

MINUTES OF THE MEETING  
NATURAL RESOURCES SUBCOMMITTEE  
50TH LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

The meeting of the Natural Resources Subcommittee was called to order by Chairman Swift on January 26, 1987 at 8:15 a.m. in Room 317 of the State Capitol.

ROLL CALL: All members were present with Sens. Boylan and Story and Rep. Spaeth arriving after the roll call. Also in attendance were Carl Schweitzer from the LFA, Karen Volstedt of OBPP, and Denise Thompson, secretary. (38:A:001)

STATE LANDS:

(38:A:017)Mr. Mike Atwood, timber manager for Brand S Lumber Company, Livingston, testified for the Montana Eastside Forest Practices Company. Mr. Atwood stated that he supported the Department of State Lands acquiring the necessary funding from the general fund to maintain their Timber Harvest Program. There are many advantages. For every \$1 spent to administer this program, an average of \$4 is returned to the general fund. A portion of that is then paid to the school trust fund to help pay for education in Montana. The members of the company are concerned about the continued erosion of forest land base. They feel that the state has an obligation to properly manage state owned forest lands, for the future income to the trust account.

He stated some reservations on the hazard reduction portion of the program existed (HB 328) but they supported the program with that exception.

(A:045)Mr. Mark Simonich, Forester for F. H. Stoltze Land and Lumber Company, stated he also supported the department. A reduction in timber sales will permanently cripple the forest products industry in the state. He stated that we could continue a quality education if this program is supported because of the revenue that is generated by it. A high state timber sale program is good for Montana. It provides needed forest management, revenue to the school trust fund, and it helps to continue to provide jobs in the private sector. These are direct benefits to the people of Montana(Exhibit 1).

(A:081) Mr. Al Kington, consultant forester, stated he was concerned about appropriations to keep programs such as timber harvest going in the state. You can't turn it on and turn it off. He was satisfied with the job the Department of State Lands has done in operating programs in the past.

All available contracts were sold, where at the national forest service levels, you don't always see that occur. Any reduction in the program will not only lose revenue, it will give an accessibility problem to the Department of State Lands with contractors and timber purchasers. He stated that he supported the major part of the request, but he has some reservations on the slash portion and will address that in another meeting.

(A:109) Mr. Vince Heier, timber manager of Idaho Pole Company, Bozeman, supported the Department of State Lands' request for funding for their budget to keep the harvest level at 50 million feet. He wanted to appeal as a concerned timber manager, father, and taxpayer. There is no other area of resource management, that offers the benefits on a perpetual basis as does forestry and timber management. There is no other time in Montana's history when it has been more important to harvest our renewable resource and bolster the trust fund which provides money to our school systems.

Three things would be accomplished by funding the proposed harvest:

1. The state would receive a much needed transfusion of funds into the trust account. This would yield more interest resulting in actual dollars for our schools.

2. More jobs would be created in the timber industry which in turn provides more taxes to the General Fund (helping everyone).

3. Our renewable resource would be utilized properly by replacing old "non-yielding" stands with younger growing stands that would be providing the "interest for the future."

(A:153) Mr. Don Allen representing the Montana Wood Products Association stated support of the Department of State Lands' request. The wood products industry is the third largest industry in the state. There is a real need to have available as much timber from the public sector as possible because in the past the private lands have had to take the brunt of much of the timber sales with the uncertainties on public lands. So in future years, it is going to be more important to have that base available. He urged the committee accept the request of the department. It is important to the state's future and a key part of the total things that need to happen in a positive way in the next few years for the state's economy.

QUESTIONS:

(A:196) Carl Schweitzer, Senior Analyst, LFA asked how much the state sales make up of their entire need or use of timber. Mr. Kington stated about 10 percent.

Rep. Spaeth asked if this was funded out of RIT last time. Mr. Hemmer stated that this was funded out of Resource Development last time. Rep. Spaeth asked why it was not funded this time in the same manner. Mr. Hemmer said last time they went in with surplus, it was drained. He projects if the governor's budget is accepted, current level on Resource Development at the end of the biennium will be \$3,000. Rep. Spaeth asked if this program will increase the income of the state. Mr. Hemmer stated yes, this will bring in about \$1 million a year which would go into the permanent trust. Mr. Hemmer stated this would be over the long term rather than the short term. There are two lags involved: 1) the lag it takes between the time they sell it and the time it is harvested and paid to them; and 2) the lag from the time it goes into the permanent fund and the interest comes out.

(A:257) Senator Story suggested that money is made for general fund with this money and the return to the general fund has increased at a ratio of about 4 to 1. He did feel it should be tracked to make sure it does this. He also stated that many of these sections are surrounded by private sections that are next to them. When you can put a sale in conjunction with a private sale, you do a lot of good for everybody; the forest itself and the property owner. There are a lot of advantages of having a plan that encompasses the private land and the state land at the same time.

(A:339) Mr. Hemmer stated to the committee there would be no impact on the general fund the first year and maybe \$250 thousand the second year.

Mr. Allen said the shift which exists now is 60 percent state and private versus 40 percent federal and the shift has to revert back the other way.

(A:403) Sen. Smith felt we have to look at the long range, what it does to that local economy and how it will benefit the local school districts.

Sen. Story agreed with Sen. Smith. It is one of the few things that the state is doing that is making money.

(A:463) Sen. Smith said it illustrates the short sightedness of the legislature. He thought that was what got us into a lot of trouble. If the harvest is halted, it will create

less employment, there will be less people to pay into the Workman Comp fund, it will trickle down and affect every agency in state government.

(B:001) Rep. Spaeth stated he would like to have Mr. Hemmer look at alternatives that could fund this program prior to the issue reaching the full committee.

Sen. Smith also asked for ideas on what the consequences could be down the road if it wasn't approved and what it will do to the the industry as well as the state funding in the future. If we don't address this issue now, we will have more severe problems down the road. If we don't invest now, what will we have in the future.

(B:034) Mr. Hemmer referred to a question Mr. Schweitzer asked in a prior meeting regarding assessments. Mr. Schweitzer had suggested raising the assessments to also cover the one-third of the supplemental costs. Mr. Hemmer stated that was not considered in the interim committee because the supplemental process was down. That would take a change in substantive law. They raised the rate sufficiently last session with the understanding that this would last four years and we would not have to come in and look at it again. He has not brought anything in and does not intend to bring anything in because he felt he made a deal last session that he wouldn't be back discussing it for four years.

CENTRAL MANAGEMENT PROGRAM(B:081)

Mr. Schweitzer explained the differences in the executive and LFA for the Central Management Program.

1. Attorney Position General Fund - Mr. Schweitzer stated there was a transfer from the Reclamation Division to this division which was a clerical position and when transferred, was changed to an attorney position. Therefore, the LFA did not consider this position.

2. Aircraft Maintenance
  - a. Fuel (Maintenance)
  - b. Proprietary Funds (fuel)

The LFA used the same inflation factor for regular auto fuel and applied it to aircraft fuel, the committee should consider using the executive budget.

Mr. Hemmer stated that Mr. Schweitzer felt the \$18,734 one-time maintenance costs for the major overhaul should not be included in the base. Mr. Hemmer stated they seem to have one time costs occur every year.

3. Computer programming, the LFA gave more money in 1989 than the executive.

4. Computer Access Charge - Mr. Schweitzer stated that the charges were the Department of Administration's charges. He did not have the same information to build these in. Therefore, he felt the executive budget was correct here.

5. Twin Bridges Modification which the LFA considered as supplemental general funds for maintenance.

6. Additional federal funds were built into the budget by Mr. Schweitzer. Additional Resource Development funds were also over the executive.

Mr. Schweitzer stated that the private land owners should be paying for some the administrative costs for the fire suppression of their lands.

(B:205) Mr. Hemmer he did not disagree with Mr. Schweitzer except for two problems: 1) in resource development, are they able to use revenues derived from trust lands to support their administration; and 2) they haven't built in any of these costs when building their assessments for these.

(B:242) Mr. Hemmer spoke in reference to Item 1, the Attorney Position by saying there were two errors. First, the position that Mr. Schweitzer is speaking of is not \$26,737 general fund, that would be 80-20 federal funds-general fund. His point was, it was a current level position. He did transfer prior to the last session. During the last session it was brought before the subcommittee. The number of lawyers they had and the reason they had to have them. They were asking for one more at that time. They were open to the subcommittee that they had done this. The subcommittee was aware that they had done it.

(B:326) Sen. Smith moved that, with the changes just discussed, the committee except the executive budget. Rep. Manuel called the question. The motion CARRIED unanimously.

Sen. Smith moved that item 2 (a) and (b) of the executive budget be accepted. Rep. Devlin called the question. The motion CARRIED unanimously.

Sen. Smith moved that the executive budget be accepted for item 3, computer programming. The question was called. The motion CARRIED unanimously.

Rep. Manuel moved to accept the executive budget on computer access charge. Sen. Smith called the question. the motion CARRIED unanimously.

Sen. Smith moved to accept the executive budget for item 5 MOD at Twin Bridges. Sen. Boylan called the question. The motion CARRIED unanimously.

(39:A:024)Sen. Smith moved to accept number 6 (a) funding shifts with the provision that anything the department gets will be offset in the general fund.(Carl-take the executive figures and then put language in that says if they get more federal funds, they will have to reduce general fund.) Sen. Boylan called the question. The motion CARRIED unanimously.

Sen. Boylan moved to accept the executive budget for item 6 (b) Resource Development. Rep. Spaeth called the question. The motion CARRIED unanimously.

LAND ADMINISTRATION PROGRAM: (39:A:147)

Mr. Schweitzer reviewed the differences in this budget.

1. LFA used the 1986 current level.
2. Weed Control, the LFA did not consider because it is not part of current level.
- 3.&4.The LFA did not include in the current level.
5. \$1,426 increase in minor tools. The LFA felt new people were put on board and currently should have all of their tools, the increase for tools should have dropped back and if all people were fully staffed, the base could be dropped back.

Mr. Hemmer referred to 3,4, and 5, stating he disagreed as the current level as he thought the department was asking for the additional monies to cover mailings. Additional certified letters were increasing and they would like to bill their gas and oil royalty payments. They may get royalty in a little sooner that way.

Sen. Story moved to accept the executive on item 2. Sen. Smith called the question. The motion carried unanimously.

(A:260) Rep. Spaeth moved to go with LFA on item 1. He felt that this is a large general fund agency and there needs to be some cuts somewhere.

Rep. Devlin asked what Mr. Hemmer would do if he had a 20 percent cut in Land Administration. Mr. Hemmer replied that

with a 20 percent cut it would mean they would lay off 20 percent of their people and cut back their services.

(39:A:383)Rep. Devlin made a substitute motion to take 20 percent out of the general fund expenditures from current level.

There was a fifteen minute break. The meeting was resumed at 10:35 a.m. The discussion was postponed on this issue until the following day to give additional people the opportunity to come in and testify.

RECLAMATION PROGRAM:

Mr. Schweitzer briefed the committee on the differences in the LFA and executive budgets for the Reclamation Program.

1. The LFA did not include \$100,000 from the reclamation Hard Rock Account because there was very little if any spent in 1986, it was not part of the current level base.

2. Legal Fees for the Northern Plains contested case hearing of \$30,000 in 1988 and \$10,000 in 1989.

3. In equipment there was a difference of \$4,550 for office equipment that was not in the LFA current level.

4. Rule printing money for the coal and uranium money.

5. Water sampling was \$9,000 above current level.

6. Reclamation Program, the LFA looked at what was expended in 1986 and carried forward that level into 1989, all federal funds.

(A530)7. 2 MODs for 3 Hard Rock Specialists for approximately \$85,000 each fiscal year that has been recommended by the executive, entirely general fund.

8. One Mod for one clerical position for \$17,400 each fiscal year, federally funded. Mr. Hemmer stated he had withdrawn this modification.

(39:A:599) Rep. Manuel asked if RIT funds could be used to fund those three specialist positions. Karen Volstedt of the governor's budget office stated that they just took a long look at what they could use RIT funds for and tried to plug those funds in where they could to offset general fund. This would be a legitimate way to replace general fund.

Rep. Devlin asked about the three hard rock specialists. Where are they working, reclamation or hard rock. Mr.

Hemmer stated that they would be reviewing the hard rock applications and doing whatever necessary regarding environmental impact statements to get those through in a timely fashion. There are a lot of applications come in. They sit down with them, work it through, show them where they think they will have problems in the permitting. When they have a problem, they work through, how to solve it. He stated they help them comply with the laws and come out with a better project in a more timely fashion. The department has an increase of projects coming in and needs horsepower to work through those projects and get them up and moving.

(39:B:052) Sen. Smith asked Mr. Hemmer if the person that works with the mining companies was a specialist who understands all of the problems related to that development. Mr. Hemmer stated right now in that bureau he has all people who have worked in the industry before.

(39:B:083) Rep. Manuel moved that the executive on item 7 for three hard rock specialists, be recommended to the full committee.

Rep. Spaeth asked Mr. Hemmer if this were not allowed would it slow down the permitting process. He would not want to slow down any mining activity in the state. Mr. Hemmer said it would delay, he would divert all the resources he has towards not delaying, but he didn't feel he had sufficient resources that he could do that and still respond to the problems where he has no choice.

Rep. Devlin made a substitute motion to allow two hard rock specialists in the program.

Sen. Smith asked if the committee would give the industry a chance to come in and testify on this issue.

In turn, the two pending motions were withdrawn until after the industry people could testify.

(39:B:243) Rep. Manuel moved that the committee approve items 1 through 6 using the executive budget. Discussion brought Rep. Manuel, with Mr. Hemmer's agreement, to amend his motion to include that none of this money will go for research. Sen. Smith called the question. The motion CARRIED unanimously.

(39:B:391) The committee returned to the substitute motion by Rep. Devlin for the 20 percent reduction in the Land Administration Program.

Rep. Spaeth asked if there were other funds that could be used to help manage those funds, and what will be lost or cut with that \$22 million source. Mr. Hemmer stated that



basically he would lose three positions, possibly a 4th position in vacancy savings. They would have to close all the offices that they have added to. You would lose services that are provided to the lessees right now, you would lose the ability to help with problems, and you will lose them being able to complying with the farm program.

(39:B:528) Sen. Smith stated that the legislature needs to be sure they do have the personnel to look at the lands and what should be put in.

Rep. Spaeth called the question. There was a roll call vote. Reps. Devlin and Swift and Sen. Story voted yes. Rep. Manuel and Spaeth and Sen. Smith voted no. The motion FAILED by a vote of 3 to 3.

They reverted back to the original motion of Rep. Spaeth that the committee accept item 1, LFA. Sen. Smith called the question. Rep. Manuel voted no. The motion CARRIED.

RESOURCE DEVELOPMENT:

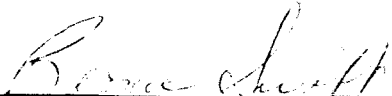
Mr. Schweitzer stated there was one difference in the capital projects area. The LFA didn't put any recommendation in current level for capital projects because these projects may change from year to year and the subcommittee should look at each capital outlay request on its own merit. This is financed with the resource development fund. There is no general fund in this program.

Mr. Hemmer said they have historically presented a list of projects. Any project that is approved under this is approved by the Land Board. They use this for problems that come up such as losing head gates on one of their projects etc. Rep. Manuel asked again if these were all allowed by the Land Board. Mr. Hemmer said that was correct. They can not spend any of that capital outlay money without authority of the Land Board. The Board is the one to actually approve it.

Rep. Spaeth moved to go with the executive budget. Rep. Devlin called the question. The motion CARRIED unanimously.

ADJOURNMENT:

There being no further business before the committee, the meeting was adjourned at 11:40 a.m.

  
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Rep. Bernie Swift, Chairman

DAILY ROLL CALL

NATURAL RESOURCES

SUBCOMMITTEE

DATE 1/26/87

NAME	PRESENT	ABSENT	EXCUSED
Senator Boylan	✓		
Representative Devlin	✓		
Representative Manuel	✓		
Senator Smith	✓		
Representative Spaeth	✓		
Senator Story	✓		
Representative Swift	✓		

**Subcommittee Action**

**Agency: State Lands**

**Program: Central Management**

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	20.00	19.00	1.00	20.00	19.00	1.00
Personal Serv.	\$ 591,702	\$ 564,914	\$26,788	\$ 591,291	\$ 564,554	\$26,737
Operating Exp.	605,924	564,067	41,857	534,541	498,274	36,267
Non-Operating	<u>265,000</u>	<u>265,000</u>	<u>-0-</u>	<u>265,000</u>	<u>265,000</u>	<u>-0-</u>
<b>Total Exp.</b>	<b><u>\$1,462,626</u></b>	<b><u>\$1,393,981</u></b>	<b><u>\$68,645</u></b>	<b><u>\$1,390,832</u></b>	<b><u>\$1,327,828</u></b>	<b><u>\$63,004</u></b>

Funding

General Fund	\$1,023,678	\$ 969,639	\$54,039	\$ 996,672	\$ 943,702	\$52,970
State Spec. Rev.	157,885	160,787	(2,902)	114,559	119,198	(4,639)
Federal	89,282	93,282	(4,000)	89,282	93,282	(4,000)
Proprietary	<u>191,781</u>	<u>170,273</u>	<u>21,508</u>	<u>190,319</u>	<u>171,646</u>	<u>18,673</u>
<b>Total Funding</b>	<b><u>\$1,462,626</u></b>	<b><u>\$1,393,981</u></b>	<b><u>\$68,645</u></b>	<b><u>\$1,390,832</u></b>	<b><u>\$1,327,828</u></b>	<b><u>\$63,004</u></b>

Add to (Subtract From)

LFA Current Level

Subcommittee Action

<u>Differences</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Attorney Position Gen Fund	\$ 26,788	\$ 26,737	_____	_____
2. Aircraft Maintenance				
a. Fuel	18,734	18,734	_____	_____
b. Proprietary Funds	2,836	-0-	_____	_____
3. Computer Programming		(4,500)	_____	_____
4. Computer Access Charge Gen Fund	7,200	7,900	_____	_____
5. MOD Twin Bridges	12,600	12,600	_____	_____
6. Funding Shifts				
a. Federal	4,000	4,000	_____	_____
b. Resource Development	2,900	4,600	_____	_____

**Subcommittee Action**

**Agency: State Lands**

**Program: Land Administration**

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	18.62	18.62	0.00	18.62	18.62	0.00
Personal Serv.	\$442,257	\$442,381	\$ (124)	\$441,995	\$442,138	\$ (143)
Operating Exp.	131,000	87,200	43,800	131,281	87,733	43,548
Equipment	<u>11,432</u>	<u>16,408</u>	<u>(4,976)</u>	<u>11,432</u>	<u>16,408</u>	<u>(4,976)</u>
<b>Total Exp.</b>	<b><u>\$584,689</u></b>	<b><u>\$545,989</u></b>	<b><u>\$38,700</u></b>	<b><u>\$584,708</u></b>	<b><u>\$546,279</u></b>	<b><u>\$38,429</u></b>

**Funding**

General Fund	<b><u>\$584,689</u></b>	<b><u>\$545,989</u></b>	<b><u>\$38,700</u></b>	<b><u>\$584,708</u></b>	<b><u>\$546,279</u></b>	<b><u>\$38,429</u></b>
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<u>Differences</u>	Add to (Subtract From)		Subcommittee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Different base was used to start current year level				
LFA - 1986 Appropriated	17,000	17,000	_____	_____
Executive 1986 Expenditure				
2. Need Control	24,000	24,000	_____	_____
3. Gasoline	800	550	_____	_____
4. Photographic Services	500	500	_____	_____
5. Minor Tools	1,426	1,426	_____	_____

**Subcommittee Action**

Agency: State Lands Program: Reclamation Program

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	36.00	32.00	4.00	36.00	32.00	4.00
Personal Serv.	\$1,012,360	\$ 920,159	\$ 92,201	\$1,011,565	\$ 919,568	\$ 91,997
Operating Exp.	2,146,765	1,988,676	158,089	2,025,226	1,989,769	35,457
Equipment	49,550	45,000	4,550	30,000	30,000	-0-
Capital Outlay	<u>4,960,000</u>	<u>2,540,531</u>	<u>2,419,469</u>	<u>4,970,000</u>	<u>2,540,531</u>	<u>2,429,469</u>
<b>Total Exp.</b>	<b><u>\$8,168,675</u></b>	<b><u>\$5,494,366</u></b>	<b><u>\$2,674,309</u></b>	<b><u>\$8,036,791</u></b>	<b><u>\$5,479,868</u></b>	<b><u>\$2,556,923</u></b>

**Funding**

General Fund	\$ 85,057	\$ 588,162	\$ (503,105)	\$ 84,177	\$ 573,457	\$ (489,280)
State Spec. Rev.	1,133,887	417,183	716,704	1,012,474	417,183	595,291
Federal	<u>6,949,731</u>	<u>4,489,021</u>	<u>2,460,710</u>	<u>6,940,140</u>	<u>4,489,228</u>	<u>2,450,912</u>
<b>Total Funding</b>	<b><u>\$8,168,675</u></b>	<b><u>\$5,494,366</u></b>	<b><u>\$2,674,309</u></b>	<b><u>\$8,036,791</u></b>	<b><u>\$5,479,868</u></b>	<b><u>\$2,556,923</u></b>

<u>Differences</u>	Add to (Subtract From)		Subcommittee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Hard Rock Reclamation (Reclamation Hard Rock Acct)	\$ 100,000	\$ -0-	_____	_____
2. Legal Fees MONTCO - Northern Plains Contested case hearing	30,000	10,000	_____	_____
3. Equipment 20% Gen. Fund, 80% Fed. Fund	4,050		_____	_____
4. Rule Printing	10,000	10,000	_____	_____
5. Water and Soil Sampling	9,000	9,000	_____	_____
6. Reclamation Program	2,419,469	2,429,469	_____	_____

*of Reclamation*

Agency: State Lands

Subcommittee Action

Program: Resource Devel.

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	7.00	7.00	0.00	7.00	7.00	0.00
Personal Serv.	\$180,350	\$180,403	\$ (53)	\$180,310	\$180,373	\$ (63)
Operating Exp.	34,835	34,552	283	35,123	34,897	226
Non-Operating	<u>58,000</u>	<u>-0-</u>	<u>-0-</u>	<u>78,000</u>	<u>-0-</u>	<u>78,000</u>
Total Exp.	<u>\$273,185</u> =====	<u>\$214,955</u> =====	<u>\$58,230</u> =====	<u>\$293,483</u> =====	<u>\$215,270</u> =====	<u>\$78,163</u> =====
<b>Funding</b>						
State Spec. Rev.	<u>\$273,185</u> =====	<u>\$214,955</u> =====	<u>\$58,230</u> =====	<u>\$293,483</u> =====	<u>\$215,270</u> =====	<u>\$78,163</u> =====

<u>Differences</u>	Add to (Subtract From) LFA Current Level		Subcommittee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Capital Projects	\$58,000	\$78,163	_____	_____

Agency: State Lands

Subcommittee Action

Program: Forestry

	Fiscal 1988			Fiscal 1989		
	Executive	Current Level	Difference	Executive	Current Level	Difference
FTE	219.11	207.71	11.40	226.26	216.68	9.58
Personal Serv.	\$5,247,342	\$4,969,808	\$277,534	\$5,373,116	\$5,158,319	\$214,797
Operating Exp.	2,681,949	2,240,495	441,454	2,626,249	2,292,907	333,342
Equipment	<u>507,595</u>	<u>478,245</u>	<u>29,350</u>	<u>346,504</u>	<u>271,004</u>	<u>75,500</u>
Total Exp.	<u>\$8,436,886</u>	<u>\$7,688,548</u>	<u>\$748,338</u>	<u>\$8,345,869</u>	<u>\$7,722,230</u>	<u>\$623,639</u>
<b>Funding</b>						
General Fund	\$5,427,369	\$5,184,390	\$242,979	\$5,390,073	\$5,112,936	\$ 277,137
State Spec. Rev.	1,331,975	800,039	531,936	1,337,283	958,660	378,623
Federal	<u>1,677,542</u>	<u>1,704,119</u>	<u>(26,577)</u>	<u>1,618,513</u>	<u>1,650,634</u>	<u>(32,121)</u>
Total Funding	<u>\$8,436,886</u>	<u>\$7,688,548</u>	<u>\$748,338</u>	<u>\$8,345,869</u>	<u>\$7,722,230</u>	<u>\$623,639</u>

Differences	Add to (Subtract From) LFA Current Level		Subcommittee Action	
	Fiscal 1988	Fiscal 1989	Fiscal 1988	Fiscal 1989
1. Slash Position Eliminated (GF)	\$30,713	\$30,713		
2. Nursing Position Eliminated	15,775	15,775		
3. USFS Payment	81,000	64,400		
4. Contract Pilot Costs	10,000	10,000		
5. Fuel Costs	10,000	10,000		
6. Dept. Aircraft Costs	16,000	16,000		
7. Private Aircraft Rental	-0-	20,000		
8. Consultant Contracts	29,000	23,000		
9. Federal Trade Reduction	-0-	52,000		
10. timber Stand Improvement	177,220	84,132		
11. Brush Removal	246,382	181,245		
12. Vacancy Savings (Gen. Fund Diff)	35,000	35,000		
13. MOD - Hazard Reduction	86,280	77,830		
14. MOD - Nursery	20,413	20,440		
15. Conservation Reserve Program	24,401	24,472		

CS:kj:sasl.





REPORT EBSR106  
 DATE : 01/07/87  
 TIME : 15/24/40

OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 01 CENTRAL MANAGEMENT PROGRAM  
 CONTROL : 00000

AE/OE	DESCRIPTION	CURRENT LEVEL SERVICES ONLY							
		OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	20.00	19.00	1.00	---	20.00	19.00	1.00	---
1100	SALARIES	510,728	487,326	23,402	---	508,913	485,599	23,314	---
1400	EMPLOYEE BENEFITS	78,028	74,568	3,460	---	79,415	75,916	3,499	---
1500	HEALTH INSURANCE	27,600	26,220	1,380	---	27,600	26,220	1,380	---
1600	VACANCY SAVINGS	-24,654	-23,200	-1,454	---	-24,637	-23,181	-1,456	---
	TOTAL SECOND LEVEL	591,702	564,914	26,788	---	591,291	564,554	26,737	---
2021	CONTRACTED SERVICES-INFLATION	-2,902	-2,902	---	---	-4,639	-5,622	983	---
2022	SUPPLIES & MATERIALS-INFLATION		-2,836	2,836	---		43	-43	---
2023	COMMUNICATIONS-INFLATION	44	44	---	---	68	68	---	---
2026	UTILITIES-INFLATION	1,556	1,553	3	---	3,044	3,044	2	---
2100	CONTRACTED SERVICES	296,917	289,718	7,199	---	225,867	223,751	2,116	---
2200	SUPPLIES & MATERIALS	51,760	51,760	---	---	51,760	51,760	---	---
2300	COMMUNICATIONS	18,335	18,519	-184	---	18,335	18,519	-184	---
2400	TRAVEL	14,793	14,874	-81	---	14,793	14,874	-81	---
2500	RENT	70,071	69,321	750	---	71,461	69,321	2,140	---
2600	UTILITIES	9,441	9,441	---	---	9,441	9,441	---	---
2700	REPAIR & MAINTENANCE	128,972	110,238	18,734	---	127,472	108,738	18,734	---
2800	OTHER EXPENSES	4,337	4,337	---	---	4,337	4,337	---	---
	TOTAL SECOND LEVEL	593,324	564,067	29,257	---	521,941	498,274	23,667	---
6000	GRANTS	265,000	265,000	---	---	265,000	265,000	---	---
	TOTAL PROGRAM	1,450,026	1,393,981	56,045	---	1,378,232	1,327,828	50,404	---
01100	GENERAL FUND	1,011,078	969,639	41,439	---	984,072	943,702	40,370	---
02450	STIDS KLS DIV	157,885	160,787	2,902	---	114,559	119,198	-4,639	---

REPORT EBSR106  
 DATE : 01/07/87  
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OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 01 CENTRAL MANAGEMENT PROGRAM  
 CONTROL : 00000

AE/OE	DESCRIPTION	CURRENT LEVEL SERVICE: ONLY							
		OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMI FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
03070	CENTRALIZED SER-GRANT REIMB	89,282	93,282	-4,000	---	89,282	93,282	-4,000	---
06538	AIR OPERATIONS INTERNAL SVC.	191,781	170,273	21,508	---	190,319	171,646	18,673	---
	TOTAL PROGRAM	1,450,026	1,393,981	56,045	---	1,378,232	1,327,828	50,404	---

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 DATE : 01/07/87  
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OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 03 RECLAMATION PROGRAM  
 CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	32.00	32.00			32.00	32.00		
1100	SALARIES	795,719	795,722	-3		793,593	793,598	-5	
1400	EMPLOYEE BENEFITS	117,569	117,571	-2		119,040	119,043	-3	
1500	HEALTH INSURANCE	44,850	44,850			44,850	44,850		
1600	VACANCY SAVINGS	-38,325	-37,984	-341		-38,299	-37,923	-376	
	TOTAL SECOND LEVEL	919,813	920,159	-346		919,184	919,568	-384	
2021	CONTRACTED SERVICES-INFLATION	-75	-75			-151	-146	-5	
2022	SUPPLIES & MATERIALS-INFLATION	93	-312	405		297	76	221	
2023	COMMUNICATIONS-INFLATION	114	114			176	176		
2026	UTILITIES-INFLATION	747	745	2		1,461	1,459	2	
2100	CONTRACTED SERVICES	1,765,193	1,615,218	149,975		1,643,193	1,615,218	27,975	
2200	SUPPLIES & MATERIALS	25,024	24,919	105		25,024	24,919	105	
2300	COMMUNICATIONS	35,192	36,457	-1,265		34,242	36,457	-2,215	
2400	TRAVEL	89,892	89,893	-1		89,892	89,893	-1	
2500	RENT	108,589	108,589			109,343	108,589	754	
2600	UTILITIES	4,447	4,448	-1		4,447	4,448	-1	
2700	REPAIR & MAINTENANCE	10,850	11,437	-587		10,850	11,437	-587	
2800	OTHER EXPENSES	97,244	97,243	1		97,244	97,243	1	
	TOTAL SECOND LEVEL	2,137,310	1,988,676	148,634		2,016,018	1,989,769	26,249	
3100	EQUIPMENT	49,050	45,000	4,050		30,000	30,000		
4000	CAPITAL OUTLAY	4,960,000	2,540,531	2,419,469		4,970,000	2,540,531	2,429,469	
	TOTAL PROGRAM	8,066,173	5,494,366	2,571,807		7,935,202	5,479,868	2,455,334	
01100	GENERAL FUND		588,162	9,162			573,457	-573,457	

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OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 03 RECLAMATION PROGRAM  
 CONTROL : 00000

AE/OE	DESCRIPTION	CURRENT LEVEL SERVICES ONLY							
		OBPP FY 88	LIA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFI FY 89	SUB-CMT FY 89
02027	RESOURCE IND TR FD INILREST	616,704		616,704		595,291		595,291	
02451	RECLAMATION HARDROCK	100,000		100,000					
02838	DSL ENV. IMPACT STATEMENTS	417,183	417,183			417,183	417,183		
03067	DSL FEDERAL RECLAMATION GRANT	6,932,286	4,489,021	2,443,265		6,922,728	4,489,228	2,433,500	
	TOTAL PROGRAM	8,066,173	5,494,366	2,571,807		7,935,202	5,479,868	2,455,334	

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OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 04 LAND ADMINISTRATION PGM  
 CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 88	I FA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	18.62	18.62			18.62	18.62		
1100	SALARIES	380,306	380,306			379,345	379,345		
1400	EMPLOYEE BENEFITS	55,538	55,538			56,226	56,226		
1500	HEALTH INSURANCE	24,840	24,840			24,840	24,840		
1600	VACANCY SAVINGS	-18,427	-18,303	-124		-18,416	-18,273	-143	
	TOTAL SECOND LEVEL	442,257	442,381	-124		441,995	442,138	-143	
2022	SUPPLIES & MATERIALS-INFLATION	9	-490	499		14	20	-6	
2023	COMMUNICATIONS-INFLATION	23	23			36	36		
2026	UTILITIES-INFLATION	10	9	1		20	19	1	
2100	CONTRACTED SERVICES	13,792	13,292	500		13,792	13,292	500	
2200	SUPPLIES & MATERIALS	49,484	14,777	34,707		49,737	14,777	34,960	
2300	COMMUNICATIONS	27,377	21,784	5,593		27,377	21,784	5,593	
2400	TRAVEL	20,593	20,593			20,593	20,593		
2500	RENT	8,617	6,117	2,500		8,617	6,117	2,500	
2600	UTILITIES	151	151			151	151		
2700	REPAIR & MAINTENANCE	8,125	8,125			8,125	8,125		
2800	OTHER EXPENSES	2,819	2,819			2,819	2,819		
	TOTAL SECOND LEVEL	131,000	87,200	43,800		131,281	87,733	43,548	
3100	EQUIPMENT	11,432	16,408	-4,976		11,432	16,408	-4,976	
	TOTAL PROGRAM	584,689	545,989	38,700		584,708	546,279	38,429	
01100	GENERAL FUND	584,689	545,989	38,700		584,708	546,279	38,429	
	TOTAL PROGRAM	584,689	545,989	38,700		584,708	546,279	38,429	

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OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 05 RESOURCE DEVELOPMENT PGM  
 CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	7.00	7.00			7.00	7.00		
1100	SALARIES	155,268	155,268			154,929	154,929		
1400	EMPLOYEE BENEFITS	22,936	22,936			23,233	23,233		
1500	HEALTH INSURANCE	9,660	9,660			9,660	9,660		
1600	VACANCY SAVINGS	-7,514	-7,461	-53		-7,512	-7,449	-63	
	TOTAL SECOND LEVEL	180,350	180,403	-53		180,310	180,373	-63	
2022	SUPPLIES & MATERIALS-INFLATION	16	-112	128		71	1	70	
2023	COMMUNICATIONS-INFLATION	6	6			9	9		
2026	UTILITIES-INFLATION	99	99			194	193	1	
2100	CONTRACTED SERVICES	10,336	10,180	156		10,336	10,180	156	
2200	SUPPLIES & MATERIALS	3,282	3,282			3,282	3,282		
2300	COMMUNICATIONS	4,658	4,658			4,658	4,658		
2400	TRAVEL	7,360	7,361	-1		7,360	7,361	-1	
2500	RENT	6,108	6,108			6,243	6,243		
2600	UTILITIES	712	712			712	712		
2700	REPAIR & MAINTENANCE	1,845	1,845			1,845	1,845		
2800	OTHER EXPENSES	413	413			413	413		
	TOTAL SECOND LEVEL	34,835	34,552	283		35,123	34,897	226	
4000	CAPITAL OUTLAY	58,000		58,000		78,000		78,000	
	TOTAL PROGRAM	273,185	214,955	58,230		293,433	215,270	78,163	
02450	ST LANDS RES DEV	273,185	214,955	58,230		293,433	215,270	78,163	
	TOTAL PROGRAM	273,185	214,955	58,230		293,433	215,270	78,163	

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OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 25 FORESTRY  
 CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	203.71	207.71	-4.00		203.71	216.68	-12.97	
1100	SALARIES	4,150,776	4,201,876	-51,100		4,140,782	4,342,404	-201,622	
1400	EMPLOYEE BENEFITS	678,623	685,723	-7,100		694,368	728,945	-34,577	
1500	HEALTH INSURANCE	282,126	286,639	-4,513		282,126	299,018	-16,892	
1600	VACANCY SAVINGS	-204,461	-204,430	-31		-204,691	-212,048	7,357	
	TOTAL SECOND LEVEL	4,907,064	4,969,808	-62,744		4,912,585	5,158,319	-245,734	
2021	CONTRACTED SERVICES-INFLATION	-171	-170	-1		-342	-331	-11	
2022	SUPPLIES & MATERIALS-INFLATION	614	-6,027	6,641		1,046	1,348	-302	
2023	COMMUNICATIONS-INFLATION	1,551	1,564	-13		2,423	2,493	-70	
2026	UTILITIES-INFLATION	9,698	9,682	16		19,031	19,028	3	
2100	CONTRACTED SERVICES	951,815	647,650	304,165		858,027	634,576	223,451	
2200	SUPPLIES & MATERIALS	502,020	536,108	-34,088		504,911	529,742	-24,831	
2300	COMMUNICATIONS	144,211	152,807	-8,596		143,920	153,257	-9,337	
2400	TRAVEL	80,688	84,908	-4,220		80,586	84,778	-4,192	
2500	RENT	425,737	331,676	94,061		445,710	384,219	61,491	
2600	UTILITIES	77,624	77,787	-163		77,622	79,187	-1,565	
2700	REPAIR & MAINTENANCE	340,430	357,773	-17,343		340,256	357,873	-17,617	
2800	OTHER EXPENSES	46,736	46,737	-1		46,736	46,737	-1	
	TOTAL SECOND LEVEL	2,580,953	2,240,495	340,458		2,519,926	2,292,907	227,019	
3100	EQUIPMENT	310,695	471,745	-161,050		310,804	264,504	46,300	
3400	INTANGIBLE ASSETS	6,500	6,500			6,500	6,500		
	TOTAL SECOND LEVEL	317,195	478,245	-161,050		317,304	271,004	46,300	
	TOTAL PROGRAM	7,805,212	7,688,548	116,664		7,749,815	7,722,230	27,585	

REPORT EBSR106  
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OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 25 FORESTRY  
 CONTROL : 00000

AE/OE	DESCRIPTION	CURRENT LEVEL SERVICES ONLY							
		OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
01100	GENERAL FUND	5,016,519	5,184,390	-167,871	---	5,000,988	5,112,936	-111,948	---
02031	FORESTERS NURSERY	116,404	120,000	-3,596	---	129,690	120,000	9,690	---
02073	FORESTRY - SLASH DISPOSAL	60,443	63,000	-2,557	---	60,440	63,000	-2,560	---
02449	TIMBER STAND IMPROVEMENT	529,891	363,134	166,757	---	530,105	456,448	73,657	---
02837	SLASH & BRUSH DISPOSAL	494,143	253,905	240,238	---	494,306	319,212	175,094	---
03068	CLARK-MCNARY	1,432,724	1,543,920	-111,196	---	1,391,204	1,502,435	-111,231	---
03069	COOP FOREST MANAGEMENT	155,088	160,199	-5,111	---	143,082	148,199	-5,117	---
	TOTAL PROGRAM	7,805,212	7,688,548	116,664	---	7,749,815	7,722,230	27,585	---



REPORT EBS, J6  
 DATE : 01/07/87  
 TIME : 15/47/51

OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 01 CENTRAL MANAGEMENT PROGRAM  
 CONTROL : 01001 TWIN BRIDGES/CARETAKER

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
2100	CONTRACTED SERVICES	9,600		9,600		9,600		9,600	
2600	UTILITIES	3,000		3,000		3,000		3,000	
	TOTAL SECOND LEVEL	12,600		12,600		12,600		12,600	
	TOTAL PROGRAM	12,600		12,600		12,600		12,600	
01100	GENERAL FUND	12,600		12,600		12,600		12,600	
	TOTAL PROGRAM	12,600		12,600		12,600		12,600	

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OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

JE 63

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 03 RECLAMATION PROGRAM  
 CONTROL : 03001 CLERICAL

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89	MODIFIED LEVEL SERVICES ONLY	
0000	FULL TIME EQUIVALENT (FTE)	1.00		1.00		1.00		1.00			
1100	SALARIES	14,654		14,654		14,598		14,598			
1400	EMPLOYEE BENEFITS	2,138		2,138		2,159		2,159			
1500	HEALTH INSURANCE	1,380		1,380		1,380		1,380			
1600	VACANCY SAVINGS	-727		-727		-725		-725			
	TOTAL SECOND LEVEL	17,445		17,445		17,412		17,412			
	TOTAL PROGRAM	17,445		17,445		17,412		17,412			
03067	DSL FEDERAL RECLAMATION GRANT	17,445		17,445		17,412		17,412			
	TOTAL PROGRAM	17,445		17,445		17,412		17,412			

OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

REPORT EBSA-06  
 DATE : 01/07/87  
 TIME : 15/47/51

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 03 RECLAMATION PROGRAM  
 CONTROL : 03185 HARD ROCK

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	3.00		3.00		3.00		3.00	
1100	SALARIES	64,545		64,545		64,299		64,299	
1400	EMPLOYEE BENEFITS	9,546		9,546		9,654		9,654	
1500	HEALTH INSURANCE	4,140		4,140		4,140		4,140	
1600	VACANCY SAVINGS	-3,129		-3,129		-3,124		-3,124	
	TOTAL SECOND LEVEL	75,102		75,102		74,969		74,969	
2023	COMMUNICATIONS-INFLATION	5		5		7		7	
2300	COMMUNICATIONS	2,514		2,514		2,265		2,265	
2400	TRAVEL	6,936		6,936		6,936		6,936	
	TOTAL SECOND LEVEL	9,455		9,455		9,208		9,208	
3100	EQUIPMENT	500		500					
	TOTAL PROGRAM	85,057		85,057		84,177		84,177	
01100	GENERAL FUND	85,057		85,057		84,177		84,177	
	TOTAL PROGRAM	85,057		85,057		84,177		84,177	

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 TIME : 15/47/51

OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

JE 65

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 25 FORESTRY  
 CONTROL : 02501 BLOCK #3 USFS CONT. REDUCTION

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	2.80		2.80		9.95		9.95	
1100	SALARIES	44,529		44,529		148,524		148,524	
1400	EMPLOYEE BENEFITS	8,095		8,095		27,842		27,842	
1500	HEALTH INSURANCE	1,380		1,380		2,760		2,760	
1600	VACANCY SAVINGS	-2,160		-2,160		-7,165		-7,165	
	TOTAL SECOND LEVEL	51,844		51,844		171,961		171,961	
2022	SUPPLIES & MATERIALS-INFLATION	34		34		259		259	
2023	COMMUNICATIONS-INFLATION	6		6		38		38	
2026	UTILITIES-INFLATION	10		10		288		288	
2100	CONTRACTED SERVICES	1,000		1,000		3,300		3,300	
2200	SUPPLIES & MATERIALS	26,376		26,376		20,010		20,010	
2300	COMMUNICATIONS	1,000		1,000		1,450		1,450	
2400	TRAVEL	1,000		1,000		1,200		1,200	
2500	RENT	1,000		1,000		5,500		5,500	
2600	UTILITIES	100		100		1,500		1,500	
2700	REPAIR & MAINTENANCE	9,650		9,650		9,850		9,850	
2800	OTHER EXPENSES	100		100		100		100	
	TOTAL SECOND LEVEL	40,276		40,276		43,495		43,495	
3100	EQUIPMENT	172,400		172,400		20,200		20,200	
	TOTAL PROGRAM	264,520		264,520		235,656		235,656	
01100	GENERAL FUND	174,790		174,790		151,429		151,429	
03068	CLARK-MCNARY	89,730		89,730		84,227		84,227	
	TOTAL PROGRAM	264,520		264,520		235,656		235,656	

REPORT EBSN.06  
 DATE : 01/07/87  
 TIME : 15/47/51

OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 25 FORESTRY  
 CONTROL : 02502 INCREASED NURSERY PRODUCTION

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	.70		.70		.70		.70	
1100	SALARIES	7,827		7,827		7,797		7,797	
1400	EMPLOYEE BENEFITS	1,253		1,253		1,277		1,277	
1600	VACANCY SAVINGS	-363		-363		-363		-363	
	TOTAL SECOND LEVEL	8,717		8,717		8,711		8,711	
2100	CONTRACTED SERVICES	2,496		2,496		2,495		2,495	
2200	SUPPLIES & MATERIALS	1,650		1,650		1,650		1,650	
2400	TRAVEL	500		500		500		500	
2700	REPAIR & MAINTENANCE	7,050		7,050		7,084		7,084	
	TOTAL SECOND LEVEL	11,696		11,696		11,729		11,729	
	TOTAL PROGRAM	20,413		20,413		20,440		20,440	
02031	FORESTERS NURSERY	20,413		20,413		20,440		20,440	
	TOTAL PROGRAM	20,413		20,413		20,440		20,440	

REPORT : 01/06  
 DATE : 01/07/87  
 TIME : 15/47/51

OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AE 67

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 25 FORESTRY  
 CONTROL : 02503 HAZARD REDUCTION WORKLOAD

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	3,000		3,000		3,000		3,000	
1100	SALARIES	54,756		54,756		54,549		54,549	
1400	EMPLOYEE BENEFITS	9,465		9,465		9,717		9,717	
1500	HEALTH INSURANCE	4,140		4,140		4,140		4,140	
1600	VACANCY SAVINGS	-2,734		-2,734		-2,736		-2,736	
	TOTAL SECOND LEVEL	65,627		65,627		65,670		65,670	
2022	SUPPLIES & MATERIALS-INFLATION	15		15		67		67	
2200	SUPPLIES & MATERIALS	1,738		1,738		1,700		1,700	
2400	TRAVEL	500		500		493		493	
2700	REPAIR & MAINTENANCE	400		400		900		900	
	TOTAL SECOND LEVEL	2,653		2,653		3,160		3,160	
3100	EQUIPMENT	18,000		18,000		9,000		9,000	
	TOTAL PROGRAM	86,280		86,280		77,830		77,830	
02073	FORESTRY - SLASH DISPOSAL	86,280		86,280		77,830		77,830	
	TOTAL PROGRAM	86,280		86,280		77,830		77,830	

REPORT EBSKJ06  
 DATE : 01/07/87  
 TIME : 15/47/51

OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 25 FORESTRY  
 CONTROL : 02505 C.R.P. WILDLIFE SEEDLINGS

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	.90		.90		.90		.90	
1100	SALARIES	10,063		10,063		10,025		10,025	
1400	EMPLOYEE BENEFITS	1,611		1,611		1,642		1,642	
1600	VACANCY SAVINGS	-467		-467		-467		-467	
	TOTAL SECOND LEVEL	11,207		11,207		11,200		11,200	
2026	UTILITIES-INFLATION	92		92		193		193	
2100	CONTRACTED SERVICES	500		500		500		500	
2200	SUPPLIES & MATERIALS	9,700		9,700		9,700		9,700	
2400	TRAVEL	300		300		300		300	
2600	UTILITIES	1,500		1,500		1,500		1,500	
2700	REPAIR & MAINTENANCE	1,102		1,102		1,079		1,079	
	TOTAL SECOND LEVEL	13,194		13,194		13,272		13,272	
	TOTAL PROGRAM	24,401		24,401		24,472		24,472	
02031	FORESTERS NURSERY	24,401		24,401		24,472		24,472	
	TOTAL PROGRAM	24,401		24,401		24,472		24,472	

REPORT E...J6  
 DATE : 01/07/87  
 TIME : 15/47/51

OFFICE OF BUDGET PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5501 DEPARTMENT OF STATE LANDS  
 PROGRAM : 25 FORESTRY  
 CONTROL : 02506 TIMBER MOD.

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF T FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	8.00		8.00		8.00		8.00	
1100	SALARIES	171,937		171,937		171,399		171,399	
1400	EMPLOYEE BENEFITS	28,359		28,359		29,008		29,008	
1500	HEALTH INSURANCE	11,040		11,040		11,040		11,040	
1600	VACANCY SAVINGS	-8,453		-8,453		-8,458		-8,458	
	TOTAL SECOND LEVEL	202,883		202,883		202,989		202,989	
2022	SUPPLIES & MATERIALS-INFLATION	76		76		346		346	
2023	COMMUNICATIONS-INFLATION	43		43		69		69	
2026	UTILITIES-INFLATION	5		5		11		11	
2100	CONTRACTED SERVICES	554		554		574		574	
2200	SUPPLIES & MATERIALS	17,335		17,335		17,957		17,957	
2300	COMMUNICATIONS	1,608		1,608		1,666		1,666	
2400	TRAVEL	2,844		2,844		2,946		2,946	
2500	RENT	732		732		759		759	
2600	UTILITIES	66		66		68		68	
2700	REPAIR & MAINTENANCE	9,914		9,914		10,271		10,271	
	TOTAL SECOND LEVEL	33,177		33,177		34,667		34,667	
	TOTAL PROGRAM	236,060		236,060		237,656		237,656	
01100	GENERAL FUND	236,060		236,060		237,656		237,656	
	TOTAL PROGRAM	236,060		236,060		237,656		237,656	



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NATURAL RESOURCES AND COMMERCE SUBCOMMITTEE  
GENERAL FUND BUDGET REDUCTIONS

Fiscal  
1988

Fiscal  
1989

Department of Livestock

1. Rabies Control Program. There is \$135,000 general funds in the LFA current level. The program is a discretionary program. The department uses the funds to eradicate skunks which test positive to rabies and are a threat to humans or livestock. \$67,500      \$67,500

Department of Agriculture

1. Environmental Management Division. The state's pesticide program could be eliminated and the responsibilities would be taken over by the US Environmental Protection Agency. The biennium budget for the program is \$1,060,000 general fund. If the legislature were to do away with the program then the fees which are collected by the department for pesticide regulations would likely be discontinued. The revenue from the fees is deposited into the general fund and for the biennium the estimated revenues would be \$638,000. Therefore the net general fund savings would be \$421,000. 210,000      211,000
2. Agriculture Marketing. Currently the department has a one person staff which promotes agricultural products other than wheat, beef, and pork. There also exists a Montana products promotion program in the Department of Commerce. This program could be eliminated and some of the activities of this program could be performed by Commerce or the function could be left to the Wheat Research and Marketing Program which uses grain check-off fees. The general fund saving would be \$74,000. 37,000      37,000
3. Crop Reporting. Currently the department has 4 positions which work with the US Department of Agriculture to provide facts and figures on agricultural activity in Montana. The state could pull out of the program and depend entirely on the information generated by the federal government and information developed by the Agricultural extension service. The general fund savings would be \$114,500. 57,200      57,300

Department of State Lands

1. Slash Disposal Program. The state administers a slash disposal program which insures that timber slash is properly disposed. The program is funded 50 percent with general fund for a biennium cost of \$124,000. If the general fund

were eliminated there would still be program revenues to maintain a scaled back program. The state may want to consider increasing the fines and penalties for those individuals who are not properly disposing of slash and this may act as an incentive to properly handle the slash. \$ 62,000 \$ 62,000

2. County Equalization. Eliminate the payment in lieu of taxes. This would be consistent with the tax exempt treatment of state buildings. 265,000 265,000

\* 3. Nursery Program. The state general fund support for the tree nursery program could be eliminated. The general fund savings would be \$188,000. There would still be \$120,000/yr from nursery sales revenue to keep a scaled down nursery program going. The state could also look to private nurseries for needed replacement stock and to the universities for research.

What's TSI Situation  
Budget & Schedule

4. Timber Sales. The 1985 legislature increased the state timber to be sold from 32 million board feet to 50 million board feet. In the 1989 biennium budget there are 8.0 FTE and \$473,000 general fund to continue the increased sales. The revenues from state timber sales is part of the school foundation funds. Because the state receives the revenues from the increased sales when the timber is cut and generally the timber is cut from one to three years after the sale, if the legislature were to eliminate the 8.0 FTE and reduce the general fund there would be minimal effect on the school foundation revenues in the 1989 biennium. 236,000 237,000

Fully funded...  
need consider?

Department of Natural Resources and Conservation

1. Water Adjudication. Currently the DNRC has approximately 38 FTE dedicated for water rights adjudication. The positions are in 9 regional offices around the state. The department is working with the State Water Court to adjudicate all the state's water rights. The legislature could reduce the staff to 12 and direct the staff to adjudicate river basins on a priority basis. This would lengthen the time needed to adjudicate the entire state but there are certain river basins where there is greater local conflict over water rights and therefore should be adjudicated before others. If the legislature were to reduce the staff from 38 to 12 the general fund saving would be approximately \$1,500,000.

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750,000 750,000

2. Facility Siting. There are 5.0 FTE which are financed with \$358,000 general fund. If the general fund for these positions was eliminated the department would be able to maintain the positions if there was sufficient facility siting and environmental impact review work available. The general fund has been used for a safety net to insure that there would be a core staff for continuity.

179,000 179,000

1/2 FTE

Department of Commerce

1. District Court. The state reimburses the local district courts for certain criminal costs. The statute directs the Department of Commerce to distribute the funds available. If the legislature appropriated any amount less than the \$2,500,000 per year in the IFA current level there would be a general fund savings.	\$2,500,000	\$2,500,000
2. Business Assistance. Eliminate the Business Assistance Division. Working with industries considering Montana as a place to locate would be administered by local chambers of commerce and local governmental units. The assistance provided to small business would also have to be done by federal and local agencies.	697,800	681,600
3. Economic Policy and Research. Eliminate the program. The census information the program administers would still be available at university libraries. The staffing function to the Governor's Council on Economic Development and Transition Task Force would be eliminated.	236,000	234,000
4. Indian Affairs. Eliminate the Indian Affairs Program. The services provided by the Indian Coordinator could be absorbed by other governmental agencies.	158,900	144,000
Total Natural Resources Subcommittee	<u>\$5,456,400</u>	<u>\$5,425,400</u>

A STATEMENT IN FAVOR OF A HIGHER  
LEVEL OF STATE TIMBER HARVEST

Good Morning. My name is Mark Simonich. I am a Forester for F.H. Stoltze Land and Lumber Company. Stoltze has lumber manufacturing facilities in Dillon, Darby and Columbia Falls, Montana. I live in Dillon and have come here today to represent my employer.

During the last couple of years the National Forest Service has been publishing their draft and final Forest Plans. These plans, required by the National Forest Management Act of 1976 are to guide the management activities of the forest service over the period of the next 10 to 15 years.

Almost every single forest plan across the state of Montana is calling for a reduction in timber harvest. Those reductions range anywhere from a few percent up to 30% below historical sales over the past 10 years. This reduction in timber sales will permanently cripple the forest products industry in the state of Montana.

Two years ago the state legislature saw fit to appropriate funding that allowed the Department of State Lands to increase their timber sale program from 32 million board feet to 50 million board feet annually. We are asking that you do the same this time.

State timber sales do not subsidize the timber industry. For each \$1.00 spent on timber sales almost \$4.00 is returned to the state. The revenue generated from the state timber sales goes into the school trust fund. The interest from this fund then is used to help our educational system. This could be likened to an Individual Retirement Account. If a person makes sizeable deposits to his account regularly he will have a nice nest egg when he retires. Similarly if we can provide for regular, consistent large amounts of revenue for the school trust fund we can ensure

a higher source of funds for our education system in the future. This is not a quick fix solution to our budget problems but it can be a long term opportunity to continue offering a quality education.

In past years when the state had a 32 million b.f. harvest level, only a very small part of the harvest was done on the eastside. Two years ago the DSL committed to a 5 million b.f. sales program on the eastside as long as they could maintain a statewide program of 50 million b.f.. If the DSL does not get the necessary additional funding we most probably will lose the opportunity to compete for any state timber.

Please remember a high state timber sale program is good for Montana. It provides needed forest management, it provides revenue to the school trust fund and it helps to continue to provide jobs in the private sector. All of these are direct benefits to the people of Montana. Once again, I urge you to support the Department of State Lands timber budget proposal.

Thank You.

Testimony  
Vince Heier  
January 26, 1987

I would like to introduce myself to the Committee, I am Vince Heier, Timber Manager of the Idaho Pole Company and I am also a Board Member of the Montana Wood.

I am here to give support for the Department of Lands' request for funding to maintain their timber budget and harvest levels.

I do not wish to reiterate facts and figures presented to you by the department heads and others, but I simply want to appeal to you in a common sense fashion as a timber manager, taxpayer, and a parent of school children.

There is no other area of resource management, save agriculture, that offers the benefits on a perpetual basis as does forestry and timber management.

There is no other time in Montana's history when it has been more important to harvest our renewable resource and bolster the trust fund which provides money to our schools systems.

Timber is a crop--an interest bearing savings account, if you will. And in my area of Montana, which is east of the divide, the timber is largely mature to over-mature. This is timber that is becoming increasingly less productive due to old age, insects and disease. The savings account is no longer providing "interest" because it is not growing at the rate younger and healthier stands would grow.

We should beat mother nature and fire to the punch by increasing or maintaining the harvesting of the overmature stands. Three things would be accomplished by funding the proposed harvest:

1. The state would receive a much needed transfusion of funds into the Trust Account. This would yield more interest resulting in actual dollars for our schools.
2. More jobs would be created in the timber industry which in turn provides more taxes to the General Fund (helping all of us).
3. And last, our renewable resource would be utilized properly by replacing old "non yielding" stands with younger growing stands that would be providing the "interest for the future."

I urge you to listen to Gary and to let the forestry personel help the state out.

I know of no other resouce or revenue idea that offers the direct benefits that proper timber management on state trust lands offers.

Thank you for consideration of my testimony.

Vince Heier  
Idaho Pole Company,



MARKLE'S INCORPORATED  
P.O. Box 71 - Phone (406) 228-9365  
Glasgow, Montana 59230



Ed Smith  
Senate  
Capitol Station  
Helena, Mt 59604

Subject: Eliminating Business Assistance Div  
Dept of Commerce

Ed:

This letter is in support of your initiative to eliminate the Business Assistance Div. of the Montana Dept of Commerce at substantial savings to the State.

The lack of substantive goals, other than the process itself, and a consistent failure to make any effort to ammend the business climate in Montana, renders the division just another dimension of the problem. What we need are solutions.

You have successfully identified a Pork Barrel, we can do without and I strongly support your reeffort. Change the environemnt and assistance won't be necessary at State expense.

Please let your committee know I support your action.

  
TOM MARKLE  
MARKLE'S INC.  
GLASGOW, MONTANA