

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE
ON NATURAL RESOURCES
January 26, 1981

The meeting was called to order by CHAIRMAN STOBIE. Roll call was taken with all members present. The meeting was held in Room 431 at 8:00 a.m.

The HEARING for the FISH, WILDLIFE AND PARKS was the agenda.

JIM FLYNN, DIRECTOR OF THE FISH, WILDLIFE AND PARKS DEPARTMENT introduced the directors of the various divisions.

LARRY PUTNAM, ADMINISTRATOR OF CENTRALIZED SERVICES, JIM POSEWITZ, ADMINISTRATOR OF THE ECOLOGICAL DIVISION, ART WHITNEY, ADMINISTRATOR OF THE FISHERIES DIVISION, ERWIN J. KENT, ADMINISTRATOR OF THE LAW ENFORCEMENT DIVISION, GENE ALLEN, ADMINISTRATOR OF WILDLIFE DIVISION, STEVE BAYLESS, ADMINISTRATOR OF CONSERVATION & EDUCATION DIVISION, RON HOLLIDAY, ADMINISTRATOR OF RECREATION PARKS DIVISION.

MR. FLYNN gave an overview of the Department, stating he was glad for the opportunity to go over the budget with this subcommittee. A history of the budget for the Department was given showing that it changed from a program budget to a division budget. Mr. Flynn also stated that he would welcome a budget system that could be understood by all.

Because of the low revenues and inflation the agency filled only 450 FTE positions last year. This year, 475 FTE's are authorized and 457 will be filled. He stated that they have already cut about 10% of the FTE authorized by the last legislature.

MR. FLYNN asked the subcommittee's indulgence in that there are some errors to be corrected in the budget.

CENTRALIZED SERVICES:

LARRY PUTNAM, Administrator of Centralized Services, introduced his Division by saying that it is a support unit, (EXHIBIT A).

LARRY PUTNAM showed their interpretations and recommendations of the budget, expressing that the \$1.3 million shown in the budget in line item 8100 on top of page 216 of their budget is a revolving account.

In reference to the FTE's he stated that they can afford to get along without some of the FTE's but that the LFA budget shows 8 less FTE's than the Executive Budget and that this cut would eliminate necessary jobs. Other differences are explained in (Jan 22 min EXHIBIT C). They plan on spending approximately \$462,000 on contracted services this year. These expenditures involve computer costs which are \$150,000; \$135,000, for legislative audit fees for FY 83; \$9,000, Department of Administration for payroll processing, and \$20,000.00 for janitorial services. Printing is running about 15% more each year. They

have phased out the five year preference system and dropped the plastic cards. This will cut expenses. The plastic card system has cost FISH, WILDLIFE AND PARKS about \$700,000.

The legal fees in question was explained as costs due to a dispute on the Yellowstone River with the Indian reservation. These were paid to a Mr. Herron. There will be no fees incurred in 1982-83 budget.

Regarding the warehouse, they suggested that they would like to take a closer look at this. They would accept eliminating 1 FTE as the OBPP recommends, but not the 2 FTE as suggested by the LFA budget.

There was a request for further information regarding Centralized Services and in contracted services and a thorough breakdown.

ECOLOGICAL SERVICE DIVISION:
JIM POSEWITZ, ADMINISTRATOR

This Division is set up for the purpose of protecting the fish and wildlife habitat. A resume of this division and their expenses was presented (EXHIBIT B). He stated that they have a core staff of five.

Some of the things this division will have to face was highlighted, being:

1. Refiling of water rights.
2. Coal leasing in eastern Montana. When there is mining taking place in an area it is the Ecological Division's job to secure some land when the habitat is critical.
3. Representing fish and wildlife interests in major energy development projects.
4. Protecting fish and wildlife impacted by escalating oil and gas exploration.

This department had two applications for mineral leases on its own land, but are proposing an open discussion on what to do on their own property before acting.

They have raised some money outside of Dingle-Johnson, Pittman-Robertson funds to work on the allocation of waters in relation to refiling water rights on some of the better trout streams.

The Budget was reviewed and the difference between the LFA and OBPP budgets were elaborated on. It was stated that the

Ecological Division has about 23 people working; that they will accept the OBPP recommendation. MR. POSEWITZ said under line-item, Salaries, Wages, Employees Benefits, they have left money in this area in the past.

MR. POSEWITZ said that they were working with individuals and oil companies, but that they have not set up a criteria that an owner cannot exercise his mineral rights.

There is \$70,000 left in this Division in the 1100 to 1400 line of the budget that was predominately people working out on contracts.

Under the 01100 funding item, LFA identifies that they could rightfully make a general fund charge of about \$41,000. Mr. Posewitz said what goes into that figure is part of the water quality coordination project and the other is that they give a grant to the USGS to participate in their stream gauging program because they need to know what goes into the streams.

Another thing they said was missing was the Fish and Game earmarked revenue backup for the core staff. They recommend OBPP budget.

FISHERIES DIVISION
ART WHITNEY, ADMINISTRATOR

Mr. Whitney presented his Division and their budget request (EXHIBIT C). He stated that they are the people that collect the information on the Montana waters and fish, and fishermen. They use this information to direct their annual stocking program, and recommend fishing regulations to the Commission.

They stated that they were asking for less than the LFA budget recommends; therefore, accepts the OBPP budget. They can maintain the hatcheries and planting with this budget, but that they do need some temporary help in the hatcheries and want the clerk that was taken out of the FTE's. Mr. Whitney said that the figures they are asking are based on license increase as outlined in the Fiscal Note from HB 200 (EXHIBIT D).

SEN. SMITH asked for a complete breakdown of FTE's in this Division.

LAW ENFORCEMENT DIVISION
ERWIN KENT, ADMINISTRATOR

(EXHIBIT E) was presented to the committee. In FY 81, they were shown with 92.99 fulltime employees, but they only hired

85.99 FTE. They have 6 warden positions and one warden trainee position vacant. One other adjustment under the 1983 OBPP recommendation is the FTE level of 86.49. This is an error as the 90.49 FTE was approved when the documents were prepared. The amount shown was for funding of 86.49 FTE only. The figure of \$2,787,973 should be increased by \$107,793 as follows: wages, \$62,388; benefits, \$15,485; operation, \$25,920 in travel.


Mr. Kent said that they were currently short wardens in Lewis-town and Great Falls.

Under operations, the OBPP provides for 6 more people. The travel will result in about 20,000 miles annually compared to the LFA of 24,000 miles per warden.

Under the LFA Budget, under Item 2900, the \$127,000 includes \$65,000 for wildlife damage, and \$62,000 for additional fuel. It was also stated that the Livestock Expense is \$800 for a horse. The question about horses on game ranges that do not belong to the department was questioned and Mr. Kent stated that they are keeping some horses under the arrangement that they would have free use of these horses. Also under equip-ment, no money is budgeted for any new equipment, only repairs and maintenance.

Senator Galt has a Senate bill for a 40 hour a week for the Game Warden in which case it was told that they would need 10 more wardens--that they would be appearing against the bill.

The witnesses were excused and the meeting adjourned at 12:00 noon.



CHRIS STOBIE, CHAIRMAN

lmw

NAME LARRY PUTNAM BILL No. _____
ADDRESS Admin. of Cent Serv. - DATE _____
WHOM DO YOU REPRESENT DEPT. FISH, WILDLIFE & PARKS
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Testimony of Mr. Larry Putnam, Acting Administrator, Centralized Services Division, Department of Fish, Wildlife and Parks before the Appropriations Subcommittee considering the department's budget. January 26, 1981.

The Centralized Services Division is an administrative and support unit to the other divisions and top management within the department.

There are three major functional areas contained in the Centralized Services budget:

- 1) Regional offices
- 2) Accounting and Finance Bureau and
- 3) License Bureau.

Regional offices are located in seven communities across the state; Kalispell, Missoula, Bozeman, Great Falls, Billings, Glasgow and Miles City. Their primary purpose is to coordinate field efforts by employees and provide direct services to the hunting, fishing and park using public. Regional personnel also provide administrative support to department employees located in their geographic region.

The Accounting and Finance Bureau is responsible for providing management and financial control information to other divisions, top management, the Governor's Office and the Legislature. This function is becoming more and more important in this time of increasingly tight budgets in state government.

The License Bureau is responsible for printing, consigning and monitoring remittances for nearly 1.6 million hunting and fishing licenses to nearly 400 license dealers at sporting goods stores and other businesses across the state. This bureau is also responsible for processing over 70,000 applications for big game drawings each summer and 17,000 nonresident big game licenses annually.

With regard to the Centralized Services Division budget request, I would direct your attention to page 216 of the budget worksheets you have before you. The "bottom line" of the Centralized Services budget request is a large number, nearly 3 million dollars in FY82 and about 3.1 million dollars in FY83. I would like to put these numbers in perspective for the subcommittee. First of all, the Legislative Auditor has recommended that the department budget our vehicle and warehouse revolving accounts in our biennial budget request. We agree with the Fiscal Analyst that this inflates our budget request; however, an arm of the Legislature, the Legislative Auditor, has recommended this action and we are complying with that recommendation. Amounts involved in these revolving accounts are 1.1 million dollars in FY82 and 1.2 million dollars in FY83. In addition, approximately \$550,000 per year is budgeted for regional offices away from Helena. If these amounts (revolving accounts and regional offices) are deducted from the original "bottom lines," the actual budget for the Helena based Centralized Services functions is approximately 1.3 million dollars in FY82 and FY83, less than 10% of the department's total budget request.

I would direct your attention back to page 215 of the budget worksheets. Two major differences exist between the LFA and OBPP budgets you have before you - one is in the FTE's and associated personal services amounts, the other is in contracted services.

Let's take a look at the FTE's first. We would certainly agree that Centralized Services can get along with fewer people than currently authorized. Currently, there are 69.16 FTE's authorized in the division. However, the division only has 62 people on board (in other words, there are 62 warm bodies filling slots). This is seven fewer than authorized. We have already trimmed out these seven FTE's through gradual attrition.

OBPP recommends retaining our actual current strength of 62 for FY82 and FY83. However, the LFA recommends a total reduction of 15 people in Centralized Services - a reduction of eight more people than recommended by OBPP. The LFA proposal is drastic surgery and would require paying off eight people. (Note: A detailed listing of currently authorized positions and proposed reductions by OBPP and LFA appear in Chart 1, attached.)

The other major area of difference in the numbers before you on page 215 is contracted services.

We feel we have made real progress in reducing our contracted services expenses over \$300,000 from about \$780,000 per year in FY80 to an estimated \$475,000 in FY81. Contracted services have been reduced by the gradual phaseout of the 5-year preference system by the Fish and Game Commission and the elimination of the plastic card system. However, there are many essential services in the contracted services category such as janitorial services for Regional offices, printing of hunting and fishing licenses, computer costs to run the drawings and process the nonresident big game licenses, Legislative Audit fees, and payroll processing fees. Adoption of the proposed LFA contracted services budget could prevent the printing of essential hunting and fishing licenses or cause a breakdown in processing big game drawings due to lack of computer budget. (Note: A detailed listing of the contracted services requested in the OBPP FY82 and FY83 budgets appears in Chart 2.)

Chart 1

Information Regarding Centralized Services FTE's

Currently on Board:

Administrator and Secretary	2.00
Regional Offices	23.50
Accounting and Finance	18.00
Licensing	18.33
Total (OBPP request)	61.83
Pilots (left out of OBPP request in error)	2.00
	63.83

Attrition in last year:

- 4 Accounting Clerks
- 1 Accounting and Fiscal Manager (never filled)
- 1 Clerk (warehouse)
- 1 FTE (3 part-time positions) - Licensing
- 7 FTE

Additional Staff Necessary to Layoff Under LFA Budget:

- 3 Clerk-Typists (Kalispell, Great Falls, Billings offices)
- 2 License Clerks
- 1 Accountant (handles expenditure controls)
- 1 Property Manager
- 1 Equipment Mechanic (shop)

Chart 2

Contracted Services - Centralized Services

FY82

Computer Operations - Licensing	\$131,000
Printing of Licenses	138,000
Computer Programming - Maintenance	35,000
Microfiche - Licensing	300
Game Damage - All Divisions	65,000
Ex-Officio Wardens - All Divisions	20,000
Janitorial Service - Regional Offices	12,400
Maintenance and Janitorial - Helena Office	28,925
Payroll Processing Fees	14,000
Computer Operations, Microfiche - (Accounting Budgeting System, Warehouse/Vehicle System)	<u>29,204</u>
	\$473,829

FY83

Computer Operations - Licensing	\$138,000
*Printing of Licenses	170,000
Computer Programming - Maintenance	40,000
Microfiche - Licensing	300
Game Damage - All Divisions	65,000
Ex-Officio Wardens - All Divisions	20,000
Janitorial Services - Regional Offices	12,400
Maintenance and Janitorial - Helena Office	28,925
Payroll Processing Fees	14,000
**Audit Fee - Legislative Auditor	50,000
Computer Operations, Microfiche - (Accounting Budgeting System, Warehouse/Vehicle System)	<u>30,715</u>
	\$569,340

*Includes 12,000 not included in FY82 for everyother year purchase of computer licenses for drawings.

**Not included in FY82. Everyother year expense.

NAME Jim Posewitz Ecological Div. BILL No. _____
 ADDRESS 528 Madison Helena DATE 26 Jan '81
 WHOM DO YOU REPRESENT Mont. Dept F W & P
 SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. 26.81
1400005

EXH B

COMMENTS TO APPROPRIATIONS SUBCOMMITTEE

By

James A. Posewitz, Administrator
Ecological Services Division

January 26, 1981

Preserving habitat that supports fish and wildlife populations is the primary mission of the Ecological Services Division. With Montana coming under unprecedented pressures to develop its other resources, this is becoming a demanding job.

For the last two years, we have dealt with important issues facing fish and wildlife populations. The role we achieved was that of striving to balance wildlife preservation with resource development. We did this by trying to mitigate the impacts of development and by striving for compensation for unavoidable impacts on fish and wildlife.

We see our job as that of bridging the gap between the proclamations that call for balanced growth and the reality of achieving it. For the past two years we have developed some innovative concepts, raised funds as authorized, encountered unexpected problems that we were able to cope with within the parameters set down by this committee two years ago.

After two years of work, we have spent two months preparing budgets under severe income constraints. In that process, we have spent less than two hours to discuss our budget with the legislative fiscal analyst as a division. Finally, we now have 20 minutes of your time within which we hope to highlight our problems and preview what we expect in the next biennium.

Two years ago, the concept of the core staff was created in this committee. Essentially, that means backing up four people who worked primarily on contracts, but are not totally dependent upon contracts for their employment. In the past biennium we were able to guarantee their employment by identifying their salary dollars in our earmarked revenue account (02131).

In the time period between 1976 and 1979, 11 biologists passed through the Ecological Services Division. In the present biennium, our turnover rate has been reduced to zero. We are now holding competent, trained personnel. In the core staff we now have 25 years of cumulative experience, and the core concept staff, along with the spending authority authorized two years ago, have allowed us to stay completely within our budget and seek no budgetary amendments in the past two year period.

In his analysis of our coming biennial budget, the legislative fiscal analyst characterized the Ecological Services Division as an "ancillary" division. The division was then given somewhat less significance than the "critical" divisions. In the specific area of Ecological Services Division, our program takes the lead in water allocation for fish and wildlife habitat purposes, critical habitat protection on the eastern Montana coal fields, representing fish and wildlife interests on major energy development projects, and now protecting wildlife values impacted by escalating oil and gas exploration, to mention a few of our areas of responsibility.

These are not "ancillary" activities, but jobs essential to the retention of Montana's fish and wildlife resource over the long-term. Meeting legal requirements and seizing opportunities available in numerous laws that speak to protecting fish and wildlife habitat is not an expendable service to be diminished. To the contrary, it lies

at the heart of long-term fish and wildlife protection. These requirements and opportunities are found in both state and federal laws. The point is, these activities are neither ancillary nor supportive in character; rather, they are basic to legal compliance and long-term preservation - first, of the resource, and second, of the recreational activities supported by that resource.

In the coming biennium, we anticipate facing a number of substantial challenges in our effort to protect fish and wildlife resources. Some of the major challenges are water allocation, coal leasing and oil and gas development.

In the area of water allocation, the Department of Fish, Wildlife & Parks has had a water right on portions of 12 major trout streams since 1969. We are required to refile as all water users are; our goal is to protect some of the best trout fishing streams left on the North American continent. We are working on refiling, and it has represented a substantial burden. We are doing it within existing budgets while raising some additional funds from the private and federal sectors.

In our Office of Budget and Program Planning budget of 1983, some money is included to support our filings in the adjudication process.

In the area of coal leasing, we expect an accelerated program to be pursued by the federal government. Here again, we will attempt to balance that escalating demand with our mission of protecting critical habitat. We are now engaged in identifying critical habitats and where those habitats come in conflict with coal leasing, we have and will continue to negotiate an equitable solution. At the present

time we have three people staff people working in the area of critical habitat protection in coal leasing activities. One of these three people is a core staff person.

Oil and gas development is rapidly expanding throughout the state. These activities have a potential impact on fish and wildlife resources. While in most areas we have little involvement, there is substantial effort being expended by our department along the Rocky Mountain Front and on Fish, Wildlife & Parks properties.

Along the Rocky Mountain Front, we have substantial populations of grizzly bear, elk, sheep, goats, deer and other wildlife. The land pattern is a combination of federal and private ownerships with the state of Montana owning three game ranges along the Rocky Mountain Front. On Fish, Wildlife & Parks properties statewide, we have experienced unanticipated impacts related to oil and gas development. During the past biennium, we have dealt with nine seismic applications and two lease applications are currently pending before our commission. The environmental reviews for these projects are being handled by core staff persons.

Of the nine seismic permit applications, eight were approved and one was denied. The two pending oil and gas lease applications are for the Sun River Game Range and the Fox Lake Waterfowl Area. We are currently preparing environmental reviews for both of those actions.

Basically, the Fish, Wildlife & Parks Department was caught unprepared to deal with oil and gas leasing. Unlike the Department of State Lands, we have no bidding process, no fee schedule and we have conducted no broad public policy review as to whether or not we should be engaged in this activity. We intend to conduct such a policy review, and that review is partially budgeted in the OBPP program.

Today, our general thrust with the oil and gas industry has been to establish a working relationship, wherein they recognize the needs of fish and wildlife populations and we, in turn, respect their right to explore and develop oil and gas.

In addition, we continue to handle other traditional functions, including Montana Environmental Policy Act compliance, forest planning reviews, reviewing federal water projects, stream preservation and others.

One of the other areas of our involvement is in the area of water quality, and I would like to explain briefly the role of that unit. It consists of two persons - one biologist and one field assistant. It is basically a coordinating unit, and the need for coordination rests on the fact that the criteria adopted for water quality are based primarily on the tolerance of fish. Our role of coordinator is important because the Department of Fish, Wildlife & Parks has 40 fish biologists who are often the closest people to fish kill and water pollution problems. While the Department of Health has two branch offices, one in Billings and one in Kalispell, Fish, Wildlife & Parks has biologists in 20 cities around the state. The need is to coordinate our efforts with Health to prevent duplication of effort by two state agencies.

It is also a known fact that in the case of fish kills, the public will generally turn to the Department of Fish, Wildlife & Parks biologists because they are the nearest at hand.

Through a memo of agreement, we have a program to coordinate construction permits which must be issued to cover short-term construction projects that add sediment to streams. The issuance of

these permits is coordinated with our stream inspections under two stream preservation acts.

The Pesticide Registration Board was established by state law and the water quality biologist represents our department on that registration board.

Finally, water quantity and quality are related, and our water pollution control team investigates those relationships so that they may be represented in instream flow activities.

Montana is doing well in protecting fish and wildlife habitat. We are able to do so because the state and federal laws provide opportunities to protect habitat. If we can utilize these opportunities, we can meet the challenges of the 1980's, and basically that challenge is to balance this state's development with the preservation of its fish and wildlife values.

To accomplish this, I would like to make specific comments on the budget. The legislative fiscal analyst's FTE level is unrealistically restrictive. At the present time we have 23 persons employed and seasonal help is already severely restricted. A more realistic projection of our personnel need is in the OBPP budget where the FTE level is set at 29.75. This is down about 10 positions from that authorized in the previous biennium, but we probably can live with it nicely.

On the budget lines 1100 to 1400, I would like to note that in fiscal 1980, Ecological Services left \$70,000 unspent in this category. That was primarily due to core staff persons being out on contract monies at the time. In the OBPP budget, we are already minus one core staff and some temporary employees; however, we can manage at that level.

In budget lines 2100 to 2900, I would point out that the OBPP budget is already extremely lean due to income constraints within the Department of Fish, Wildlife & Parks. We basically need the authority that is shown in the OBPP budget to function most efficiently.

On budget lines 01100, a \$41,100 general fund appropriation is restored. While I certainly agree with the legislative fiscal analyst's logic in assigning those costs to the general fund, I must be realistic and call your attention to the fact that that appropriation could be easily lost. If it were lost, we would need that authority to spend \$41,100 restored to the earmarked revenue or 02131 account.

In the 02131 account, I urge that you return to the OBPP level so that the core staff can continue to be accommodated. The OBPP levels are already reduced; they represent a very tight operation budget, but it does give security to the core staff - a fact that I feel is absolutely essential so that we can bring experienced help to bear on some of the most serious problems our wildlife resource will face during the coming biennium.

On the 04522 budget line, in 1980 we spent about \$100,000 less than was authorized. That was based primarily on not raising sufficient federal and private revenues. For 1981, it looks like we will be at about \$227,000 - or very close to what we anticipated two years ago. In 1982 and 83 both, \$513,131 is identified as being available in this account. From reviewing the projects we are funding under that account, it appears that we could go as high as \$279,000 in fiscal 1982. That could take us beyond the \$513,131 level when combined with the standard federal aid projects available to us. Therefore, in order to prevent the necessity for additional budget amendments, \$100,000 added to that account could cover all likely revenues through the two-year period.

As stated earlier, the committee's decision two years ago to back up the core staff with earmarked revenue account dollars, and to identify spending authority available to us for the work we have described has proved to be a very workable solution to our problems. It is our feeling that we have kept the faith with the committee and operated within those budgetary constraints responsibly. We definitely have something very positive going in this process, and I hope the committee sees fit to continue it into the future.

ECOLOGICAL SERVICES DIVISION

Budget Subcommittee Concerns

January 26, 1981

It was pointed out to the budget subcommittee that in fiscal 1980 the Ecological Services Division left approximately \$70,000 unspent in its salaries (1100) bracket and a total of \$83,000 unspent in its earmarked revenue account (license funds - 02131). Although not exclusively, this unused authority was primarily the result of Core Staff people spending a good share of their time on contract funds. This was precisely as indicated to the committee in 1979 that the Core Staff concept would work.

Funds remaining unspent represent legislative authority not used. In order to use 02131 money, it must first be authorized, and secondly earned through license income (available to be spent). If 02131 money authorized, and earned, remains unspent, it remains in that account for use in the next fiscal year or biennium - again, provided it is authorized by the legislative budget for that year.

The advantage in budgeting for full Core Staff support is primarily in the area of personnel management. People so employed can unequivocally be told they will not find themselves suddenly unemployed due to time gaps between contracts or lack of authority to spend 02131 dollars.

The dollars saved during contract work simply remain in the account ("treasury," so to speak), and do not affect the next year's appropriation. Since the dollar amount is relatively small (less than

1 percent) compared to the total department 02131 account, it does not result in a significant accumulation of dollars actually earned in this license revenue account. In fact, at best the dollars saved are well within the expected margin of error inherent in making license income predictions.

The important aspect is that it does keep the now experienced staff secure and productive.

As mentioned previously, in the past two years we have not lost any of our Core Staff personnel. In the previous three years, 11 people left similar type contract positions because of a lack of job security.

FISHERIES, DIV.

NAME ART WHITNEY BILL No. _____
ADDRESS HELENA DATE 26 JAN 81
WHOM DO YOU REPRESENT MT. DEPT. FISH WILDLIFE & PARKS
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

C

Fisheries Division Budget Request to Appropriation Sub Committee
January 26, 1981

Arthur N. Whitney, Fisheries Division Administrator

The Fisheries Division collects the information on Montana's waters, fish, and fishermen that it is necessary to have in order to preserve habitat, to direct fish stocking programs, and to design effective fishing regulations. We use this information working with other land and water users through the Natural Streambed and Land Preservation Act and the Stream Preservation Act to save fish habitat. We use the information to prepare annual stocking programs. We raise, distribute, and stock 8 to 9 million fish in our seven state-funded and one federally-funded hatcheries, we also direct the stocking of 2 to 3 million fish from the four federal hatcheries in Montana. These 10 to 12 million fish are stocked in from 3- to 4-hundred waters each year. Over 90 percent of these waters are lakes and reservoirs. We also use the information we collect to design the fishing regulations which we recommend annually to the Fish and Game Commission. Fishing regulations serve three purposes: To provide a more equitable distribution of fish among fishermen, to preserve the resource, and, in certain areas, to provide special types of fishing, such as in our trophy trout management areas. The Fisheries Division also regulates Montana's small commercial fishing industry which by Montana law is limited to non-game fish. This industry harvests from one-half to one million pounds of rough fish, primarily carp, buffalo, and gold-eye each year. In addition to utilizing a resource that would otherwise go to waste this small industry also has the potential of improving sport fishing in certain waters.

Before discussing our budget request in detail I want to correct a clerical error. On the first page the total first level for the OBPP 83 column should be the same as for the OBPP 82 column, \$1,580,668. The two figures above in this column on lines 1100 and 1400 should also be changed accordingly and the total program cost shown on Page 2 should be increased by \$63,304 to \$2,230,674. This change is essential because the FTE's are the same in both the 82 and 83 columns, therefore, the dollars needed to fund them must be the same.

I recommend the FTE levels approved by this committee be those shown for the Executive budget rather than the reduced level in the LFA budgets. Although, as the LFA report points out, we will be eliminating two full time FTE fish culturist positions, one at Arlee and one at Somers, we have to have some temporary assistance at those stations during the fall of the year when the brood fish are being spawned at Arlee and salmon are being collected and spawned at Somers. Also a clerk in the Kalispell regional office who has been working almost 100 percent of her time for Fisheries now is being transferred from the Centralized Services Division to the Fisheries Division. A biologist who has been one-third in Fisheries and two-thirds in Ecological Services is being placed all in Fisheries. This temporary assistance and two personnel transfers constitute the 1.8 FTE difference between the LFA's proposal and the Executive proposal.

The difference between the salaries proposed by the LFA and the Executive are mostly due to the LFA's proposal including a 9 percent salary increase while the Executive's proposal does not. There is little difference between their proposals so I'll not recommend one over the other. It's merely a matter of how the committee wants to show salary increases.

As far as the operations figures are concerned, I recommend the lower figures as shown in the Executive budget. I have never before been in the position of recommending that an appropriations committee lower my Division's budget from what their analyst has proposed but in this instance I have to do so. It isn't that we couldn't use the money for good purposes, it's just that the Department as a whole has to work if any of us are going to operate successfully. While it would be nice to have the additional money, it would not do Fisheries any good if Centralized Services does not have the personnel to process our bills and our payrolls properly or to get the licenses distributed to dealers and the receipts back in. If Enforcement is reduced to where they cannot effectively enforce our fishing regs then there is little use in our promulgating them. And if Ecological Services is not funded to the level where they can successfully defend our water rights we will be trying to manage fisheries in streams that go dry every year. Therefore, for the overall good of the Department of Fish, Wildlife, and Parks I recommend that the Executive budget proposals be adopted by the Committee for the Fisheries Division so that you don't have to cut so deeply elsewhere in the Department.

If the Committee compares the Fisheries Divisions actual expenditure for Fiscal 80 to our budget for 81 it appears that we have already taken some large cuts. While we have reduced somewhat, the primary difference between 80 and 81 is due to contract studies which were added by budget modifications throughout Fiscal 80. When federal agencies or private companies need fisheries data to evaluate some of their construction projects they frequently offer us contracts to collect the data they need. When this is information that we would eventually want ourselves, but just haven't gotten to collecting yet because it isn't high enough on our priority list, we think it's a good deal for our Montana sportsmen for us to amend the budget and accept such contracts. Those contracts we know about during the budget setting process are in the budget for legislative consideration. There are about \$200,000 of such contracts in the budget proposals before you now. These are primarily Corps of Engineers contracts in connection with Libby project. One slightly over \$100,000 is for the annual operation of the mitigation hatchery at Eureka. We have two other Corps contracts in the area that total slightly less than \$100,000. One is for a study on Lake Koocanusa the other for a study on the river downstream from the dam.

One other difference between the Executive budget and the LFA's budget I would like to call to your attention is in the revenue estimate for 04522, federal and private revenue account. Note the Executive proposal looks illogical because for Fiscal 82 it predicts almost a million dollars and in Fiscal 83 only \$872,000. The LFA's proposal from \$930,000 the first year to \$950,000 the second looks more logical,

but there's a good reason that the Executive estimate drops. There is presently a carry-over of somewhat over \$200,000 in the Dingell-Johnson funds available to Montana. The Fisheries and the Ecological Services divisions propose to use this carry-over in Fiscal 82 to reduce the probability of having to lay any employees off during that fiscal year. Therefore, none of the carry-over funds will be available in Fiscal 83 and that revenue estimate is therefore lower.

This concludes my prepared statement, a summary of my response to the question on proposed hatchery construction projects and a summary of the Divisions's FTE's and positions are attached.

HATCHERY CONSTRUCTION NEEDS

1. The hatchery building at the Yellowstone River Trout Hatchery was constructed in 1922. This is a wooden, frame building without insulation. Variations of temperature on the exterior and continued exposure to moisture have caused the studs and sills to become decomposed resulting in the walls sagging and separating from the foundation. Estimated cost to replace the frame building with a metal structure would be \$125,000 to \$150,000.
2. Giant Springs Trout Hatchery at Great Falls should be programmed for complete renovation in phases. This station was also constructed in 1922 with only minor repairs being done since that time. The pond area is almost swamped periodically as a result of water level changes in Rainbow Dam. The pond area should be moved downstream and rectangular raceways provided instead of circular ponds which would increase the rearing capacity. The hatchery feed storage area and shop should be combined into one unit to conserve energy, and increase the storage and shop areas so equipment repair could be done during the winter months. Estimated cost of this work is over \$2 million.

FISHERIES DIVISION

MONTANA DEPARTMENT OF FISH, WILDLIFE, AND PARKS

FTE's and Positions - Allocated, Filled, and Vacant on January 26, 1981

	<u>ALLOCATED</u>	<u>FILLED</u>	<u>VACANT</u>
PERM & TEMP FTE's	76.26 (103 positions)	60.63 (66 positions)	15.63 (37 positions)
CONTRACT FTE's	<u>35.03</u> (67 positions)	<u>22.58</u> (26 positions)	<u>12.45</u> (41 positions)
TOTAL	111.29 (170 positions)	83.21 (92 positions)	28.08*(78 positions)

*4.43 of these FTE's are unfunded

Distribution of Filled FTE's and Positions Within
the FISHERIES DIVISION January 26, 1981

<u>ADMINISTRATION</u>	<u>FTE</u>	<u>PEOPLE</u>
Fisheries Division Administrator	1	1
Asst. Div. Admin. & Bureau Chief	1	1
Bureau Chief	1	1
Section Leader	1	1
Secretary	1	1
Statistical Technician	.59	1
	<u>5.59</u>	<u>6</u>
<u>MANAGEMENT</u>		
Regional Fisheries Manager	7	7
Supervisory Mgmt. Biologist -R1	1	1
Fish & Wildlife Biologists	14.33	15
Fishery Field Workers	4.17	5
Computer Programmer - R3	1	1
Lab Aide - R3	1	1
Supervisory Res Biol - R3	1	1
Laborers	1.21	3
Clerical help	.33	2
	<u>31.04</u>	<u>36</u>
<u>HATCHERIES</u>		
Hatchery Managers	7	7
Assistant Hatchery Managers	6	6
Hatchery Workers	10	10
Fish Health Specialist	1	1
	<u>24.00</u>	<u>24</u>
<u>CONTRACTS</u>		
Fish & Wildlife Biologists	8.08	9
Hatchery Manager & Assistant	2	2
Hatchery Worker	1	1
Fishery Field Workers	6.08	7
Laborers	4.92	6
Clerical help	.50	1
	<u>22.58</u>	<u>26</u>
TOTAL	83.21	92

STATE OF MONTANA

REQUEST NO. 116-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 16, 19 81, there is hereby submitted a Fiscal Note for House Bill 200 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

An act to increase funds available for management of the state's wildlife resources by increasing the fees for hunting, fishing, trapping, and related licenses and permits; removing the 7-year kill limitation on certain game animals; and removing the priority status for unsuccessful special elk and antelope license applicants.

Assumptions

It is assumed the license dealer commission fee will be increased from 15¢ to 30¢ per license. It is assumed the price of some licenses will not change (bow and arrow, nonresident antelope, nonresident bear, resident and nonresident Deer B). It is assumed the proposed fee increases will occur in three separate waves spread over the next several years: May 1, 1981, May 1, 1982, and May 1, 1983. It is assumed several licenses and fees will be eliminated (nongame certificate, nonresident 6-day fishing license, special elk drawing fee, special deer drawing fee). A 10% drop in the total sales volume of licenses sold is assumed if hunting and fishing license fees are increased. Historically after a license fee increase sales volume has dropped 8-15%. No difference was assumed between annual revenue generated in a Department of Fish, Wildlife & Parks license year (May 1 to April 30) and a state of Montana fiscal year (July 1 to June 30).

<u>Fiscal Impact</u>	<u>FY 1982</u>	<u>FY 1983</u>
Hunting & Fishing License		
Earmarked Revenue:		
Current Law	\$8,112,197	\$8,112,197
Operating Expense	<u>47,000</u>	<u>47,000</u>
	\$8,065,197	\$8,065,197
Proposed Law	9,239,446	11,534,788
Operating Expense	<u>0</u>	<u>0</u>
Estimated Revenue	\$1,174,249	\$3,469,591

Long Range Effects of Proposed Legislation

The fee increases scheduled for May 1, 1983 will have an additional annual revenue impact of \$802,231 in fiscal years subsequent to FY 1983. This revenue package was designed to carry the Department of Fish, Wildlife & Parks through the next four fiscal years without further major fee increases.

David M. Lewis
BUDGET DIRECTOR
Office of Budget and Program Planning

Date: 1-21-81

Technical or Mechanical Defects or Conflicts with Existing Legislation

Sec. 26, Subsec. (3) should read as follows: "(3) Section 16 is effective 7-1-81" Rather than July 1, 1980) There is a typographical error in drafting the bill.

LAW ENFORCEMENT DIV

NAME Erwin J Kent BILL No. FWSIP approp
 ADDRESS Helena DATE _____
 WHOM DO YOU REPRESENT Fish, wild life, Parks
 SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

- ① DUTIES
- ② Budget
 FFC diff -
 equip - (horse)

Ref GALT Bill
 Requiring 40 hr - game warden

Law Enforcement Division

The Law Enforcement Division is responsible for protecting fish and wildlife and their habitat and recreation, historical and archeological sites from willful or negligent destruction by achieving an acceptable level of compliance with regulations and laws relating to fish, wildlife, parks, and recreation. The goal of the Division is to protect fish and wildlife resources for posterity, promoting their wise and equitable use. It is the responsibility of this Division to enforce the laws, rules and regulations, and to see that all who fish, hunt, trap, boat and snowmobile have the proper license.

The Division maintains field administration of all license agents and issues and administers the provisions of special purpose licenses.

The Division is charged with responding to complaints of wildlife depredation and prescribing and carrying out means of alleviation.

The Division provides programs for control of recreationists on department owned or controlled lands or waters, state parks, recreation areas, and fishing access sites.

The Division provides community information and services through conservation education, sportsmen clubs, service clubs and youth groups. Provides information on and furthering understanding of management principles and department programs.

The Division administers the provisions of the outfitter law and maintains the supervisor of outfitting.

The Division coordinates training in the areas of hunter safety, boat safety and snowmobile safety. During fiscal year 1980, 5700 Montana youths were trained in the safe handling of firearms. An extensive statewide snowmobile safety course was established with 175 safety coordinators certified.

The Division is involved with programs to promote viable department-sportsman-landowner relations, enforcing fish and game laws as well as laws protecting private property, trespass, littering, etc.

AFFECT OF PRESENT PROGRAM LEVEL

Reduced personal services and operations have resulted in less visibility, fewer sportsmen and landowner contacts.

Adequate visibility and contacts provide a deterrent to violations. An axiom which describes deterrence to violations is a product of surety of apprehension and severity of punishment. Balance between the two provides the highest level of deterrence.

However, issuing more citations, making more arrests and getting judicial verdicts of guilty are not the only answers to any enforcement problem. These are methods of maintaining the status quo and providing a temporary deterrent.

Therefore, the ultimate goal of wildlife law enforcement has to be long-term deterrent measures as well as informing the general public about the magnitude of wildlife violations, the aesthetic and other values of wildlife and the role they share with the department in ensuring the conservative and legitimate use of their wildlife.

More specific examples include:

The enlarging energy development projects in the southeastern part of Montana, particularly that area covered by R-7, are going to increase the demands on recreational facilities. Along with the development, the growth in population will increase the high crime risk cohort age group. Enforcement personnel assigned to R-7 are already strained to cope with the present increase. The number of arrests have increased dramatically in the area, especially on the Tongue River Reservoir, due to increased use. The acquisition of the Rosebud Battlefield and subsequent development will require increased surveillance to provide protection from poaching and vandalism.

The Billings area is continuing to grow and more demands are being made on recreational resources, as well as more recreationists are wanting access to private land. Presently two warden vacancies exist in the Billings region. Also, vacancies exist in the Great Falls and Lewistown districts.

There is concern about the increased commercial activity in the sale of wildlife parts. The department must maintain its ability to see that the public interest in wildlife is protected.

The enforcement of "use regulations" in state parks and regulations has been reduced. Parks managers would like to see more enforcement visibility to ensure that all who use these facilities are able to enjoy their visits as well as protect the areas from vandalism.

Comparing the records so far in 1980 against those of 1978 and 1979, enforcement personnel have made 12% fewer creel checks

this year than last and 20% fewer than in 1978. This could lead to a serious situation if it becomes public knowledge. Sportsmen may quit purchasing licenses and the department loses the revenue.

The public is already aware that our wardens have been cut back on miles that have drastically reduced their patrol time in the field.

Although we have no accurate way to ascertain the drop in numbers of landowner contacts, some effects are being heard. For years, enforcement personnel have worked actively to promote good landowner-sportsman relations. This involved answering complaints, assistance with control of hunters by patrolling lands open to hunting and fishing, handling beaver damage complaints, etc. Several years of work would be lost if these programs are not maintained.

INFORMATION REGARDING ENFORCEMENT FTE

1981		1982 & 83
Authorized	92.99	Executive Budget
Actual	85.99	90.49
Administrator	1.00	1.00
Regulation & Field Administrative Bureau Chief	1.00	1.00
Safety & Training Bureau Chief (hunter safety, warden training, etc.)	1.00	1.00
Supervisor of Outfitting	1.00	1.00
Boat & Snowmobile Administrative Officer	1.00	1.00
Clerical	3.00	3.00
Pilots	2.00	--
Wildlife Research Lab (Temporary game herders, check station)	.50	--
	.49	.49
Field Captains	7.00	7.00
Field Sergeants	5.00	5.00
State Game Wardens	62.00	68.00
Warden Trainees at MSU & UM .50 each	1.00	2.00
(Vacant) State Game Warden	6.00	--
(Vacant) Warden Trainee .50 each	1.00	--
	<u>92.99</u>	<u>90.49</u>

COMPARISON OF LFA AND EXECUTIVE BUDGET

The 1981 budget shows an authorization of 92.99 FTE. Only 85.99 FTE are actually filled. The authorized FTE level for the executive budget 1983 is incorrect. It should be 90.49, instead of 86.49. This resulted from an error in transmitting documents to the budget office (see attachment).

Some vacant warden positions were kept unfilled in FY 1981 to provide adequate funding for operations that were more commensurate with actual expenses in operations in FY 1980. Each field warden had a mileage allocation of approximately 12,000 miles. We were able to use approximately \$43,000 remaining from unfilled positions to give each warden, sergeant and captain an additional 2700 miles for the months of September, October and November, 1980. If we are able to save anymore money in other operations categories, this will be diverted to field effort in May and June.

The LFA budget will provide six fewer wardens, and no warden trainees (2), and no .49 FTE for game damage herders. It provides an additional 62,000 to allow 24,000 miles annually for field wardens, while the executive budget will allow 22,407 FY 82 and 20,000 annually in FY 83.

The LFA budget has the pilots in the Enforcement Division. The pilots have multi-division responsibility for flying. Their availability for regular schedule enforcement programs is uncertain.

The LFA budget provides \$65,000 for wildlife damage. In the executive budget the \$65,000 is in Centralized Services. Other divisions may have to charge to this project.

The LFA budget has \$150,000 (from fines) to be transferred to the Game Warden Retirement Account. In the executive budget, it is shown in accounting entity transfers line 18100. It must be emphasized that this is a pass thru account and none of this can be used in our operations.

FY 82

The executive budget would place 82 full time enforcement personnel in the field and bring the division to a level that will allow an adequate coverage of the statutory requirements, and wildlife and recreation obligations, as well as provide proper assistance to landowners and sportsmen.

The replacement of the warden trainee program will allow the continued selection of highly qualified personnel from the university system.

The mileage for wardens is increased to 21,000 miles annually, which is regarded as a proper minimal level to do a satisfactory job. (This is based on .2417¢ per mile)

Money designated for equipment is for minimal replacement of worn out items. No money is budgeted for additional equipment.

FY 83

The same personnel level is forecast for this FY as described previously for FY 82.

Mileage level would be at 20,000 miles. This is based on .274¢ per mile.)

Equipment budget only for minimal replacement of worn out items.

STATE OF MONTANA
DEPARTMENT OF FISH, WILDLIFE AND PARKS

Office Memorandum

TO : James Flynn

DATE: December 29, 1980

FROM : Erv Kent

SUBJECT: Additions to 1983 Modified Budget

The 90.49 FTE's and funding for these positions was approved for the 1983 Modified Budget. The amount shown is for funding of 86.49 FTE's. The funding was inadvertently left out of the modified budget. The figure of \$2,787,973 should be increased by \$107,793 as follows:

Salaries - 4 wardens step 13/2	
Wages	\$62,388
Benefits	<u>15,485</u>
	\$77,873
Operations	
4 wardens	
miles @.27	\$25,920
Per diem, 4 wardens	
@ \$1000	<u>4,000</u>
	\$29,920
Total addition	\$107,793

The Office of Budget Planning was informed of the error and was requested to make the corrections. Apparently the request was too late for inclusion in the 83 modified budget.

EJK/ce

cc: Orville Lewis

LAW ENFORCEMENT DIVISION PROGRAMS

ACTIVITIES

1. Prevention & Field Contact
2. Apprehension
3. Prosecution
4. Administration

ACTIVITY AREAS

1. Open Season
2. Closed Season
3. Commercialization of Wildlife (Spec. Purpose Lic. fish pond, game farm, etc.)
4. Wildlife Damage
5. Back Country Patrol
6. Outfitter Administration

7. Hunter Safety
8. Boat & Snowmobile Regulations
9. Landowner/Sportsmen Relations: Trespass etc. (landowner contacts)
10. Water & Snowmobile Safety
11. Nongame Wildlife (falconers, etc.)

COMMUNITY AFFAIRS

1. Provide Community Information & Services
2. Conservation Education
Sportsman Clubs
Service Clubs
Youth Groups
3. Assistance to Other Agencies
Local, State & Federal Law Enforcement
4. Search & Rescue
5. Other Resource Agencies (Forest Service, BLM, etc.)

METHODS

1. Enforcement - Patrol - Visibility
2. Sportsmen-Landowner Contacts - License Checks
3. Physical Support (providing equip. or manpower on program projects)
4. Completion of Administrative Duties (attendance at dept. meetings, training planning, court and other prosecution aspects, reports, investigations, equipment, repair & maintenance)

SUPPORT OF OTHER DIVISION PROGRAMS

1. Administer License Agent Accounts (Centralized Services) also issue duplicate licenses
2. Provide Control of Recreationists on Dept. Owned or Controlled Lands or Waters (Parks)
3. Providing Information on and Furthering Understanding of Management Principles and Dept. Programs (Wildlife & Fish)
4. Collect Information for Management Input Seasons Settings, etc. (Wildlife & Fish)
5. Provide Fishing Conditions Roundup (Con. Ed.)
6. Other Physical Program Support - Manpower or Equipment (fish planting, etc.)