

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

February 18, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on February 18, 1985 at 8:05 a.m. in Room 132 of the State Capitol

ROLL CALL: All members were present.

DEPARTMENT OF STATE LANDS

(Forestry)

Dennis Hemmer (61:A:007), Commissioner, Department of State Lands, said forest income adds \$2.2 and \$1.8 million into the school permanent account. About \$200,000 of this was from forestry leases. It costs them about \$450,000 General Fund to run the program. This program nets about \$1.5 million per year to go to the permanent revenue account in the school trusts. They also get about \$250,000 interest and income per year.

Mr. Hemmer said they made on the average about \$12 an acre on their Ag. land. They make about \$4.50 an acre on Forest land and about \$.90 an acre on grazing land.

Discussion was held.

Mr. Hemmer said there are 37.58 FTE's in the field that administer Forest and Lands. Of these, 22.78 are General Fund. These are the ones that are on the funds to actually put up the sales. The difference between the 37.58 and the 22.78 are on Timber Stand Improvement (TSI) and brush. These are funded from the earmarked account off of each sale.

(Resource Development)

Vacancy Savings: Representative Swift made a motion to approve the LFA's budget of an additional \$7,017 in FY '86 and \$7,020 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Miscellaneous and Inflation: Representative Swift made a motion to approve the Governor's budget of \$102 more in FY '86 and \$100 more in FY '87 for Miscellaneous and \$527 less in FY '86 and \$1,693 less in FY '87 for inflation than is included in the LFA current level. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

(Land Administration)

Printing of Forms: Mr. Hemmer said this is for printing forms, leases renewals, etc.

Mr. Hemmer said they will also need \$3,000 for reprinting their rules.. This would be a one time cost.

Discussion was held.

Senator Smith made a motion to approve reprinting of the rules. This would be \$2,719 in FY '86 and \$2,719 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Gasoline Increase: Current level for this was \$6,600.

Senator Smith made a motion to approve the current level of \$6,600 in FY '86 and \$6,600 in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Aerial Photos: This is a request for aerial photos for monitoring the department's lands.

Discussion was held.

Senator Smith made a motion to approve the Governor's budget of \$881 in FY '86 and \$881 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Helicopter Rent for Land Inspections: State Land's is requesting 8 additional hours of flying time.

Representative Swift made a motion to approve the Governor's budget of \$3,260 in FY '86 and \$3,260 in FY '87. Representative Nathe seconded. A Voice vote was taken and the motion carried unanimously.

Equipment - Vehicles: Discussion was held.

Representative Nathe made a motion to approve \$20,000 in FY '86 for 2 vehicles and \$10,000 in FY '87 for 1 vehicle. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Equipment - Word Processors: Mr. Hemmer (60:A:540) said they could probably get by with \$15,000.

Senator Boylan made a motion to approve \$15,000 for this in FY '86. Senator Lane seconded. A Voice vote was taken. The motion carried with Representative Nathe and Senator Smith voting no.

Equipment - Office/Miscellaneous/Inflation: The equipment would be for replacement of desks and chairs.

Senator Smith made a motion to approve the Governor's budget of no new office equipment and \$547 less in FY '86 and \$560 less in FY '87 for Miscellaneous, and \$231 less in FY '86 and \$1,591 less in FY '87 for Inflation than in the LFA current level. Representative Nathe seconded. A Voice vote was taken and the motion carried unanimously.

Modified:

Land Use Specialists: Mr. Hemmer (60:A:620) said they feel they can offset half of the costs each year by doubling their fees.

Mr. Hemmer said they have been criticized for having too few people per million acres.

Discussion was held.

They are requesting 5 FTE's in the winter. These people would work on easements and get records together and get them ready to go out into the field.

Discussion was held.

Senator Boylan made a motion to approve 3 FTE's and pro-rate the costs accordingly. Representative Spaeth seconded. A Voice vote was taken. The motion carried with Representative Nathe, Senator Lane and Senator Smith voting no.

Oil and Gas Enforcement: They are requesting 3 FTE's out of the General Fund. Two of these would be field checkers and one would be a royalty accountant.

\$30 to \$40 million income per year is oil and gas related. They feel they can increase this with stronger enforcement.

They have 1 geologist and 3 clerks working on over 11,000 leases now.

Discussion was held.

Discussion was held on audits.

Senator Boylan made a motion to approve 1 FTE and prorate the costs accordingly. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

(Forestry)

Forest Thinning Contracts Increase: The Department spent about \$11,000 in FY '84 on these contracts.

Discussion was held.

Mr. Hemmer (61:B:590) said they make about \$8 million a year on Agricultural Lands, about \$4 million on Grazing Lands and about \$30 - \$40 million on Oil and Gas related lands.

Senator Lane made a motion to approve the additional \$15,183 in FY '86 and \$15,808 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Equipment Contracts: This equipment would be paid for out of the Brush Funds or other funds.

Discussion was held.

Representative Swift made a motion to approve an additional \$9,208 in FY '86 and \$9,708 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Contract Slash and Brush Removal: Mr. Hemmer said they would look at contracting this instead of doing it themselves.

Representative Spaeth made a motion to approve \$12,000 in FY '86 and \$12,000 in FY '87 with a request for the Department to report back with the results of contracting this. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Fire Protection Payments: Discussion was held.

Work Study Contracts Increase: Mr Hemmer said they were hiring interns rather than professional service contracts.

Discussion was held.

Representative Spaeth made a motion to approve the additional \$11,921 in FY '86 and \$12,455 in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Tree Planting Increase: This is mostly earmarked funds out of the TSI.

Discussion was held.

Representative Swift made a motion to approve an additional \$4,896 in FY '86 and \$25,814 in FY '87 over current level. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.


Contract Pilots: Mr. Hemmer said this would be for keeping seasonal pilots current.

Discussion was held.

Current level for this program is \$5,200.

Senator Boylan made a motion to approve an additional \$10,000 in FY '86 and \$10,000 in FY '87. Representative Spaeth seconded. A Voice vote was taken and the motion carried unanimously.

The meeting adjourned at 9:50 a.m.


Representative Rex Manuel
Chairman

NATURAL RESOURCES SUBCOMMITTEE

Date 2-18-85

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NATURAL RESOURCES SUB COMMITTEE

DATE February 18, 1985

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.