

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE  
ON NATURAL RESOURCES  
January 8, 1981

The meeting was called to order by Chairman Stobie. Roll call was taken and all were present but Senator Smith.

Bob Robinson passed out the work sheets of the Supplementals to be presented today. No work sheet was prepared for the Energy Division so he gave an oral presentation. As of last night the Energy Office updated their request from \$120,000.00 to \$200,000.00. At this time fifty percent of the year has passed and they have expended 90% of their budget. The new administration has acquired all the problems of a mismanaged program. A 1979 study of the division by the budget office resulted in reorganization of the old Energy Planning Division into what is now called the Energy Division and another called Utility Siting Division. Now there are two Division Administrators and a new position called the Special Assistant for Energy Policy.

Centralized Services for special assist is budgeted a total of about \$32,000.00 in FY 81 for the personal services of Energy Policy Coordinator. He was on about half the year in 1980 which accounts for another \$15,000.00 which totals \$47,000.00 for the biennium.

Another cause of the supplemental is the department's request in 1979 to have approximately \$40,000.00 per year transferred from the Energy Division to the Water Division budget.

Another complication resulted from unintentional underfunding when the Montana Energy Office appropriation was transferred to DNR from the Lieutenant Governor's office.

Responds to the diesel fuel crisis was also turned over to the Energy Dept. Their job was to round up diesel fuel and find out where it was and how much could be shipped to Montana locations.

In 1979 the Legislature passed the Emergency Energy Power Bill and the division spent a lot of time this past year researching developing administrative rules related to it. This effort was not funded.

The Resource 300 request of \$577,298.00 is to pay the costs assisting with the Governor's job creation program in western Montana.

The Department of Professional and Occupational Licensing is asking for 5 different supplements:

1. Board of Architects for \$4,210.00
2. Board of Psychologist for \$2,000.00
3. Board of Professional Engineers and Land Surveyors for \$6,400.00

4. Board of Nursing for \$20,945.00
5. Board of Horse Racing for \$31,739.00

Witnesses from the Department of Natural Resources were introduced. Leo Berry, Director, John Armstrong, Administrator of Centralized Services, Gary Brown, Assistant Administrator of the Division of Forestry, Mr. Don Underwood, William Gosnell, Administrator of the Energy Division.

THE ENERGY DIVISION REQUEST OF \$200,000.00 was explained by Leo Berry. He followed the Energy Program from the time it was originated in 1978 and originally assigned to the Lt. Governor's office. When it rested with the Lt. Governor's office they had a budget of approximately \$123,000.00 when the people were shifted to D.N.R. of only about \$78,000. Expenditures were above that as they were operating at a \$123,000.00 level. In 1980 the Division was given \$78,271.00 in 1981, \$79,054.00. This resulted in an underfunding by the last legislature of \$45,000.00 in 1980 and \$44,327.00 in 1981 for a total deficit of \$89,487.00. For some unexplained reason there was \$38,000.00 shifted per year to another research division. This was done by Mr. Dick Issacs who preceeded John Armstrong and resulted in a shortfall of \$76,000.00 for biennium.

THE DIESEL CRISIS was also an expense for the Energy Department. A series of personal service contracts were entered into, with the total cost of \$69,455.00. Those contracts have since been terminated.

An analysis to develop rules for emergencies resulted in an additional cost of \$10,755. This effort was directed by the Governor's office. For a total deficit of the areas mentioned is \$245,677.00. He stated that they have terminated as many of the expenditures as they can and think they can absorb the \$45,677.00. In regards to the Diesel Crisis, Mr. Gosnell said the department was responsible for bringing in 2.1 million gallons of diesel into the state acting as the middle-man. A book that has a copy of the rules set up by the Department was left with the committee chairman.

RESOURCE 300, (Exhibit B) under the Department of Natural Resources was presented to the subcommittee by Gary Brown. He explained that due to last year's depressed employment situation and because of the shut down of the lumber mills in the western part of the state, a decision was made by the Governor to employ approximately 300 people in the Division of Forestry. The total employment because of turnover amounted to 448 people. Two thousand one hundred seventy acres were thinned. The total program cost was approximately \$697,000.00. These people were

MINUTES OF THE MEETING OF THE APPROPRIATION SUBCOMMITTEE FOR  
NATURAL RESOURCES

Page 3

January 8, 1981

also used for some firefighting. There was originally a proposal to use Resource Indemnity Trust Funds for this purpose. At that time a suit was filed against the Governor by Rep. Bardanouve and Rep. Marks. Sometime later a decision was made to spend General Fund. The Division is currently absorbing about \$600,000.00 from their regular appropriation. They have always used Youth Corps to do the forest thinning before except in one case where they contracted the job near Seeley Lake. There is not much market for logs at this time so the \$8.00 per thousand timberstand improvement fund has not built up. Mr. Brown stated that they did get Federal funds for thinning of about \$5,000.00 a year. As far as the \$73,650.00 for equipment they stated that they have purchased 225 chainsaws, safety items, fire extinguishers, 15 portable radios and 5 mobile units. This program is considered a worthwhile program since the people in it do firefighting as well as thinning. No Supplementals will be submitted in 1983.

THE FIRE SUPPRESSION SUPPLEMENTAL under the Department of Natural Resources (Exhibit A) was reviewed by Leo Berry and Gary Brown. Since there is no way of guessing when there will be a fire and funds needed to fight these fires are impossible to estimate. There were some financial problems in the regular budget, for instance, \$155,000.00 in vacancy savings taken out of the budget and the vacancies never occurred. There was other fire suppression money budgeted in that were to be received from the Federal Government and Congress cut back the money. The Department is absorbing approximately \$244,000 of lost federal funds. The total amount the Division can absorb by cutting back is \$534,000.00. There is an additional expenditure of \$62,000.00 on this summers' fires that is not included in the supplemental amount.

The legal expenses indicated in Exhibit A were in connection with the fire that was started by Montana Power Company lines which the Division fought and recovered \$355,000.00. The recovery was split with the Federal Government, and the FEMA program. Still in litigation is \$70,000. FEMA contributed \$280,000 to suppress the Pattie Canyon Fire. The witnesses for the Department of Natural Resources was dismissed.

WITNESSES FOR THE DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING were then introduced: Ed Carney, Director presented their supplemental requests, Exhibit C. He expressed the University charges have gone up for the examination rooms. There is no general fund in this department.

MINUTES OF THE MEETING OF THE APPROPRIATION SUBCOMMITTEE FOR  
NATURAL RESOURCES

Page 4

January 8, 1981

BOARD OF PSYCHOLOGIST for \$2,000 (Exhibit C, page 2);

PROFESSIONAL ENGINEERS AND LAND SURVEYORS for \$6,400.00 (Exhibit C, page 3). Many engineers are wanting to be licensed in Montana because of the oil and coal development.

BOARD OF NURSING for \$20,945.00 (Exhibit C, page 4). Mentioned was that the nursing renewal fee is \$10.00 per year. They need \$918,000.00 for remodeling computer services.

HORSERACING REQUEST FOR \$31,739.00 less \$6,660.00 for lab tests that was withdrawn from this budget request. There is a \$139,444 balance in 1980 for this program. There is one state steward and two assistant stewards paid for by the state. Increased security was not as well planned and additional money is being sought in the 1980-1981 budget, at \$4,500.00. This board uses much legal counsel. It cost \$2,064.00 in legal fees in 1980. In 1980 4,295 licenses were issued to people directly connected to horse racing. During 102 racing days in 1980, 8.9 million dollars were handled. Some new Federal regulations were explained to the subcommittee. Montana is the only state without a paid veterinarian. Each hires individually and many hired do not have any experience with racehorses. It was also evaluated that a state veterinarian could help in the responsibilities with security. They would like to hire three vets. in order to have them available for conflicting races by putting out applications. They stated they did want to stay away from drugs for their animals and stick to oats, barley and water. Mr. Carney said they should be able to operate at the present budget and there should be no need for additional license fees.

EXECUTIVE ACTION:

ENERGY SUPPLEMENT for \$200,000.00. Motion was made by Senator Stimatz to pay the \$200,000 and seconded by Senator Smith

Stobie	NO	Cozzens	YES
Hemstad	YES	Smith	YES
Manuel	YES	Stimatz	YES

MOTION PASSED.

FIRE SUPPRESSION supplemental for \$1,117,124.00 was voted on. Motion was made by Rep. Manuel to approve the \$1,117,124.00, seconded by Hemstad. Motion carried with all in favor.

MINUTES OF THE MEETING OF THE APPROPRIATION SUBCOMMITTEE FOR  
NATURAL RESOURCES

Page 5

January 8, 1981

DEPARTMENT OF NATURAL RESOURCES for Resource 300 requesting \$7,000.00. Motion was made by Manuel with all in favor that no action be taken and the supplement be referred to the full committee.

Roll call vote was:

Stobie	YES	Cozzens	YES
Hemstad	YES	Boylan	ABSENT
Manual	YES	Smith	YES
		Stimatz	YES

A motion was made by Representative Stimatz that all the remaining requests with the exception of the \$6,660.00 for lab tests under HORSERACING that was withdrawn be passed. Motion passed with all in favor.

The meeting adjourned at 11:30 P.M.



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CHRIS STOBIE, Chairman



WITNESS

VISITORS' REGISTER

APPROP SUB-

HOUSE NATURAL-RESOURCES COMMITTEE

BILL SUPPLEMENTALS

Date 7-8-81

SPONSOR \_\_\_\_\_

THURS

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
JOHN A. MERCER	POLSON, MONTANA			
Leo BERRY	Helena	DNRC		
Nancy Brown	Missoula	DNRC Division of Forestry		
J S Gosnell	HELENA	DNRC - Energy Div		
DON UNDERWOOD	MISSOULA	DNRC Forestry		
JOHN ARMSTRONG	HELENA	DNRC		
<del>F. L. ...</del>	<del>OBPP</del>	<del>OBPP Representative</del>		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME \_\_\_\_\_ Bill No. SUPPLEMENTALS

ADDRESS \_\_\_\_\_ DATE 1-8-81 THURS

WHOM DO YOU REPRESENT \_\_\_\_\_

SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Dr. JJ Murphy

GT Falls

Board on  
Horse Racing

E. Sarny

Delaware

Dept. of  
Professional +  
Occupational  
Licensing

T. Cohen

Office of Budget +  
Program Planning



NAME Jim Williams

Bill No. Supplemental

ADDRESS O.B.F.P.

DATE 1/8/81 THURS

WHOM DO YOU REPRESENT \_\_\_\_\_

SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

DEPARTMENT OF NATURAL RESOURCES

Fire Suppression Supplemental

The executive budget is requesting a \$1,115,905 supplemental appropriation for reimbursement of expenditures related to forest fire suppression in fiscal 1980.

If all expenses related to the resource 300 - fire suppression program are considered the total supplemental appropriation needed is \$1,117,124 as the table below indicates:

Summary of Forest Fire Suppression Expenditures and Dedications for Fiscal 1980

U.S. Forest Service Charges for Fiscal 1979 Fires Billed in 1980	\$ 14,203
Fiscal 1980 Fire Suppression Costs	1,344,888
Fiscal 1980 Pattee Canyon Fire Legal Expenses	6,694
Fiscal 1980 Spring Fire Suppression Costs	4,226
Fiscal 1980 Resource 300 - Fire Suppression Costs	<u>120,176</u>
 Total Fire Suppression Costs	 \$1,490,187
 Deductions	
FEMA Reimbursements	\$ 253,402
Contributed Suppression Funds	61,017
Appropriated Suppression Funds	<u>60,000</u>
 Total Deductions	 \$ 374,417
 Fiscal 1980 Forest Fire Supplemental	 \$1,115,770
Fiscal 1981 Resource 300 - Fire Suppression Costs	<u>1,354</u>
 Total Supplemental	 \$1,117,124

The supplemental request includes \$6,694 of legal expenses related to determining responsibility for the Pattee canyon fire. Legal expenses are not fire suppression costs and should not be included in this supplemental request.

Rep manifest & notes  
APP

Date: all in face

DEPARTMENT OF NATURAL RESOURCES

"Resource 300" Supplemental Request

The governor established the "Resource 300" effort in fiscal 1980 to create jobs for 300 unemployed forest workers in western Montana. High unemployment due to sawmill shutdowns created the impetus for the proposal.

The program was authorized to spend \$800,000 in this effort. Expenditures were made for timber thinning on state forest land and fire suppression. The tables below show expenditures by major category for both fiscal 1980 and 1981.

Resource 300 - Responsibility Center 59950

	<u>FY 1980</u>	<u>FY 1981(Thru Nov)</u>
Personal Services	\$102,409	\$282,239
Contracted Services	-0-	5,729
Supplies	29,576	13,690
Communications	-0-	221
Travel	601	156
Rent	11,107	30,015
Utilities	-0-	28
Repairs	9,279	10,951
Other	149	
Equipment	<u>73,650</u>	<u>          </u>
Total	\$226,771	\$343,029
Biennial Total		\$569,800

Resource 300 - Fire Suppression Responsibility Center 59951

	<u>FY 1980</u>	<u>FY 1981(Thru Nov)</u>
Personal Services	\$110,601	\$ 597
Control Services	32	
Supplies	902	454
Travel	398	
Rent	7,628	
Repairs	414	303
Equipment	<u>200</u>	<u>          </u>
Total	\$120,176	\$1,354
Biennial Total		\$121,530

The department is requesting \$577,298 to pay the expenses related to the timber thinning portion of the program. The \$7,498 difference between the department request and reported expenses is in hand but unpaid bills.

Expenses related to the resource 300 - Fire suppression program are included in the department's fire suppression supplemental request.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

Explanation of Supplemental Requests

ARCHITECTS #1 \$4,210 (1)

\$2,510 for Section A exams.

- In May, 1979, the national council of architecture registration board amended rules to allow college students to take exam on graduation, rather than after three years' apprenticeship.

Fiscal 1979 - \$3,500 budget amendment for these exams.

Fiscal 1980 - \$3,500 budget amendment for these exams.

Fiscal 1982-83 proposed budget contains funds for these exams.

\$200 for increased rent on exam rooms.

\$1,500 for increased legal, travel, and supply costs associated with increasing number of complaints.

PSYCHOLOGISTS #2 \$ 4,098 \$2,000 (2)

\$2,000 for unanticipated legal costs.

A 1973 case was finally settled this year, requiring additional expenditures from fiscal 1981 budget.

Two other cases are now pending.

PROFESSIONAL ENGINEERS AND LAND SURVEYORS #3 \$ 43,379.00 \$6,400 (3)

Received \$3,400 supplemental in fiscal 1980; seek additional \$3,000 for fiscal 1981.

\$3,700 for contracted services for required printing of roster, unanticipated legal costs and increased data processing charges.

\$2,700 for travel for unanticipated investigation and board meetings to discuss complaints.

This field is growing quickly as the number of licenses demonstrates:

	<u>Engineers</u>	<u>Land Surveyors</u>	<u>Eng./Land Surveyors</u>
1978	2,176	271	292
1979	2,321	275	294
1980	2,444	280	293

NURSING #4 \$ 166,423 \$20,945 - 113,787

\$18,000 to update computerized licensing program in time for December 1981 renewals.

- System last updated in 1973; present system is slow and does not allow edits or updating

- New system will take six months to devise and install.

\$2,945 for equipment to microfilm all license records.

Number of licenses, 1980 - 9,237 registered nurses; 3,506 licensed practical nurses.

HORSE RACING #5 \$31,739

\$9,500 fiscal 1980 supplemental for security at race tracks.

\$4,500 for security costs in fiscal 1981.

\$17,739 to implement requested modification for drug screening at the beginning of the race season (May, 1980)

- \$7,400 for veterinarians' fees \$200/day X 37 days

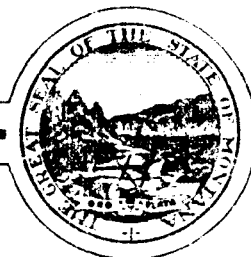
- \$3,679 for their travel expenses.

- \$6,660 for lab tests \$15/test X 444. *withdrawing*

ENERGY DEPT.  
DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION  
CENTRALIZED SERVICES DIVISION

EXHIBIT D

32 SOUTH E WING



XXXXXXXXXXXXXXXXXXXX

STATE OF MONTANA

(406) 449-3647

HELENA, MONTANA 59601

Mr. Chairman, members of the Committee:

In support of the request for \$200,000 in supplemental general funds, the following is provided.

The below factors have contributed to the supplemental request for the Energy Division:

1. The fiscal 1979 transfer to and reorganization of the Energy Division in the Department of Natural Resources and Conservation.

The transfer of the Montana Energy Office (MEO) to DNRC occurred in July 1978 (fiscal 1979). The 1979 Legislature appropriated \$157,325 for the 80-81 biennium for the MEO activities, based on analysis conducted by the Budget Office at that time. The transfer of functions included 11.5 FTE, of which 5.5 were general funded. It is now apparent that the general funds were not sufficient to cover the salaries and administrative costs of the 5.5 FTE. Further, HB 891 pay plan funds were not provided, further impacting the shortfall.

It is estimated that a biennium deficit of \$89,437 occurred as a result of the appropriation, based on 1978 expenditures for the MEO.

2. Committee Action during the 1979 Session.

For some reason, the administrator of the DNRC Centralized Service Division requested that \$38,000 per year be moved from the Energy Division's budget during testimony before the Appropriations committees. The Fiscal Analyst and Budget Analyst both recommended the higher figure. This reduced amount totals \$76,000 for the biennium.

3. The 1979 Diesel Crisis.

As a result of the crisis, a total of \$69,455 for fiscal years 80 and 81 was expended for non-budgetted activities. A listing of the expenses is attached.

4. Contingency Energy Emergency Planning.

Subsequent to the crisis, the Energy Division was directed to adopt rules, develop contingency plans, and develop an implementing structure for the management of future crises. This work is currently underway, and has caused a net general fund deficit of approximately 10,755 to date.

The total of 1-4 is \$245,647 for the biennium. Our request for \$200,000 recognizes all of the above factors, and puts the burden on the Division to absorb the remaining shortfall by June 30.

It should be pointed out that the current funding problems have been recognized by the budget office, and hopefully, the fiscal analyst. The 82-83 Governor's budget recommends a general fund total of \$465,938 for fiscal 1982 for the Energy and Facility Siting Divisions, with five less FTE. The \$200,000 supplemental, in addition to the \$323,321 currently available, is very close to the fiscal 1982 recommendation, given the 5 FTE.



CONTRACTOR COSTS:

Natalie (LEE) Walshe:

March 26, 1979 - June 29, 1979	Contract # ED-NW-111 = \$	3,787.26	8979
July 5, 1979 - December 31, 1979	" # ED-NW-134 =	8,710.01	80
January 2, 1980 - May 31, 1980	" # ED-NW-230 =	8,073.15	80
	TOTAL	20,570.42	

Shawn Brister:

June 16, 1979 - July 20, 1979	Contract # ED-SB-133 = \$	862.10	80
July 23 - December 31, 1979	" # ED-SCB-140 =	4,564.90	80
January, 1980 - June 30, 1980	" # ED-SB-231 =	4,678.11	80
July 1, 1980 - December 19, 1980	" # ED-SB-366 =	5,154.40	81
	TOTAL	15,259.51	

David Joscelyn:

July 13, 1979 - October 12, 1979	Contract # ED-DJ-137 = \$	3,838.76	80
October 29, 1979 - January 1, 1980	" # ED-DJ-137 =	2,533.44	80
October 15 - 22, 1980	Contract # ED-DEJ-213 =	900.38	81
January 2, 1980 - June 20, 1980	" # ED-DJ-232 =	8,194.20	80
	TOTAL	15,466.78	

Lois Delger:

August 6, 1979 - December 13, 1980	Contract # ED-LED-141 = \$	4,165.38	80-81
- January 25, 1980	" # ED-LED-238 =	733.82	80
	TOTAL	4,899.20	

Clifford Cate:

November 16, 1979 - Dec. 28, 1979	Contract # ED-CGC-220 = \$	2,213.12	80
May 12, 1980 - June 6, 1980	" # ED-CGC-220 =	774.34	80
January 2, 1980 - May 9, 1980	" # ED-CGC-234 =	5,294.44	80
June 9, 1980 - June 30, 1980	" # ED-CGC-234 =	1,221.97	80
July 1, 1980 - Dec. 13, 1980	" # ED-CGC-370 =	7,542.81	81
	TOTAL	17,046.68	

total cost = \$ 69,451.32