵ positions which resulted in 1.95 FTE being eliminated.

	0.00	-0-	60,074
	0.00	-0-	55,978
	0.00	-0-	(35,376)
	0.00	-0-	181,136
	0.00	-0-	120,758
	0.00	-0-	17,860
	0.00	-0-	120,000
	0.00	-0-	12,120
	0.00	-0-	47,310 ⁵⁹¹⁰
	0.00	-0-	1,253,000
	0.00	-0-	75,727
	0.00	-0-	23,087
	0.00	-0-	10,900
	1.95	-0-	- 106,158

Budget modifications

The executive budget recommends three budget modifications for the Wildlife Division. Table E details the three modifications for fiscal 1990 and 1991 by FTE, the recommended amount of general hunting and fishing revenues to finance the modification, and the total cost of the modifications.

**Table E
Wildlife Division
Budget Modifications**

	FTE	Fiscal 1990 General License Acct.	Total	FTE	Fiscal 1991 General License Acct.	Total
Impact on Timber Sales/Hunting	0.33	\$16,608	\$16,608	0.33	\$16,625	\$16,625
Habitat/Timber Sales Planning	0.50	16,063	16,063	0.50	16,107	16,107
Nongame Program	0.60	27,814	27,814	0.60	28,748	28,748
Total Budget Modifications	1.43	\$60,485	\$60,485	1.43	\$61,480	\$61,480

The impact of timber sales/hunting budget modification proposes a cooperative project with the USFS and the BPA, to be funded one-third by each participating agency, for the purpose of providing personnel to plan timber sales by the forest service in the Lolo National Forest and the BPA powerline access.

The habitat/timber sales planning budget modification would jointly fund a wildlife biologist with the Department of State Lands (DSL) to implement habitat guidelines for state forest lands on timber sales and to continue training DSL employees for timber sale planning which is compatible with wildlife values and concerns.

The non-game program budget modification is to add 0.60 FTE to help promote the non-game tax check-off by informing the public of the program benefits and to develop comprehensive regional inventories.

ISSUE 1: CONTINUED FUNDING ON NEW WILDLIFE PROJECTS

In the current level analysis the Wildlife Division's budget was analyzed from a line-item perspective. The division's budget can also be analyzed from a project perspective. A project is an allotment of funds and personnel to accomplish specifically defined tasks. The \$5,046,300 which the division expended in fiscal 1988 can be separated into 229 projects. Table 8 lists the 229 projects with 213 projects listed in groups and 16 projects which didn't relate to any particular group listed separately.

Table 8
Wildlife Project Groups and Individual Project Expenditures

<u>Groups of Projects</u>	<u>Number of Projects</u>	<u>Fiscal 1988 Expenditure</u>
Deer	30	\$ 844,700
Elk	18	843,500
Legislative Contract Authority	38	628,000
Wildlife Management Areas	10	406,800
Regional Administration	8	403,000
Division Administration	2	440,500
Waterfowl/Migratory Birds	13	200,600
Grizzly Bear	8	152,600
Antelope	8	114,300
Furbearers	10	100,900
Upland Game Birds	11	87,500
Non-game	9	76,800
Sheep	13	49,800
Black Bear	7	30,500
Landowner Co-op	3	27,900
Moose	7	24,200
Weed Control	7	20,500
Goats	5	19,600
Mountain Lion	<u>6</u>	<u>17,300</u>
Subtotal Project Groups	213	\$4,489,000

Table 8 Cont'd.
Wildlife Project Groups and Individual Project Expenditures

<u>Groups of Projects</u>	<u>Number of Projects</u>	<u>Fiscal 1988 Expenditure</u>
<u>16 Individual Projects</u>		
Harvest Surveys	1	\$ 174,800
Mt. Haggin Timber Consultant	1	78,000
Wildlife Laboratory	1	59,800
Hunters' Maps	1	55,300
Bio-Economic Surveys	1	36,500
Research Statewide	1	32,500
Pheasant Enhancement Habitat	1	24,600
Oil and Gas Coordinator	1	22,900
NW Power Act Mitigation Coord.	1	22,500
Deer/Elk/Antelope - Modification	1	21,400
Chisel Flowing Evaluation	1	12,200
Coal Coordinator	1	7,200
Mule/Whitetail/Antelope Dist./Density	1	4,000
Rocky Mountain Front Study	1	3,600
Endangered Species	1	1,900
Small Other	<u>1</u>	<u>100</u>
Subtotal Individual Projects		\$ 557,300
TOTAL PROJECTS	229	\$5,046,300

Projects can be categorized into two types, continuous and one-time projects. An example of continuous projects would be the projects to monitor animal numbers for the setting of harvest quotas. Every year the regional wildlife biologists monitor the numbers of animals within hunting regions to determine the number and types of animals that can be harvested from each region.

An example of a one-time project is a \$46,900 appropriation for a biennial study to determine the statewide effects of archery hunting on elk. The study as approved by the legislature in 1987 was a two-year study to be concluded at the end of fiscal 1989. The project is one of the 18 projects listed as "Elk" projects on Table 8.

It has been the budgeting practice in past bienniums for the division's budget to be based upon prior year expenditures of continuous and one-time projects. The use of expenditures from one-time projects allows the division to initiate new projects or expand existing projects without bringing the new or expanded projects to the legislature's attention. For example, the division's 1991 biennial current level includes \$27,228 of expenditures from the one-time archery study. The budget presentation material does not elaborate on which projects receive the \$27,228 of reprogrammed funds, but the expenditures are part of the 1991 current level.

This type of budgeting practice eliminates the legislature's opportunity to evaluate and prioritize all of the new one-time or expanded projects of the division. Some of the expanded and new one-time projects are presented to the legislature in the form of budget modifications. Those budget modifications which the legislature judges to be necessary are included in the appropriations bill. But other divisional projects financed with reprogrammed funds are not evaluated by the legislature.

The result of this type of budgeting practice is that the legislature's flexibility to evaluate, prioritize, and finance the division's projects has been diminished. The legislature has not been shown all of the available financial options when making budgetary decisions.

To allow the legislature greater flexibility in evaluating the 1991 biennial budget a list of seven new projects initiated in fiscal 1989 has been compiled. These projects were not included in budget modifications approved by the legislature but rather represent reprogramming of funds. The seven new projects are budgeted at \$126,152 in fiscal 1989 and consist of \$85,826 state special revenue funds and \$40,326 federal funds. The projects are listed on Table 9. Also listed on Table 9 are eight one-time projects which terminate at the end of fiscal 1989 and seven projects which terminate at the end of fiscal 1990. The fiscal 1988 expenditures for these projects are included in the division's current level even though these projects terminate before or during the 1991 biennium.

Table 9
 Wildlife Division Projects Which Either Began in Fiscal 1989,
 Will Terminate at the End of Fiscal 1989, or
 Will Terminate at the End of Fiscal 1990

	<u>State Funds</u>	<u>Funding</u>	<u>Federal Funds</u>
<u>New Projects in Fiscal 1989</u>			
Region 1 Moose Monitoring	\$ 5,000		\$ -0-
South Fork Grizzly Bear Study	10,741		-0-
Noxious Weeds in Big Game Diets	14,410		-0-
Mule Deer Research	13,442		40,326
Cabinet Mountain Fisher Transplant	14,955		-0-
Western Beaver Ecology Study	12,718		-0-
Northwest Otter Study	14,560		-0-
Subtotal New Projects	<u>\$ 85,826</u>		<u>\$40,326</u>
<u>Projects Terminating in Fiscal 1989</u>			
Mule Deer Harvest Rate Evaluation	\$ 2,608		\$ 7,823
Elk Harvest Rate Evaluation	2,005		15,015
Red Rocks Moose Study	2,000		-0-
Lone Pine Mule Deer	1,750		5,250
Little Belt Elk	2,500		7,500
Rocky Mountain Front Grizzly	25,165		-0-
Custer National Forest IPA Position	6,181		18,542
Elk Archery Impact Evaluation	4,775		14,325
Subtotal	<u>\$ 46,984</u>		<u>\$68,455</u>
<u>Projects Terminating in Fiscal 1990</u>			
Mt. Haggin Timber Consultant	\$ 70,000		\$ -0-
Taylor-Hilgard Bighorn Sheep Study	2,000		-0-
Sweetgrass Hills Evaluation	2,250		-0-
Hunting Districts 441 & 442 Eval.	600		1,800
Mule Deer All. Rate of Harvest	2,000		6,000
Chisel Plowing Evaluation	12,060		-0-
Pesticide Testing - Waterfowl	13,500		-0-
Subtotal	<u>\$102,410</u>		<u>\$ 7,800</u>

The legislature does not have to accept the automatic reprogramming of funds. All or some of the eight new projects listed on Table 9 could be removed from the current level. Likewise, the funds reprogrammed from fiscal 1989 and fiscal 1990 expenditures could be removed from the current level.

If the legislature does remove any of the new projects or reprogrammed funds, then the legislature's flexibility to finance budget modifications or postpone hunting and fishing fee increases is enhanced.

Option A: Eliminate some or all of the new projects started in fiscal 1989. The current level could be reduced by \$85,826 state funds and \$40,326 federal funds in both fiscal years of the biennium if all projects are eliminated.

Option B: Eliminate the funding in the 1991 biennium of projects which terminate at the end of fiscal 1989. If all of the funds of projects which terminate at the end of fiscal 1989 are eliminated from the current level, the current level would be reduced by \$46,984 per year state funds and \$68,455 federal funds.

Option C: Eliminate the funding in fiscal 1991 of projects which terminate at the end of fiscal 1990. If all of the funds of projects which terminate at the end of fiscal 1990 are eliminated from the current level, the current level would be reduced by \$102,410 state funds and \$7,800 federal funds in fiscal 1991.

Option D: Combine all of the previous three options which, if all three are used, would reduce the current level by \$132,810 state funds and \$108,780 federal funds in fiscal 1990, and \$235,220 state funds and \$116,581 federal funds in fiscal 1991.

Option E: Maintain the present current level.

ISSUE 1: TRUST LANDS SUBSIDY OF HUNTING AND FISHING ACTIVITIES

In January 1988 the Legislative Finance Committee was presented with a report which analyzed the income earned from the state's trust lands. The report entitled "Trust Lands Income" presented the committee with two main issues. First, were the various trusts receiving a fair market value from grazing leases, and second, would trust income be increased if the trust lands were sold and the assets financially managed? It is from the second issue that this current level issue was developed. Specifically, could the state maximize the trust's income if some of the trust lands where sold and the assets financially managed?

There appears to be an unwritten policy in Montana that under no circumstances should the possibility of selling trust lands ever be considered. This policy was evident at the November 18, 1988 Legislative Finance Committee meeting where a follow-up report to the "Trust Lands Income" report was presented. At that meeting Secretary of State Bertelsen stated:

... [selling trust lands] is an issue that I really have very strong feelings about. Now I think we might well look back ... [at] what would have happened if the first legislators in Montana's history had decided they were going to sell state lands for about a nickel an acre? What would we have in the trust fund today? ... I think it is ridiculous to sell state lands. As far as ... the future of Montana's people and children ... I think that [selling trust lands] would be a terrible mistake.

This issue, through examples, will show that the policy of not selling trust lands is resulting in trust lands subsidizing hunting and fishing activities.

The first example involves the July 1988 purchase of the Robb Creek Ranch by the Department of Fish, Wildlife, and Parks. The department purchased 17,170 acres of deeded land and the right to lease 10,817 acres of state trust lands and 6,802 acres of federal land. The purchase price for the ranch's 34,789 acres was \$1,820,000. The \$1,820,000 is the appraised value determined by Robert Kembel, an appraiser from Missoula.

Mr. Kembel determined that 15,681 acres of the ranch's 17,170 deeded acres were native rangeland with a value of \$94 dollars per acre. There was no attempt to value the trust lands. The appraiser noted that the 10,817 acres of trust lands supported 3,082 AUM's (Animal Unit Months) or an average of 0.285 AUM/acre, while the 15,681 acres of deeded land supported 4,100 AUM or 0.261 AUM/acre. Therefore, based upon AUM's per acre, it can be concluded that, per acre, the trust lands are of equal if not greater value than the deeded lands. At \$94 per acre the 10,817 acres of trust land would be valued at \$1,016,798.

According to the Department of State Lands, the lease income from grazing on Robb Creek Ranch will be \$9,070 in fiscal 1989. The \$9,070 represents a 0.89 percent return on land valued at \$1,016,798. If, as is detailed in the "Trust Land Income" report, trust assets financially managed can receive a 10.25 percent interest rate, then a \$1,016,798 investment would earn \$104,222 per year of interest income. Since the grazing leases are producing \$9,070 per year, whereas a financially managed asset would produce \$104,222 per year, the trusts are subsidizing wildlife management activities at a rate of \$95,152 per year.

The 10,817 acres of trust lands includes lands from three different trusts. There are 9,053 acres of public school trust lands, 550 of Pine Hills School trust lands, and 1,214 acres of public building trust lands. Table 3 details: 1) the trust lands of each trust; 2) the value of each type of trust lands based on \$94 per acre; 3) the income that could be received if the lands were sold and the assets invested at 10.25 percent; 4) the current income received by each trust; and 5) the estimated loss each trust is incurring by not selling the land assets.

Table 3
Annual Income Lost by Various Trusts

<u>Trust</u>	<u>Acres Owned</u>	<u>Value of Acreage at \$94 per Acre</u>	<u>Income if Invested at 10.25%</u>	<u>Current Lease Income</u>	<u>Net Loss</u>
Public Schools	9,053	\$ 850,982	\$ 87,226	\$7,591	\$(79,635)
Pine Hills	550	51,700	5,299	461	(4,838)
Public Buildings	<u>1,214</u>	<u>114,116</u>	<u>11,697</u>	<u>1,018</u>	<u>(10,679)</u>
Total	<u>10,817</u>	<u>\$1,016,798</u>	<u>\$104,222</u>	<u>\$9,070</u>	<u>\$(95,152)</u>

The second example involves 26,670 additional trust acres the Department of Fish, Wildlife, and Parks leases. The Department of Fish, Wildlife, and Parks is leasing the 26,670 acres for \$18,435 per year, or \$0.69 per acre per year. To earn \$0.69 per year through financial management requires a \$6.75 investment at 10.25 percent interest. Therefore, if the leased land were sold to the Department of Fish, Wildlife, and Parks for \$6.75 per acre the trusts would neither lose nor gain income. The "Trust Lands Income" report estimated the value for all trust grazing lands at \$40 per acre. Using \$40 per acre, the value of the 26,670 acres would be \$1,066,800. At a 10.25 percent interest rate a \$1,066,800 investment would earn \$109,347 per year. Because the trust assets are not earning their full potential, the hunting and fishing activities on the leased lands are being subsidized at a rate of \$90,912 per year.

The net loss to the trust accounts from the Department of Fish, Wildlife, and Parks leasing of the trust lands in these two examples is \$186,064 per year. If the \$186,433 of lost income is replaced, the general fund appropriation to the trusts can be reduced by \$186,064.

To eliminate the trust's subsidy of hunting and fishing activities and any other activities in which a state agency leases trust lands, the legislature should consider the following. First, all trust lands leased by the Department of Fish, Wildlife, and Parks and all other state agencies should be appraised to establish a fair market value. Second, a financial plan should be developed to either transfer ownership of the lands to the managing agency or the trust should be compensated annually for lost trust income.

In the examples used in this issue the legislature could use the wildlife habitat fund to purchase or fully compensate the trust funds. The wildlife habitat fund is projected to receive \$2.2 million per year for wildlife habitat purchase and maintenance, and a portion of that income could be designated to purchase or compensate trust accounts.

- Option A: Appropriate an additional \$186,064 per year of wildlife habitat revenue to replace the lost income of the three trust funds.
- Option B: Appropriate \$1,016,798 of wildlife habitat revenue to purchase the trust lands located on the Robb Creek Ranch. This option would reduce general fund obligations to three trusts by \$95,152 a year.
- Option C: Request that the Department of State Lands appraise the 26,760 acres leased by the Department of Fish, Wildlife, and Parks to determine a fair market value for the property. The fair market value would be used to set a sales price of the property to the Department of Fish, Wildlife, and Parks.
- Options D: Take no action.

EXHIBIT _____

DATE _____

HB _____

ROCKY MOUNTAIN FRONT GRIZZLY BEAR MONITORING

BACKGROUND: The department's goal is to see recovery of the grizzly bear and the eventual delisting of the bear from the threatened status. The attainment of this goal will require that the bear be able to exist in harmony with humans. The department initiated a program through budget amendment in FY86 and FY87 to reduce the conflict between grizzly bears and humans along the East Front of the Rockies. The program provided the department the capability to respond in a timely fashion to grizzly bear complaints and protect both people and their property.

The project included measures to capture problem bears and relocate them to approved sites, test aversive conditioning, monitor grizzly bear movements, eliminate grizzly bear attractants and inform the public about grizzly bears. The modified budget of 1.0 FTE and \$44,563 enable the department to make the program a part of the grizzly bear effort.

BENEFITS: Forty-three grizzly bear complaints were responded to since the beginning of FY 87. One bear was destroyed and five were relocated to predetermined locations. A management plan was drafted and implemented during the year. Although the numbers of grizzly bear conflicts decreased, the number of grizzly-human encounters remained the same and the number of illegal mortalities also stayed the same. Significant reductions in grizzly encounters with livestock, carrion and beehives were noted following implementation of the management plan.

STATUS: The grizzly bear project is a continuing project that is proposed for funding with an additional \$10,464 for aircraft rental and vehicle mileage.

130.6

Dubin

AGENCY: Department of State Lands

LEGISLATIVE ACTION

PROGRAM: Reclamation Division

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	35.00	35.00	35.00	35.00	0.00
Personal Services	\$1,007,390	\$986,831	\$1,009,293	\$988,698	\$20,595
Operating Expenses	3,717,923	3,533,379	3,629,304	3,338,436	290,868
Equipment	97,738	54,566	81,357	54,546	26,811
Non-Operating	5,000,000	2,679,991	5,000,000	2,682,498	2,317,502
TOTAL EXPENSES	\$9,823,051	\$7,254,767	\$9,719,954	\$7,064,178	\$2,655,776
FUNDING					
General Fund	\$242,971	\$739,452	\$245,864	\$741,223	(\$495,359)
State Special Rev	1,200,000	700,000	1,100,000	500,000	600,000
Federal Revenue	8,380,080	5,815,315	8,374,090	5,822,955	2,551,135
TOTAL FUNDING	\$9,823,051	\$7,254,767	\$9,719,954	\$7,064,178	\$2,655,776

DIVISION-WIDE ISSUES

1. Reclamation Division Funding

The executive budget recommends continued use of Resource Indemnity Trust Interest (RIT) to finance the administration and operations of the Reclamation Division. This recommendation causes the executive budget recommendation to be \$991,840 less general fund than LFA current level for the Reclamation Division. *1.2 million*

LFA current level did not use RIT interest to fund the Reclamation Division budget because Section 15-38-202, MCA, allocates the RIT interest for specific purposes which do

General	Gross
<u>Fund</u>	<u></u>

\$(991,840)

not include funding departmental operating expenses. However, paragraph 3 of Section 16-38-202, MCA, permits the executive to propose alternative uses of RIT interest provided that the recommendation is presented in a formal budget document.

ADMINISTRATIVE BUREAU

1. Travel

The LFA current level continued fiscal 1988 expenditures for travel. The executive budget recommends an additional \$4,519.

2. Equipment

OPEN-CUT BUREAU

1. Intern and Technical Consultant

2. Information System (1991 only)

The executive recommends \$11,000 in fiscal 1991 to develop a new component in the division's information system.

3. Vehicle Purchase

Purchase of a vehicle so employees will not have to use their own vehicles. *17000 M/2500*

4. Bond Forfeiture Appropriation

Included in LFA current level are two \$50,000 biennial appropriations which would allow the department to reclaim mining sites with forfeited bond proceeds. The appropriations would be in the Hard Rock and Open Cut bureaus and would allow the division to expend up to \$50,000 of bond proceeds without having to submit budget amendments for spending authorization. The executive budget does not recommend the two \$50,000 appropriations, but rather proposes boilerplate language be added to the appropriation bill which states that reclamation of metal mine sites following bond forfeiture meets the emergency requirements for budget amendments.

ABANDONED MINE BUREAU

1. Abandoned Mine Program

The executive budget recommends \$5,081,858 more federal funds for reclamation of abandoned mine sites than is contained in LFA current level. The executive budget

	\$	-0-	\$	4,519	
	\$	-0-	\$	(558)	
	\$	-0-	\$	10,140	
	\$	-0-	\$	11,000	
	\$	-0-	\$	8,000	
	\$	-0-	\$	(50,000)	
	\$	-0-	\$	5,081,858	

reflects the department request, whereas LFA current level reflects the actual three-year expenditure average for the program. LFA current level contains \$5.3 million per year while the executive budget contains \$7.85 million per year.

COAL AND URANIUM BUREAU

1. Court Cost and Legal Fees

Coal and Uranium Bureau court costs and legal fees increase from \$2,141 per year to \$10,000 per year.

LFA

\$ -0-

\$ 15,718

2500-2500

ex

2. Increased Printing Costs

Coal and Uranium Bureau rule printing costs increase from \$1,527 per year to \$7,500 in fiscal 1990 and \$4,500 in fiscal 1991.

75% Fed.

\$ -0-

\$ 8,926

3. Professional Consultants

\$ 5,500

4. Gasoline

\$ 7,000

5. Travel

\$ 10,500

6. Aircraft Rental

\$ 5,400

approved 27% state

7. Funding Shift from 27 Percent State Funding to 30 Percent State Funding

The change increased state funding by approximately \$40,000 for the biennium.

LFA

HARD ROCK BUREAU

1. Technical Evaluations for MMRA and MEPA Compliance

\$ 70,000

2. Bond Forfeiture

\$ (50,000)

3. Legal Costs

\$ 4,000

4. Computer Systems Development

\$ 6,000

5. Rules Publication

\$ 4,000

6. Inspection Supplies

\$ 4,100

* language to not keep in line
language to not build in base

NO

7. Equipment

\$ -0-

\$ 2,500

Budget Modifications

Table B contains the three budget modifications recommended for the Reclamation Division.

Table B
Reclamation Division Budget Modifications

Budget Modifications	Fiscal 1990		Fiscal 1991		Total
	FTE	General Fund	FTE	General Fund	
Reclamation Division Superfund/Hazardous Waste Liaison	1.00	\$ -0-	1.00	\$ -0-	\$ 30,711
Abandoned Mine	4.00	-0-	4.00	-0-	147,103
Coal Mining Study	0.00	-0-	0.00	-0-	-0-
Total	5.00	\$ -0-	5.00	\$ -0-	\$ 177,814

The superfund/hazardous waste liaison budget modification would coordinate functions among the various state and federal environmental and mine permitting laws.

The abandoned mine budget modification is a reorganization project designed to save about \$100,000 annually. By creating state positions, the department estimates it can save \$100,000 annually in consultant service. The coal mining study budget modification continues federal pass-through grants being used to study the hydrological effects of coal mining.

