

MINUTES OF THE MEETING  
NATURAL RESOURCES SUBCOMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

January 21, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on January 21, 1985 at 8:15 a.m. in Room 132 of the State Capitol building.

ROLL CALL: All members were present with the exception of Representative Spaeth who was excused.

Curt Nichols (19:A:75), Principal Analyst, explained that the Dingle-Johnson Fund is money collected on fishing gear and small boats. This is a tax collected at the Federal level and allocated to the states. The Pitman-Robinson fund is money collected from firearms and ammunition.

Mr. Nichols discussed the budget for the Department of Fish, Wildlife and Parks.

DEPARTMENT OF FISH, WILDLIFE AND PARKS

Jim Flynn, (19:A:345), Director, Department of Fish, Wildlife and Parks, said that inflation is not the problem in FY '85 and that it was in FY '81 and FY '83. Mr. Flynn said their license sale revenue would appear to meet the cost of inflation. Mr. Flynn said the budget does not require a fee increase for operations in the upcoming biennium. The capital side of the budget does contemplate fee increases in two areas. They are proposing fee increases in fishing licenses and in non-resident combination licenses. The fee increase in fishing licenses would assist in taking care of the hatchery renovation program. The fee increase in the non-resident combination licenses would assist in funding their request for big game range acquisitions and to help replace their regional headquarters.

Mr. Flynn (19:A:360) said they made an accounting adjustment for \$929,000. The auditor recommended that they include the revenues from the month of June in the Fiscal Year ending in June. \$600,000 came from the sale of non-resident combination licenses. These licenses sold in 19 days. They received an additional \$680,000 in the extra sale of Deer "A" and "B" tags and Antelope tags. They collected another \$443,000 as a result of those sales and the drawing fee. See Exhibit "L".

Mr. Flynn discussed Legislative Contract Authority.

Mr. Flynn said they propose to fund their overhead operations of the Department out of License dollars and make overhead money available to the next Legislature for appropriation. They collected \$624,000 in the last biennium but they didn't spend it.

Mr. Flynn (19:A:493) said the Fiscal Analysts office is proposing that they take the money left over from the last biennium and the money they may collect in the next biennium and put that into their current level operations. Mr. Flynn said that is not acceptable to them because if they don't collect that money they won't have the money to fund their ongoing operations that they project at this time. Their proposal is to continue current practice and fund their current operations out of license money plus the overhead from the last biennium.

(Surplus Lands Program)

Mr. Flynn said they are proposing a substantial change in the Parks program for the upcoming biennium. Mr. Flynn said they are recommending that revenues in the Parks program be geared to operation, maintenance and development of the current sites in the State Parks system.

(Centralized Services)

Vehicles: Mr. Flynn said they are requesting five vehicles in FY '86 and eleven vehicles in FY '87. When the vehicles go over 85,000 miles they go on the replacement list. They also have some vehicles that do not have 85,000 miles but are getting to be old and are not being used. See Exhibit "M", submitted Jan. 22, 1985. They would need \$50,000 in FY '86 and \$125,600 in FY '87 for vehicles beyond amounts included in the LFA budget. The vehicles in Exhibit "M" are not the only vehicles they want to replace, they are just the ones below 85,000 miles they want to replace.

Mr. Flynn said the Fiscal Analyst is allocating \$97,786 in FY '86 to fund the operations of Centralized Services out of the overhead money that they may or may not collect. They propose that \$97,786 funding source come out of license revenue. If they do collect the \$97,786 it will lay in reserve and in the '87 Legislature it will be available to appropriate for the next biennium.

Discussion was held on this.

Mr. Flynn (19:B:205) discussed the core staff in Ecological Services.

(Field Services Division)

Contracted Services: Mr. Flynn (19:B:320) said they want to send three pilots to Mountain Flying School. This would cost \$1,200 each year.

Janitorial and Caretaker service: Mr. Flynn said this would be for the seven regional headquarters around the state. The base for this is about \$12,000 but they have contracts for \$17,279. for each year.

Mr. Flynn said they are requesting \$5,200 to train personnel to use the computers they are requesting.

Equipment: Mr. Flynn said they estimated it would cost \$100,000 to overhaul their helicopter. The helicopter crashed and is totaled out so they will have to get another one. Mr. Flynn discussed some other helicopters. See Exhibit "N", submitted Jan. 22, 1985.

Mr. Flynn said one of the pilots reloads shells for the Wardens in his spare time.

Mr. Flynn said the P-68 was authorized in April of 1983 and they ordered it in May of 1983. They received the P-68 in January of 1984 and the cost had increased by this time. They cut out one of the radios for \$9,000 to pay this increase.

Mr. Flynn said they are requesting \$12,000 to replace the telephone systems at the regional headquarters in Great Falls, Bozeman and Miles City.

Mr. Flynn said they are requesting an additional \$6,600 in FY '86 and \$5,100 in FY '87 to replace equipment used in the trapping and transplanting of bears and electrical fences to keep deer out of hay stacks, etc.

Senator Smith (20:A:75) discussed the usage of Blood Meal.

Mr. Flynn said they are requesting \$25,000 for an emergency fund to replace a furnace if it goes out or do plumbing, etc.

Mr. Flynn said they would like to see the Fiscal Analysts recommendation for overhead funding source be decreased by \$157,975 in FY '86 and their license funding source increased by that amount and in FY '87 the overhead recommendation by the LFA be reduced by \$158,177 and the general license funding be increased by that amount.

(Fisheries)

Contracted Services: Mr. Flynn said they publish a fishing map and regulations every year for public consumption. Mr. Flynn said they requested approximately \$31,000 in each of the two fiscal years for printing of the annual map and regulations. The Fisheries Division would like to put out a fishing regulations booklet on a biennial basis. They are requesting \$52,400 in FY '86 and \$6,500 in FY '87 for a supplement.

Mr. Flynn (20:A:240) said they requested \$25,000 each year to be used to cost share with the Soil Conservation Districts to help pay for '310' permit projects that they work with conservation districts on. This was requested out of Long-Range Building. This has moved from Long-Range Building into the Contracted Services Budget.

Mr. Flynn said they put in a request to replace the research boat used on Flathead Lake. This request is for \$35,000. They would also be able to use this boat on other large lakes out of Kalispell. This request is for FY '86.

Mr. Flynn said the second request is for \$5,400 to buy a boat, trailer and the shock equipment for conducting fish sampling and surveys in the Great Falls region in FY '86.

Mr. Flynn said they would like to request \$40,000 for a tractor and \$13,500 for a harvester to be used at the Miles City hatchery. Discussion was held on this.

Mr. Flynn said they are requesting an additional \$5,500 to do some remodeling work on their fish lab. They are requesting to use \$1,500 in FY '86 and \$4,000 in FY '87.

Mr. Flynn said they are requesting an additional \$8,600 for equipment for the Big Timber hatchery.

(Law Enforcement)

Personal Services: Mr. Flynn said they can no longer require their wardens to retire at a specific age. They left two warden positions vacant for a period of time. They took two senior wardens back at a higher step level. They are asking that \$16,660 be placed back in FY '86 budget and \$16,590 be placed back in FY '87 budget. Discussion was held on this.

Contracted Services: Mr. Flynn said it costs them \$3,000 a year for indigent's attorneys and \$3,000 each year for board and room for prisoners. They are requesting \$6,000 a year to cover these costs. Discussion was held on this.

Senator Smith requested information on the cost of this in the past.

Mr. Flynn said they feel they are going to have to go to a physical fitness qualification program for their enforcement people. To institute and conduct this program they are requesting \$4,000 a year to determine if the person is qualified to be a Game Warden. Discussion was held.

Mr. Flynn (22:B:016) said they have a week long enforcement training seminar biennially when they take all of the wardens out of the field. They are given a variety of training activities. In FY '84 they spent \$6,500 on this and they would like to make this an annual program and are requesting \$5,000 each year to conduct this.

Mr. Flynn said they are requesting \$28,000 to assist in funding the transfer of employees.

Equipment: Mr. Flynn said they are requesting \$5,576 in FY '86 for a saturation patrol trailer and \$3,500 in FY '87 to replace a horse trailer.

Chairman Manuel asked how many Game Wardens there are and how many horses there are? Mr. Flynn said there are 86.33 FTE's authorized for Game Wardens. Seven of those FTE's are in Helena and 79.33 are in the field. There is one Warden Captain and one Warden Sargent in each region.

Discussion was held.

(Wildlife)

Contracted Services: Mr. Flynn said they spent \$403,914 in 1984 on contracted services. They were authorized \$50,000 each year of the biennium for repairs and maintainance from Long-Range Building. This was taken out of Long-Range Building and put into Contracted Services. Discussion was held on this. They will come back to this later.

Rent: Mr. Flynn said they are paying Montana State University \$20,500 in FY '86 and \$23,100 in FY '87 for rent on the Research Lab. on campus at MSU.

Representative Nathe (20:B:330) asked what they used the lab in Bozeman for? See Exhibit "O", submitted Jan. 22, 1985.

Mt. Haggin: Mr. Flynn said that when Mt. Haggin was purchased there was a contract with the Louisiana Pacific Corporation which has a saw mill at Deer Lodge. The contract has three more years to run. There are areas on the property where this Corporation can harvest timber. The responsibility for cleaning up the slash from the timber harvest lies with the Department of Fish, Wildlife and Parks. The Department is asking for authority to spend the money they get from the Corporation for slash and stumpage removal. Money from the sale of the timber goes into a trust fund.

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Bear and Deer Research: Mr. Flynn (20:B:450) said Dr. Jonkel receives \$27,000 a year to assist him with grizzly research.

Mr. Flynn said they are requesting \$47,000 for a tractor to be used in Region 3 by Bozeman. There are more wildlife management acres in the region than any other. This tractor would replace a 1953 Ferguson. There are 102,000 acres of wildlife habitat in region 3. Discussion was held.

Meeting adjourned at 11:25 a.m.

  
Representative Rex Manuel  
Chairman

## NATURAL RESOURCES SUBCOMMITTEE

Date January 21, 1985

CS-30

RECEIVED  
JAN 13 1985  
DIRECTOR'S OFFICE  
Exhibit "L"

Over the past two sessions we have presented budgets to this committee which were highly dependent upon accompanying fee increases. Those fee increases were necessary due to the inflationary impacts of the late 70's and the fact that license sales had not kept up with the inflationary trends.

In addition to these operational needs of the agency, we called to your attention the need to upgrade our hatchery system which had received little attention since the 1940's. We also identified the need to begin to replace our regional headquarters located throughout the state.

The legislature was responsive to our concerns and we were able to not only get through a difficult time for our operations budget, but to begin to correct decades of neglect to our physical plant.

With this budget for 1985, we see many differences; inflation is not a staggering obstacle at present and would not seem to be so for the next biennium. License sales appear to be able to match the rise of inflation.

We have projected a budget for operations which will not require a fee increase for the coming biennium.

We have projected a budget for capital which contemplates a fee increase in fishing licenses to fund the second and final phase



of our hatchery renovation program. In addition, we contemplate an increase in the nonresident combination license to fund our requests for such items as big game range acquisition as well as to assist with the replacement of our regional headquarters.

The hatchery proposals are a bonded program, while the big game range request, as well as the headquarters requests, are cash programs.

As a result, we have a different set of circumstances than 81 and 83. Some of this is attributable to a sizable license account balance which we now have. At the close of the 83 session, you authorized an account balance of \$3.4 million. In reality, that balance will be \$6,052,000. The primary reasons for a \$2.6 million difference are:

\$929,000 - Legislative audit report; one time accounting adjustment.

600,000 - Early sellout and change in license, license year.

680,000 - Additional Deer A and B and Antelope

443,000 - Increased sales and drawings

In our total budget proposal we anticipate spending down the \$6 million balance to a \$2.8 million balance at the end of the upcoming biennium. However, we have been careful not to commit these dollars to ongoing operations which will require attention in future bienniums when no surplus is available.

An overall issue I would call to your attention at this time is LCA.

In 1979, because of the number of contracts this agency handled, the concept of LCA was conceived and implemented. In 1981 and 1983, this concept was continued and expanded. However, even with the expansions authorized, we still find a lot of time and effort being expended by the LFA, OBPP and FWP to process budget amendments in addition to the LCA authorized in 1983.

As a result, we propose that FWP estimates not only the contracts we are certain we will get, but also the contracts we feel we might get in our revenue projections for the next biennium. This will increase our Federal and Private Revenue authorization, but should dramatically decrease the need to process budget amendments. This concept has the approval of the OBPP and the support of the LFA and is conditioned on the four points laid out on page 340 of your LFA budget analysis. We agree to those four points if reference to "Federal Reimbursements" can be changed to "Federal and Private Funds."

We feel this approach will be much more productive for all concerned.

While we do agree with the LFA on the concept and the four points set forth, we have a disagreement on the LFA's application of the use of the overhead from contracts in some of the divisions. We will discuss those in detail for each division, but I would speak to the issue generally.

Each contract we sign has a set amount in it for overhead. This is the figure to pay those agency costs which are not directly related to the project, but which are necessary to support the conduct and completion of the project.

Presently, when a contract is signed the overhead is determined, taken from the contract revenue and distributed to the support divisions. This is all done through either the LCA or budget amendment process. Each division supports the project and additional costs, if any, are paid out of the contract overhead money.

If the support activity can be conducted without additional costs, the project money is not spent, stays in the department revenue and is available for the next legislative session to appropriate. I would point out that is the case with the budget before you. We have \$624,000 in unspent OH dollars available for

your consideration that was not spent this past biennium even though they were collected.

Our budget submittal continued this practice. However, the LFA, for the support divisions, has assumed that all monies estimated will be collected and available for expenditure. As a result, they have inserted more overhead money into funding for our daily operations and reduced a like amount of license dollars for those division budgets.

This is not acceptable to us, because all the revenues anticipated may not materialize and if they don't, we have no ability to fund current operations.

We would suggest that we maintain our current practice whereby the estimated overhead does not replace license dollars; if it materializes and is not used it will be available to the 1987 session for appropriation.

We will discuss our concern with each support division as we come to it.

On another subject I have a report on our surplus land program and trust fund for your consideration. We feel this program has been most worthwhile and would hope to continue and expand it in the upcoming biennium.

REORGANIZATION  
PARKS  
FISH - DN. EXP  
NEW PROGRAM

In general, we have attempted to listen to the concerns of the public and to address the responsibilities of the agency with the presentation before you. We look forward to this week's discussions.

120/10

RESPONSE TO APPROPRIATION SUB-COMMITTEEHORSES

The department has 41 horses; 17 in the Enforcement Division and 24 in the Wildlife Division.

VEHICLES DELETED IN THE LFA BUDGET

Vehicle #	VEHICLES FY'86	LTD MILES APRIL '84	AVERAGE YEARLY USAGE	PROJECTED MILEAGE APRIL '86	ASSIGNED DIVISION
1	71 International 4X4 Pickup	53273	4097	61467	Wildlife
2	74 Ford 4X4 Pickup	57482	5748	68978	Wildlife
3	73 Dodge 2WD Pickup	47246	4295	55836	Parks
4	72 Dodge 2WD Pickup	47161	3930	55021	Parks
5	74 Ford Van	40541	4054	50649	Parks

Vehicles #1 and 2 are wildlife management area vehicles. 75% of use is off highway.  
 Vehicle #3 is at Bannack State Park. There is considerable off highway use.  
 Vehicle #4 is used to service Cooney Reservoir and other recreation areas in Region 5.  
 Vehicle #5 is used to service recreational areas in Region 4.

Vehicle #	VEHICLES FY'87	LTD MILES APRIL '84	AVERAGE YEARLY USAGE	PROJECTED MILEAGE APRIL '86	ASSIGNED DIVISION
1	76 Dodge Stationwagon	30087	3760	41367	Wildlife
2	77 Dodge 4X4 Pickup	56181	8025	80256	Wildlife
3	76 GMC 2WD Pickup	39012	4867	53640	Field Svc.
4	76 Ford 2WD Pickup	48671	6083	66920	Parks
5	76 Dodge 1 Ton Van	37428	4678	51462	Parks
6	74 Ford 4X4 Pickup	61970	6197	80561	Wildlife
7	77 Dodge 2WD Pickup	42666	6095	60951	Fisheries
8	77 Dodge 2WD Pickup	37755	5393	53934	Fisheries
9	77 GMC 4X4 Pickup	48291	6898	68985	Fisheries
10	77 Dodge 4X4 Pickup	43238	6176	61766	Wildlife
11	77 Dodge 1 Ton Fish Tk	47221	6745	67456	Fisheries

Vehicles #1 and 2 are primarily used on wildlife research projects.  
 Vehicle #3 is transportation for the aircraft pilot.  
 Vehicle #4 is transportation at Plenty Coups Museum, an off highway area.  
 Vehicle #5 is a shop van used for maintenance and repair work at Region 2 recreation areas.  
 Vehicle #6 is off road transportation for a wildlife biologist.  
 Vehicles #7 and 8 are transportation for hatchery workers at Somers and Anaconda.  
 Vehicles # 9 and 11 are used for fish planting.  
 Vehicle #10 is used at the Freezout Wildlife Management Area.

HELICOPTER REPLACEMENT

1. The most practical replacement for our recently destroyed helicopter would be a Bell Jet Ranger model 206B-III or a Hughes model 500D; these machines sell new for approximately \$450,000 - \$500,000. Relatively low-hour used machines are available for about \$250,000 - \$275,000. Both companies sell outright or on a sell/lease arrangement at the current interest rate. Tax exempt municipal leases are available at about 10% interest. Example:

\$250,000 used machine  
Nothing down, financed for 5 years on a  
lease/buy arrangement on a tax exempt  
municipal lease at 10% interest

60 monthly payments of \$5,208 = \$312,500

2. Used government machines are no longer available to the State. President Reagan stopped this practice early in his administration because of unfair competition to the private sector.
3. Total hours flown since January 1, 1983:

Helicopter #1

January 1, 1982 - December 31, 1982	-	231 hours
January 1, 1983 - December 31, 1983	-	179 hours
January 1, 1984 - December 31, 1984	-	38 hours

Wrecked January 14, 1985.

Helicopter #2

January 1, 1982 - December 31, 1982	-	468 hours
January 1, 1983 - December 31, 1983	-	430 hours
January 1, 1984 - December 31, 1984	-	513 hours

P-68

January 1, 1984 - December 31, 1984 - 325 hours

The reason for the reduction in hours flown during 1984 for helicopter #1 is that our second helicopter pilot was kept busy flying transportation flights in our new P-68. Our third pilot, stationed in Billings, is currently not qualified for helicopters. When he was hired last year it was our intention to complete his training, giving us helicopter pilots in both eastern and western Montana; reassigning one machine to Billings.

WILDLIFE

I. FUNCTIONS OF THE WILDLIFE LAB

- a. Monitor grizzly mortality and mountain lion mortality statewide.
- b. Investigate human injury and/or death cases due to grizzly attack.
- c. Conduct forensic evaluations for the Law Enforcement Division as evidence for court cases.
- d. Conduct reproductive physiology investigations and animal condition reports.
- e. Conduct food habits studies on all wildlife species, including the grizzly bear.
- f. Develop sexing and aging techniques and conduct assessments for the regions.
- g. Coordinate all animal immobilizations, including instruction of biologists, obtaining drugs and interagency coordination.
- h. Keep all big game trophy records for the state.
- i. Conduct wildlife disease and poisoning evaluations.
- j. House the Wildlife Division library.

II. The lab has 2.0 permanent FTE's and 0.75 temporary FTE's.



NATURAL RESOURCES SUB COMMITTEE

DATE January 21, 1985

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.