

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By Vice Chairman Gerry Devlin, on January 27,
1989, at 8:00 a.m.

ROLL CALL

Members Present: All except Representatives Spaeth and Iverson.

Members Excused: Spaeth and Iverson

Members Absent: None

Staff Present: Evan McKinney, LFA
Carl Schweitzer, LFA
Jane Hamman, OBPP
Donna Grace, Committee Secretary

HEARING ON DEPARTMENT OF COMMERCE

List of Proponents and Group they Represent

Jerry LaChere, Lottery
Ron Duda, Lottery
Diana Dowling, Lottery
Andy Poole, Department of Commerce

Montana State \Lottery 37:A (001)

Vice Chairman Devlin stated that the LFA, OBPP and the Administrator of the Lottery had met to reconsider the proposed budget taking into consideration the cuts which would be necessary in the event HB 207 which would allow the department to submit their budget to the legislature the same as other state entities did not pass. The proposed budget is attached as Exhibit 1.

Mr. LaChere stated he would like to present another scenario other than those presented by the OBPP and the LFA. The revised budget was the result of a potential trend that might be taking place if some legislative changes aren't made. Originally, when they came up with the \$13 million figure as far as expected revenue one assumption was that figure would be carried all the way through the fiscal year. Still another assumption could be that the present decline would continue because of a variety of reasons, some of which would be a reduction the division could do and still service the lottery public. Cuts would have to be made, there would be no money for advertising and they could continue with a downward decline. This is what would be

taking place if the current law is not altered.

Mrs. Dowling stated that the Lottery bill would be heard in committee at 9:00 a.m. this morning. She said that basically what they were asking was for the flexibility to run the lottery like a business and to be able to make business-like decisions.

Discussion followed. Senator Jenkins said that he had been on the committee that considered the Lottery bill when it was created and at that time the committee was aware that receipts for the first year would be high and there would then be a decline during the second year and eventually level off. He asked if the Lottery people had any idea when it might level off and Mrs. Dowling replied that they really did not know.

Senator Devlin stated that in light of the severe reductions which seemed to be necessary, perhaps the committee should wait to see what the disposition of HB 207 would be before proceeding with any action relative to the budget. Senator Jergeson remarked that if it were necessary to close the Lottery down, that would require legislation. Senator Jenkins then remarked that they could approve either budget as they would just be granting spending authority and if the money wasn't available they couldn't spend it.

MOTION: Representative Swift made a motion to accept the revised executive budget. Exhibit 2.

VOTE: MOTION PASSED. All present voted in favor of the motion.

Research and Information Services (411)

Sandy Courtnage, Administrator of the Research and Information Services Division, again appeared before the committee as requested to present their adjusted budget. She explained that because of the loss of anticipated federal funds they found it necessary to remove one FTE and associated costs from their budget. She stated that the LFA and OBPP have worked up a revised budget. Senator Devlin inquired about duplication and Ms. Courtnage advised that they share information with a number of agencies but they do not duplicate. She stated that they do not charge over a minimum fee for copying expenses but the basic philosophy of the division is together the information into one spot and provide for the distribution to all people regardless of their ability to pay.

Mr. McKinney presented copies of the revised budget to committee members for their consideration.

Executive Action:

LFA Analysis - Exhibit 3.

Issue 1 and 2. The executive budget includes a 0.33 FTE data processing position that is excluded from the LFA budget because the position was transferred to the program during the 1989 biennium. The executive budget also includes a 0.50 FTE administrative position that is excluded from the LFA budget because the position was transferred to the program during the 1989 biennium.

MOTION: Senator Jergeson made a motion that the executive recommendation be adopted on Issues 1 and 2.

VOTE: The Chairman called for a roll call vote. MOTION FAILED.

MOTION: Representative Swift made a motion not to accept the executive and to go with the LFA instead.

VOTE: The Chairman called for a roll call vote. MOTION PASSED.

Issue No. 3. Budget Modification - Census Data. This modification would add .50 temporary FTE to assist with federal census efforts. The cost of this modification would include \$11,045 for personal services, \$19,958 for operating expenses and \$14,000 for equipment for a total of \$45,003.

MOTION: Representative Swift made a motion to accept the modification.

VOTE: Motion passed. All present voted in favor.

HEARING ON DEPARTMENT OF FISH, WILDLIFE AND PARKS

List of Proponents and Group they Represent

Dave Mott, FW & P
Ron Marcoux, FW & P
Erv Kent, FW & P
Gene Allen, FW & P
Pat Graham, FW & P
Land Lindbergh, Big Blackfoot River Trout Unlimited

Testimony: Tape 37B (109)

Mr. Ron Marcoux presented an overview of the Department of Fish, Wildlife and Parks and discussed the department's proposed budget. Mr. Marcoux stated that funding is 7% proprietary, 30% federal, 48% license account and 15% other sources. No general fund money is involved. The department is divided into the following divisions which will be considered individually: Administration, Conservation Education, State Parks, Wildlife, Enforcement, Fisheries, Field Service, Management.

Mr. Marcoux stated that there were 503 species covered by the department and during 1988 there were 263,000 hunters and

330,000 fishermen. He advised that the budget to be presented did not provide for any increases in license fees for the coming biennium. One of the major issues to be discussed will be the State Parks Program. Mr. Marcoux presented charts which outlined the duties of each division, number of employees, source of revenue and budget information.

Mr. Marcoux stated that during the last legislative session Representative Swift had requested a status report of the various programs and he made the report available to the committee. Exhibit 4. He also presented copies of the study done on archery hunting as the department had been asked to report back on that matter. Exhibit 6. He also passed out copies of the interim report prepared for the long range building committee on House Bill 526 on properties that have been acquired and the status of management plans, etc. Exhibit 7.

Dave Mott, Administrator of the Management Division discussed funding sources. (605) Mr. Mott presented the committee with copies of a document which accounted for about 78% of the budget and the balance of the budget will be discussed in other areas. Exhibit 8. Mr. Mott stated that they would expect to have \$4,300,000 in the license account at the beginning of the biennium, adding the revenue estimate and some bonding earnings the total would be the amount they could spend going into fiscal year 1990. He stated that the budget is a little complicated because the committee has influence on the numbers of expenditures as well as the long range building committee in the capital program. He stated that the highlighted areas of the handout were the items which were of interest to this committee.

Fisheries Division 38:A (001)

Pat Graham, Administrator of the Fisheries Division, presented an overview of the division and briefly discussed some of the issues which will be facing the committee under executive action. He stated that Montana is fourth in the nation in the number of fishing licenses sold and other states are patterning their programs after Montana's. 55% of funding is from state license account and 30% is from the federal sport fisheries restoration act.

Executive Action:

LFA Analysis - Exhibit 9.

Issue No. 1. Missouri River water reservations. This budget item was approved by the legislature during the 1987 session. This would provide for preparing the application, paying the Department of Natural Resources for doing the EIS and finance the cost of the hearings for the lower basin.

MOTION: Senator Jergeson made a motion to adopt the executive recommendation.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 2. Mid Winter and early spring base adjustments. Mr. Schweitzer stated that the department experienced lower costs in the base year because of the mild winter and early spring and they didn't expend what they thought was a current level base. Mr. Graham stated that in the hatchery program one of the major costs is fish food and distribution costs. The longer the fish are in the hatchery, the higher the costs and they usually budget for an "average" year. Because of the drought last year they could get the fish out much earlier and that cut down on costs; however, if they should have a bad year, costs would go up and this item would adjust for this in their budget. The funds would not be spent unless they are needed.

MOTION: Representative Kimberley moved the adoption of the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 3. Lease/Purchase water supply. Mr. Graham explained that the department has entered into an agreement with a landowner at Somers. This landowner supplies the water used at the hatchery at the present time and he has indicated a desire to sell it to the Department. The legislature has authorized the construction of a new hatchery for kokanee and the decision has not been made as to whether it should be built at Somers or at Creston. The lease/purchase option will allow time to assess what the hatchery needs actually are.

MOTION: Representative Swift moved the adoption of the executive recommendation.

VOTE: MOTION PASSED. All committee members voted yes.

Issue No. 4. Reduced operating costs caused by vacant positions in base year. The department had some vacant positions so the executive gave them some additional operating expenses. This position is in the Habitat Bureau. The position is now filled and the additional funds are needed to maintain the position.

MOTION: Representative Kimberley moved the acceptance of the executive recommendation.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 5. Reduction in base year expenditures because of emergency repairs to the Jocko Fish Hatchery in fiscal 1988. Mr. Graham said there were major problems at the Jocko

Hatchery and operating expenses were moved in capital outlay to make repairs. This reduced the base expenditure by \$56,000 and they are now requesting that this money be added back into their base. The problems were caused by the drought and the water level dropped to 412 gallons per minute which was too low for the hatchery's needs. They were forced to move the brood stock and made a request to the Governor's office to go in and make some emergency repairs. They built an underground dam which helped to raise the ground water level. They then cut back on the hatchery program to make adjustments so they would have adequate funds to pay for the repairs.

MOTION: Representative Iverson made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 6. Flathead Basin Co-op. Mr. Schweitzer stated that this program was started in 1988 so they hadn't experienced a full year of expenditures. Mr. Graham stated that they had been asked to report back on this matter. The project is a cost sharing effort between the Fish, Wildlife and Parks, Bonneville Power Administration, Flathead National Forest and the Flathead Basin Commission. Major objectives are to identify impact of hydropower operations and forest practices on fisheries in the Flathead and Kootenai systems, recommend mitigation measures to protect the fisheries and compensate for losses, and integrate findings in the Region One fisheries management program. The funds requested would bring this up to the 1989 level for the 1990-91 biennium. They are not asking for additional FTE.

MOTION: Representative Swift made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 7. Fort Peck Commercial Fisheries. This issue involves legislative contract authority. In the Fisheries Division spending authority is appropriated in anticipation of future federal grants they might receive. One of the grants they have been receiving is the Fort Peck Commercial Fisheries grant and the department has asked that instead of continuing to fund it out of LCA appropriation authority, it be put into the budget by itself as a federally funded program. The argument is that it appears to be a continuous program and it should be built into the base. This would add .67 FTE to the base and \$40,506 would be added as federal spending authority.

Mr. Graham stated that one of the things he felt the committee should consider at this time is that the funding previously came as a grant through the National Marine Fisheries Service for commercial fisheries. Congress has done away

with that program and the department still feels that they have a need for this information at Fort Peck. The funding would now come from the Sports Fishing Restoration Program and it is no longer a grant, per se, but has the same funding source that the rest of their federal fisheries programs have. Therefore, he felt it would be more appropriate to put it in the base.

MOTION: Representative Iverson moved the adoption of the executive recommendation.

VOTE: MOTION PASSED. All members voted yes.

Issue No. 8. Murray Springs Fish Hatchery. Mr. Schweitzer stated that this hatchery located at Eureka is going to be completed. This hatchery is being considered separately from the rest of the hatchery program because it was constructed by the Corps of Engineers as a mitigation issue for the construction of Libby Dam. The division negotiates a contract annually with the Corps and the major portion of the appropriation would be for a new distribution truck.


MOTION: Senator Devlin made a motion that the executive recommendation be adopted.

VOTE: MOTION PASSED. All present voted yes.

Announcements/Discussion: Continue with Department of Fish, Wildlife and Parks on Monday morning at 8:00 a.m.

ADJOURNMENT

Adjournment At: 11:00 a.m.



REP. Gerry Devlin, Vice Chairman
SEN

GD/dg

2326.mina

NATURAL RESOURCES

DATE

[illegible]

ROLL CALL VOTE

NATURAL RESOURCES

SUBCOMMITTEE

DATE 1/27/89

AGENCY

Commerce

NUMBER 1

[illegible]

TALLY

2

3

TALLY

Donna Grace
Secretary

Sen. Gerry Heekin
Chairman

Motion: Senator Jergeson made a motion to adopt the executive

recommendation on Issues 1 and 2 of the Research and Information Services

Department budget.

ROLL CALL VOTE

NATURAL RESOURCES

SUBCOMMITTEE

DATE 1/27/89

AGENCY

Commerce

NUMBER 2

[illegible]

TALLY

3

2

TALLY
Donna Grace
Secretary

Sen. Gerry Newton
Chairman

Motion: Representative Swift made a motion to accept the LFA

recommendation on Issues 1 and 2 of the Research and Information Services

Department budget.

EXHIBIT 1
DATE 1-27-89
HB. 100

MONTANA LOTTERY
BUDGET DETAIL SUMMARY

	FY 1990.	Projected FY 1991
Personal Services	\$ 344,136	\$ 188,506
Operating Expenses		
Administrative	639,109	350,083
Prizes	3,510,000	2,106,000
Commissions	436,800	262,080
Equipment		
Transfers	2,683,200	1,609,920
Debt Services	186,755	163,411
TOTAL PROGRAM COSTS	7,800,000	4,680,000
Revenues	7,800,000	4,680,000

BUDGET ITEM	Executive	Fiscal 1990 LFA	Difference	Executive	Fiscal 1991 LFA	Difference
FTE	35.00	35.00	0.00	35.00	35.00	0.00
Personal Services	909,160	909,160	\$0	909,160	909,160	\$0
Operating Exp (Admin)	1,040,840	1,040,840	0	1,040,840	1,040,840	0
Operating Exp - Prizes	5,850,000	5,850,000	0	5,850,000	5,850,000	0
Agents Commissions	728,000	728,000	0	728,000	728,000	0
Sub-Total	8,528,000	8,528,000		8,528,000	8,528,000	
Non-Operating	4,472,000	4,472,000	0	4,472,000	4,472,000	0
TOTAL EXPENSES	\$13,000,000	\$13,000,000	\$0	\$13,000,000	\$13,000,000	\$0
FUNDING						
Other Revenue	\$13,000,000	\$13,000,000	\$0	\$13,000,000	\$13,000,000	\$0
TOTAL FUNDING	\$13,000,000	\$13,000,000	\$0	\$13,000,000	\$13,000,000	\$0

EXHIBIT 2
DATE 1-27-89
HB 100

AGENCY: DEPARTMENT OF COMMERCE LEGISLATIVE ACTION PROGRAM: RESEARCH & INFO SERVICES

BUDGET ITEM	Executive	Fiscal 1990 LFA	Difference	Executive	Fiscal 1991 LFA	Difference
FTE	6.83	6.00	0.83	6.83	6.00	0.83
Personal Services	\$195,163	\$173,257	\$21,906	\$195,544	\$173,638	\$21,906
Operating Expenses	42,237	42,237	0	42,237	42,237	0
Equipment	0	0	0	0	0	0
TOTAL EXPENSES	\$237,400	\$215,494	\$21,906	\$237,781	\$215,875	\$21,906
	=====	=====	=====	=====	=====	=====
FUNDING						
General Fund	\$237,400	\$215,494	\$21,906	\$237,781	\$215,875	\$21,906
Federal Revenue	0	0	0	0	0	0
TOTAL FUNDING	\$237,400	\$215,494	\$21,906	\$237,781	\$215,875	\$21,906
	=====	=====	=====	=====	=====	=====

	FTE	Gen Fund	Total Funds
Issue 1. The executive budget includes a 0.33 FTE data processing position that is excluded from the LFA budget because the position was transferred to the program during the 1989 biennium.	0.33	15,738	15,738
Issue 2. The executive budget includes a 0.50 FTE administrative position that is excluded from the LFA budget because the position was transferred to the program during the 1989 biennium.	0.50	28,075	28,075
Issue 3. Budget Modification 92002 - Census Data This modification would add .50 temporary FTE to assist with federal census efforts. The cost of this modification would be distributed as follows:	0.50	45,003	45,003

	FY 1990	FY 1991
Personal Services	0	11,045
Operating	0	19,958
Equipment	0	14,000
Total	0	45,003

EXHIBIT 3
DATE 1-27-89
HB 100

VISITOR'S REGISTER

AGENCY(S) _____ SUBCOMMITTEE _____
DEPARTMENT _____ DATE Jan. 27

NAME	REPRESENTING	SUP- PORT	OP- POSE
Jerry LaChere	Lottery		
Ron Duda	lottery		
Diana Dowling	"		
Gordy Poole	Damorce	X	
Steve Matt	FuP	X	
Ron Marcant			
ERV Kent			
Gene Allen			
Pat Graham			
Land Lindbergh	Big Blackfoot River Trout Unlimited Chapt.		
Tom Mancus	FuP		
Christensen, Dean	_____		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.