

MINUTES OF THE MEETING
AGENCIES II SUBCOMMITTEE

February 28, 1979
8:15 A.M.
Room 343
State Capitol Building
Subject: Work Session

The meeting was called to order by Chairman Rex Manuel with all members present. Also present were Bob Robinson, LFA and Jim Williams, OBPP.

The purpose of the meeting was to hear department recommendations to budget proposals approved by the subcommittee. The departments heard were: Department of Agriculture, Department of State Lands, Department of Natural Resources, Department of Business Regulation, Department of Livestock and the Department of Fish and Game.

The meeting was not recorded.

DEPARTMENT OF AGRICULTURE
Old West Regional Commission

Gordon McOmber and Mary Evans were present on behalf of the department. The department requested that spending authority be allowed for Old West Regional Commission grant funds in the amount of \$7,581 for 1980 and \$4,005 for 1981. Two grants have become available since the department made their original request. This would involve a .25 FTE to administer the program at a cost of \$2,823 for 1980 and \$2,800 for 1981 out of Hail Insurance. The program would also need \$1,600 for 1980 and \$1,650 for 1981 out of general fund.

The general fund money for Hail is not new money but to be shifted from Centralized Services (available due to the down-grading of a position).

Environmental Management

The department requested that an additional \$9,557 for 1980 and \$5,365 for 1981 of general funds be provided. This will be to avoid reductions in the state pesticide, insect and weed programs. This will affect the number of chemicals registered for special local needs.

In order to secure EPA grant funds, the department is required to match funds in certified grants and provide 15% funding to secure enforcement grant funds. This would be in addition to money already appropriated for operations.

Plant Industry

The department protested the \$10,000 cut in overtime, most of which goes to seasonal employment and cannot be avoided. These seasonal employees are required to be available during peak seasons for interstate movement of cherries and potatoes. Producers and shippers are unable to operate on a 40 hour week during this time.

\$10,300 appears in the appropriation; however, it is all in earmarked revenue. \$3,000 actually goes to the Grain Lab in Great Falls. Approximately \$7,500 was spent in FY 1978 from general fund. The department is requesting the ability to handle the influx if such a situation occurs.

The department also requested that position #405, auditor/investigator be reconsidered to enable them to increase collections and satisfy industry complaints.

DEPARTMENT OF STATE LANDS

Travel Budget

Leo Berry stated that the department is concerned with the travel appropriation in the Reclamation Division. Last year the department over-expended its travel budget, but the difference was made up in other areas. The department spent \$54,922 last year and requested \$48,735. The committee allowed \$27,494 for travel, with the intent that additional expenses could be made up with vacancy savings. The department did not feel that they could count on vacancy savings to this extent.

The department stated that travel in the federal grant could be counted on for about a \$10,000 cushion. If another \$15,000 were authorized the department felt they could operate with that budget. Without it there would be a decrease in services to the industry and it could cost Montana more in the long run. This additional money would all be general fund.

Mr. Berry also pointed out that if House Bill 684 passes they will need an additional FTE, plus travel money and a vehicle. This would create a 20% increase in the number of inspections the division would have to make.

DEPARTMENT OF NATURAL RESOURCES

Energy Planning Division

Richard Isaacs and Ted Doney were present on behalf of the department. Mr. Isaacs stated that there was an error in the Energy Division. General fund allocations should be reduced to \$325,108 for 1980 and \$328,151 for 1981.

Forestry Resources Division

Mr. Isaacs stated that there are more other funds available than the

subcommittee allowed. This amounts to an increase of \$101,728 for 1980 and \$100,093 for 1981. The department also suggested that general fund could be reduced to \$1,910,705 for 1980 and \$1,937,229 for 1981.

Water Resources and Planning

The department suggested a decrease in other funds and an increase in general fund related to some program modifications. The subcommittee action allowed 3 FTE for the Dam Inspection Program, but moved the money to operating expenses. It was the committee's intention that the department absorb this with their present staff. The division has lost 8 FTE to the Governor's hiring freeze and did not feel that this could be absorbed.

The department testified that this was one of their highest priorities but could get by with 2 FTE instead of 3 as originally requested. These FTE would terminate when the job was completed.

The department suggested that general fund allocation be \$1,632,531 for 1980 and \$1,642,303 for 1981. For other funds they suggest \$918,352 for 1980 and \$1,469,661 for 1981.

Mr. Isaacs also suggested that language in the bill concerning the Daly Ditch be changed to read "no general funds are authorized for capital outlay or capital equipment for the Daly Ditch irrigation project." As it reads now, it implies that general funds will be available should an agreement be reached.

Mr. Doney brought to the subcommittee's attention that due to the Congressional National Energy Act, 2 programs, Utility Conservation and Overall Conservation, may require state matching funds. This could amount to \$120,000 for the Utility Conservation Program for the biennium and \$300,000 for the Overall Conservation Program. The Overall Conservation Program provides that the state will fund 50% of the administration costs. The final decision in this matter will be left up to the Governor.

DEPARTMENT OF BUSINESS REGULATION

Kent Kleinkopf and Carolyn Doering joined the meeting. Mr. Kleinkopf stated that his department has problems with the travel budget. The Financial Division operated almost entirely as a travel agency.

There is currently a bill being introduced to increase per-diem and travel to state employees. If such a bill passes they will be forced to call many bank examiners back into the office where there is very little for them to do.

The department requested \$94,565 for 1980 and \$101,475 for 1981 for travel. The subcommittee allowed \$86,000 each year which was the Executive recommendation and was about what they spent in 1978.

The department reverted \$22,210 last year and used vacancy savings to upgrade some of the bank examiners.

In Milk Control the subcommittee allowed \$7,000 more in travel than last year's expenditures. The program double checks milk that the dairies test. The division is looking into the possibility of contracting for this milk testing.

DEPARTMENT OF LIVESTOCK

In the event that Senate Bill 68 passes the department will require the restoration of a position cut last spring. This position would be full-time office help and would cost about \$15,700 for 1980 and \$15,900 for 1981. This would be totally earmarked funds.

DEPARTMENT OF FISH AND GAME Budget Modifications

Tom Rippingale presented an analysis of Budget Modifications as are explained in detail in attached Addendum 1. These modifications are almost entirely federal monies. They have been authorized by budget amendment for 1978-1979. The department is requesting that they be extended through 1980-1981. This would be added on top of the present appropriation.

Accounting Entities

Mr. Rippengale also requested reconsideration of the appropriations made to three accounting entities: Federal Motorboat Safety, Snowmobile Registration and Parks FPRA. These are explained in detail in attached Addendum 2.

Wildlife Division

The subcommittee has recommended that this division take full advantage of federal funds available. The division is currently matching federal funds with 40%. The committee recommended that they go to a 25/75 match.

The program currently administers two kinds of projects, those that are 100% state funded which use between 20% and 30% of the budget. The rest of the projects qualify for and are matched with federal funds. The state may match these funds any way they choose. The proposed 25/75 match would cut back state project money and would be used to maintain federal projects, because they are cheaper dollars. At the same time, the federal dollars would increase. The net effect would be an 11% cut in state funds to be compensated with federal funds.

Money that is allowed to be set aside for land acquisition would be drawn upon.

Fisheries Division

Art Carney presented budget problems in the Fisheries Division as are explained in detail in attached Addendum 3.

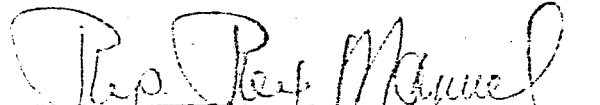
Law Enforcement

Orville Lewis asked that the subcommittee reconsider the program modification requesting 3 FTE and \$123,000 per year to expand the Hunter Access Program. This would mainly be to assist the eastern part of the state. These FTE are not on board now. It was suggested that this money could possible come out of the 02131 Account.

It was pointed out that the subcommittee should also consider the unfunded liability of the department's retirement fund, which may also have to come out of the 02131 Account. However, another bill, House Bill 420 would create additional income to this account.

There was discussion on how the retirement fund came to be unfunded and the PERS retirement fund.

There was no further business, the meeting was adjourned at 11:13 A.M.


REP. REX MANUEL, Chairman

Mary Glendon
Secretary

Analysis of Current Administration
Fiscal Years 1980 & 1981
Montana Department of Fish & Game
February 23, 1979

Budget Amendment Request Number	Projects by Division	Fiscal Year 1980		Fiscal Year 1981	
		FTEs	Spending Authority	FTEs	Spending Authority
	<u>Centralized Services</u>				
	Funding through a/e 04522:				
Wt. Grab.	ONS Vegetation Study	-0-	\$ 10,000	-0-	\$ -0-
	Totals for a/e 04522 & Cent. Serv. Division	-0-	\$ 10,000	-0-	\$ -0-
	<u>Ecological Division</u>				
	Funding Through a/e 04522:				
2104	ONS Planning	1.00	\$ 21,000	1.00	\$ 22,000
2103	Corps Engr. Rereg. Study	-0-	24,703	-0-	-0-
2211	B.L.M. Instream Flow	1.92	47,600	1.92	47,300
	Totals for a/e 04522 & Ecol. Div.	2.92	\$ 93,303	2.92	\$ 69,600
	<u>Fisheries Division</u>				
	Funding from a/e 04522:				
2210	Murry Springs Hatchery	4.00	100,000	4.00	90,000
2210	Stream Characterization	0.52	3,370	-0-	-0-
2212	DHES Lake Survey	0.30	26,300	-0-	-0-
2213	B.L.M. Yellowstone Tributaries Inventories	2.41	36,300	0.34	3,958
	Total For Fisheries Division	7.23	\$165,970	4.34	\$ 93,958
	<u>Enforcement Division</u>				
	Funding Through a/e 02017:				
2303	Snowmobile Safty Education	-0-	\$ 17,613	-0-	\$ 18,141
	Total a/e 02017	-0-	\$ 17,613	-0-	\$ 18,141
	Funding Through a/e 02207:				
2303	Snowmobile Enforcement	-0-	\$ 2,060	-0-	\$ 2,122
	Total a/e 02207	-0-	\$ 2,060	-0-	\$ 2,122
	Total Enforcement Division	-0-	\$ 19,673	-0-	\$ 20,263
	<u>Wildlife Division</u>				
	Funding Through a/e 04522:				
2106	B.L.M.-Terry Badlands	1.00	\$ 22,999	-0-	\$ -0-
2107	B.L.M.-Rocky Mountain Front Mule Deer Study	-0-	22,823	-0-	\$ 20,942
	Total a/e 04522 & Wildlife Div.	1.00	\$ 44,722	-0-	\$ 20,942

Budget Amendments into Fiscal Years 1980 & 1981: Continued

Budget Amendment Request Number	Projects by Division	Fiscal Year 1980		Fiscal Year 1981	
	<u>Parks Division</u>				
2303	Funding Through a/e 02017: Snowmobile Dev., Op., Maint.	1.50	\$150,517	1.50	\$163,273
	Total a/e 02017	1.50	\$150,517	1.50	\$163,273
2303	Funding Through a/e 04180: Snowmobile, Improvements to land-RCPS	-0-	\$ 26,526	-0-	\$ 26,526
	Total a/e 04180	-0-	\$ 26,526	-0-	\$26,526
2305	Funding Through a/e 04941: Disaster Assistance-FDA	-0-	\$100,000	-0-	\$ -0-
	Total a/e 04941	-0-	\$100,000	-0-	\$ -0-
	Total Parks Division	1.50	\$284,267	1.50	\$199,799
	<u>Total For The Department</u>				
	Funding Through: a/e 02017	1.50	\$176,130	1.50	\$181,414
	a/e 02207	-0-	2,060	-0-	2,122
	a/e 04180	-0-	25,750	-0-	26,526
	a/e 04522	11.15	389,065	7.26	104,500
	a/e 04941	-0-	100,000	-0-	-0-
	Total For Fish & Game	12.65	\$693,925	8.76	\$304,562

Please Note: The above amounts are estimates based on anticipated needs for completing the project; therefore, these budgeted amounts may vary by a few thousand dollars.

FISH & GAME DEPARTMENT
 REQUESTED AUTHORITY ALTERATIONS
 February 28, 1979

February 28, 1979

The department has been provided with a basic breakdown of the sub-committees preliminarily considered appropriation levels by accounting entity. Those preliminary figures have three flaws which have come to light since the original development of the departments' submitted budget.

1. Federal Motorboat Safety money (04820) has been discontinued and no new federal authorizations will be forthcoming. Present authorizations (of 72,717) are continuable into the 1980-81 bienium. It is the departments request that \$45,804 and \$26,913 be authorized in each respective year of the bienium and that the lost authority be added to the 02131 account (\$19,014).
2. Revenue in the Snowmobile Registration fund (02207) is about \$40,000 annually and there is a very small growth rate. Presently the cash balance of the entity does not cover its 1979 authorizations. To authorize \$59,000 annually in an entity which can only bring in \$40,000 can only result in unused authority. It is the departments request that \$19,394 and \$19,510 be authorized for use in 1980 and 1981 from the 02131 earmarked funds in place of the excess authority in 02207.
3. Parks FPRA 04940 does not expect any operating revenue during the bienium and accordingly it could not support the \$100,000 annual operations authority preliminarily assigned to it. The department requests that \$40,000 annually of this authority be transferred to 04186 and \$60,762 and \$63,252 be transferred to 02131.

In summary the effect of these three adjustments is as follows:

Item Reference	Accounting Entity	Changes	
		1980	1981
1.	04820	-0-	-19,014
2.	02207	-19,394	-19,510
3.	04940	-100,762	-103,252
1., 2., 3.	02131	+80,156	+101,776
3.	04186	+40,000	+40,000

FISHERIES DIVISION BUDGET
FY 1980

<u>FY 79</u>	<u>Difference</u>	<u>LFA</u>	<u>Difference</u>	<u>Department</u>
\$2,029,000	(-4.5%)	\$1,937,000	(-13%)	\$2,230,000
730,000 - Hatcheries				
240,000 - St. Mgt. Proj.				
135,000 - Support Serv. & Admin.				
154,000 - D-J Matching				
<u>\$1,279,000</u> - Total 02131		1,151,000 (-10%)		
460,000 - D-J Federal				
290,000 - Contracts				
<u>750,000</u> - Total 04522		\$ 786,000 (+4.8%)		

Major items of hatchery expenditure continued to increase last year.

	<u>1977</u>	<u>1978</u>	<u>Increase</u>
Fish Food (No. 1 & 2)	24c	28½c	18%
Fish Food (3/32 & 5/32)	18 3/4c	22c	17%
Gas - Dist. Truck	40c	45c	12½%
Diesel - Dist. Truck	35c	43c	23%
Elec. Power - Gt. Falls	\$2,900	\$3,532	22%

Over 25% of the hatchery budget is fish food, travel, utilities and maintenance. Thus it is unlikely that our costs of operation will increase less than 10%.

Legislative intent appears to be that we maintain our fish stocking program at its current level. We also have a legislative mandate to meet responsibilities under two habitat preservation laws, the 1963 Stream Preservation Act and the 1975 Natural Streambed and Land Preservation Law. The two parts of our budgets that do these things are

Hatcheries	-	\$730,000
St. Mgt. Proj.-		<u>240,000</u>
		\$970,000 for FY 79

If our costs inflate 10%, this will require \$1,067,000 in FY 1980. We must also continue our D-J matching funds at current level to utilize the federal aid funds for which Montana is eligible.

\$1,067,000
+ 154,000 D-J matching
\$1,221,000

This is \$70,000 more than the LFA recommendation even if we eliminated the Division Administrator, Assistant Division Administrator, Secretary and all statistical and data processing work in the Helena and Bozeman offices. Without head office direction, data processing and record keeping, the Division could perform none of its functions well, including fish stocking.

Thus the end result of the LFA recommended budget and 10% inflation would be the loss of federal funds even though the 04522 portion of the LFA recommendation is adequate for current level federal and contract expenditures. The increase needed in 01131 authorization to prevent this happening is

\$ 155,000
70,000
\$ 225,000