

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS
SUBCOMMITTEE ON NATURAL RESOURCES
February 3, 1981

The meeting was called to order by CHAIRMAN CHRIS STOBIE on February 3, 1981 in Room 431 of the State Capitol at 9:30 a.m.

Roll call was taken with all members present except REPRESENTATIVE HEMSTAD who was excused. Also in attendance was BOB ROBINSON, Fiscal Analyst, and JIM WILLIAMS, Budget Analyst.

LAND DEPARTMENT Budget was continued:

BOB ROBINSON said a \$6,400 difference was noted on travel. He also stated that the total expenses have been increased with the addition of the new FTE by \$66,331 (1982) and \$57,881 (1983).

REPRESENTATIVE COZZENS MOVED to amend Operating Expenses to those two figures: \$72,731 for FY'82 and \$59,471 for FY'83. MOTION PASSED UNANIMOUSLY by all those present.

BOB ROBINSON said the lower cost in the second year was due to \$18,000 needed for replacing equipment in the first year. He said this program has run entirely on general funds in the past, and since the 5 FTEs were not added, this should just be continued.

REPRESENTATIVE MANUEL MOVED this account be covered by the general fund account. MOTION CARRIED UNANIMOUSLY.

BOB ROBINSON said, in the resource development program, they want to hire 1 FTE to review and file all water rights applications that are currently being prepared on contract. This would insure that Montana land is protected and water rights are filed for in conjunction with HB 76 of the last session. He said another \$95,000 was needed to make the final payment on the contract, and they would like to make it in fiscal 1982.

SENATOR BOYLAN asked how these contracts are handled and how they are paid. BOB ROBINSON said they solicited bids from a couple of consulting firms. The contracted firm goes to the county seat records, where they research water rights. The cost estimate to do this within staff would have cost over \$300,000 using their own people. The lowest contract bid was \$260,000.

SENATOR STIMATZ felt this was a lot of money to spend on

something we should have known. He said the amount seems reasonable if they have to check all county records, but the state should have known its water rights. Senator Boylan and Senator Smith also felt the same.

Mr. Berry had said they needed to be sure that everything was in the most up-to-date shape so their water rights were a valid application. He said, if they had been in good shape, Mr. Berry would not have spent the money.

REPRESENTATIVE MANUEL MOVED to accept the 8 FTEs in 1982, and the 7 FTEs in 1983. MOTION CARRIED.

BOB ROBINSON said the Department request was lower than standard inflation levels would have given them. They requested the same amount of money as last year. They were given the lower budget.

REPRESENTATIVE MANUEL MOVED to accept the LFA recommendations for funding for operating expenses for 1982 and 1983. MOTION CARRIED UNANIMOUSLY.

BOB ROBINSON said at a previous meeting there was a motion that the Northern Powder E.I.S. be line itemed with their related costs. He said perhaps the thing to do was to have the subcommittee decide what it would like for the various expense categories and then they would just need to set it aside. It was asked what level of funding is wanted for the total program. There would be \$15,000 added for the cost of the legal audit and that should be line itemed.

REPRESENTATIVE MANUEL MOVED that \$15,000 for 1982 be accepted and any money left over returned to the proper funding source. MOTION CARRIED.

BOB ROBINSON suggested the subcommittee could come up with the desired operating expenses between the two budgets and he and the Budget Analyst from the Executive Branch could pull out the Northern Powder River budget.

After a brief discussion between the researchers, Mr. Robinson said they feel it could be resolved. He said the executive budget has \$26,000 for a revenue estimating contract. They want to have someone in the office to get a handle on the leases and the timber sales and whatever else may be tied to State Lands. A revenue estimate is proposed by the governor's office and put in above the department's request.

JIM WILLIAMS, Budget Analyst, said this would be a contract for one year to develop a knowledge on all land revenues.

CHAIRMAN STOBIE suggested leaving it out until it could be looked into and then come back and make a report. He said he does not go with the \$26,000 for one year without personal services attached.

REPRESENTATIVE MANUEL asked if oil leases had something to do with it and JIM WILLIAMS said it did.

SENATOR SMITH felt there might not be as big of a demand for cutting timber with the construction trades in a depressed state.

CHAIRMAN STOBIE asked about the differences in rent. BOB ROBINSON said they have a four year rent agreement which they signed last year. They will pay \$47,431 a year over the next two years, which is about \$6 a square foot. The Department's budget request, modified it to \$57,603 each year. The difference could be because of the Northern Powder River E.I.S. team, and those funds will be line itemed since the requests are very similar.

REPRESENTATIVE MANUEL asked about the "Other Expenses", and JIM WILLIAMS said the Northern Powder River project is included in that also.

BOB ROBINSON said there was about a \$10,000 difference and part of that could be that we have a pay plan. The Northern Powder River has a certain amount of money available to them. He said that they will probably come out very close when they are line itemed. He felt they might be closer to \$210,000.

REPRESENTATIVE MANUEL said if there is a consensus on the figures to work with, was it possible they could vote on them

REPRESENTATIVE MANUEL MOVED the 1982 and 1983 operating expenses at \$210,000 each year. MOTION CARRIED.

BOB ROBINSON said they should look at the reclamation fund earmarked, as the department won't be able to charge the reclamation grants because the reclamation division will be transferred to the Department of Natural Resources and Conservation.

SENATOR SMITH MOVED to accept the LFA recommendation for 1982 and 1983 on the funding. MOTION CARRIED.

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS Page 4
SUBCOMMITTEE ON NATURAL RESOURCES
February 3, 1981

JIM WILLIAMS said he would like to talk on two items. He said there might have been some misunderstanding on Mr. Moon's testimony concerning the five crop checkers. What he was actually asking for was an appraiser and three crop checkers and a surveyor. The importance of having an appraiser is that he could make a good check and make sure the trust funds get all they can get. He said they have asked other bienniums for an appraiser to be put in the State Lands Division. He also said he wants to go on record for this as, what they got was five crop checkers.

SENATOR SMITH asked what this appraiser would do. JIM WILLIAMS said this year he would work on forestry tracts, then possible easements on the land and cabin sites. Mr. Williams said the purpose was to make the most money for the trust fund.

JIM WILLIAMS said, the second thing was, he wanted to clear up the use of comp time by the crop checkers. He said, during the summer, they work very long hours and in the winter they use up this comp time. He said so far no one has blown the whistle, but it is improper.

SENATOR SMITH said, someone could get unhappy and come back and sue the state for time and a half. The researcher said so far it has worked fine and hopefully it will continue. They have no money to pay time and a half.

The meeting adjourned at 10:45 a.m.



CHRIS STOBIE, CHAIRMAN

lmw