

MINUTES OF THE MEETING
AGENCIES II SUBCOMMITTEE

January 22, 1979
8:15 A.M.
Room 343
State Capitol Building

Subject: Fish and Game
Orientation

Tape 2; Side 1, Track 1 (990)

The meeting was called to order by Chairman Rex Manuel. All members were present with the exception of Senator Stimatz, who was excused. Also present were Bob Robinson, LFA; Mike Kohnke, OBPP and Bill Opitz, Public Service Commission.

Public Service Commission, Priority Listing (995)

Mr. Opitz was present to further explain to the committee the FTE priority listing submitted by the department. Mr. Opitz explained that the Federal Energy Regulatory Commission does do full blown audits on the major utilities, as does the FCC. Therefore, this expertise lessens the need for the PSC to conduct audits. The department would rather assist the federal auditors and learn from them.

The hearings officer was recommended by the Executive but, the department has five commissioners, each one of which could be sent to hearings examiner school. These five could be utilized as hearings examiners.

The department is forced to have professional people do clerical work without the receptionist.

The assistant transportation supervisor was requested to assist the current administrator to free him to be solving some of the transportation problems in the state. This would create a better economic unit in this division.

The clerk typist was requested for the utility division. In August the Supreme Court gave the department jurisdiction of 150 more utilities. The department currently has one secretary taking care of this division. The increased work load creates too much for one person to handle. If the legislature says they no longer have jurisdiction over water and sewer, this position would not be necessary.

Communications engineer was requested because, for example, on February 5 Mountain Bell will come again for a rate increase. The impact of granting a 3 million dollar increase must be weighed against another position. This decision will have to be reached before December, 1979 and could have a million dollar impact on state government alone. The department felt that it was a high priority to have this communications engineer to assist in this case.

The National Energy Act requires that the department look at time of day pricing, marginal cost pricing, seasonal rates and interruptable rates. The department will need an electrical engineer to review these rate increases.

The last four requests will be struck as far as legislation will pass to relieve the department of this burden, inspecting track and equipment on the railroad.

In operating expenses, the 4% vacancy savings has not occurred in this agency. They do have 5 elected commissioners that will not have vacancies for sure.

Computer capability will assist the department as an analytical tool. They currently have no such capability. It is necessary to assist in the management of their files. This involves one computer that is centralized. They need the money to be able to store their data on this computer.

In conclusion, Mr. Opitz stated that the \$26,000 vacancy savings figure taken by the Budget Office will make it impossible for the department to operate.

DEPARTMENT OF FISH AND GAME (1133)

Bob Robinson handed out the work sheets for this department explaining that the Executive recommendations were not listed on this worksheet. This was because the LFA appropriated money by divisions and the Executive appropriated by program.

Both recommendations are based on the current license structure. No licenses were built in here. The differences will be further explained in the presentation.

In total dollars, the two recommendations are not significantly different. The Executive had \$24,647,064 and the LFA recommends \$25,286,736 for a total difference of \$639,672.

One difference is in FTE, the Executive eliminated some through the freeze and the CETA positions were not included. The LFA recommends about 23.71 more FTE, 22.06 of which are modified requests by the department, supported by federal and private grants. Included in these are some FTE above the current level.

Nearly all the money recommended is federal or private or earmarked, hunting licenses primarily, and then matched with Pittman Robertson or Dingle-Johnson federal recreation money, wildlife money.

Pittman-Robertson money is generated by an excise tax on firearms, bullets and other hunting equipment. This money is allocated back to the states on the basis of numbers of licenses, population and area of the state.

Dingle-Johnson is for fish habitat restoration. This money is generated by an excise tax on all types of fishing equipment.

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In fiscal 1980 approximately \$2,081,000 and in fiscal 1981 \$3,343,000 will be available for Pittman Robertson and Dingie Johnson funds. The department can submit to match the federal funds with acceptable projects up to a three to one ratio.

There is a second option where they can put together a five year plan and get a blanket approval for federal money. This way each project does not have to be approved individually. This plan must still comply with the requirements for resource management or species management. This money is not allowed for administration, central services or enforcement.

There is a restriction that this money has to be spent within two years of the time it is allocated.

The department tried to have some of this money available when and if a large acquisition becomes available, they can tap this money immediately.

These funds can be matched any way the department requests. If the department changed the match ratio to 25% state funds and 75% federal funds, all fed. funds could be tapped, thereby, eliminating the need for license fee increases.

The fish program runs at the maximum matching ratio, 75/25. The wildlife program runs at a 60/40 ratio, primarily because they are trying to build up the reserve in order to finance acquisitions.

When an acquisition is made the state continues to pay the same taxes. The tax is only paid on the land and the buildings. This money just goes to the county. None of it ever goes to the schools.

The money to match federal funds comes from earmarked revenue.

Appropriation by Division (1340)

The LFA appropriation recommendation is by division. In the past the department came in with a priority budgeting. Therefore, everything related to one program was included in one budget. In fact, the department is not organized by program. They are organized by division. The department has been combining all these costs and it is difficult to tell where the money comes from and goes.

Therefore, the LFA recommends they be appropriated by their organization structure. Program structure doesn't really mean anything. It is difficult to find anyone who is ultimately responsible for one program. The only way to get responsibility is to go to the division. For this reason, the LFA has broken down appropriations to 7 separate divisions.

The SYBAS upgrade has now made it possible to check where money is being spent. In the past this was not possible.

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Public Concern (000)

It was brought to the subcommittee's attention that there seems to be public outcry for cuts in this department. Mr. Kehnke suggested three ways the subcommittee could cut spending in this department. First, they could go into individual projects and cut. Second, they could cut in various expenditure categories, travel for example. And, third they could look at accounting entities and appropriate only as much as they want to be spent, and include a rider that no supplements or amendments may be requested.

Another concern was this department has not been held accountable to the legislature. It was stated that they can be made accountable.

It was stated that maybe the subcommittee cannot do everything they want to do. They will have to set priorities. Some programs the department may be able to do without. When the subcommittee finds such programs they can spread costs and cut that program. The state is quickly approaching the situation where the costs are going to meet the cost of operation. They will be forced to draw Pittman Robertson money down.

Travel (088)

The department is expensive to run. For 8 months in 1978, out-of-state travel totaled 699 man days. This figure annualized 4 men out-of-state all year long. Total expense was \$14,000.

The Executive recommended a 30% cut, the LFA kept them at current level, but felt the Executive cut was a good recommendation. With a 30% cut the department will be forced to set priorities.

Another LFA concern was in air travel, a lot of which seemed unnecessary. Making 2 round trips to get the commissioners to a meeting is too extravagant. A cut will force them to be economical.

This department is not in the state motor pool. They have stated that adding their vehicles to the motor pool would be a diversion of the Pittman- Robertson or Dingle-Johnson funding. Diversion of funds does not occur until the money goes out of the department. The department has a full-time pilot who flies almost every other day.

New Positions During 1978-1979 Biennium (132)

The last legislature gave them 31.38 new positions, primarily based on testimony that these would all be field oriented positions. In reality, seven of the thirty-two positions are high level administrative jobs in the headquarters. Two positions provide secretarial support for new administrators. They upgraded some and transferred others.

General Fund (150)

The department has requested general fund for the first time. Previously the only general fund went to parks and recreation. They have requested

\$51,000 for non-game wildlife species.

The Executive did not recommend any money from the general fund. They felt the department was taking and applying the license money in a far fetched way.

This will be further discussed when the department comes to testify.

Centralized Services (193)

The LFA recommendation is to add one FTE and reduce contracted services. This new position is a lawyer, level IV, which is the top, at about \$27,000 a year. Another \$10,000 is added for operating expenses. Total comes to \$74,325 a year, compared to \$11,363 otherwise anticipated for legal retainer fees.

The Executive felt it was best to hire in-house attorneys, but when major law suits come along it is best to hire an independent law firm to get the expertise necessary.

Ecological Services (220)

This division does the research of the department. They are responsible for protecting the interest of the wildlife when there are cases of habitat destruction or uses for other than wildlife purposes. They also do research contracted with the Department of Natural Resources for major siting proposals.

The current level is about 24 FTE. The LFA is recommending adding 11 FTE to conduct federal and private environmental impact statements. These will be financed primarily from federal sources.

The division requests that a six-member core environmental impact statement staff be switched from support by federal and private funds to license fees. This adjustment is not recommended as necessary as outside funds are generally available to keep the staff together. The Executive concurs with this decision.

These 11 FTE could be contracted out, but the department has chosen to bring these people into the staff because they can control employees much better this way. They can also use these employees for other responsibilities.

Fisheries Division (265)

This division did not have a lot of modified requests, and the LFA did not include many modified requests. They were kept at current level, with two exceptions, and this will keep the hatcheries operating at the level they are now.

The LFA recommended 4 new FTE to conduct studies of streams in eastern Montana for 1980 and 2.75 for 1981. If the money is available they can

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do these studies, otherwise the FTE may not be hired.

Enforcement Program (279)

Last year this division initiated an ex-officio warden training program. Ninety-eight wildlife and fish field biologists took part in an intensive law enforcement training program. The result of the program is 90 more employees are now available to assist with enforcement when needed. This makes the department more efficient. The LFA has recommended that a comparable program be initiated to better utilize enforcement staff in fish and wildlife management duties.

Unfunded Liability of Warden's Retirement Fund (295)

The department has a \$3,093,000 unfunded liability in the warden retirement fund. There is a bill now to transfer \$150,000 of fines and fees to supplement the contribution that the state and the employees are now making. An employee adds 7% of his gross salary and the state contributes 11%. Previous to last session the state contributed 7%.

Should this bill pass, the unfunded liability would be paid off within four years. Current contributions will keep the fund from declining any further.

Wildlife Division (320)

The LFA recommendation is at current level. This division is funded with 51% federal fund and 49% state money. They could go to 75/25.

Parks and Recreation (324)

The LFA has added 4.91 FTE to operate and maintain parks and recreation areas purchased during the last session and improving maintenance at several others.

Currently this division has 8 or 9 different earmarked revenue sources. The LFA recommends the legislature consider de-earmarking all the present funds, designating the revenues to the general fund and appropriating general fund money to operate the division. This action would eliminate uncertainty related to revenue collections and would simplify the accounting for the funds.

Conservation Education (349)

This division puts out the Montana Outdoors magazine. It is the public information, education and publication arm of the department.

This program is almost entirely operated on earmarked revenue with the exception of the money that comes in from the sale of Montana Outdoors.

Special Staff (358)

This is a newly created division within the department. The responsi-

lity of this division is general department planning and administration of special projects. It consists of four newly created administrative positions, two full-time support staff and the administrator of the former planning division.

Administration (380)

This department consists of the director, his deputy and two secretaries. The LFA recommendations will continue the functions and personnel of the director's office at the current operating level.

Multi-Discipline Projects (390)

In fiscal 1978 personnel of the various divisions were designated to work on special projects such as improving department/landowner relation and improving hunter access to closed lands. Expenses of this group were accounted for separately. The positions and related expenses are included in the regular division budget recommendations.

Total Budget (404)

The total LFA recommendation is \$12.6 and \$12.7 millions dollars. General fund is nearly \$500,000 a year and the remainder is license and earmarked funds.

A ten minute break was taken at this point.

Budget Office Recommendations (422)

Mike Kohnke, OBPP, stated that a lot of progress has been made in this department. Two things have helped improve their accounting system, the upgrade of SYBAS and a new division chief.

Executive recommendations are on a program approach, which includes Wildlife Conservation, Fish Conservation, Parks and Recreation and Executive Administration.

This is a mandate to House Bill 643, which set priorities. The Executive recommendations were made on this basis.

It is not important to look at programs VS divisions because the department is run by organizational units. The department has been getting funds by program and then reallocating them to the various divisions. The department would like to receive one appropriation to the department.

Mr. Kohnke expressed the opinion that the subcommittee should appropriate by accounting entity, for fiscal control. This way, if the members wanted to cut certain budgets, they could cut exactly where they wanted.

In conclusion, Mr. Kohnke would take either recommendation.

Appropriation by Program (491)

The Executive recommendations are broken down by general fund, earmarked revenue fund, federal and private revenue fund and revolving fund.

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This shows total expenditures for four fiscal years, the last two and 1980 and 1981.

The Executive also submitted a PBS Funding Level summary. This is broken down into 1978 actual, 1979 estimated, level A (80% of current level) level B (current level), and level C (modifications).

Wildlife Conservation (598)

Program measures (measuring workload output) gives the members some information on the work effectiveness of this program.

Fish Conservation (603)

This includes all of the fish division, some centralized services, some law enforcement, some conservation education and some ecological services division. It is all spread out in this program.

Parks and Recreation (610)

This program consists of five program activities: operations and maintenance, enforcement, information and education, acquisition, design and development and operations support.

Executive Administration (617)

This program includes the executive leadership functions of the Montana Fish and Game, the director's office and the staff services associated with it. The commission determines departmental policies and priorities which meet the changing needs of wildlife protection, preservation and propagation in Montana.

Acquisition (631)

There has been a thrust in Montana toward acquiring more land for state parks and recreation areas. The problem is, as land is acquired it requires money to operate and maintain it. Until there is money to operate and maintain state parks, the state should slow down the acquisition of land. Currently, these parks are not being maintained. The thrust must change from acquiring more land to operation and maintenance of the present lands.

Ex-Officio Warden Program (683)

This program has evolved into a great program. The ex-officio warden is encouraged not to make arrests. The goal of the program is to get every game warden, who wants to volunteer, to be an ex-officio game warden. The department needs to have every man available on special week-ends.

Warden Retirement System (704)

This system has been underfunded, which is a long term danger. The Executive does not like the idea of using fines, this will make it awkward for the warden to issue citations.

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The best approach would be to take this money out of the personal services fund. It will take a contribution of around 20% from the state. The employee contributions cannot be raised without a raise in benefits.

Out-Of-State Travel (735)

This is a problem the Executive has dealt with, with a 30% cut. The legislature should include a rider in the appropriation limiting the department to a dollar amount. Otherwise it will raise again.

The department has gone to 3/4 ton trucks and the luxury cabs. A suggestion was that the subcommittee may want to look at this. There has been some abuse of state motor vehicles.

There was no further business, the meeting was adjourned at 11:30 A.M.


REX MANUEL, Chairman

Mary Flanagan
Secretary