

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATION
SUBCOMMITTEE ON NATURAL RESOURCES
January 28, 1981

The meeting was called to order by CHAIRMAN STOBIE on January 28, 1981 at 8:00 a.m. in Room 431 of the Capitol. Roll call was taken and all members were present.

The HEARING for the DEPARTMENT OF FISH, WILDLIFE AND PARKS continued:

ADMINISTRATION DIVISION:

JIM FLYNN, Administrator, reviewed the budget with the Subcommittee and presented their recommendations by reviewing line items. Mr. Flynn read his response to the Legislative Fiscal Analyst's budget report by reading the Administrative Budget Comments. (EXHIBIT A)

QUESTIONS from the Subcommittee expressed complaints from individuals against the Department.

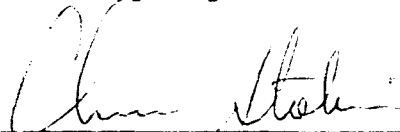
CAPITAL OUTLAY:

RON HOLLIDAY, Administrator of Recreation and Parks Division, addressed to the capital outlay and their requests. (EXHIBIT B)

A WRAP-UP was given by BOB ROBINSON, Fiscal Analyst. He stated that there was \$800,000 difference in the bienium on about \$19,000,000 of revenue. The LFA makes their recommendation on the current licenses fees.

JIM FLYNN, Administrator of the Fish, Wildlife and Parks gave his final remarks as shown in EXHIBIT C.

The meeting adjourned at 11:35 a.m.



CHRIS STOBIE, CHAIRMAN

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ADMINISTRATIVE BUDGET COMMENTS

BY JIM FLYNN

The Administration budget primarily funds the personnel who have the responsibility for assuring that the agency fulfills its statutory charges as laid out by Montana law.

This budget consists of three components: the Director's Office, the Fish and Game Commission and the Special Staff. Secretarial support for each of these components is also included in this budget.

At present this program includes 14.94 FTE's. 12.94 of these FTE's were authorized by the Legislature and 2.0 FTE's are the result of an amended reorganization the department went through in the last biennium.

Specifically these positions are a Director, a Deputy Director, an Associate Director, a Special Projects Coordinator, a Management Planning Coordinator, two Attorneys, a Land Agent and 6.94 Secretarial positions.

The Executive budget request calls for 11.50 FTE's in both fiscal years and I concur with that request. 11.50 FTE's would anticipate the elimination of the Special Projects Coordinator and the Management Planning Coordinator in addition to 1.44 secretarial positions.

The Fiscal Analyst has recommended further reduction of 3.5 FTE's. I assume that anticipates 2.5 less secretarial positions and I cannot agree with that recommendation.

Of the 5 FTE secretarial positions called for in the Executive budget, 1 FTE is allocated for the Fish and Game Commission. This quasi-judicial board requires this type of support on a full time basis in our Helena office. 1.5 FTE positions are allocated to our two Attorneys, this is a realistic support figure for such an office. 0.5 FTE is allocated for our Land Agent and giving his responsibilities for deeds, in lieu of taxes, title information and etc. this is a fair allotment. Finally we allocate 2 FTE positions for secretarial support for the Director, Associate Director and Deputy Director.

The Fiscal Analyst has also recommended elimination of the Associate Director position. I request that the committee leave that position in place and funded. I base this request on the need which is becoming more and more apparent to me for intensive concentration of management direction for this agency.

As you have proceeded through this budget you have expressed your concerns which need to be addressed, as this session progresses more areas are revealed. And at the same time outside this capitol building

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the agency's resource management responsibilities are increasing due to more demands from our constituency.

Specifically there are concerns with our land management which ought to be reviewed.

We are receiving pressure to develop our lands for oil and gas potential.

These things require time and manpower at the decision making level to review.

The pressures we all feel is causing me to determine that we must reevaluate our traditional organizational structure to determine if there is a more efficient and economical manner to operate. This will require strict attention and review of the decision making level.

In addition to these new challenges, the normal requirements of the agency go on. We still have to participate in the many debates on resource management which go on in our state and nation, we must still meet with our recreationist and exchange views, and we must continue to work with landowners.

As you can see the list grows and I am confident we can do the job, but we must have the help at the decision making level so that it is not necessary to forsake these issues because too much is expected of too few at the Director level.

I would mention that the organizational chart you have before you has already been modified by me. One of my first actions as Director was to have all Division Administrators report directly to me. I did this to get a handle on what the agency is doing, but primarily to establish the fact that there is one person totally accountable for the agency and that is the Director.

If you acknowledge my request I do not know if I would use the Deputy and Associate concepts or if I would utilize the Assistant to the Director concept, but in either case these individuals would work directly for me on an assignment basis.

With respect to the operational budget the Executive Budget requests are generally as follows:

2100 - Contracted Services - Includes approximately \$6,000 for an Indian Liaison; this individual is a retired game warden who has built a special rapport with the various tribes, he has been helpful in cooling some of the hot spots involved with Tribal-Department conflicts with enforcement. Includes approximately \$10,000 for appraisals, hydrologists, geologists and other special services required by the agency from time to time. Includes approximately

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\$9,000 for an engineering survey to determine needs for achieving energy efficiency in department buildings around the state. Includes approximately \$36,000 for retained attorneys. I have attached a memo from our Chief Attorney to the Associate Director dated January 19, 1981 which can provide information on this matter. I am not convinced that this later figure is realistic, however, I would request that it not be removed. I would suggest that any balance left in that itme at years end would be a prime candidate to assist in our meeing the committment we have made in the past to the Department of Livestock for predator control.

2200 - Supplies and Materials - Includes office supplies and materials to support the Director's Office, Legal Staff, Land Agent and the Fish and Game Commission. The Executive Budget requests for 6,312 and 6,512 are realistic.

2300 - Communications - Requests of \$8,672 and \$9,512 are to cover phone and mail costs for the same four components and are necessary.

2400 - Travel - Includes travel for commission which is five individuals attending at least one meeting per month in Helena as well as others in their district. An important item here is the travel by the Land Agent.

2500 - rent - These figures of \$4,748 and \$5,868 are set in the budget to cover the potential necessity to have to pay for meeting rooms in other cities should public hearings necessitate such cost or should commission meetings held in other cities require it.

2700 - Repair & Maintenance - These figures of \$803 and \$881 primarily cover office equipment of repairs and maintenance.

2800 - Other Expenses - Primarily covers dues to National Affiliates such as IAFWA approximately \$3,500 and items such as secretarial training.

2900 - Goods Purchased For Resale - Not familiar with LFA figure.

3100 - Equipment - Department does not anticipate equipment purchase at this time.

STATE OF MONTANA
DEPARTMENT OF FISH, WILDLIFE AND PARKS

RECEIVED
JAN 19 1981
FISH & GAME DEPT.
ASSOCIATE DIRECTOR

Office Memorandum

TO : Orville W. Lewis

DATE: January 19, 1981

FROM : F. Woodside Wright *F.W.W.*

SUBJECT: Response to Legislative Fiscal Analyst's Budget Report

The most recent LFA budget report makes statements related to legal services that require explanation or comment. In 1979, the 46th legislature provided in HB 438, under the Department of Fish, Wildlife, & Parks' section of that bill, the following provision:

Funds for an additional staff attorney are included in the Centralized Services budget. It is the intent of the legislature that the department utilize this position for regular legal advice and normal trial responsibilities. Funds are also included for contracting legal services in cases requiring a specialist.

At the time that provision was included, the department had one full-time attorney and two individuals retained as attorneys for the department, one of them a general retainer. At that time, all of the litigation efforts of the department were handled by general retained counsel. The one special retained counsel was for the department's litigation over ownership of the bed and banks of the Bighorn River and jurisdiction over hunting and fishing for non-Indians within the Crow Reservation. (U.S. v. Montana) When HB 483 became effective, the department followed its conditions as they relate to legal advice. The contracts with the special or limited retainer were rewritten. The general retainer was dropped and a contract drafted to cover only those items currently (July-August, 1979) under litigation which needed to be carried out by that individual. That contract was presented to the Legal Services Review Committee established in the Governor's office for such purposes. It was reviewed and approved for one year as was the special retainer for U.S. v. Montana litigation.

By October, 1979, the position for another full-time attorney had been advertised and arrangements made to fill it in January, 1980. The number of cases covered by the special retainer were 11. No new task or cases were given to the retainer during the 1979-80 fiscal year. Contracts for the two retainers were again considered in June, 1980. The special retainer for the U.S. v. Montana case was continued for the next year as that matter was still in the U.S. Supreme Court and had yet to be heard or all briefs submitted. The contract for the second retainer was also continued as there were 5 cases pending which required the continuation of that individual.

During that same time period, regular legal advice and normal trial responsibilities were handled by the two attorneys on staff and no new assignments were given to either retained counsel. As of the date of this memo, the U.S. v. Montana case has been submitted to the U.S. Supreme Court; it has been argued orally and we await decision by that court. The contract is still in effect and will remain in effect through the year in the remote possibility that re-argument is needed before the Supreme Court.

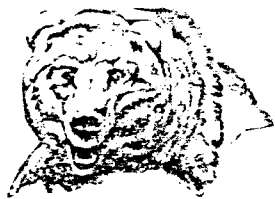
Orville W. Lewis
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The only remaining requirements for the second retainer are under U.S. v. Montana case and one other pending in federal district court. The difficulties and intricacies of that case are such that this individual might be termed a specialist on its facts and the law related to it. No other litigation or cases have been presented to either retained counsel and there is no anticipation that such presentation will be necessary. It is anticipated that as the need for these retainers is met and the contracts terminate that unless their specialist skills are required, the department will not contract with them or seek other outside retainers for regular legal advice or normal trial responsibilities.

Finally, I would comment that the LFA recommendation for Administration Division found on page 293 fails to take into account support work for the Fish and Game Commission. A director, deputy director, two attorneys, and a land agent can keep three secretaries hopping just in the normal run of events without any extra added attractions; e.g. the Fish & Game Commission or unusually difficult litigation, or extended or expanded land dealings.

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STATE OF MONTANA



DEPARTMENT OF FISH AND GAME

Helena, MT 59601
January 16, 1981

Mr. David M. Lewis, Director
Office of Budget and Program Planning
Capitol Building
Helena, MT 59601

Dear Dave,

Recently, members of my staff discussed briefly with Gene Huntington our Department's capital project requests which have been recommended for funding in the Executive Capital Construction Program for 1981-83. It was apparent that additional information regarding the funding sources for these projects would be useful during committee hearings and for proper drafting of subsequent appropriations bills, if any. Therefore, the following detail is being provided at Gene's request.

LRBP Priority	Project Name	Accounting Entity	Amount	Explanation
16	Fishing Access Acquisitions	02305	\$1,175,000	This is fishing license money which is earmarked specifically for access acquisitions.
		04186	<u>\$1,175,000</u>	Parks FPRA from the federal Land and Water Conservation Fund (LWCF).
			\$2,350,000 ✓	TOTAL
23	Regional Headquarters Repairs	02131	\$ 50,000 ✓	General fishing and hunting license revenues.
24	Fishing Access Site Protection	02131	\$ 25,000	General fishing and hunting license revenues.
		04186	<u>\$ 75,000</u>	Parks FPRA -- LWCF with part of state match coming from potential private donations.
			\$ 100,000 ✓	TOTAL
27	Lewis and Clark Caverns Improvements	06001	\$ 50,000 ✓	Renewable Resource Development Act Grant <i>DEAR David M. Lewis Request</i>

<u>LRBP Priority</u>	<u>Project Name</u>	<u>Accounting Entity</u>	<u>Amount</u>	<u>Explanation</u>
28	Acquire Wildlife Habitat	02131	\$ 50,000	General hunting and fishing license revenues.
		04522	<u>\$ 750,000</u>	Wildlife FPRA from federal Pittman-Robertson funds including potential private donations.
			\$ 800,000 ✓	TOTAL
32	Giant Springs State Park Improvements	02204	\$ 75,000	Resource Indemnity Trust Funds to be appropriated to Parks Miscellaneous Earned Revenue Account.
		04186	\$ 150,000	Parks FPRA -- LWCF
		04186	<u>\$ 75,000</u>	Parks FPRA -- private donations. NOTE: Accounting entity 04940 is referenced in the Executive Budget. This should be changed to 04186.
			\$ 300,000 ✓	TOTAL
38	Develop Wildlife Management Areas	02131	\$ 24,000	General hunting and fishing license revenues.
		04522	<u>\$ 72,000</u>	Wildlife FPRA -- federal Pittman Robertson funds.
			\$ 96,000 ✓	TOTAL
40	Rosebud Battlefield Improvements	02036	\$ 20,000 ✓	Earnings from Parks Coal Tax trust.
41	Acquisition and Improve- ments, Bannack State Monument	02204	\$ 12,500	Resource Indemnity Trust Funds appropriated to Parks Miscellaneous Earned Revenue Account.
		04186	<u>\$ 12,500</u>	Parks FPRA -- LWCF
			\$ 25,000 ✓	TOTAL
47	Makoshika State Park Improvements	02036	\$ 21,000	Earnings from Parks Coal Tax trust.

Mr. David M. Lewis

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<u>LRBP Priority</u>	<u>Project Name</u>	<u>Accounting Entity</u>	<u>Amount</u>	<u>Explanation</u>
		04186	\$ 21,000	Parks FPRA -- LWCF
			\$ 42,000 ✓	TOTAL
48	Recreation Area Paving, Salmon and Placid Lakes	04186	\$ 200,000 ✓	Parks FPRA -- LWCF and potential private donations
49	Improvements, Purgatory Hill State Monument	04186	\$ 34,000 ✓	Parks FPRA -- LWCF and potential private donations.
51	Improvements, Council Grove State Monument	02036	\$ 55,000	Interest from Parks Coal Tax trust.
		04186	\$ 55,000	Parks FPRA -- LWCF
			\$ 110,000 ✓	TOTAL

Many thanks!

Best personal regards,

JAMES W. FLYNN, Director
Department of Fish, Wildlife and Parks

JWF:DH:sue

cc Gene Huntington
✓ Jim Williams
Orville Lewis
Ron Holliday

Per letter 4,177,000

Per Budget 4,170,500

6,800

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Summary Remarks - Jim Flynn

We appreciate the opportunity to discuss this agency's budget and have attempted to respond to the Committee's questions and concerns in a proper manner.

I request the Committee give its support to the Executive Budget Requests for FY82 and FY83 along with those corrections submitted by this agency. After a great deal of time and effort the Executive Requests have been arrived at and they represent our best estimate at this time of what is needed to operate in the next biennium with an acceptable amount of management flexibility and a minimum amount of extras.

I am concerned that the budget presented by the Fiscal Analyst does not provide acceptable levels in funding and as a result recommends cuts which are too broad and too deep. I am particularly concerned that the analyst has made a basic policy decision that resources of certain divisions should be stripped and transferred to other divisions. This basic decision that the divisions of Fisheries, Wildlife, Enforcement and Parks should exist at the expense of the remaining divisions is not supportable and, from a management perspective, would only serve to cause morale problems which are difficult to overcome.

This agency will be going through some difficult management throes even with the Executive Budget and the concept proposed by the Fiscal Analyst would make that process extremely difficult if not impossible.

Specifically I would address a few points. First of all the 5% Holdback question. It is important to remember that this agency did not overspend its authority and that it stayed within accounting entities. The agency did not follow the procedure and notify the Budget Office and the Fiscal Review Committee. Finally there will be no holdbacks during my tenure as Director.

As I mentioned earlier this agency has been involved in many accounting systems in recent years. This has led, in my estimation, to a system which is not fulfilling its role. It hope to correct that through cooperation with the Budget Office, the Legislative Branch and our own people. We will not attempt it in a vacuum.

But I am concerned that the Fiscal Analyst recommendations are taking away, at the front end, my ability to do that. I request that you consider the task we would like to undertake and the tools you would have us use in our effort. The reductions for Centralized Services recommended by the Fiscal Analyst do not, in my opinion, provide those tools.

I would also call the Committee's attention to the pressures being brought to bear on the resources we manage by the increased populations and potential for energy development. These pressures must be addressed and in some form they must be

accommodated This agency would prefer to address these pressures in as forthright a manner as possible. This requires information for prudent management to use in making its decisions. I am concerned that the recommendations by the Fiscal Analyst does not adequately take into consideration those increasing pressures and the sensitive nature of the decisions which this agency will be required to make. I feel that the Fiscal Analyst recommendations for Ecological Services will not enhance the process for those decisions.

A case in point that concerns me from a management standpoint is the Fiscal Analyst recommendation for the elimination of 1 of 2 positions for the Print Shop. This operation runs 40 hours per week and is an efficient and cost effective method to handle our printing needs which are large. If one position is eliminated then we have a one man operation. Illness, vacation, or a personal emergency would shut the shop down which would cause the efficiency to go down which would then cause the Legislature to question the need for the Print Shop. I would not like to go through that agony. We need two people to handle the workload and to maintain efficiency. The Fiscal Analyst recommendation will certainly curtail that efficiency, it will not enhance it.

Another example in the Conservation Education Division is the elimination of FTE's who now spend time with our youth in a natural summertime setting discussing wildlife at youth camps. It is questionable about the relative value of this program. I agree about the relative value, but I can see the value of the program. Rather than cut the program out, let us continue the program and actively pursue finding a sponsor or develop a user pay system which would support the program. But rather than allow these options a decision is made to eliminate a worthwhile program for what may be an unnecessary reason. The Executive Budget for Conservation and Education allows the flexibility to pursue these options.

Finally I would point to a discussion yesterday on the Bird Farm at Warm Springs. This was prompted by a recommendation by the Fiscal Analyst to eliminate the program. This was agreed to by our Wildlife Division Administrator Gene Allen. I disagree with both.

It is debatable whether or not the Bird Farm is a viable operation, but the main point is that the only real dollars spent in Montana regarding upland game birds and particularly pheasants is at the Warm Springs Bird Farm. By eliminating the Bird Farm dollars we have eliminated the primary attention to that wildlife resource.

From a management perspective I would prefer to say the Bird Farm is a doubtful tool to enhance upland birds, we should look at more productive methods to enhance upland birds and we'll use the Bird Farm dollars to develop those methods.

These are examples I bring to your attention to request your serious consideration of the Executive Budget Proposals. I am confident that with the financial support we can meet our statutory obligations and do so in a manner which will be acceptable to all who are concerned.