

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Gary Spaeth, on February 3, 1989, at
8:00 a.m.

ROLL CALL

Members Present: All members were present

Members Excused: None

Members Absent: None

Staff Present: Carl Schweitzer, LFA; Jane Hamman, OBPP; Terry
Dore, Committee Secretary, Donna Grace, Committee Secretary

HEARING ON DEPARTMENT OF FISH, WILDLIFE AND PARKS

List of Proponents and Group they Represent 49:A (001)

Janet Ellis, Audubon
Chuck Virag, FWP
Arnie Olsen, FWP
Ron Marcoux, FWP
Dave Mott, FWP
Gene Allen, FWP

Wildlife Division

Mr. Arnie Olsen continued with testimony relative to the Wildlife Division. He stated that the committee had discussed Legislative Contract Authority on February 2. He said he had failed to mention at that time that they have the Bonneville Power Administration program going on in Northwest Montana. They are prepared to continue the program in the next biennium. However, before Governor Schwinden left, he signed the mitigation trust agreement with Bonneville Power which will bring in a series of payments to the trust fund that was set up by the Legislature and the program will be funded with interest from that trust fund.

The contracts the Division has with Bonneville Power will slowly be phased out during this biennium. Mr. Olson asked how the committee wanted to handle this matter. He stated that there is enough LCA in the authorization granted on February 2 to cover the costs over the next biennium but eventually it might be an issue that would be more appropriate in the base. The cost will be about \$350,000 for this biennium

that will have to be taken out of the mitigation trust fund. Bonneville Power will make a \$2 million payment each year starting in 1989 and continuing for six years. Mr. Marcoux said they would like the committee to make it clear how they wanted to handle this, either by putting it in the base or covering it under LCA for this biennium.

Chairman Spaeth asked the LFA and the OBPP to discuss this matter with the division and come back to the committee with a recommendation.

Budget Modification - Impact of Timber Sales/Hunting. Mr. Olsen stated that the division wished to withdraw this modification. The forest service has determined that this is an important issue and they will fund it in total.

Budget Modification - Habitat/Timber Sales Planning. This modification would jointly fund a wildlife biologist with the Department of State Lands to implement habitat guidelines for state forest lands on timber sales and to continue training DSL employees for timber sale planning which is compatible with wildlife values and concerns. The Division stated that they would like to withdraw the .25 FTE from this modification. The reason is that this is a cooperative program with the DSL and they have requested the full FTE in their budget and this would then be a duplication. They would like the money to stay in the project to pay half of the effort.

MOTION: Representative Iverson made a motion to approve the modification minus the .25 FTE.

VOTE: MOTION PASSED. All present voted in favor.

Budget Modification - Non-Game Program. This modification is to add .60 FTE to help promote the non-game tax check-off by informing the public of the program benefits and to develop comprehensive regional inventories. Mr. Olson said the division has been faced increased interaction with the public relative to their non-game program and there has been a lot of concern about the private groups being more involved with the department on a volunteer basis. Mr. Olsen said this modification and the associated dollars are needed to coordinate the volunteer program and also increase the information base.

The Non-Game Program Report, January 1989, is attached as Exhibit 1.

Mr. Olsen stated that they are currently unable to keep up with requests for information because of the diversity and number of species included in the non-game categories. Discussion followed on the funding of this project. Mr. Olsen said that the check-off funds are decreasing each year and this past year they received \$22,000. The balance of the program

is made up from the general license fund. Mr. Schweitzer asked if there were complaints from sportsmen about using this money for non-game projects. Mr. Olsen said that it could be a potential complaint but they had not received any so far. The total program is \$50,000 which would include the check-off money, a small amount of state money and federal dollars.

Janet Ellis, Montana Audubon Legislative Fund, stated that she wanted to point out that the Agricultural Education and Child Abuse check-offs are both programs that are also important to the state as well as the non-game program and it has been a difficult way to provide money. The Agricultural Education program raised only \$5,000 last year and the child abuse check-off raised \$19,000.

Ms. Ellis commented that the non-game program is important and a lot of species are in Montana that will never be seen anywhere else. She called attention to a publication by the department regarding species of special concern. They are not threatened but the numbers are declining. 80% of the wildlife in Montana is actually non-game. One of the things she said she hoped to see the non-game program do was manage through education. Again, she emphasized that it is a very important project.

MOTION: Senator Jergeson made a motion to adopt the modification with language that the program should be reviewed in two years. The motion also included a direction to the division to come back in two years with another plan to finance the program other than license fee money.

VOTE: The Chairman called for a roll call vote. MOTION PASSED. Spaeth, Kimberley, Iverson and Jergeson voted yes; Devlin, Swift and Jenkins voted no.

LFA Issue No. 1. Continued Funding on New Wildlife Projects.

Mr. Schweitzer stated that in analyzing all of the divisions for the 1991 biennium, he found that this division was furthest along with its planning. He stated that in the current level analysis the Wildlife Division's budget was analyzed from a line-item perspective. The division's budget could also be analyzed from a project perspective. A project was defined as an allotment of funds and personnel to accomplish a specifically defined task. The \$5,046,300 which the division expended in fiscal 1988 could be separated into 229 projects. These projects are listed on pages 4 and 5 of the LFA Analysis for the Wildlife Division, Exhibit 2..

Mr. Schweitzer's complete analysis is outlined on page C-26, C-27, and C-28 of the LFA Analysis, a copy of which is attached as Exhibit 3.

Mr. Marcoux stated that, in reality, not every project is going to go on forever. There are some that are "redirected" to

priority areas when they reach termination. What the agency has done is develop a planning system which involves every individual effort. They have projects they develop so they can track and monitor their people to make sure they are doing what they are supposed to be doing, seeing what the results are and when projects do terminate the people are redirected into some other priority work. They then come back to the legislature to ask for expanded funds for new and expanded programs. They may ask for modifications in the base that will affect some of the projects that were in the previous category. He stated that the question was how they decide what the base level funds were when the level is shifted. It is a very comprehensive project and, again, he said he felt the Wildlife Division had reached the highest level of detail in project planning. In the Director's office they are looking at when projects terminate and the flexibility is there to redirect the funds to another priority area. Mr. Marcoux then discussed their planning process.

Mr. Schweitzer stated that, for example, last biennium the Legislature approved an elk hunting study for \$46,900. They came before the subcommittee and they approved the budget modification. Now the department has expended that money and the money is now part of the department's base although the study has ended. They now have \$46,900 in the base to be used for other studies and these were the situations he said he was trying to point out.

Mr. Olsen stated that the example used was clearly indicated to be a two-year study and the funds were not requested for this biennium and the funds do not appear in the base for the coming years. Also, they did not redirect any of the money to another project.

Discussion followed. Mr. Marcoux presented copies of the Plan Management System. Exhibit 4. He said he didn't know how other agencies dealt with this issue but he felt that they have opened up their system more on what they are doing and are making more available publicly than other agencies.

Senator Devlin said the committee didn't feel that the division was guilty of any wrongdoing whatsoever, it was just that they are opposed to building the base higher and he felt the issue should be addressed.

Mr. Schweitzer stated that there was more to be gained from this issue than the way the department's base has been built up. The table on page 4 of the LFA analysis shows another way to look at the budget when the legislature examines it. His suggestion was to look at the project rather than looking at the number of people working there or how much they are spending on utilities and equipment and what the people of Montana were getting for their money. It simply gives the committee another direction from which to look at this

budget.

Senator Jergeson said he thought this was interesting information and he wished more agencies did it. He said he appreciated it that they had put this information together to quantify on a project basis because it would mean a lot to his constituents. He did not necessarily think it was such a handy tool for budgeting and he did feel that some budget modifications should have a two year flag attached.

Mr. Schweitzer said he would disagree with the department in respect to expenditures for budget modifications in the base. When he went back and identified the expenditure base, that one particular budget modification was still in the base so, even though they are not continuing the study, the money in the expenditures are in the department's base and something else might have been decreased to accommodate the difference.

Dave Mott, Administrator of Management Services, stated that Carl did have a point that there are some items that do terminate and they have tried to identify them. On the other hand, they have a \$30 million budget for the agency and the Director and the Commission have the authority to meet the needs or problems as they arise. To the extent they can, they honestly go through and pull out one time costs and bring them forward. If there are some funds that have an ending date on them and they see it in the planning system, they want to address the problem, identify it for the Commission, and they will redirect that money and that would be money that appears in the base. He said he felt it reduced the amount of modifications the legislature sees from the Wildlife Division. There are only two modifications for this division, probably because there weren't as many problems identified in the Wildlife Division. Mr. Mott said they could furnish any detail the committee would like to see.

Mr. Schweitzer presented five options for the consideration of the committee. The options are outlined on page 8 of the LFA analysis sheet. Exhibit 2.

MOTION: Representative Swift made a motion to continue the present practice and look at it again in two years to see where there has been program expansion or reduction in relation to study and research projects. At that time a decision could be made to remain at the base level or drop back. The committee would like to see a report of programs that have been terminated.

Mr. Marcoux said he understood that Mr. Swift was asking the department to furnish a list of base projects and indicate which would terminate and identify the dollars in the base which are redirected to other projects and identify them. He said the Department could do that.

Mr. Schweitzer stated that he did not want to single out the wildlife division as some of the other divisions, such as fisheries, are doing the same thing. He said they would probably want to look at those also for the biennium ending in 1989.

VOTE: MOTION PASSED. All present voted yes.

LFA Issue No. 2. Trust Lands Subsidy of Hunting and Fishing Activities. Mr. Schweitzer stated that this issue had been discussed with the Department of State Lands during hearings on that budget. The issue is outlined on pages 8 through 11 of the LFA's analysis. The issue surfaced when he examined a land purchase that made by the Department of the Robb Creek Ranch. The department purchased 17,170 acres of deeded land and the rights to lease 10,817 acres of state trust land plus some additional federal land. The purchase price for the ranch was \$1,820,000. Of the 17,170 acres of deeded land, 15,681 were native grassland with a value of \$94 per acre. Mr. Schweitzer also noted that the appraiser said that the trust land would support 3,082 AUM's or an average of almost 2.8 AUM's per acre. The value of the trust land was probably equal to the value of the deeded land that was purchased. That would put the value of the trust land at about \$1,000,000. Following that, Mr. Schweitzer compared what the income to the trust would be with the department leasing this land to what the trust would receive if the department bought the land and invested the money. Under the lease the department is paying \$9,070 to lease the 10,817 acres. If the department were to purchase the land at \$94 per acre, pay approximately \$1,000,000, based on current investment interest rates, the trust would receive \$104,000 compared to the \$9,000 now being paid. He said that this was the basic issue.

Senator Jergeson stated that this would be a major policy change and it would be setting a precedent for the sale of trust land.

MOTION: Representative Iverson made a motion to continue at the status quo.

VOTE: MOTION PASSED. Jenkins voted no. All others voted yes.

Saline Seep (510)

Senator Jergeson reported that he had met with the FWP Department to discuss the Saline Seep project. He said he thought there was acceptance of the concept to appropriate to the DNRC conservation division \$100,000 from the upland game bird funds, \$25,000 from Fisheries and \$25,000 from House Bill 526 money and include with each of those language that on a site-specific basis for saline seep control programs in Montana for cost share in conservation easements on projects

the Department of Fish, Wildlife and Parks approves legitimate expenditures of various monies. He said that they were looking at game bird habitat funds because there is a large carryover there. This money could be used to encourage cost shares and leases and conservation easement for these lands to get recharge areas put into a multiple species of plant life that would be appropriate. Chairman Spaeth asked Senator Jergeson to meet with the LFA and OBPP to develop the appropriate language and prepare a handout to be discussed by the committee.

State Parks (599)

Chairman Spaeth said that he had visited with Chairman Mary Ellen Connelly of the Long Range Planning Committee and their plan was to appoint a joint committee with members from both committees to study the proposal from the State Parks Division. Following that a joint meeting of the committees would be scheduled to consider the recommendations of that subcommittee.

Field Services (606)

Mr. Schweitzer stated that he had made an error in determining the three-year average to arrive at a figure for expenditures for equipment for this division. He said that he had met with Mr. Allen and they had agreed that \$114,120 for FY 1990 was the correct figure. Exhibit 5. Mr. Allen said the corrected LFA figure would cover equipment purchases requested by the division.

MOTION: Senator Devlin made a motion to accept the LFA on the corrected three-year average figure.

VOTE: MOTION PASSED. All present voted in favor.

Budget Modification - Microcomputer Support. Mr. Allen stated that they would recommend the approval of the 1 FTE to provide support for the department's computer users. They have one person responsible for all their data processing work with micro and personal computers and that person is responsible for repair and maintenance, troubleshooting, training and installation. They have no one for backup and are requesting a Grade 11 FTE technician to provide additional support.

MOTION: Representative Kimberley made a motion to adopt the modification with the understanding that the position will be reviewed in two years.

VOTE: MOTION PASSED. All present voted in favor.

Additional Budget Issue. The 1987 legislature amended laws on the taxation of department property. The changes added administrative sites to the taxrolls. The department must

pay taxes on all headquarters buildings throughout the state. The amount of the shortfall is approximately \$65,000 in 1990 and \$94,000 in FY 1991. This was not in the original request. A schedule is attached, Exhibit 6.

MOTION: Senator Jenkins made a motion to approve payment of the additional taxes.

VOTE: MOTION PASSED. All present voted yes.

Administration

Mr. Marcoux stated that the division has 36.8 FTE's and accounts for 6% of the department's total budget. It includes the Director's office and they also support a resource assessment unit under the Associate Director. This division also includes the Fish and Game Commission, regional administrative staff and associated staff services. The commission sets department policies and priorities and regulates the harvest of fish, game and fur bearers through regulations establishing seasons and bag limits. The Director's office provides executive direction for the department's overall program. Management strategies are implemented through the director, associate and deputy directors, and regional administrative staff.

Executive Action:

LFA Analysis - Exhibit 7.

Issue No. 1. Step increases not in the executive budget. Mr. Mott stated that there was a vacant position and the executive picked it up as a Step 2. When the position was filled, it was with a person who was a Step 12 because he had been in state government. This happened in July and they missed the cutoff date from the budget office. The LFA has the correct amount.

MOTION: Senator Jergeson made a motion to accept the LFA.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 2. Increases in consultant contracts.

- (A) Montana Riparian Association. This is support for joint federal, state and private efforts centered at the University of Montana to provide landowners and resource managers with the knowledge and techniques necessary to manage riparian areas. This is an increase of \$8,000 over the last biennium.

MOTION: Senator Devlin made a motion to accept the executive.

VOTE: MOTION PASSED. All committee members voted yes.

- (B) Limits of Acceptable Change. Study and documentation required to incorporate wildlife considerations into wilderness management planning. The process began in the Bob Marshall Wilderness but is just beginning in other areas such as Selway-Bitterroot. Mr. Marcoux said they use a private consultant to help gather background material so they can make recommendations to the forest service. They are requesting an additional \$10,000.

MOTION: Representative Kimberley made a motion to accept the executive.

VOTE: MOTION PASSED. Representative Swift voted no; all others voted yes.

- (C) Clark Fork Studies. This is for consultant needs relating to the Clark Fork Superfund water quality, economic and biological studies. Mr. Marcoux stated that this consultant will consolidate the particular information or specific studies related to making the state's case. It will be part of a state team working on the case. They are requesting an additional \$20,000.

MOTION: Representative Iverson made a motion to adopt the executive.

VOTE: MOTION PASSED. All present voted in favor.

- (D) Land Management Program. The increasing requests for special uses of department lands mandate a thorough review of existing land management programs with suggestions for implementing changes. The department is requesting \$30,000 for this purpose. This would be for a consultant with good range expertise to look at the land to determine if it could be put to better use. They would develop a program for the management system. This would provide background information to the Commission.

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

VOTE: MOTION PASSED. Senator Devlin voted no; all others voted yes.

- (E) Stream Access Legal Fees. Legal challenges to the stream access law have necessitated additional attorney support. The department is requesting an additional \$40,000 for this purpose.

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

VOTE: MOTION PASSED. Chairman Spaeth voted no; all others voted in favor of the motion.

- (F) Petition and Portages Requests. When the Fish and Game Commission is petitioned to make exceptions to the stream access law, it is necessary to study the potential result of these exceptions, if granted, in connection with protection of the fish/wildlife resource as well as recreation opportunities. The department is also required to fund portage development under the stream access law.

Senator Devlin asked if the floaters are charged anything for use of the river and if the department is doing things to accommodate them, perhaps they should pay part of the bill. Mr. Marcoux said there is a bill coming up to help finance the float gates on the Smith River (Exhibit 8) The department is requesting \$30,000.

MOTION: A motion was made to adopt the executive.

VOTE: MOTION PASSED. All present voted in favor.

- (G) Native American Liaison and Legal Issues. Establishing communication and liaison with Indian reservations in Montana is becoming increasingly important, especially in the area of jurisdiction over and allocation of fish and wildlife. Legal and expert consulting support aid will be required. The department requests an additional \$30,000.

MOTION: Senator Iverson made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted yes.

- (H) Department Water Rights Protection. Montana water law provides opportunities for public agencies to obtain water rights and flow reservations to preserve fish habitat. Department legal staff needs continuing assistance to protect these rights. Department is asking \$2,400 for the biennium in addition to the \$30,000 per year already appropriated.

Chairman Spaeth suggested that items (E) and (H) be combined which would give them \$100,000 which they would be spending on legal fees and he felt that the figure was high. Discussion followed.

MOTION: Representative Swift made a motion to combine E and H and allow a total of \$60,000 for the two items.

SUBSTITUTE MOTION: Senator Jergeson made a substitute motion to combine E and H and allow \$80,000 which would provide \$20,000 over what they have now.

VOTE: SUBSTITUTE MOTION PASSED. All present voted in favor.

Issue No. 3. Legal and Court Costs. 50:A (089) These are in-house base costs, primarily in the area where they have a personnel problem and end up in a settlement. These costs

are not anticipated but money should be available if needed.

MOTION: Senator Jergeson made a motion to approve the executive including language that this appropriation would be for one biennium only.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 4 will not be considered at this time.

Budget Modification - Fixed Costs. This budget modification is to meet the increased cost of heat, lights, janitorial, and security services in Regions 1, 4, and 5 headquarters buildings.

MOTION: Representative Kimberley made a motion to approve the modification.

VOTE: MOTION PASSED. All present voted in favor.

Budget Modification - Regional Support. The department is requesting 5.50 FTE to be used by regional supervisors to assist with special hunting seasons, game damage, block management, license questions, big game auction sales, general public inquiries and serving license dealers. Mr. Marcoux stated that in the last year the previous director, Mr. Flynn, reorganized the Department on a line staff basis and put more of the administrative responsibilities on the regional supervisors. He felt it would be desirable to have an individual available to the regional supervisor to put on priority projects in each region at a Grade 10 level to provide assistance. The request is for 4 FTE in four regions and .50 FTE in each of three regions.

MOTION: Representative Swift made a motion to approve the modification with a two-year limit so that the modification would not be build into the base.

SUBSTITUTE MOTION: Senator Jenkins made a substitute motion to disallow the modification.

VOTE: SUBSTITUTE MOTION PASSED. Senator Jergeson and Representative Kimberley voted no. All others voted yes.

Budget Modification - Fish and Wildlife Enhancement. This budget modification would provide matching funds for the Bureau of Land Management and the Forest Service challenge grants for fish and wildlife enhancement projects. The amount requested is \$50,000 in FY 1990 and \$100,000 for FY 1991 to be funded from the General License Account.

This modification will be discussed on Monday morning in connection with the Salinity Control program being proposed by Senator Jergeson.

Announcements/Discussion: The Fish, Wildlife and Parks Division budgets will be concluded on February 6. Hearings will begin that same day on the Department of Agriculture.

ADJOURNMENT

Adjournment At: 11:30 a.m.



REP. GARY SPAETH, Chairman

GS/dg

2916.mina

NATURAL RESOURCES

DATE _____

DATE February 3, 1989

[illegible]

ROLL CALL VOTE

NATURAL RESOURCES

SUBCOMMITTEE

DATE _____

$$\frac{2}{3}$$

AGENCY

FWP

NUMBER

330
on tape

[illegible]

TALLY

4 3

Tami Dore
Secretary

Samuel H. Smith
Chairman

Motion: ~~approve~~ with 2 year language
Senator Jorgeson made a motion to adopt
budget modification to provide .60 FTE to help
promote non-game tax checkoff by informing
public of program benefits.

Nongame Program Report

I. Introduction

The Nongame Wildlife Conservation program was established by the 1973 Montana Legislature as a supplement to ongoing programs in order to manage certain nongame wildlife for human enjoyment, for scientific purposes, and to ensure their perpetuation as members of ecosystems (Sec. 87-5-103, MCA). Legislation also addresses protection of endangered wildlife and provides management authorities necessary to prevent endangered status or extinction. Section 87-5-104 MCA requires ongoing investigations of nongame wildlife, and section 87-5-121 establishes a nongame wildlife account for income tax checkoff funds to be used for research and education programs and management activities for nongame wildlife.

The nongame program is intended to address the needs of about 450 vertebrate species as well as 200 species of crustaceans and 115 species of mollusks (Sec. 87-5-102 (5) MCA) throughout Montana's 93,000,000 acres. Yet the program has been staffed with only a single person and an occasional seasonal assistant. In addition to wildlife research, management, administration, information education, and interagency liaison among all state and federal agencies, the existing staff is also responsible for promotion of the income tax checkoff to help support the program. Full development has not occurred due to lack of staff and funding.

Program accomplishments:

Information and Education: speaking engagements, publications, media releases, and assistance in development of educational materials.

Survey and Inventory: determining population levels, distribution, habitat needs, and limiting factors for many nongame species.

Management: establishing management recommendations for nongame wildlife and working with other agencies and their programs in implementing and monitoring species and habitat management.

II. Nongame Program Goal and Objectives

Program Goal: To ensure the continued welfare of the nongame wildlife resource and the habitats they are dependent upon for human enjoyment, scientific and educational purposes, and to prevent endangered status for native species.

OBJECTIVES BY 1990: To determine the distribution, population status, and habitat needs for 50 species of special interest or concern.

To develop comprehensive regional inventories of nongame species.

To develop an adequate funding base to support planned efforts.

To determine and monitor public use and enjoyment of nongame.

III.. The Nongame Program of the Future

In early 1988, a survey was conducted to determine what the public wanted and expected from the Nongame Program. The four top priorities indicated by that survey are:

1) Preserve and maintain habitat for nongame wildlife species of special concern

2) Inform the public about the needs of nongame wildlife so more people can support and participate in nongame research, protection, and management.

3) Advocate for nongame wildlife habitat in land management decision making.

4) Conduct studies on nongame wildlife species to determine if special efforts are necessary to maintain or enhance their numbers.

Program Summary - FY90/FY91

1) Management (52% of program): Direct management will increase at least 10%. This includes a field monitoring of species and preparation of recommendations to protect and enhance key habitats. The focus will be initially on bald eagles, colonial waterbirds, and raptors. Indirect management such as providing technical assistance to federal agencies, other state agencies, and the private sector will expand by 20% or more as demands for this service increase. All nongame species will be subject to indirect management and interagency liaison.

Volunteers will be incorporated to help compile data and conduct surveys.

2) Information and education (39% of program): these activities will be expended and restructured to emphasize program features rather than wildlife species. A nongame newsletter will be produced quarterly to update the public on current program activities and solicit volunteers. Low return

activities such as slide presentations to small groups will be de-emphasized.

3) Research (2% of program): Department personnel will play a minimal role in research. A challenge grant program for university and college students will be utilized to gather some short term information.

IV. Budget and Personnel

Initially, funds for the nongame program were derived variously from general license dollars or from license dollars combined with federal Pittman-Robertson grant-in-aid funds. In 1983, the tax checkoff was authorized with budgeted expenditures beginning in FY85. Revenues from the tax checkoff are not adequate for the program. Receipts are as follows:

<u>Tax Year</u>	<u>Revenues</u> (nearest \$1000)
1983	\$35,000
1984	34,000
1985	32,000
1986	26,000
1987	22,000

Budget and personnel breakdown for FY89:

<u>Category</u>	<u>Funding Source</u>				<u>% Budget</u>	<u>% Time</u>
	<u>Tax X</u>	<u>P-R match</u>	<u>License</u>	<u>Total</u>		
Administration	\$3,150	\$ 3,693		\$ 6,843	9	8
Management	12,602	21,543	\$3,375	37,520	49	46
(Interagency)						
Direct Management		2,462	5,625	8,087	10	14
Research			1,500	1,500	2	3
Information						
& Education	18,903		4,500	23,403	30	30

Proposed budget and personnel breakdown for FY90:

<u>Category</u>	<u>Funding Source</u>				<u>% Budget</u>	<u>% Time</u>
	<u>Tax X</u>	<u>P-R match</u>	<u>License</u>	<u>Total</u>		
Administration	\$1,745	\$ 2,489	\$3,000	\$ 7,234	8	8
Management	14,340	19,289	4,875	38,504	43	39
(Interagency)						
Direct Management		6,222	5,625	11,847	13	13
Research			1,500	1,500	2	2
Information						
& Education	7,854		22,500	30,354	34	39

126.7a

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	94.69	93.94	94.69	93.94	-0.75
Personal Services	\$2,715,896	\$2,643,943	\$2,728,564	\$2,656,279	(\$72,285)
Operating Expenses	2,930,511	1,562,447	2,957,167	1,608,645	(1,348,522)
Equipment	125,324	91,885	134,173	91,885	(42,288)
Non-Operating	1,826,930	1,175,000	1,823,380	1,175,000	(648,380)
TOTAL EXPENSES	\$7,598,661	\$5,473,275	\$7,643,284	\$5,531,809	(\$2,111,475)
	=====	=====	=====	=====	=====
FUNDING					
State Special Rev	\$3,563,732	\$2,277,386	\$3,577,443	\$2,295,057	(\$1,282,386)
Federal Revenue	4,034,929	3,195,889	4,065,841	3,236,752	(829,089)
TOTAL FUNDING	\$7,598,661	\$5,473,275	\$7,643,284	\$5,531,809	(\$2,111,475)
	=====	=====	=====	=====	=====

	General	
	FTE	Gross Fund
1. Pheasant Program: The LFA current level does not contain this item because in fiscal 1988 the department expended only \$24,117 and it was proposed that the legislature would wish to revise the program, its direction, and costs.	0.75	\$ -0- \$1,974,866
2. Mt. Haggin Timber Contract	0.00	-0- 120,000
3. Wildlife Habitat Improvements	0.00	-0- 128,034

EXHIBIT 2
DATE 2-3-89
B 100

4. State Revenue Accounts			FTE	General Fund	Gross
	Base Reduction	Overstatement			
A. Wetlands	\$22,000	\$19,080			
B. Sheep	-0-	5,467	0.00	-0-	60,074
C. Non-game	3,769	522	0.00	-0-	55,978
D. Pheasant	4,268	2,920			
	<u>\$30,037</u>	<u>\$27,989</u>			
Base Reduction by LFA Overstatement by OBPP					
5. Reduction for Vacancy Savings made by OBPP			0.00	-0-	(35,376)
6. The executive proposes increasing the base because of a mild winter resulting in less flying.			0.00	-0-	181,136
7. High vacancy savings caused low expenditure in the base period.			0.00	-0-	120,758
8. Grizzly bear damage control			0.00	-0-	17,860
9. Higher rates for the new helicopter			0.00	-0-	120,000
10. Private helicopter rate increase			0.00	-0-	12,120
11. Student stipends			0.00	-0-	47,310
12. LCA			0.00	-0-	1,253,000
13. Equipment			0.00	-0-	75,727
14. Differences in contracted services					
- LFA reduced below current level			0.00	-0-	23,087
- Increase above current level by OBPP			0.00	-0-	10,900
15. House Appropriations eliminated 6 positions which resulted in 1.95 FTE being eliminated.			1.95	-0-	106,158

Budget Modifications

The executive budget recommends three budget modifications for the Wildlife Division. Table E details the three modifications for fiscal 1990 and 1991 by FTE, the recommended amount of general hunting and fishing revenues to finance the modification, and the total cost of the modifications.

Table E
Wildlife Division
Budget Modifications

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
Impact on Timber Sales/Hunting	0.33	\$16,608	\$16,608	0.33	\$16,625	\$16,625
Habitat/Timber Sales Planning	0.50	16,063	16,063	0.50	16,107	16,107
Nongame Program	0.60	27,814	27,814	0.60	28,748	28,748
Total Budget Modifications	1.43	\$60,485	\$60,485	1.43	\$61,480	\$61,480

The impact of timber sales/hunting budget modification proposes a cooperative project with the USFS and the BPA, to be funded one-third by each participating agency, for the purpose of providing personnel to plan timber sales by the forest service in the Lolo National Forest and the BPA powerline access.

The habitat/timber sales planning budget modification would jointly fund a wildlife biologist with the Department of State Lands (DSL) to implement habitat guidelines for state forest lands on timber sales and to continue training DSL employees for timber sale planning which is compatible with wildlife values and concerns.

The non-game program budget modification is to add 0.60 FTE to help promote the non-game tax check-off by informing the public of the program benefits and to develop comprehensive regional inventories.

ISSUE 1: CONTINUED FUNDING ON NEW WILDLIFE PROJECTS

In the current level analysis the Wildlife Division's budget was analyzed from a line-item perspective. The division's budget can also be analyzed from a project perspective. A project is an allotment of funds and personnel to accomplish specifically defined tasks. The \$5,046,300 which the division expended in fiscal 1988 can be separated into 229 projects. Table 8 lists the 229 projects with 213 projects listed in groups and 16 projects which didn't relate to any particular group listed separately.

Table -
Wildlife Project Groups and Individual Project Expenditures

<u>Groups of Projects</u>	<u>Number of Projects</u>	<u>Fiscal 1988 Expenditure</u>
Deer	30	\$ 844,700
Elk	18	843,500
Legislative Contract Authority	38	628,000
Wildlife Management Areas	10	406,800
Regional Administration	8	403,000
Division Administration	2	440,500
Waterfowl/Migratory Birds	13	200,600
Grizzly Bear	8	152,600
Antelope	8	114,300
Furbearers	10	100,900
Upland Game Birds	11	87,500
Non-game	9	76,800
Sheep	13	49,800
Black Bear	7	30,500
Landowner Co-op	3	27,900
Moose	7	24,200
Weed Control	7	20,500
Goats	5	19,600
Mountain Lion	6	17,300
Subtotal Project Groups	213	\$4,489,000

Table 6 cont'd.
Wildlife Project Groups and Individual Project Expenditures

<u>Groups of Projects</u>	<u>Number of Projects</u>	<u>Fiscal 1988 Expenditure</u>
<u>16 Individual Projects</u>		
Harvest Surveys	1	\$ 174,800
Mt. Haggin Timber Consultant	1	78,000
Wildlife Laboratory	1	59,800
Hunters' Maps	1	55,300
Bio-Economic Surveys	1	36,500
Research Statewide	1	32,500
Pheasant Enhancement Habitat	1	24,600
Oil and Gas Coordinator	1	22,900
NW Power Act Mitigation Coord.	1	22,500
Deer/Elk/Antelope - Modification	1	21,400
Chisel Plowing Evaluation	1	12,200
Coal Coordinator	1	7,200
Mule/Whitetail/Antelope Dist./Density	1	4,000
Rocky Mountain Front Study	1	3,600
Endangered Species	1	1,900
Small Other	1	100
Subtotal Individual Projects		\$ 557,300
TOTAL PROJECTS	229	\$5,046,300

Projects can be categorized into two types, continuous and one-time projects. An example of continuous projects would be the projects to monitor animal numbers for the setting of harvest quotas. Every year the regional wildlife biologists monitor the numbers of animals within hunting regions to determine the number and types of animals that can be harvested from each region.

An example of a one-time project is a \$46,900 appropriation for a biennial study to determine the statewide effects of archery hunting on elk. The study as approved by the legislature in 1987 was a two-year study to be concluded at the end of fiscal 1989. The project is one of the 18 projects listed as "Elk" projects on Table 8.

is been the budgeting practice in past biennials for the division's budget to be based upon 1 year experiences of continuous and one-time projects. The use of expenditures from one-time projects allows the division to initiate new projects or expand existing projects without bringing the new or expanded projects to the legislature's attention. For example, the division's 1991 biennial current level includes \$27,228 of expenditures from the one-time archery study. The budget presentation material does not elaborate on which projects receive the \$27,228 of reprogrammed funds, but the expenditures are part of the 1991 current level.

This type of budgeting practice eliminates the legislature's opportunity to evaluate and prioritize all of the new one-time or expanded projects of the division. Some of the expanded and new one-time projects are presented to the legislature in the form of budget modifications. Those budget modifications which the legislature judges to be necessary are included in the appropriations bill. But other divisional projects financed with reprogrammed funds are not evaluated by the legislature.

The result of this type of budgeting practice is that the legislature's flexibility to evaluate, prioritize, and finance the division's projects has been diminished. The legislature has not been shown all of the available financial options when making budgetary decisions.

To allow the legislature greater flexibility in evaluating the 1991 biennial budget a list of seven new projects initiated in fiscal 1989 has been compiled. These projects were not included in budget modifications approved by the legislature but rather represent reprogramming of funds. The seven new projects are budgeted at \$126,152 in fiscal 1989 and consist of \$85,826 state special revenue funds and \$40,326 federal funds. The projects are listed on Table 9. Also listed on Table 9 are eight one-time projects which terminate at the end of fiscal 1989 and seven projects which terminate at the end of fiscal 1990. The fiscal 1988 expenditures for these projects are included in the division's current level even though these projects terminate before or during the 1991 biennium.

Wildlife Division Projects Which Either Began in Fiscal 1989,
Will Terminate at the End of Fiscal 1989, or
Will Terminate at the End of Fiscal 1990

	State Funds	Funding	Federal Funds
<u>New Projects in Fiscal 1989</u>			
Region 1 Moose Monitoring	\$ 5,000		\$ -0-
South Fork Grizzly Bear Study	10,741		-0-
Noxious Weeds in Big Game Diets	14,410		-0-
Mule Deer Research	13,442		40,326
Cabinet Mountain Fisher Transplant	14,955		-0-
Western Beaver Ecology Study	12,718		-0-
Northwest Otter Study	14,560		-0-
Subtotal New Projects	<u>\$ 85,826</u>		<u>\$40,326</u>
<u>Projects Terminating in Fiscal 1989</u>			
Mule Deer Harvest Rate Evaluation	\$ 2,608		\$ 7,823
Elk Harvest Rate Evaluation	2,005		15,015
Red Rocks Moose Study	2,000		-0-
Lone Pine Mule Deer	1,750		5,250
Little Belt Elk	2,500		7,500
Rocky Mountain Front Grizzly	25,165		-0-
Custer National Forest IPA Position	6,181		18,542
Elk Archery Impact Evaluation	4,775		14,325
Subtotal	<u>\$ 46,984</u>		<u>\$68,455</u>
<u>Projects Terminating in Fiscal 1990</u>			
Mt. Haggin Timber Consultant	\$ 70,000		\$ -0-
Taylor-Hilgard Bighorn Sheep Study	2,000		-0-
Sweetgrass Hills Evaluation	2,250		-0-
Hunting Districts 441 & 442 Eval.	600		1,800
Mule Deer All. Rate of Harvest	2,000		6,000
Chisel Plowing Evaluation	12,060		-0-
Pesticide Testing - Waterfowl	13,500		-0-
Subtotal	<u>\$102,410</u>		<u>\$ 7,800</u>

The legislature does not have to accept the automatic programming of funds. All or some of the new projects listed on Table 9 could be removed from the current level. Likewise, the funds reprogrammed from fiscal 1989 and fiscal 1990 expenditures could be removed from the current level.

If the legislature does remove any of the new projects or reprogrammed funds, then the legislature's flexibility to finance budget modifications or postpone hunting and fishing fee increases is enhanced.

Option A: Eliminate some or all of the new projects started in fiscal 1989. The current level could be reduced by \$85,826 state funds and \$40,326 federal funds in both fiscal years of the biennium if all projects are eliminated.

Option B: Eliminate the funding in the 1991 biennium of projects which terminate at the end of fiscal 1989. If all of the funds of projects which terminate at the end of fiscal 1989 are eliminated from the current level, the current level would be reduced by \$46,984 per year state funds and \$68,455 federal funds.

Option C: Eliminate the funding in fiscal 1991 of projects which terminate at the end of fiscal 1990. If all of the funds of projects which terminate at the end of fiscal 1990 are eliminated from the current level, the current level would be reduced by \$102,410 state funds and \$7,800 federal funds in fiscal 1991.

Option D: Combine all of the previous three options which, if all three are used, would reduce the current level by \$132,810 state funds and \$108,780 federal funds in fiscal 1990, and \$235,220 state funds and \$116,581 federal funds in fiscal 1991.

Option E: Maintain the present current level.

ISSUE 1: TRUST LANDS SUBSIDY OF HUNTING AND FISHING ACTIVITIES

In January 1988 the Legislative Finance Committee was presented with a report which analyzed the income earned from the state's trust lands. The report entitled "Trust Lands Income" presented the committee with two main issues. First, were the various trusts receiving a fair market value from grazing leases, and second, would trust income be increased if the trust lands were sold and the assets financially managed? It is from the second issue that this current level issue was developed. Specifically, could the state maximize the trust's income if some of the trust lands where sold and the assets financially managed?

There appears to be an unwritten policy in Montana that under no circumstances should the possibility of selling trust lands ever be considered. This policy was evident at the November 18, 1988 Legislative Finance Committee meeting where a follow-up report to the "Trust Lands Income" report was presented. At that meeting Secretary of State Bertelsen stated:

[selling trust lands] is an issue that I really have very strong feelings about. Now I think we might well look back at what would have happened if the first legislators in Montana's history had decided they were going to sell state lands for about a nickel an acre? What would we have in the trust fund today? ... I think it is ridiculous to sell state lands. As far as ... the future of Montana's people and children ... I think that [selling trust lands] would be a terrible mistake.

This issue, through examples, will show that the policy of not selling trust lands is resulting in trust lands subsidizing hunting and fishing activities.

The first example involves the July 1988 purchase of the Robb Creek Ranch by the Department of Fish, Wildlife, and Parks. The department purchased 17,170 acres of deeded land and the right to lease 10,817 acres of state trust lands and 6,802 acres of federal land. The purchase price for the ranch's 34,789 acres was \$1,820,000. The \$1,820,000 is the appraised value determined by Robert Kembel, an appraiser from Missoula.

Mr. Kembel determined that 15,681 acres of the ranch's 17,170 deeded acres were native rangeland with a value of \$94 dollars per acre. There was no attempt to value the trust lands. The appraiser noted that the 10,817 acres of trust lands supported 3,082 AUM's (Animal Unit Months) or an average of 0.285 AUM/acre, while the 15,681 acres of deeded land supported 4,100 AUM or 0.261 AUM/acre. Therefore, based upon AUM's per acre, it can be concluded that, per acre, the trust lands are of equal if not greater value than the deeded lands. At \$94 per acre the 10,817 acres of trust land would be valued at \$1,016,798.

According to the Department of State Lands, the lease income from grazing on Robb Creek Ranch will be \$9,070 in fiscal 1989. The \$9,070 represents a 0.89 percent return on land valued at \$1,016,798. If, as is detailed in the "Trust Land Income" report, trust assets financially managed can receive a 10.25 percent interest rate, then a \$1,016,798 investment would earn \$104,222 per year of interest income. Since the grazing leases are producing \$9,070 per year, whereas a financially managed asset would produce \$104,222 per year, the trusts are subsidizing wildlife management activities at a rate of \$95,152 per year.

The 10,817 acres of trust lands includes lands from three different trusts. There are 9,053 acres of public school trust lands, 550 of Pine Hills School trust lands, and 1,214 acres of public building trust lands. Table 3 details: 1) the trust lands of each trust; 2) the value of each type of trust lands based on \$94 per acre; 3) the income that could be received if the lands were sold and the assets invested at 10.25 percent; 4) the current income received by each trust; and 5) the estimated loss each trust is incurring by not selling the land assets.

Table 3
Annual Income Lost by Various Trusts

Trust	Acres Owned	Value of Acreage at \$94 per Acre	Income if Invested at 10.25%	Current Lease Income	Net Loss
Public Schools	9,053	\$ 850,982	\$ 87,226	\$7,591	\$ (79,635)
Pine Hills	550	51,700	5,299	461	(4,838)
Public Buildings	1,214	114,116	11,697	1,018	(10,679)
Total	10,817	\$1,016,798	\$104,222	\$9,070	\$ (95,152)

The second example involves 26,670 additional trust acres the Department of Fish, Wildlife, and Parks leases. The Department of Fish, Wildlife, and Parks is leasing the 26,670 acres for \$18,435 per year, or \$0.69 per acre per year. To earn \$0.69 per year through financial management requires a \$6.75 investment at 10.25 percent interest. Therefore, if the leased land were sold to the Department of Fish, Wildlife, and Parks for \$6.75 per acre the trusts would neither lose nor gain income. The "Trust Lands Income" report estimated the value for all trust grazing lands at \$40 per acre. Using \$40 per acre, the value of the 26,670 acres would be \$1,066,800. At a 10.25 percent interest rate a \$1,066,800 investment would earn \$109,347 per year. Because the trust assets are not earning their full potential, the hunting and fishing activities on the leased lands are being subsidized at a rate of \$90,912 per year.

The net loss to the trust accounts from the Department of Fish, Wildlife, and Parks leasing of the trust lands in these two examples is \$186,064 per year. If the \$186,433 of lost income is replaced, the general fund appropriation to the trusts can be reduced by \$186,064.

To eliminate the trust's subsidy of hunting and fishing activities and any other activities in which a state agency leases trust lands, the legislature should consider the following. First, all trust lands leased by the Department of Fish, Wildlife, and Parks and all other state agencies should be appraised to establish a fair market value. Second, a financial plan should be developed to either transfer ownership of the lands to the managing agency or the trust should be compensated annually for lost trust income.

In the examples used in this issue the legislature could use the wildlife habitat fund to purchase or fully compensate the trust funds. The wildlife habitat fund is projected to receive \$2.2 million per year for wildlife habitat purchase and maintenance, and a portion of that income could be designated to purchase or compensate trust accounts.

Opt' \: Appropriate an additional \$186,064 per year wildlife habitat revenue to replace the lost income of the three trust funds.

Option B: Appropriate \$1,016,798 of wildlife habitat revenue to purchase the trust lands located on the Robb Creek Ranch. This option would reduce general fund obligations to three trusts by \$95,152 a year.

Option C: Request that the Department of State Lands appraise the 26,760 acres leased by the Department of Fish, Wildlife, and Parks to determine a fair market value for the property. The fair market value would be used to set a sales price of the property to the Department of Fish, Wildlife, and Parks.

Options D: Take no action.

Table 8
Wildlife Project Groups and Individual Project Expenditures

<u>Groups of Projects</u>	<u>Number of Projects</u>	<u>Fiscal 1988 Expenditure</u>
Deer	30	\$ 844,700
Elk	18	843,500
Legislative Contract Authority	38	628,000
Wildlife Management Areas	10	406,800
Regional Administration	8	403,000
Division Administration	2	440,500
Waterfowl/Migratory Birds	13	200,600
Grizzly Bear	8	152,600
Antelope	8	114,300
Furbearers	10	100,900
Upland Game Birds	11	87,500
Non-game	9	76,800
Sheep	13	49,800
Black Bear	7	30,500
Landowner Co-op	3	27,900
Moose	7	24,200
Weed Control	7	20,500
Goats	5	19,600
Mountain Lion	6	17,300
Subtotal Project Groups	213	\$4,489,000
<u>16 Individual Projects</u>		
Harvest Surveys	1	\$ 174,800
Mt. Haggin Timber Consultant	1	78,000
Wildlife Laboratory	1	59,800
Hunters' Maps	1	55,300
Bio-Economic Surveys	1	36,500
Research Statewide	1	32,500
Pheasant Enhancement Habitat	1	24,600
Oil and Gas Coordinator	1	22,900
NW Power Act Mitigation Coor.	1	22,500
Deer/Elk/Antelope - Modification	1	21,400
Chisel Plowing Evaluation	1	12,200
Coal Coordinator	1	7,200
Mule/Whitetail/Antelope Dist./Density	1	4,000
Rocky Mountain Front Study	1	3,600
Endangered Species	1	1,900
Small Other	1	100
Subtotal Individual Projects		\$ 557,300
TOTAL PROJECTS	229	\$5,046,300

The \$45,123 operating expenses increase between fiscal 1990 and fiscal 1991 is completely caused by inflation.

The current level equipment was determined using a three-year average. The three years used to determine the average were fiscal 1986, 1987, and 1988. The current level for equipment is \$91,885 per year.

The non-operating line item includes \$1,165,000 of legislative contract authority in fiscal 1990 and \$1,165,000 in fiscal 1991. Also included in the non-operating line item is \$10,000 per year for graduate student research projects. In fiscal 1988, the division expended \$8,626 on graduate student research. The fiscal 1989 appropriation includes \$3,540,000 for wildlife habitat, which is not included in the current level. The 1991 biennial appropriation for wildlife habitat will be included in the capital outlay bill.

Funding

The Wildlife Division is funded primarily with hunting and fishing license fees and federal funds. However, there are some specialized wildlife programs which are financed with earmarked state special revenues. Table 7 details the funding of the Wildlife Division.

Table 7
Wildlife Division Current Level Funding

	<u>Fiscal 1990</u>	<u>Fiscal 1991</u>
State Special Revenues		
Nongame Wildlife	\$ 8,080	\$ 8,080
Waterfowl Stamp	28,592	28,592
Mountain Sheep	20,245	20,245
Moose Auction	9,262	9,262
Hunting and Fishing License	2,211,207	2,228,878
Federal Funds	<u>3,195,889</u>	<u>3,236,752</u>
Total Funding	<u>\$5,473,276</u>	<u>\$5,531,809</u>

ISSUE 1: CONTINUED FUNDING ON NEW WILDLIFE PROJECTS

In the current level analysis the Wildlife Division's budget was analyzed from a line-item perspective. The division's budget can also be analyzed from a project perspective. A project is an allotment of funds and personnel to accomplish specifically defined tasks. The \$5,046,300 which the division expended in fiscal 1988 can be separated into 229 projects. Table 8 lists the 229 projects with 213 projects listed in groups and 16 projects which didn't relate to any particular group listed separately.

Projects can be categorized into two types, continuous and one-time projects. An example of continuous projects would be the projects to monitor animal numbers for the setting of harvest quotas. Every year the regional wildlife biologists monitor the numbers of animals within hunting regions to determine the number and types of animals that can be harvested from each region.

An example of a one-time project is a \$46,900 appropriation for a biennial study to determine the statewide effects of archery hunting on elk. The study as approved by the legislature in 1987 was a two-year study to be concluded at the end of fiscal 1989. The project is one of the 18 projects listed as "Elk" projects on Table 8.

It has been the budgeting practice in past bienniums for the division's budget to be based upon prior year expenditures of continuous and one-time projects. The use of expenditures from one-time projects allows the division to initiate new projects or expand existing projects without bringing the new or expanded projects to the legislature's attention. For example, the division's 1991 biennial current level includes \$27,228 of expenditures from the one-time archery study. The budget presentation material does not elaborate on which projects receive the \$27,228 of reprogrammed funds, but the expenditures are part of the 1991 current level.

This type of budgeting practice eliminates the legislature's opportunity to evaluate and prioritize all of the new one-time or expanded projects of the division. Some of the expanded and new one-time projects are presented to the legislature in the form of budget modifications. Those budget modifications which the legislature judges to be necessary are included in the appropriations bill. But other divisional projects financed with reprogrammed funds are not evaluated by the legislature.

The result of this type of budgeting practice is that the legislature's flexibility to evaluate, prioritize, and finance the division's projects has been diminished. The legislature has not been shown all of the available financial options when making budgetary decisions.

To allow the legislature greater flexibility in evaluating the 1991 biennial budget a list of seven new projects initiated in fiscal 1989 has been compiled. These projects were not included in budget modifications approved by the legislature but rather represent reprogramming of funds. The seven new projects are budgeted at \$126,152 in fiscal 1989 and consist of \$85,826 state special revenue funds and \$40,326 federal funds. The projects are listed on Table 9. Also listed on Table 9 are eight one-time projects which terminate at the end of fiscal 1989 and seven projects which terminate at the end of fiscal 1990. The fiscal 1988 expenditures for these projects are included in the division's current level even though these projects terminate before or during the 1991 biennium.

Table 9
Wildlife Division Projects Which Either Began in Fiscal 1989,
Will Terminate at the End of Fiscal 1989, or
Will Terminate at the End of Fiscal 1990

New Projects in Fiscal 1989	Funding	
	State Funds	Federal Funds
Region 1 Moose Monitoring	\$ 5,000	\$ -0-
South Fork Grizzly Bear Study	10,741	-0-
Noxious Weeds in Big Game Diets	14,410	-0-
Mule Deer Research	13,442	40,326
Cabinet Mountain Fisher Transplant	14,955	-0-
Western Beaver Ecology Study	12,718	-0-
Northwest Otter Study	14,560	-0-
Subtotal New Projects	<u>\$ 85,826</u>	<u>\$40,326</u>
<u>Projects Terminating in Fiscal 1989</u>		
Mule Deer Harvest Rate Evaluation	\$ 2,608	\$ 7,823
Elk Harvest Rate Evaluation	2,005	15,015
Red Rocks Moose Study	2,000	-0-
Lone Pine Mule Deer	1,750	5,250
Little Belt Elk	2,500	7,500
Rocky Mountain Front Grizzly	25,165	-0-
Custer National Forest IPA Position	6,181	18,542
Elk Archery Impact Evaluation	4,775	14,325
Subtotal	<u>\$ 46,984</u>	<u>\$68,455</u>
<u>Projects Terminating in Fiscal 1990</u>		
Mt. Haggin Timber Consultant	\$ 70,000	\$ -0-
Taylor-Hilgard Bighorn Sheep Study	2,000	-0-
Sweetgrass Hills Evaluation	2,250	-0-
Hunting Districts 441 & 442 Eval.	600	1,800
Mule Deer All. Rate of Harvest	2,000	6,000
Chisel Plowing Evaluation	12,060	-0-
Pesticide Testing - Waterfowl	13,500	-0-
Subtotal	<u>\$102,410</u>	<u>\$ 7,800</u>

The legislature does not have to accept the automatic reprogramming of funds. All or some of the eight new projects listed on Table 9 could be removed from the current level. Likewise, the funds reprogrammed from fiscal 1989 and fiscal 1990 expenditures could be removed from the current level.

If the legislature does remove any of the new projects or reprogrammed funds, then the legislature's flexibility to finance budget modifications or postpone hunting and fishing fee increases is enhanced.

EXHIBIT 4
DATE 2-3-89
HB 100

BUILDING A PLANNED MANAGEMENT SYSTEM



Montana Department of Fish,
Wildlife and Parks

EXHIBIT 5
DATE 2-3-89
HB 100

Field Services Equipment

	LFA	Executive	Corrected 3 Year Ave.
FY 90	\$72,858	\$132,500	\$114,920
FY 91	72,858	108,882	94,920
Total	\$145,716	\$241,382	\$209,840

EXHIBIT 6
DATE 2-3-89
HB 100

Field Services Budget Issues

1. The 1987 Legislature amended laws on the taxation of Department property. The changes added administrative sites to the taxrolls. The Department must pay taxes on all headquarters buildings throughout the state. The amount of the shortfall is approximately \$65,000 in FY'~~90~~ and \$94,000 in FY'91. This was not in our original request. A schedule is attached outlining the specifics. (License Funds)

DEPARTMENT OF FISH, WILDLIFE & PARKS
Payments In Lieu of Taxes Projection
- Administrative Sites

SITE NAME	1987 (FY88) ACTUAL PAID	1988 (FY89) ESTIMATE	1988 (FY89) ACTUAL PAID	1989 (FY90) ESTIMATE	1990 (FY91) ESTIMATE	1991 (FY92) ESTIMATE
R-1 HQ Kalispell	\$948.55	\$0.00	\$1,042.34	\$1,050	\$18,850	\$18,850
R-2 HQ Missoula	0.00	11,923.58	11,586.93	11,587	11,587	12,137
R-3 HQ Bozeman - New	0.00	15,406.04	15,440.05	15,440	15,440	15,440
R-3 HQ Bozeman - Old	635.14	2,060.84	623.25	2,050	0	0
R-4 HQ Great Falls - New	0.00	13,260.49	0.00	13,250	13,250	13,250
R-5 Billings Air Hanger	na	na	na	na	na	400
R-5 HQ Billings - Old	1,710.48	5,526.14	5,592.44	5,600	5,600	5,600
R-5 HQ Billings - New	na	na	na	na	13,100	13,100
R-6 HQ Glasgow - Both	0.00	4,145.25	0.00	4,150	4,150	4,150
R-7 HQ Miles City - Old	0.00	1,242.56	0.00	1,250	1,250	1,250
R-7 HQ Miles City - New	na	na	na	na	na	na
R-8 HQ Helena	0.00	9,508.80	0.00	9,500	9,500	9,500
R-8 Helena Airport Hanger	0.00	697.31	0.00	700	700	700
R-8 Helena Warehouse Complex	1,965.06	5,461.78	2,457.24	5,500.00	5,500.00	5,500.00
TOTALS	\$5,259.23	\$69,232.79	\$36,742.25	\$70,077.00	\$98,927.00	\$99,877.00

2-3-89
100

AGENCY: DEPT OF FISH, WILDLIFE, PARKS LEGISLATIVE ACTION PROGRAM, ADMINISTRATION

BUDGET ITEM	Fiscal 1990			Fiscal 1991		
	Executive	LFA Curr Lvl	Difference	Executive	LFA Curr Lvl	Difference
FTE	31.30	31.13	-0.17	31.30	31.13	-0.17
Personal Services	\$948,285	\$933,426	(\$14,859)	\$952,345	\$937,415	(\$14,930)
Operating Expenses	525,966	438,944	(87,022)	530,139	444,122	(86,017)
Equipment	22,950	23,450	500	10,600	10,600	0
Non-Operating	190,000	190,000	0	190,000	190,000	0
TOTAL EXPENSES	\$1,687,201	\$1,585,820	(\$101,381)	\$1,683,084	\$1,582,137	(\$100,947)
FUNDING						
State Special Rev	\$1,291,197	\$1,189,816	(\$101,381)	\$1,298,730	\$1,197,783	(\$100,947)
Federal Revenue	396,004	396,004	0	384,354	384,354	0
TOTAL FUNDING	\$1,687,201	\$1,585,820	(\$101,381)	\$1,683,084	\$1,582,137	(\$100,947)

FTE	General Fund	Gross
0	0	\$ 9,105

- Step increases not in the executive budget.
- Increases in consultant contracts.

A. MONTANA RIPARIAN ASSOCIATION - Support for joint federal, state, and private effort centered at University of Montana to provide landowners and resource managers the knowledge and techniques necessary to manage riparian areas.

0	0	8,000
---	---	-------

passed

	FTE	General Fund	Gross
B. LIMITS OF ACCEPTABLE CHANGE - Study and documentation required to incorporate wildlife considerations into wilderness management planning. Process begun in Bob Marshall but just beginning in other areas such as Selway-Bitterroot. <i>Passed</i>	0	0	10,000
C. CLARK FORK STUDIES - Consultant needs relating to Clark Fork Superfund water quality, economic and biological studies.	0	0	20,000
D. LAND MANAGEMENT PROGRAM - Increasing requests for special uses of department lands mandate a thorough review of existing land management programs with suggestions for implementing changes. <i>Passed</i>	0	0	30,000
E. STREAM ACCESS LEGAL FEES - Legal challenges to the stream access law have necessitate additional attorney support.	0	0	40,000
F. PETITION AND PORTAGES REQUESTS - When Fish and Game Commission is petitioned to make exceptions to the stream access law, it is necessary to study the potential result of these exceptions, if granted, in connection with protection of the fish/wildlife resource as well as recreational opportunities. The Department is also required to fund portage development under the stream access law.	0	0	30,000
G. NATIVE AMERICAN LIAISON AND LEGAL ISSUES - Establishing communication and liaison with Indian reservations in Montana is becoming increasingly important, especially in the area of jurisdiction over and allocation of fish and wildlife. Legal and expert consulting support aid will be required.	0	0	30,000
H. DEPARTMENT WATER RIGHTS PROTECTION - Montana water law provides opportunities for public agencies to obtain water rights and flow reservations to preserve fish habitat. Department legal staff needs continuing assistance to protect these rights.	0	0	2,400
3. Legal and court costs.	0	0	24,608
4. Adjustments made in operating expenses by executive to compensate for a reduction in vacancy savings.	0	0	21,971

ISSUE 11: Budget Modifications

The executive budget recommends 27 budget modifications for the Administration Division. Table I details the 27 modifications for fiscal 1990 and 1991 by FTE, the recommended amount of general hunting and fishing revenues to finance the modification, and the total cost of the modifications.

Table I
Administrative Division
Budget Modification

	FTE	Fiscal 1990 General License Acct.	Total	FTE	Fiscal 1991 General License Acct.	Total
Fixed Costs	0.00	\$ 32,576	\$ 32,576	0.00	\$ 31,201	\$ 31,201
Regional Support	5.50	138,721	138,721	5.50	133,527	133,527
Fish and Wildlife Enhancement	0.00	50,000	50,000	0.00	100,000	100,000
Total Budget Modifications	5.50	\$684,764	\$1,659,732	5.50	\$683,289	\$1,755,296

The fixed costs budget modification is to meet the increased cost of heat, lights, janitorial, and security services in Regions 1, 4, and 5 headquarters.

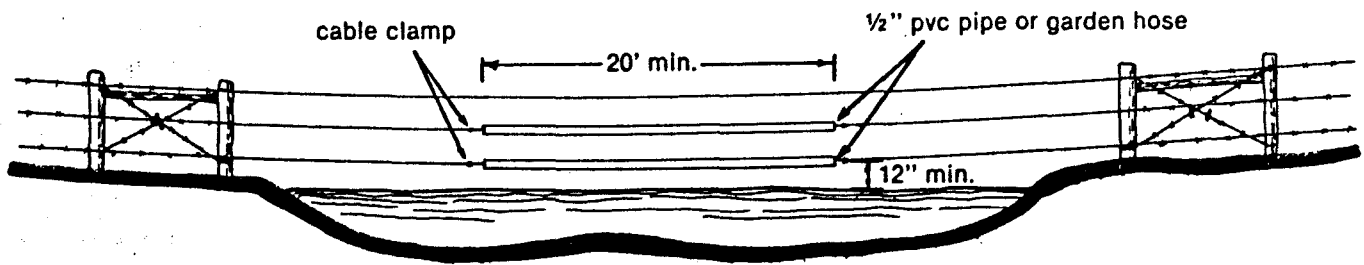
The regional support budget modification is to provide 5.50 FTE to be used by regional supervisors to assist with special hunting seasons, game damage, block management, license questions, big game auction sales, general public inquiries, and serving license dealers.

The fish and wildlife enhancement budget modification provides matching funds for the federal Bureau of Land Management and U.S. Forest Service challenge grants for fish and wildlife enhancement projects.

Float-under Fence Gate

This is one of the least expensive and simplest float gate designs. The barbed wire can be threaded through the PVC pipe or garden hose during fence construction, or the pipe can be slit lengthwise for placement on an existing wire fence. This design, however, does have some disadvantages. Capsizing is

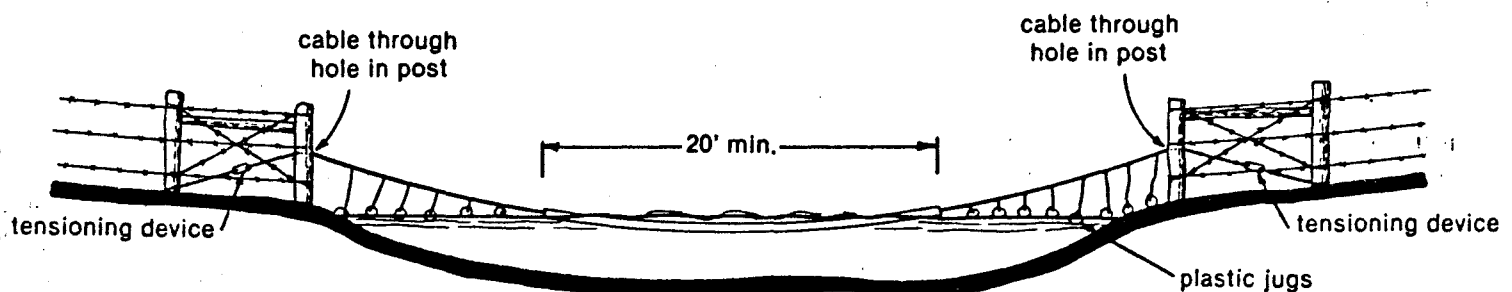
likely unless the fence wire is *strung loosely* enough to allow it to be lifted by recreationists. Only small rafts or canoes would be able to pass beneath the wire. Floaters must exercise caution in using a gate of this design and should *get out of their craft* before passing through it.



Float-over Cable Gate

This design is inexpensive and easy to build. It also is self-adjusting to varying water levels by leaving the cable slack enough to ride on the surface during lowest flow or bow out downstream during high water. The cable should be threaded through a length

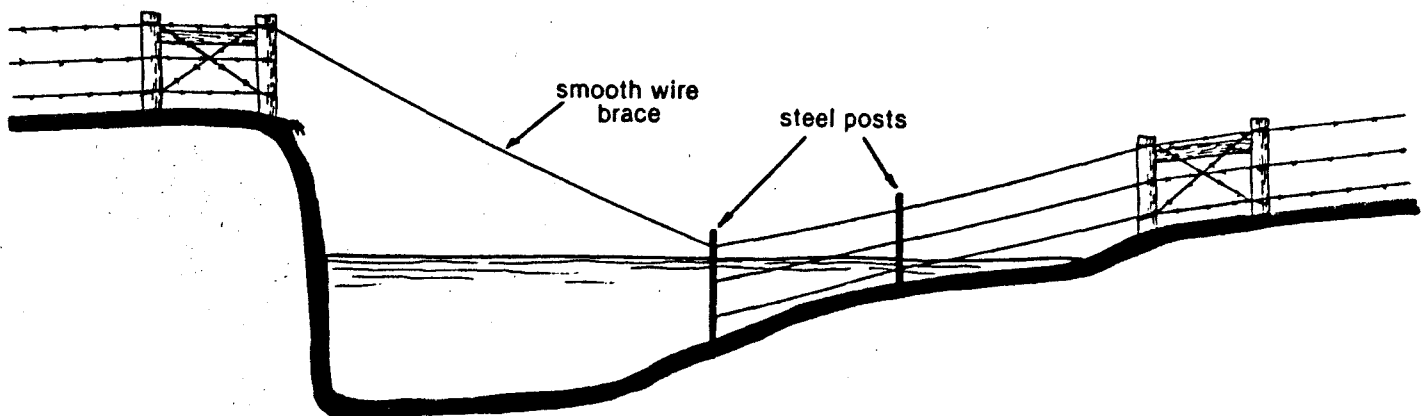
of PVC pipe aligned in the middle to prevent watercraft damage. Crafts are floated **OVER** the sheathed portion. Livestock may be able to step over the cable in water depths of less than two feet.



High Bank Float-through Gate

Although this gate is easy and inexpensive to build, it is effective only where a deep channel is cut below a high bank. Water depth alone prevents livestock from moving through the gate. Whenever possible,

smooth wire should be used where floaters or their craft might contact the fence or where debris might snag on it.



Experimental FLOAT GATE DESIGN for Montana Rivers



A float gate is a device that allows recreationists to pass safely through a fence line in an unmotorized watercraft, but discourages livestock from passing through the same opening.

Because the float-gate concept is relatively new, the designs suggested in this brochure should be considered experimental and used only as examples from which to build a float gate that will meet your individual needs.

The 1985 Stream Access Law allows stream barriers to be erected, but public use must be accommodated. A float gate is a means of complying with this law.

The Department of Fish, Wildlife & Parks does not build or fund the construction of float gates, although it will provide and place notification signs for the completed gate.

Contact:

Department of Fish, Wildlife & Parks
Fisheries Division/Float Gates
Helena, Montana 59620
Phone (406) 444-5667

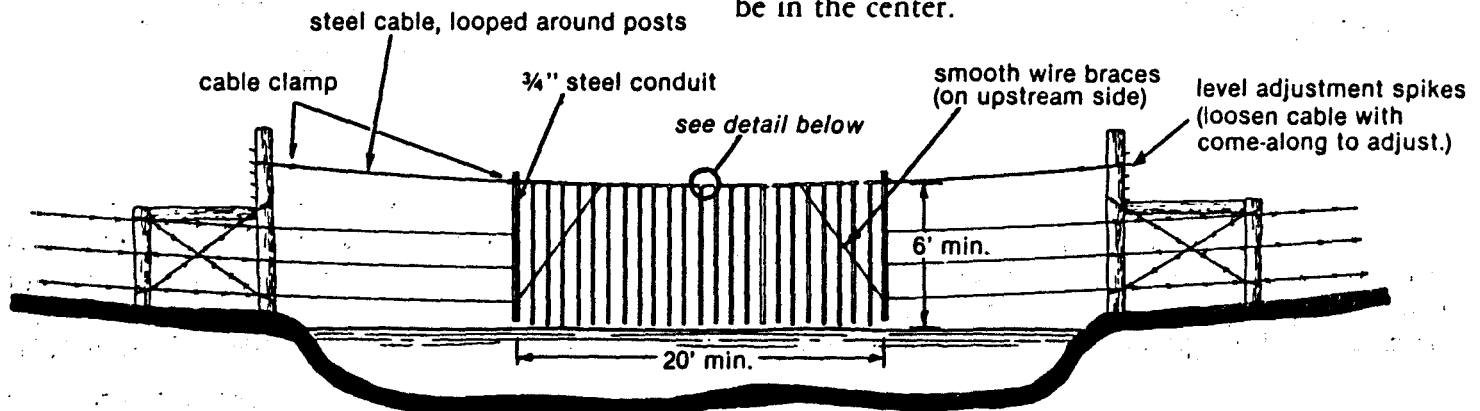
Montana Department of
Fish, Wildlife & Parks

EXHIBIT
2-3-89
100

Float-through PVC Gate (Wide Rivers)

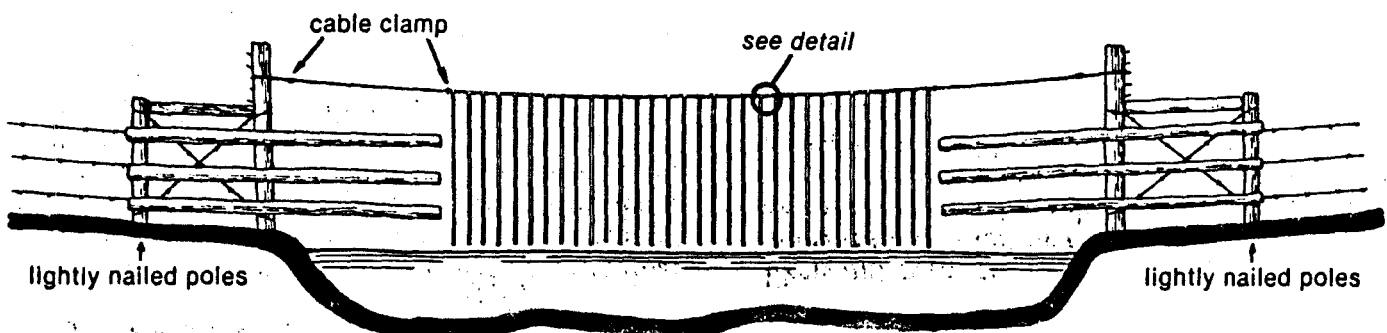
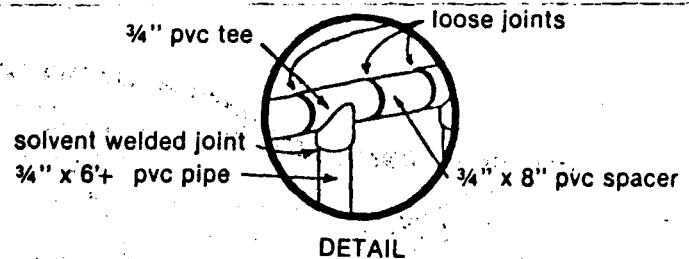
This gate is effective over any depth of water and needs little adjustment for varying water levels. However, it is more complicated and relatively expensive to build. The looped cable should be moved with a come-along up the level adjustment spikes to accommodate rising water levels and winter ice.

Whenever possible, smooth wire should be used where floaters or their craft might contact the fence or where debris might snag on it. The PVC gate should be placed over the main channel, which may or may not be in the center.



Float-through PVC Gate (Narrow Rivers)

This design is similar to the previous one and is easier to construct, but its use is limited to narrow channels because of the length of the fence poles. 2x4s may also be used instead of poles. The shoreward ends of the poles should be lightly nailed so that ice flows will be able to flex them.



VISITOR'S REGISTER

AGENCY (S) Approp. on Nat. Resources SUBCOMMITTEE
DFWP DATE Feb. 3, 1989

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
Janet Ellis	Andubon	✓	
Chuck Vining	FWP		

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