

MINUTES OF THE MEETING  
AGENCIES II SUBCOMMITTEE

January 24, 1979  
8:15 A.M.  
Room 343  
State Capitol Building

Subject: Fish and Game  
Hearing

Tape 2; Side 1. Track 3 (525)

The meeting was called to order by Chairman Rex Manuel with all members present. Also present were Bob Robinson, LFA; Mike Koehnke, OBPP; John Wilson, Montana Council of Trout Unlimited; Dick Dodge, LFA and from the Fish and Game: Robert F. Wambach, Fletcher E. Newby, Tom Rippengale, Jim Posewitz, Orville Lewis, Don L. Brown, Erwin J. Kent, Gene Allen, Larry Putnam and Ron Holliday.

Projected Revenue (530)

Bob Robinson was called upon to explain the differences in projected revenue between the department and the LFA estimates. The LFA reviews each license source going back about 10 years and projecting this out. The license year runs from May through the end of April. The department estimates the total licence revenue from fiscal 1978 to 1980 as \$7.8 million, \$8.2 million, \$8.6 million and \$8.8 million. Money earmarked for fishing access site acquisition must be eliminated from this gross amount. Historically, the fiscal year collections related to a license year are about \$200,000 higher than the license year collections of the previous year.

The only significant variable in the estimate of these revenues are in nonresident big game licenses. There is \$3,373,000 in 1978 VS \$3.6 million in 1979 and \$3.825 in 1980 and 1981. This is because there is a state law limiting the out-of-state licenses to 17,000. When this total is reached in 1980 there can be no further growth.

The remainder of the license sources are fairly stable, as long as there is no license fee increase.

Today in fiscal year collections compared to the same period in fiscal 1978, the department has collected \$4,658,400. As of December 31, fiscal 1979 they had collected \$4,666,284. Therefore, they are \$8,000 ahead this year. At this point most of the revenues have been accounted for, and this is an indication that is no reason for projecting a large increase.

Another difference in projected increases is that in fiscal 1978 approx \$500,000 of the department's collections were transferred from monies that were processed in fiscal 1979 through a year end adjustment. The department assumes that each year they will see an increase over revenue.

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of the previous year. The LFA believes that the base year fiscal 1978 is somewhat inflated and sees no reason to increase the LFA recommendations.

The reported expectations in 1978 were \$7,590,000. The department projections for 1979 are \$8.4 million for fiscal 1980 and \$8.6 million for fiscal 1981. The difference occurs with the base year used in LFA recommendations.

Mike Kodzko felt that the LFA recommendations were a little conservative but the Executive recommendations weren't much higher.

On behalf of the department, it was explained that the business office was counseled not to be conservative in these estimates. In other states there are going to be fee increases. As a result, there will be more people coming to Montana for licenses. Montana's applications will be particularly effected by a proposed fee increase in Wyoming.

#### Wildlife Conservation Program (626)

The department was requested to explain the contract for computer programming that concentrated very heavily on the drawing program. As a result of a legislative audit, the department has contracted for services to up-grade the drawing program. The department did not feel they had the capability or the people to do this themselves. Montana Systems Development was contracted to do three things. First, they were to design the drawing program. Second, to do some initial development work on a credit card conservation licensing system. The third part of the contract called for maintenance effort to combine licensing information to recreation questionnaires.

The cost of this contract was about \$300,000 for a three year period. This was determined assuming a certain level of maintenance.

Sen. Smith expressed concern that more than one member of a family were obtaining special licenses. In response to this it was explained that the five year preference system now being used may possibly be changed to alleviate this problem.

In an effort to be more open with the members, Mr. Wambach explained that growing interest in the drawing program resulted in an inadequate system with no documentation. The department did not understand the mechanics of the system and recieved legitimate criticism for this. The only way to straighten this out was to start from scratch. The company contracted had the capability to do the job and not in a timely way.

Response to the credit card conservation license has been good. The department has received alot of criticism for the amount of time it takes to issue licenses. The plastic cards will be issued for a two year period and would be the first part of a two year conservation license. This should speed up the issuing of licenses. If the card can be presented at the time a person applies for a license the card

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can be embossed across the license. This would be signed and that would be the end of the process.

The sportsman does not have to apply in advance, but can get his card the next time he applies for a license.

The question was raised as to the legality of asking for certain information, such as Social Security numbers. It was explained that the department cannot require this information, but if it is provided it serves as a cross check against double issues.

Cost of this program would be about \$160,000 in the first year primarily due to the computer programming necessary to get the program started. But, would produce long range benefits because in the second year the cost is estimated at about \$50,000.

The department did not see any reason to be raising conservation fees in the future. The commission would have to give permission to do this and they did not see them giving this permission.

Mr. Wambach explained that there was a real need for reliable records on license holders for research purposes and for further use internally. This new system will be able to scan licenses with a computer to establish residency, for example. Currently, this is done by hand. The start up cost is high, but over time this will pay off and be more economical.

Representative Hurwitz opened discussion concerning the time spent defending the department. Montana is unique in that its citizens take a strong interest in wildlife management. As a result, the department spends a great deal of time defending themselves.

#### Centralized Services (941)

The Executive recommended a 30% cut in out-of-state travel. There was no cut in instate travel. It was asked how this would effect the department. Mr. Wambach explained that in order to be effective in the field, there was a need to keep close ties with other states. This is intensified by the small impact the rural states have in Washington D.C. In order to protect Montana's interest it takes time and a considerable amount of money. There are times and occasions when the department has to work closely with other states and federal agencies. It is unrealistic to expect these other people to always travel to Montana.

The department can operate at whatever level the legislature instructs them to operate at. But, if they are to be leaders in the field, to be effective in protecting Montana's interests they have to have some travel money. They can live with the 30% cut and be reasonably effective.

In 1976 a law was amended which allowed the 60% of federal recreation money going to the states to be drawn upon by the Federal government. Congress since changed that law to say that a minimum of 40% of that

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money should go to the federal agencies. If the department was not on top of this situation, the repercussions could have been disastrous to the state. Last year they were successful in re-establishing the 60/40 split.

Mr. Wambach explained that they felt they could justify all of their out-of-state travel, but it was difficult to do this without talking about specific trips. He stated that often it is necessary to bring along additional expertise. Usually at a conference, Mr. Wambach holds the ultimate voting power, but effective negotiations depend on the bargaining power of the department experts. Just because there is a lot of travel does not mean there is too much travel.

Good rapport with other states makes the department much more effective. Mr. Wambach added that in the next 18 months Montana will host 5 international or national conferences partly because they have assumed this leadership roll. In effect, this will return any investment made in out-of-state travel through use of local businesses.

Mr. Wambach stated that about 40% of all out-of-state travel was his. A great deal of this is mandated. Much of this travel is at no cost to the state, and other travel is paid for by other agencies.

Senator Smith referred to four trips Mr. Wambach made at the request of the Governor's office that were not related to the Fish and Game Department. Senator Smith suggested that maybe the Governor's office should be paying for these trips. Mr. Wambach stated that some of this travel is to the benefit of the department and therefore did not object to paying for the travel. He did not want important bodies to be making decisions that would effect fish and wildlife without any representation from the fish and wildlife field.

The real question will be whether or not our Fish and Game Department should maintain this leadership role.

At least half of the travel expenses have been reimbursed by other agencies. This expense is paid for by the department and the reimbursement shows up as income. The committee requested that the actual amount involved here be made available to the members.

A ten minute break was taken at this point.

Mike Koehnke explained that the Executive recommendation of a 30% cut amounted to \$35,000 for out-of-state travel for fiscal 1979. This compared with \$24,669 spent in Fiscal 1977 and \$43,656 spent in fiscal 1978.

The practice of not abating travel expenditures was one of the first things changed as a result of the audit. There was an attempt to make these changes retro-active to the first of the fiscal year. The department will try to get this information for the subcommittee's review. This will aid in the presentation before the full committee.

Contracted Legal Services (1386)

The LFA recommendation was to replace current contracted services with a staff attorney. It was explained that the department would still be able to call on specialized services when the need arose. For purposes of the budget recommendations, this was included as an FTE. In the long run the department sees the need for two full-time attorneys. \$53,000 was spent last year for one contracted legal service. This included all the support staff needed by this attorney. If a senior attorney was put on staff, the costs would be much less. As long as the department was authorized to contract specialized help when necessary, they saw no objection to this recommendation. This senior attorney would have to be a good trial lawyer.

Six Member Core Environmental Impact Side 2, Track 2 (046)

The department is able to get financial assistance to conduct wildlife contract work. In some cases this work is mandated. The department requests permission to give these people a secure position within the department. This would allow the department to carry the people with experience between contracts. The LFA recommended this request.

The FTE level would not increase. The department contracts with other agencies, the contracts are not with individual people.

The end product is an administrative decision. What they need is the authority to spend from one fund VS another to maintain the person on staff. There will be work to fill in.

The modified request of 11.25 FTE was recommended by the LFA to conduct such studies as the Northern Tier Pipeline studies. These are all funded by either federal or private funds. It is difficult to tell how many people will be needed but the department felt that the LFA recommendation was realistic. It was also stated that these studies could be conducted much cheaper within the department as opposed to contracting the service.

Senator Boylan expressed the concern that these studies might be somewhat biased if conducted within the department. He would like to see outside input. Mr. Posewitz felt this was a legitimate concern. He stated that the only way to conduct these studies was to maintain scientific integrity. There is no way to maintain this program if they were to start reflecting bias.

Sometimes this staff will go beyond 6 members, but the intention is to pull back to the core level, when the work decreases.

The subcommittee has the option to authorize this six member core staff but in the event that the contracts do not come in, the other 11.25 FTE will not be hired. The department felt that this would be fair.

The Executive recommendations were made with all the federal funding out.

Fish Program (236)

The LFA recommends adding 1 FTE in 1980 and additional license fees. All current fisheries operation would be maintained at the current level, with current license fees. The LFA also recommends 2.75 FTE in 1981 on the basis of the US Fish and Wildlife Service providing the money to conduct studies of streams in the eastern part of the state and some Northern Teir Pipeline research.

The additional FTE requested by the department had to do with contracted studies. The department has a good possibility of more funds coming in than originally stated.

Mr. Whitney stated that contrary to the LFA statement, there is not going to be any excess of income over the appropriation. Fishing licenses do not fund the fish program. They only fund the fish division.

Nonresidents who purchase temporary fishing licenses are not paying their share toward the cost of the fish program.

Concern was expressed that the fish hatcheries might be closed if there was not a license fee increase. In explanation, Mr. Whitney stated that the programs were asked where they would cut, should they have to operate under an 80% level. Should this happen, some of all the programs would have to be cut. If money that is asked for is appropriated, there will be no need to close any fish hatcheries, provided the inflation rate does not soar.

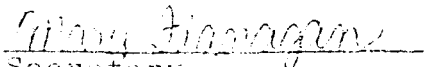
Total income from licenses only fund about  $\frac{1}{2}$  of the total program. The department is operating at the maximum, 75/25 ratio.

Mr. Whitney stated that with the LFA recommendation which amounts to almost a 19% cut from what the program requested. There is no way to say they will be able to run at current level at this point.

The program is not in a secure position with regard to any of this federal or private funding. Dingle-Johnson money cannot be used in fish production.

The meeting was adjourned at 11:15 A.M., until 8:15 A.M., January 25.

  
REP. REX MANUEL, Chairman

  
Secretary