

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Gary Spaeth, on February 16, 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; Donna Grace, Committee Secretary

#### HEARING ON DEPARTMENT OF NATURAL RESOURCES

##### List of Proponents and Group they Represent

John Armstrong, DNRC  
Ray Beck, DNRC  
Dave Darby, DNRC  
Mike Workman, Tobacco Valley Economic Development  
Jane Holzer, Montana State Conservation Association  
Ellis Hagen, MACD  
Peggy Haaglund, MACD  
Gary Fritz, DNRC

##### Remaining Issues      69:A (001)      Exhibit 1.

1. Reallocation of Department Funds to the State Water Planning Process. The executive budget transfers 1.00 FTE from Centralized Services and 1.00 FTE from the Engineering Bureau to the Water Management Bureau. The positions would provide additional manpower for the state water planning effort. Each position costs \$54,070 for the biennium and there is an additional \$33,952 for operating expenses. The LFA current level does not contain this item. Total difference is \$142,092 general fund for the biennium or \$71,046 per year. In fiscal 1988 the department expended \$145,000 for water planning. The increase is approximately 50%.

Mr. Darby stated that they had gone over the cuts they took within the department and tried to reallocate some of the higher priorities in the department so they would not become modifieds but would be viewed as increases. Because of the importance of the water planning effort and the fact that

the Governor has recommended strongly that a solid water plan with public participation is one of his cornerstones, this was the highest priority within the department. This was the last item left on the table when the committee went through executive action.

Mr. Schweitzer stated that for the department as a whole this was within their current level; however, within the program it is an increase. Ms. Hamman stated that this was also the former administration's highest priority.

Mr. Darby continued to discuss his support of the water plan. He said they recognize that there are some important water issues and they need to agree on policy and make recommendations to the legislature when necessary.

MOTION: Representative Kimberley made a motion to adopt the executive recommendation. It was noted that the financing is from the general fund.

VOTE: MOTION PASSED. Devlin, Swift and Spaeth voted no; all others voted yes.

2. RIT Funding of Department Operations. The executive has proposed continuing the use of RIT interest for a portion of the operational expenses of the department. Mr. Schweitzer stated that this was the issue that the joint subcommittee had heard discussed. Basically, there is approximately \$6.6 million of RIT funds available for the next biennium. The question is how those funds are to be allocated. He said that one decision had been made and that was to put \$1.2 million of RIT into the Department of State Lands. He said the General Government subcommittee had not used RIT funds for silicosis benefits. The decision to be made is how much should be allocated for operation of the department and how much would then be left for grant programs. Mr. Schweitzer said he had outlined the options in Table A of Exhibit 1.

Mr. Darby stated that he agreed with the LFA that if there is to be a viable grant program, they will have to put a cap on the amount used for operations.

Senator Jergeson stated that he objected to the inclusion of the silicosis benefits funding from RIT funds.

MOTION: Senator Jergeson made a motion that all reference to silicosis benefits be eliminated from the DNRC budget. Discussion followed.

Mr. Darby stated that they have a budget which they presented to the Long Range Planning Committee which will have to be adjusted for vacancy savings and he presented copies of the revised funding proposal to the committee. Exhibit 2.

Mr. Darby suggested that the committee act on this now so

that know how much is going to be left for grant programs. He said that the proposed budget assumes that the Reserved Water Rights Compact Commission will be funded with general funds and it does include the funding for silicosis benefits.

Mr. Schweitzer stated that the committee's decision could be broken down into two parts (1) how much money for the DNRC and the Reserve Water Rights Commission and (2) what to do about the silicosis money if the committee wanted to do something different with that. Mr. Darby said they had developed a possible allocation of the silicosis funds, Exhibit 3, which would allow the money to go to the increase in the Reserve Water Rights Compact Commission and essentially free up what they assumed would be \$300,000 in general funds. Mr. Darby also suggested some restitution in the water examination, claims examination, for the water court. He suggested a 50% restoration, \$250,000 a year for that program, recognizing that the committee had already restored \$57,000 to that program. They have also included \$76,300 for partial funding of the rural economic development program. He said they had put it in at less than the requested funding level, thinking that the communities should come up with part of the cost.

Mr. Darby said that this would match the funding proposal of the executive in Exhibit 4 for the rural economic development proposal.

Mr. Darby stated that the proposed budget incorporates all the executive action taken to date, the LFA current level number where the committee did not take specific action, and they think they would match the funding mixes philosophically used in the department in the past. He also said he would recommend that if the committee did adopt the proposal, that the LFA and the OBPP again go through the numbers and make sure that everything matches.

Senator Jergeson offered to withdraw his motion. Chairman Spaeth stated that the number one priority would be to let the Long Range Planning Committee know how much RIT money would be available for grants. Mr. Darby said that if the committee adopts the proposed budget, there would be \$2,004,200 for Reclamation and Development grants and \$451,700 for Water Development grants. If the silicosis benefit is to be funded by general funds, there would be \$2,100,000 available for reclamation and development grants.

Mr. Ray Beck, Administrator of the Conservation Districts Division, testified in favor of the Rural Economic Development Program, which was brought before the committee previously by Senator Williams. The program started as a pilot program in Southwest Montana. The program went very well. Central Montana has now put together a program. The proposal would be to put a coordinator in Central Montana as

they feel it is essential to have a person to assist these small counties stay coordinated, keep the activities going and seek out technical and financial assistance. They are asking for \$90,750 for the biennium. However, some local funds are available. Funds will be matched by the SCS.

MOTION: Representative Swift made a motion to adopt the Rural Economic Development Program with a budget of \$76,300 with the language to provide for a review in two years and the funding will not be built into the base. Discussion followed.

Senator Jergeson said he thought that these development councils should become self-supporting and the money should only be for start-up costs. Chairman Spaeth said it should be made clear that this won't be renewed without re-examination. Mr. Peck said that he would prefer that the coordinator be a state employee because they would have more control; however, the employee could be a federal employee or they could contract the services out.

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

The committee proceeded to discuss the level of funding for the Water Adjudication Program. The request is for \$500,000.

MOTION: Representative Swift made a motion to approve \$300,000 increase in the Water Adjudication Program.

VOTE: MOTION PASSED. All present voted in favor.

3. Water Development Funding of Department Operations. Water Development Funding of Department Operations. In the original executive recommendation it was proposed that \$338,000 of Water Development funds replace general fund in the current level. The LFA current level did not use the Water Development funds but, rather, used general fund. Therefore, if the subcommittee accepts the executive recommendation, the general fund can be reduced by \$338,000. If the department's revised recommendation, which was presented to the joint subcommittees, the amount was reduced to \$300,000. The department assumed there was \$900,000 for the water courts but the executive action to date leaves \$835,000 so it adds another \$64,000 into the grant account.

MOTION: Representative Swift made a motion to accept the department's recommendation of \$300,000.

VOTE: MOTION PASSED. All present voted in favor.

4. De-earmarking of the Coal Tax Portion of the Alternative Energy Fund, and replacing Alternative Energy Funds with General Fund.

MOTION: Representative Iverson made a motion to de-earmark the

coal tax portion of the alternative energy fund.

VOTE: MOTION PASSED. All present in favor.

There were no further questions and no further discussion.  
Chairman Spaeth stated that the budget for the DNRC was complete.

DEPARTMENT OF FISH, WILDLIFE AND PARKS

List of Proponents and Groups they Represent (174)

Don Hyppa, FWP  
Ron Marcoux, FWP  
Representative Ed Grady, District 47  
Larry Dominic, Northwest Montana Human Resources  
Janet Ellis, Audubon Legislative Fund  
Ron Aasheim, FWP  
Dave Mott, FWP

Saline Seep

Senator Jergeson stated that the following boilerplate language had been developed in cooperation with the FWP department:  
"Item \_\_\_\_ shall be used by the department to contract with landowners in cooperation with Montana Salinity Control Association for salinity control programs which provide benefits for fish and wildlife habitat. Salinity control projects which involve privately owned lands shall be financed on a cost share basis under guidelines developed by the department. Guidelines will be consistent with the legislation establishing the funding source and applying the federal funding guidelines."

MOTION: Senator Jergeson moved the adoption of the boilerplate language to be inserted in the appropriate place in the appropriations bill.

VOTE: MOTION PASSED. All members voted in favor.

Senator Jergeson said there was another issue to be discussed. He said that people from the Wildlife Federation had approached him and, rather than using \$25,000 of House Bill 526 money, they recommended eliminating that and increase the upland habitat money from \$100,000 to \$125,000. Mr. Marcoux stated that he felt this would be appropriate.

NOTION: Senator Jergeson made a motion to eliminate the House Bill 526 money and add \$25,000 from upland habitat. Discussion followed. Senator Jergeson said that House Bill 526 money is used for land purchases, leases and conservation easements and, since this is a pilot program within the department, until they determine that it might be a long-term program, he suggested they not involve land purchase, etc.

VOTE: MOTION PASSED. Jenkins and Swift voted no; all other committee members voted yes.

Mr. Schweitzer stated that there was one housecleaning item that should be taken care of. In the FWP budget there were some items relating to vacancy savings where the executive made a cut to offset vacancy savings. At this point in time what has been done is to take the LFA current level and he asked if the committee would like to go back and look at this issue. Otherwise, the budget will reflect the current level which doesn't include those cuts. Chairman Spaeth said the policy of the committee would be to remain consistent to how the matter was handled in other agencies. In that way, if there is a change in vacancy savings, it can be plugged into the computer and all agencies can be done at once and that is the direction to the LFA.

#### State Parks System (236)

The LFA analysis is attached as Exhibit 5. Chairman Spaeth said that he had heard good reports on the work of the joint subcommittee which had considered the proposal of the State Parks System.

Mr. Hyppa reviewed the division's operating budget. He also gave an overview of the actions which were taken in the Long Range Planning Committee as a result of the Parks subcommittee's work. Exhibit 6 is the agenda the Parks subcommittee worked from and was used by the Long Range Planning Committee in their executive action. The first issue discussed was the fee proposal. The committee recommended that the division inform the Fish and Game Commission that they should adopt the fee proposal and the legislature was willing to appropriate funds from that source. At the recommendation of the committee, six low use sites were dropped from the list and the proposal now contains 37 areas at which fees will be charged and 29 areas where fees will not be charged. Another action was to recommend that the department retain Canyon Ferry and Hell Creek and gave the department the discretion to retain Lost Creek. Information coming from that area is that the local people want the state to continue to manage that area and it is included in the budget proposal. The Kipp site should be managed by the BLM as a part of the Wild and Scenic Missouri. It will take a while to implement the transfer so the division will manage the site until the transfer can be accomplished. The last site is the Nelson Reservoir and the Bureau of Reclamation will take that site and manage it at the current level.

The department, and the Schwinden Administration, has built into the budget proposal a provision that the parks division would get 1/10 of 1% or \$84,000 per year, of highway gas tax funds to do improvements on park roads. The Montana

Conservation Corps item refers to supplies and materials which the Long Range Planning Committee agreed should be moved to the operations budget. The model parks issue is one that is still under discussion in Long Range Planning. The Land and Water Conservation Fund would, for this biennium, be allocated to the state parks system. Mr. Hyppa stated that the Long Range Planning Committee has concurred with the subcommittee's recommendations.

Executive Action:

Budget Modification - Montana Conservation Corps. Exhibit 7. This budget modification is designed to create a Montana Conservation Corps within the Parks Division for the purpose of accomplishing improvements for the state parks system and for other public lands and providing work experience for unemployed or economically disadvantaged youth and adults which will enable them to serve society, learn practical skills and establish work records.

Representative Grady stated that he was the co-sponsor of Senate Bill 388 which would establish the Montana Conservation Corps and he thought it fit in with what they were trying to do with the entire parks system to turn things around. He said most of the Long Range Planning Committee is looking very strongly at putting another million into the parks and this is a needed thing but the money will be spread pretty thin. He encouraged the committee to give favorable consideration to the budget modification.

Larry Dominic stated that he was the Director of the Northwest Montana Human Resources in Kalispell. He had administered conservation corps programs for about 12 years with the federal government and with the State of Montana and was a participant in the pilot project that was established in the FWP last summer. He stated that he was a supporter of the Montana Conservation Corps but he had some real concerns about the budget requests and about the legislation being put together. He said he had participated with the committee through the budget office in developing the legislation. He said that the budget sheet indicated that one of the funding sources is from the Department of Labor in the amount of \$108,000. There is considerable concern among the private industry council which administers JTPA dollars. The legislature does not have the authority to appropriate or allocate job training funds because it is the responsibility of the private industry council to make those appropriations and one of the problems is that FWP is indicating that \$108,000 will come from Labor but that issue has not even been discussed by the private industry council nor have any allocations of those funds been made. He said he thought that in order for the Conservation Corps to do a real conservation job, there will have to be a general fund appropriation. Also, in looking at some of the materials submitted to the committee, there was discussion of using

AFDC grant diversion, unemployed parent programs. He said he administered a grant diversion program for the Department of SRS and work with general assistance and AFDC recipients cannot use AFDC grant diversion for people in conservation corps jobs. Grant diversion placements have to be greater than minimum wage and the wages proposed for the MCC are minimum wage and the placements would have to be permanent in nature and that is not the case with the MCC. Again, he stated that he and the private industry council, as well as some legislators, have problems with the nature of funding for this program. He said his real concern with the program is that what is being proposed are work programs for economically disadvantaged unemployed people or welfare recipients and, having worked with conservation corps for a number of years, the programs are typically programs which mix income groups and are for kids of all income groups. You achieve public good by mixing the participants in the programs. Most important, you teach stewardship of public lands and he does not see that in this program. He feels the MCC is a way for the state parks system to get cheap labor to get help for the parks department. He said he was supportive of working with the program but if they were going to have a work program they should call it that and if it is going to be a conservation corps they should look at what that really is and fund it appropriately.

Chairman Spaeth stated that the committee worked with spending authority only and did not have anything to do with whether the funds would become available or not. If the DEFRA funds cannot be used, the committee will not be able to come up with general fund money.

MOTION: Senator Iverson made a motion to approve spending authority dependent on the passage of Senate Bill 388.

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

Issues 1 and 2. (644) The executive eliminated 1.75 FTE as an offset to increases in FTE which are included in budget modifications and the executive included additional personal services. Since that time the division has advanced the fee proposal idea and the division anticipates needing those employees to carry the program forward.

MOTION: Representative Kimberley made a motion to adopt the LFA on both issues.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 3. Transfer to snowmobile groomer replacement account. Because of revised revenue estimate, the department has requested additional funding for the replacement account. Mr. Hyppa stated that the LFA and executive agree with and would support the department's request.



MOTION: Representative Iverson made a motion to accept the department's request.

VOTE: MOTION PASSED. All in favor.

Issue No. 4. Late billings for repair and maintenance of snowmobile equipment. Mr. Hyppa stated that this relates to the fact that the department has been changing the management of its snowmobile program and is converting it to an almost exclusively grant program to local snowmobile clubs. As a result, the clubs were late getting their bills in and they would like to get this amount, \$118,690, put back into the base because it is actually what was spent.

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

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 5. 70:A (009) Park management consultants. As a result of the financial situation in the Parks Division, the staff in Helena has been reduced so that there are now 7 people in the department where there had been 18 two years ago. They need to develop a management system to develop a long range vision of the state park sites. In the absence of staff people they need to hire consultants to do this. This is a new item which was added by the executive. The LFA did not include it in his recommendations because he thought the committee should review it.

Senator Devlin said that it seemed to him that the department felt that every time they thought they might lose an FTE they go to consulting and he said that eventually they were going to be wondering why the consultant expenses are so high.

MOTION: Senator Devlin than made a motion approving the executive with language suggesting that this should be reviewed again in two years. Mr. Hyppa stated that they are beginning a new planning cycle for the five-year state-wide comprehensive plan and that will require some data collection and studies to be done by the University of Montana.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 6. Janitorial and caretaker service. Mr. Hyppa said he would recommend going with the LFA on this issue as he has correctly analyzed the situation.

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

VOTE: MOTION PASSED. All committee members voted yes.

Issue No. 7. Garbage pick-up increase. Mr. Hyppa said this issue was connected with issue No. 9, reduction proposal for dropping federal sites and transferring the funds to state sites. He said they had proposed making changes in the budget to redirect money for effort they were going to save if the federal sites were transferred. Mr. Schweitzer stated that if the committee went with the LFA on 7 and 9 at this time and then built back in when the federal sites are considered.

MOTION: Representative Kimberley moved adoption of the LFA.

VOTE: MOTION PASSED. All in favor.

Issue No. 8. Operating expenses reduced to fund pay plan. Chairman Spaeth stated that there is already a policy on this issue.

Issue No. 10. Equipment. The LFA has \$4,044 more in the budget than the executive.

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

VOTE: MOTION PASSED. All present voted yes.

Issue No. 11. Ground Maintenance - Contracted Services. Mr. Hyppa stated that at the time they made the request they expected bids to come in higher for a number of reasons. They opened the bids earlier this week and they did come in \$24,430 higher and, in addition, he said he had received a letter from the Department of Administration that there is one additional building which will cost another \$1,400 per year.

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

VOTE: MOTION PASSED. All members voted in favor.

Issue No. 12. Supplies and Materials. Mr. Hyppa said that an early analysis of the account caused the executive to feel there was not enough money to afford the supplies and materials for the Capitol grounds. They now think the money will be there. Ms. Hamman stated that she would support the LFA recommendation.

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

VOTE: MOTION PASSED. All members voted in favor.

Budget Modification - Fishing Access Caretaker Services. This budget modification will initiate scheduled maintenance of fishing accesses in Regions 1, 3, 4 and 5 which have been acquired and developed without corresponding funding and

personnel for operation. Mr. Hyppa explained that the modification would provide for care of fishing access sites which have not been previously developed for public use. It would provide the FTE to go to the sites to pick up garbage, take care of the latrines, weed and fence maintenance, etc. This is based on a workload increase and the funds would come from the fishing license revenue.

MOTION: Senator Jenkins made a motion to approve the budget modification.

VOTE: MOTION PASSED. All present voted in favor.

Parks Subcommittee Action 70:A (187)

Exhibit 8 is a summary sheet of all the issues that are attendant to the fee proposal and the other changes in the department's budget. This exhibit also contains the proposal for spending the revenue from the fees. They are suggesting they spend \$223,517 in 1990 and \$259,157 in 1991 to implement the fee plan which would include collecting the fees, improve compliance, provide additional public service, security, improved maintenance and provide some initial hardware to get the sites in condition so that they can collect the fees. They would be requesting 7.3 FTE's, Exhibit 9.

Senator Jergeson said that former lieutenant Governor Bill Christianson was intensely interested in this issue and he asked if he had anything he would like to say. Mr. Christianson said he was at the meeting only to listen to what was said.

Senator Devlin remarked that over 1/3 of the income would be used for collection of the fees. Mr. Hyppa stated that a good share of the people working to collect the fees would also be doing maintenance and improve the public services as well as collect the fees and they will be there to insure compliance with the rules.

Mr. Hyppa explained that Canyon Ferry and the other sites had been built out of the budget since it had been anticipated that they would be returned to the federal government for management. He now requested that the amounts be built back into the budget.

Senator Iverson stated that the subcommittee had discussed the idea that some day they might want to reevaluate the mix of how money should be spend on model parks. He said he thought there was a valid argument in both directions. It might be better to trim the model parks a bit more and he said he also realized that people would be very upset if they go to a park, pay a fee, and see it look just like it always has. He would like to see enough money going into each area. One suggestion was to not put any money into the

model parks the first year and pick that up the second year. However, the subcommittee wasn't comfortable in doing anything about that as it was more of a policy decision and they took the department's recommendation.

Mr. Hyppa stated that the department had a good deal of discussion on the tradeoffs and sensing the apprehension of both the committees on that point, he said he would be perfectly happy to acquiesce and suggest that all the money be moved up into the other line item. It would give them the discretion they need to match the funds properly and address the priorities they identify.

Senator Jergeson said that would be up to the Long Range Planning but Mr. Hyppa said he did want to go on record as not objecting to that. Chairman Spaeth said that the issue could be revisited as he felt they would be discussing state parks often during the balance of the session.

MOTION: Senators Jenkins and Devlin jointly made a motion to approve Item 2, Operations Budget to Implement the Fee Plan; Item 3, Return of the Federal Sites and Item 4, Canyon Ferry Consultant, which were included in the distribution of revenues as outlined in Exhibit 8. Chairman Spaeth clarified that Item 1, Capital Program, was the responsibility of the Long Range Planning Committee and Items 5, Conservation Corps, and Item 6, Pay Plan, had already been dealt with.

VOTE: MOTION PASSED. The vote was unanimous.

Mr. Hyppa stated that as a part of the original parks division budget, they had redirected some items. These were the projects they were going to do with the federal sites money and he said he would appreciate the committee's concurrence that they go ahead and do those things as a part of the executive budget. The redirection projects are outlined in Exhibit 10. This is new effort at the existing level. Since it was referenced in the budget, he felt it would be appropriate for the committee to acknowledge the fact that it is there.

Ms. Hamman stated that these are priorities the department is submitting for review rather than bringing them in as separate budget modifications.

MOTION: Representative Iverson made a motion to approve the redirection within the division's current level.

VOTE: MOTION PASSED. All present voted yes.

Janet Ellis, Audubon Legislative Fund, stated that she wished to ask the committee to reconsider some action taken on the Conservation Education budget which would eliminate the youth education position. She said she thought that

"Project Wild" and "Aquatic" were very good programs that had been approved in over 40 states. She said that with the cutbacks in education, teachers don't get much of a chance to do much re-training and they don't always have a background in science. This person would be going to schools to teach teachers and said that she hoped that the committee would reconsider the action because some committee members were not at the meeting when the action was taken.

Mr. Marcoux also suggested the advantage of this program is that there are booklets to be supplied to the teachers and the program is easy to use if the teachers have the training. He said the schools are requesting more and more workshops and if the department is to proceed, they will need the funding.

MOTION: Representative Iverson made a motion to reconsider the committee's previous action on Issue 2 of the Conservation Education Division's budget.

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

MOTION: Representative Kimberley made a motion to approve the position. Discussion followed. Senator Devlin said he thought the department had the resources to get the information distributed without putting another person on. Representative Iverson said he would be interested in knowing what the program contained and how objective it was. Mr. Marcoux stated that the position was not just handing out material, it was putting on workshops on the best way to present it. The project was started as a result of the Western Association of Fish and Wildlife and their interest in developing a program. They hired a professional teaching staff to develop the program. It has been reviewed by all the major organizations.

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

Mr. Aashiem said he would provide copies of the workbooks to the committee.

Project Saturation Patrol - Western Sanders County. Exhibit 11. Mr. Marcoux said that this was a matter brought to the attention of the committee by Senator Rapp-svrcek. He presented a budget which would provide \$3,000 to increase law enforcement capability through the use of saturation patrols rather than putting on additional employees.

MOTION: Representative Swift made a motion to approve the budget for this project.

VOTE: MOTION PASSED. All present voted in favor.

Mr. Marcoux advised that House Bill 165 would provide for additional enforcement activity for ATV use. The program would require two FTE's in 1990 and 3.5 FTE in 1991. The money to finance this program would come from the ATV decal license fee. Exhibit 12.

MOTION: Senator Devlin made a motion to authorize spending authority dependent on the passage of HB 165.

VOTE: MOTION PASSED. All committee members were in favor of the motion.

#### HEARING ON DEPARTMENT OF COMMERCE

##### List of Proponents and Group they Represent

Andy Poole, Department of Commerce  
Tom Clinch, Department of Commerce  
Jane Clark, Department of Commerce  
Carolyn Doering, Department of Commerce  
Newell Anderson, Department of Commerce

Remaining Issues - Exhibit 13. 70:B (359)

##### Coal Board

Mr. Schweitzer stated that the difference is the executive has recommended that the Coal Board be reduced from 2.5 FTE to one and that all the grant money be diverted to the School Foundation. The LFA has maintained the current level and has grants built into the Coal Board's budget.

Mr. Newell Anderson stated that this is a policy judgment on whether to go with the executive recommendation or with the LFA. There is some information that there were some pending bills which would directly affect the future of the Coal Tax allocations and the Coal Board itself, and those bills have received some action. The bills are Senate Bill 224 and Senate Bill 238 which received adverse committee reports.

MOTION: Senator Jergeson made a motion to continue with the program at the current level, the LFA recommendation.

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

##### Board of Housing (445)

Mr. Schweitzer stated that Issue No. 10 under the Board of Housing budget was a budget modification which would provide administrative costs to establish a reverse annuity program for lower-income elderly homeowners. The amount requested was \$48,600. At the time this issue was considered any action was postponed pending action on SB 115. The bill has

passed the Senate and is now under consideration in the House and it does seem likely that it will pass.

MOTION: Senator Devlin made a motion to approve the modification contingent on passage of SB 115.

VOTE: MOTION PASSED. All present voted in favor.

Health Facilities (472)

Mr. Poole stated that the Health Facilities Authority proposed that they reduce audits from biennial to annual and House Bill 216 was introduced to accomplish this. The bill passed second reading in the House and it is very likely to pass the Senate.

MOTION: Senator Jergeson made a motion to approve contingent on the passage of HB 216.

VOTE: MOTION PASSED. All committee members voted in favor.

Office of Research and Information (493)

Mr. Poole stated that the committee had cut one-third of a programmer position from this division. He explained that the position is shared and the other two-thirds of this position had been approved as it appeared in other budgets. He asked that the committee reconsider their action on the position. He stated that the division needed the services of this position badly. The other position cut by the committee was for a .50 FTE research person. This person was previously split between this division and the Director's office. This person did research which they are continuing to do but the function provided by the person more properly would be in the Office of Research and Information. The department has a continuing need for this capability. Business assistance needs the information and economic development relies on this analyst's ability. Absent that ability the department is impacted in an adverse way. He said that this is not a new function, it is simply a continuation but it had been moved into a different division where it was more appropriate.

MOTION: Representative Iverson made a motion to reconsider the committee's action.

VOTE: MOTION PASSED. All members in favor.

MOTION: Senator Jenkins made a motion to reinstate the two positions.

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

Announcements/Discussion: None.

ADJOURNMENT

Adjournment At: 11:30 a.m.

  
\_\_\_\_\_  
REP. GARY SPAETH, Chairman

GS/dg

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## NATURAL RESOURCES

SUBCOMMITTEE

DATE \_\_\_\_\_

Form CS-30A  
Rev. 1985

ROLL CALL VOTE

## NATURAL RESOURCES

SUBCOMMITTEE

DATE 2/16/89 AGENCY FW & P NUMBER 1

[illegible]

TALLY

Donna Grace  
Secretary

~~Chairman~~

Motion: To reconsider action taken on Issue 2 of the Conservation  
Education Division's budget which eliminated the position of a youth  
education position.

## NATURAL RESOURCES

DATE 2/16/89

AGENCY

FW&amp;P

NUMBER 2

TALLY

4 3

TALLY  
Donna Grace

Secretary

  
Chairman

~~Chairman~~

Motion: To reinstate the position of a youth educator into the Conservation  
Education Division's budget (Issue 2).

Department of Natural Resources and Conservation  
 Remaining Issues

1. Reallocation of Department Funds to the State Water Planning Process:

The executive budget transfers 1.00 FTE from Centralized Services and 1.00 FTE from the Engineering Bureau to the Water Management Bureau. The positions would provide additional manpower for the state water planning effort. Each position costs \$54,070 for the biennium and there is an additional \$33,952 for operating expenses. The LFA current level does not contain this item. Total difference is \$142,092 general fund for the biennium or \$71,046 per year. In fiscal 1988 the department expended \$145,000 of water planning. The increase is an approximate 50 percent increase.

2. RIT Funding of Department Operations:

The executive has proposed continuing the use of RIT interest for the a portion of the operational expenses of the department. The attached table (Reclamation and Development Grant Programs) details the original Executive Recommendation (column B), the Revised Executive Recommendation (column C), the Subcommittee's Decisions to date (column D), a column which adds the subcommittee decisions to date with the revised executive recommendation (column E), the revised department's request (column F), and the difference between columns F and E. Table A lists various varying appropriation levels which the committee could fund the department's operational expenses.

Table A  
 RIT Funding Options

<u>Program</u>	<u>Orig. Executive</u>	<u>Dept. Request</u>	<u>Dept. Request + 12 RWR Expansion</u>
Revenues	\$6,625,700	\$6,625,700	\$6,625,700
State Lands	\$1,200,000	\$1,200,000	\$1,200,000
Silicosis Ben.*	976,300	976,300	976,300
Natural Resources			
Operations	2,215,100	2,245,200	2,245,200
Res. Water. Rights	216,400	200,000	419,500
Total Oper. Expenses	\$4,607,800 =====	\$4,621,500 =====	\$4,841,000 =====
Remaining for Grants	\$2,017,900	\$2,004,200	\$1,783,700

### 3. Water Development Funding of Department Operations.

In the Original Executive Recommendation it was proposed that \$338,800 of Water Development funds replace general fund in the current level. The LFA current level did not use the Water Development funds but rather used general fund. Therefore, if the subcommittee accepts the Executive recommendation, the general fund can be reduced by \$338,800. In the department's revised recommendation presented to the joint subcommittees the amount was reduced to \$300,000.

### 4. De-earmarking of the Coal Tax Portion of the Alternative Energy Fund, and Replacing Alternative Energy Funds with General Fund.

The executive budget included \$3,282,105 of Alternative Energy funds to finance various programs in the department. A bill has been introduced to redirect the coal tax portion of the alternative energy fund to the general fund. If this bill were to pass then it would require replacing \$2,917,300 of alternative energy funds to general fund. Because there is approximately only \$2,249,100 which will be transferred to the general fund, there is a \$668,200 increase in general fund expenditures.

### 5. Water Adjudication:

The subcommittee has been presented with requests to consider redirecting or increasing funding to the water adjudication program.

### 6. Rural Economic Development:

The subcommittee was presented with a \$90,750 request for funding of a Rural Development Economic Development Program.

Reclamation And Development Grants P1

	Column A	Column B	Column C	Column D	Column E	Column F	Column G
	LFA's Current Level	Executive Recommendation	Revised Executive Recommendation	Subcommittees Decisions (1-21-89)	Subcommittee Decisions Plus Revised Executive Recommendation	Departments Revised Request Feb 13 1989	Column F Minus Column E
Available Revenues	6,625,665	6,625,665 *	6,625,665	6,625,665	6,625,665	6,625,700	
Expenditures							
Department of Natural Resources							
Water Resources Division							
Water Management	0	758,722	758,722		758,722	700,000	(58,722)
Administration	0	180,000	180,000		180,000	180,000	0
New Water Rights	0	12,769	12,769		12,769	0	(12,769)
Dam Safety	0	271,391	271,391		271,391	271,400	9
Reclamation Grant Administration	0	31,453	151,453		151,453	151,500	47
Oil and Gas Div (Well Plugging)	20,000	0	0	0	0	0	0
Conservation Districts							
Administration	0	413,628	418,828		418,828	304,800	(114,028)
Saline Seep Grant	0	142,500	142,500	57,500	200,000	200,000	0
Cons Dist Op Grants	0	190,000	190,000		190,000	190,000	0
Centralized Services	0	214,600	214,600		214,600	247,500	32,900
Subtotal DNRC	20,000	2,215,063	2,340,263	57,500	2,397,763	2,245,200	(152,563)
Reserved Water Rights							
Current Level	0	216,390	216,390	0	216,390	200,000	(16,390)
Program Expansion	0	0	0	0	0	0	0
Subtotal Reserved Water Rights	0	216,390	216,390	0	216,390	200,000	(16,390)
Department of State Lands							
Administration	0	118,840	118,840	0	118,840	118,840	0
Open Cut Bureau	0	139,000	139,000	0	139,000	139,000	0
Coal and Uranium Bureau	0	452,188	452,188	0	452,188	452,188	0
Hard Rock Bureau	0	489,972	489,972	0	489,972	489,972	0
Subtotal State Lands	0	1,200,000	1,200,000	0	1,200,000	1,200,000	0
Workers' Compensation							
Silicosis Benefits	0	976,296	976,296	0	0	976,300	976,300
Subtotal Agencies	20,000	4,607,749	4,732,949	57,500	3,814,153	4,621,500	807,347
Unallocated Balance	6,605,665	2,017,916	1,892,716	6,568,165	2,811,512	2,004,200	

Water Development Account  
1991 Biennial Cash Flow

	Column A	Column B	Column C	Column D
	Original Executive Budget	LFA's Revenue Level	Executive Revenue	Differences Column C Minus Column B
Balance From Previous Biennium	149,400	885,876	149,400	(736,476)
Coal Tax	459,000	483,048	459,000	(24,048)
Loan Repayments	892,800	892,800	892,800	0
Interest on Bond Proceeds	40,000	40,000	40,000	0
30 % RIT Interest	4,178,400	4,376,843	4,178,400	(198,443)
Project Rehab.	175,000		175,000	175,000
Project Revenues	383,000	404,000	383,000	(21,000)
Administrative Fees	18,000	29,000	18,000	(11,000)
	-----	-----	-----	-----
Available Revenues	6,295,600	7,111,567	6,295,600	(815,967)
	=====	=====	=====	=====

Expenditures

		Subcommittee Decisions To Date	Revised Department Recommendation	
Debt Service	1,212,912	1,212,912	1,212,900	(12)
Department of Natural Resources				
Water Resources Division				
Water Management	338,771	0	300,000	300,000
Administration	237,100	237,100	180,000	(57,100)
Engineering	1,348,390	1,348,390	1,348,400	10
State Water Projects	775,000	775,000	775,000	0
Water Development	560,342	560,342	441,500	(118,842)
High Hazard Dam	80,000	80,000	80,000	0
Missouri River Reservation	360,276	360,276	200,000	(160,276)
Centralized Services	235,500	235,500	280,500	45,000
	-----	-----	-----	-----
Subtotal DNRC	3,935,379	3,596,608	3,605,400	8,792
Water Courts	900,582	789,458	900,600	111,142
Emergency Grants	125,000	125,000	125,000	0
Total Expenditures	6,173,873	5,723,978	5,843,900	119,922
	-----	-----	-----	-----
Unallocated Balance	121,727	1,387,589	451,700	(935,889)
	=====	=====	=====	=====

02/15/89

## DNRC 1990-91 REVISED FUNDING PROPOSAL

ACCOUNTING ENTITY	A/E NAME	1990-91 PROPOSAL 2% V.S.	VACANCY SAVINGS INCREASE	1990-91 PROPOSAL 0% V.S.
01100	GENERAL FUND	6,189,332	222,630	6,411,962 **
01100	ALT. ENERGY TO GENERAL FUND	2,396,275		2,396,275
02052	RANGELAND IMPROVEMENT	24,000		24,000
02104	DNRC-RIT	2,445,200		2,445,200
02428	MFSA-MEPA	2,060,052	1,072	2,061,124
02430	WATER RIGHT APPROP	159,000		159,000
02432	OIL & GAS	2,323,361	26,751	2,350,112
02433	GRAZING DISTRICTS	13,000		13,000
02434	CONSERVATION DIST. GRANTS	187,373		187,373
02435	WATER DEVELOPMENT	3,605,400		3,605,400
02436	RENEWABLE RESOURCES DEV.	420,200		420,200
02437	ALT. ENERGY RESEARCH DEV.	364,777		364,777
02458	NATURAL RESOURCES GRANT			
02825	BWWC	60,000		60,000
02094	1984 COAL SEV. PROCEEDS			
03033	ED FEDERAL PROGRAMS	1,190,622		1,190,622
03034	WRD FEDERAL PROGRAMS			
03035	CDD FEDERAL PROGRAMS	10,000		10,000
03036	CSD INDIRECT			
03094	FEMA	100,000		100,000
03137	LAKE BROADVIEW MITIGATION	40,000		40,000
03178	ROCK CREEK MITIGATION	1,650,000		1,650,000
03161	WARNER AMENDMENT	50,000		50,000
03218	DIAMOND SHAMROCK	121,906	25,819	147,725
03211	EXXON-SECP	185,910		185,910
03212	STRIPPER-SECP	65,629		65,629
03213	STRIPPER-SBP	188,794		188,794
03216	EXXON-ICP	360,000		360,000
03217	EXXON-EES	5,000		5,000
03997	MISSOURI BASIN FPSR	42,000		42,000
02977	BROADWATER POWER PROJECT	600,000		600,000
02978	MISSOURI BASIN FPSR	140,000		140,000

\*\* Includes 400,262 increase in RWRCC and 54,000 increase in water adjudication not proposed in executive budget.



EXHIBIT 3  
DATE 2-16-89  
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2-15-89

Possible Allocation of Remaining RIT  
and Water Development Funds

WATER DEVELOPMENT

900,600 Water Courts: Figure used by DNRC  
835,709 Executive Action  
  
64,891 Remaining

Potential Allocation: Additional Grants

RIT

976,300 Remaining - Funded Silicosis in FY 88-89

Potential Allocation

300,000 RWRCC Program increase in lieu of  
General Fund  
  
500,000 50% Restoration of Water Adjudication  
cut in FY 88-89  
  
76,300 Partial Funding of Rural Economic  
Development  
  
100,000 AdditionAL R&D Grants  
  
976,300

## RURAL ECONOMIC DEVELOPMENT PROPOSAL\*

	FY1990		FY1991	
	SCS	DNRC	SCS	DNRC
Staff				
Coordinator & Benefits	\$18,000	\$18,000	\$18,000	\$18,000
Clerical	5,250	5,250	5,250	5,250
Travel				
Travel	3,000	3,000	3,000	3,000
Per Diem	1,000	1,000	1,000	1,000
Meals	750	750	750	750
Training	750	750	750	750
Office				
Office Space	1,500	1,500	1,500	1,500
Office Equipment	1,500	1,500	1,500	500
Communications	750	750	750	750
(Phone, postage, printing, etc.)				
Desk top supplies	750	750	750	750
Other (Contracted Services)				
Existing Area Assistance	4,500	4,500	4,500	4,500
New Area Assistance	2,250	3,000	2,250	6,000
Division Cost (Communication, printing, etc.)		<u>2,500</u>		<u>5,000</u>
	\$40,000	\$43,250	\$40,000	\$47,750

\*Proposal by Senator Bob Williams as an amendment to the  
Conservation Districts Division budget

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AGENCY: DEPT OF FISH, WILDLIFE, PARKS

## LEGISLATIVE ACTION

PROGRAM: Parks Division

BUDGET ITEM	Fiscal 1990			Fiscal 1991		
	Executive	LFA Curr Lvl	Difference	Executive	LFA Curr Lvl	Difference
FTE	79.62	81.37	1.75	79.62	81.37	1.75
Personal Services	\$1,672,524	\$1,649,565	(\$22,959)	\$1,668,462	\$1,623,398	(\$45,064)
Operating Expenses	1,327,355	1,125,183	(202,172)	1,227,530	1,150,337	(77,193)
Equipment	239,254	239,254	0	226,698	230,742	4,044
Non-Operating	708,000	708,000	0	8,000	8,000	0
TOTAL EXPENSES	\$3,947,133	\$3,722,002	(\$225,131)	\$3,130,690	\$3,012,477	(\$118,213)

## FUNDING

State Special Rev	\$2,848,188	\$2,635,876	(\$212,312)	\$2,740,393	\$2,632,190	(\$108,203)
Federal Revenue	742,948	742,948	0	42,949	42,949	0
Other Revenue	355,997	343,178	(12,819)	347,348	337,338	(10,010)
TOTAL FUNDING	\$3,947,133	\$3,722,002	(\$225,131)	\$3,130,690	\$3,012,477	(\$118,213)

FTE	General Fund	Gross
-----	--------------	-------

- Executive eliminated 1.75 FTE as an offset to increases in FTE which are included in budget modifications.
 

(1.75)	\$ -0-	\$(42,973)
--------	--------	------------
- The executive has included additional personal services.
 

0.00	-0-	43,162
------	-----	--------
- Transfer to snowmobile groomer replacement account. Because of revised revenue estimate, the department has requested additional funding for the replacement. Table R details the executive recommendation, the LFA current level, and the revised department request.
 

0.00	-0-	(16,613)
------	-----	----------

 DATE 2-16-89  
 HB 100

Table R  
Snowmobile Groomer Replacement

<u>Year</u>	<u>Executive</u>	<u>LFA</u>	<u>Department</u>
1990	\$136,726	\$102,274	\$136,726
1991	<u>51,209</u>	<u>102,274</u>	<u>102,274</u>
Total	<u>\$187,935</u>	<u>\$204,548</u>	<u>\$239,000</u>

	<u>FTE</u>	<u>General Fund</u>	<u>Gross</u>
4. Late billings for repair and maintenance of snowmobile equipment.	0.00	\$ -0-	\$118,690
5. Park management consultants.	0.00	-0-	66,800
6. Janitorial and caretaker service.	0.00	-0-	18,806
7. Garbage pick-up increase.	0.00	-0-	2,119
8. Operating expenses reduced to fund pay plan.	0.00	-0-	(12,219)
9. Reduction proposal - dropping federal sites and transferring the funds to state sites.	0.00	-0-	86,003
10. Equipment	0.00	-0-	(4,044)
11. Ground maintenance - contracted services.	0.00	-0-	29,558
12. Supplies and materials.	0.00	-0-	(8,472)

BUDGET MODIFICATIONS

The executive budget recommends three budget modifications for the Parks Division. Table F details 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 F**  
**Department of Fish, Wildlife and Parks**  
**Budget Modification**

	Fiscal 1990	Fiscal 1991
	General License	General License
	FTE	FTE
	Acct.	Acct.
	Total	Total
Montana Conservation Corps	3.00	3.00
Fishing Access Caretaker Services	1.81	1.81
State Park Road System	0.00	0.00
Total Budget Modifications	4.81	4.81
	-\$-	-\$-
	\$388,772	\$388,772
	==	==
	-\$-	-\$-
	\$338,547	\$338,547
	==	==
	-\$-	-\$-
	\$48,410	\$48,410
	==	==
	-\$-	-\$-
	\$84,000	\$84,000
	==	==
	-\$-	-\$-
	\$470,957	\$470,957
	==	==

The Montana Conservation Corps budget modification is designed to create a Montana Conservation Corps (MCC) within the Parks Division for the purpose of accomplishing improvements for the state parks system and for other public lands and providing work experience for unemployed or economically disadvantaged youth and adults which will enable them to serve society, learn practical skills, and establish sound work records.

The fishing access caretaker services budget modification will initiate scheduled maintenance of fishing accesses in Regions 1, 3, 4, and 5 which have been acquired and developed without corresponding funding and personnel for operation.

The state parks road system budget modification proposes to redirect approximately one-tenth of 1 percent of the state fuel tax and combine it with available federal Fish, Wildlife, and Parks matching funds for the construction, improvement, and maintenance of those public highways which are within the state park system and connecting thereto.

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EXHIBIT 6  
DATE 2-16-89  
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2/14/89

PARKS CAPITAL PROGRAM

Budget Issues Resolution

Fees

- °dropped 6 low-use sites
- °37 fee areas
- °29 non-fee areas

Federal sites

- °Canyon Ferry - retain
- °Hell Creek - retain
- °Lost Creek - department discretion
- °Kipp - department discretion
- °Nelson - return to federal management

Highway Gas Tax

- °in capital program rather than operations budget

Montana Conservation Corps

- °supplies and materials costs come from capital program as needed

Model parks

- °reduced from \$1.5 million to \$1.0 million - Makoshika and Flathead Lake

LWCF - local government share to parks system for the biennium

dh±ParkCap.Pro

EXHIBIT 7  
DATE 2-16-89  
HB 100

MONTANA CONSERVATION CORP

DESCRIPTION

FY90

FY91

This proposal is an expansion of a pilot program conducted by FWP in the summer of 1988. The purpose of the program is to provide job training to economically disadvantaged while at the same time provide improvements to the state Park system. This would fund up to 3 adult and 4 summer crews with 10 members in each crew. Work will be spread across the state.

\$225,881 \$393,743

FUNDING SOURCES

SRS

\$9,120 \$54,720

LABOR

\$108,510 \$187,167

FWP

FEES PROPOSAL

\$56,000 \$56,000

OTHER PARKS

\$52,251 \$95,856

TOTAL

\$225,881 \$393,743  
=====

FILE: CC

8.

 EXHIBIT 8  
 DATE 2-16-89  
 HB 100

 PARKS DIVISION  
 SUMMARY OF THE FEE PROPOSAL

## SOURCES OF REVENUES

DESCRIPTION	FY90	FY91	TOTAL
1. ANNUAL PASSES @ \$15/FAMILY	\$41,169	\$41,169	\$82,338
2. SINGLE VISIT @ .50/PERSON TO \$3/CARLOAD	\$672,295	\$672,295	\$1,344,590
TOTAL	\$713,464	\$713,464	\$1,426,928

## DISTRIBUTION OF REVENUES

1. CAPITAL PROGRAM	\$403,000		\$403,000
2. OPERATIONS BUDGET TO IMPLEMENT THE FEE PLAN	\$223,517	\$259,157	\$482,674
3. RETURN OF THE FEDERAL SITES	\$102,000	\$169,000	\$271,000
4. CANYON FERRY CONSULTANT	\$75,000		\$75,000
5. CONSERVATION CORP	\$56,000	\$56,000	\$112,000
6. PAY PLAN (4% VACANCY SAVINGS 2% PAY INCREASE)	\$32,000	\$64,000	\$96,000
TOTAL	\$891,517	\$548,157	\$1,439,674

FILE:FEES



9  
2-16-89  
100

PARKS DIVISION

Fee Collections  
Operations Budget

<u>Description</u>	<u>FTE</u>	<u>FY90</u>	<u>FY91</u>
Field personnel to collect fees, ensure compliance, provide increased visitor service and improved maintenance. Other costs include fee collection hardware and signs, tickets and promotion, training, travel, uniforms, maintenance supplies and materials.	7.3	\$223,517	\$259,157
1000 Personal Services		\$106,067	\$106,067
2100 Contracted Services			
2200 Supplies and Materials		89,910	83,350
2400 Travel (training)		8,000	8,000
2700 Repair and Maintenance			56,340
2800 Other Expenses (Promotion)		5,400	5,400
3100 Equipment		14,140	
		<u>\$223,517</u>	<u>\$259,157</u>

February 15, 1989  
dh±FeeCol.1

## PARKS DIVISION

Redirection Projects  
Original Budget ProposalWater Systems Testing and Improvements

	<u>FTE</u>	<u>FY90</u>	<u>FY91</u>
New EPA regulations require increased testing, treatment, and improvement of water systems for public health and safety.	.14	\$27,613	\$28,613
1000 Personal Services		\$ 2,193	\$ 2,193
2100 Contracted Services		25,420	18,420
2700 Repair and Maintenance			8,000
		<u>\$27,613</u>	<u>\$28,613</u>

Park Ranger Personnel

Upgrade visitor services and improve compliance with park regulations by training and upgrading key seasonal employees and by added hours at important heavily used sites.	1.60	\$49,800	\$49,800
1000 Personal Services		\$30,480	\$30,480
2100 Contracted Services (Training)		\$ 3,500	\$ 3,500
2200 Supplies and Materials		7,000	7,000
2400 Travel		8,300	8,300
2700 Repair and Maintenance		520	520
		<u>\$49,800</u>	<u>\$49,800</u>

Implement Smith River Management Plan

Add seasonal river ranger (now have one) to increase river patrols and to deal with all aspects of corridor management in accordance with publicly approved management plan.	0.50	\$32,995	\$30,806
1000 Personal Services		\$20,995	\$21,806
2200 Supplies and Materials		2,000	2,000
2400 Travel		4,000	3,500
3100 Equipment		6,000	3,500
		<u>\$32,995</u>	<u>\$30,806</u>

Statewide Comprehensive Outdoor Recreation Plan (SCORP)

	<u>FTE</u>	<u>FY90</u>	<u>FY91</u>
Begin new 5-year planning cycle to comply with federal requirements to receive LWCF matching funds.	0.50	\$23,568	\$23,568
1000 Personal Services		\$12,568	\$12,568
2100 Contracted Services		10,000	10,000
2200 Supplies and Materials		1,000	1,000
		<u>\$23,568</u>	<u>\$23,568</u>

Weed Control

Accelerate weed control at existing sites; begin control at new FAS in accordance with county weed management plans.		\$28,349	\$28,349
2100 Contracted Services		\$22,279	\$22,279
2200 Supplies and Materials		3,440	3,440
2400 Travel		940	940
2700 Repair and Maintenance		1,690	1,690
		<u>\$28,349</u>	<u>\$28,349</u>

February 15, 1989  
dh±Redirect.1

Project Saturation Patrol - Western Sanders County

An additional \$3,000 will be expended on increasing law enforcement capability in western Sanders County. This will be accomplished primarily through the use of saturation patrols. Trained enforcement officers will be brought in for short durations from other regions to create high visibility in historic problem areas.

This will accomplish increased sportsmen-landowner contacts, increased ability to address poaching problems and provide high visibility to deter potential violations.

The funding will be expended as follows:

2404 in-state motor pool	\$1,800
2407 in-state meals	700
2418 in-state lodging	500
	<u>\$3,000</u>

Funding will be license ERA.

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB165, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring payment of registration and decal fees for off-highway vehicles, requiring a certificate of ownership; providing for licensing of off-highway vehicle dealers; creating an off-highway vehicle recreational use account; amending Section 23-2-801, 23-2-803, 23-2-804, 23-2-806, and 23-2-807, MCA; repealing Section 23-2-805, MCA; and providing a delayed effective date.

ASSUMPTIONS:

1. Effective date of legislation is January 1, 1990.
2. According to the Motor Vehicle Registrar's Bureau, there are 10,000 vehicles in Montana registered for on/off highway use. These are primarily motorcycles. It is estimated that there are an additional 15,000 off-highway vehicles that are not registered. It is assumed that 10,000 vehicles would be registered under this legislation, plus half of the 15,000 unregistered vehicles.
3. Eighty dealers would register under this legislation, and membership of that group is relatively static from year to year.
4. Assume that nonresidents are not required to register their off-highway vehicles.
5. Assume enforcement of this act will require 3 additional wardens and related operating costs. The education and safety program would be comparable in scope to the snowmobile program.
6. Assume a 1% noncompliance rate with off-highway vehicle registration requirements.
7. Assume that very little enforcement of this act is presently occurring because no funding is provided.
8. Assume the Department of Fish, Wildlife and Parks will receive the following funding under this legislation: \$5 annual decal fee; fine revenue of 5 times the fee in-lieu of tax; and the \$5 dealer registration fee and \$50 dealer renewal fee.
9. Assume the Justice Department would contract with the Department of Fish, Wildlife, and Parks to provide the safety and education program required under new section 10, part 7(a).
10. Assume fines levied for violation of the decal requirement will be 5 times the average fee in-lieu of tax paid for off-highway vehicles (\$18 + \$8/ 2 = \$13).
11. Assume that it will require \$5,000 to hire a consultant between January 1 and July 1, 1991, to evaluate the feasibility of developing and implementing an off-highway vehicle program.
12. Assume interest earnings are not significant.
13. Assume the increase in the number of new off-highway vehicles each year would not significantly affect the revenue estimate.
14. Assume that the Justice Department would need an additional FTE and operating expenses for the increased work load.

*Ray Shackleford*

RAY SHACKLEFORD, BUDGET DIRECTOR

DATE

1/21/89

OFFICE OF BUDGET AND PROGRAM PLANNING

*Orval S. Ellison*

ORVAL S. ELLISON, PRIMARY SPONSOR

DATE

Fiscal Note for HB165, as introduced

HB 165

EXHIBIT 12  
DATE 2-16-89  
100

FISCAL IMPACT:

Fish, Wildlife and Parks Revenue:	FY90	
	Current Law	Proposed Law
Fines	\$ 300	\$ 5,687
Decals	-0-	87,500
Contract with Justice	-0-	400
Dealer Registration Fees	-0-	400
Dealer Renewal Fees	-0-	4,000
Decal Reimbursement	200	400
TOTAL	\$ 500	\$ 98,387

	FY91	
	Current Law	Proposed Law
	\$ 300	\$ 11,375
	-0-	87,500
	-0-	-0-
	-0-	-0-
	-0-	4,000
	200	400
	\$ 500	\$ 103,275

Expenditures:

Personal Services	\$ -0-	\$ 37,550
Operating Expenses	1,000	13,250
TOTAL	\$ 1,000	\$ 50,800

3.5 FTE

	\$ -0-	\$ 75,100
	1,000	29,750
	\$ 1,000	\$ 104,850

Net Effect:

	(\$ 500)	(\$ 47,587)
		\$ 48,087

Department of Justice

Revenue:

Titles	\$ -0-	\$ 22,500
Registration	-0-	367,500
TOTAL	\$ -0-	\$ 390,000

	\$ -0-	\$ 7,500
	-0-	367,500
	\$ -0-	\$ 375,000

Expenditures:

Personal Services	\$ -0-	\$ 7,600
Operating Expenses	-0-	9,250
Equipment	-0-	1,650
TOTAL	\$ -0-	\$ 18,500

	\$ -0-	\$ 15,200
	-0-	4,200
	-0-	-0-
	\$ -0-	\$ 19,400

Net Effect:

	\$ -0-	\$ 371,500
	\$ -0-	\$ 355,600

HB 165

## EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The counties will receive \$1 for each title certification and transfer. This will cover their related administrative costs. The counties will also receive the annual fee in-lieu of tax of either \$18 or \$8. The current fee in-lieu of tax received by the counties is \$25 or \$15. It is assumed that the drop in fee in-lieu of tax will be offset by the increase in the number of vehicles that will be registered under this act.

Expenditures:	FY90	FY91	
Title Cert &	Current Law	Proposed Law	Difference
Transfer	\$ -0-	\$ 2,500	\$ 2,500
Fee In-Lieu of Tax	70,000	-0-	(70,000)
Fee In-Lieu of Tax			
(new)	-0-	97,000	97,500
TOTAL	\$70,000	\$100,000	\$ 30,000

**TECHNICAL NOTES:**

Section 23-2-804, MCA, does not specify whether the Department of Fish, Wildlife and Parks or the county treasurer is responsible for providing the decal, and what funding source pays for the decal.

Section 23-2-804, MCA, requires owners of all off-highway vehicles operated for recreation on public lands in Montana to purchase and display a decal on their vehicle. This legislation does not however describe how nonresidents obtain a decal for their off-highway vehicles when using them for recreation on public lands in Montana.

HB 571

EXHIBIT 13  
DATE 2-16-89  
HB 100

COM\21589

DEPARTMENT OF COMMERCE

1. Coal Board

No subcommittee action has been taken.

2. Board of Housing, Reverse Annuity Modification (92014)

No subcommittee action has been taken.

3. Health Facilities Authority - Revision of audit costs

	<u>FY 1990</u>	<u>FY 1991</u>
Audit Fees	(3312)	1240



AGENCY: DEPARTMENT OF COMMERCE

## LEGISLATIVE ACTION

PROGRAM: COAL BOARD

BUDGET ITEM	Executive	Fiscal 1990 LFA	Difference	Executive	Fiscal 1991 LFA	Difference
FTE	1.00	2.50	-1.50	1.00	2.50	-1.50
Personal Services	\$39,719	\$87,326	(\$47,607)	\$39,738	\$87,403	(\$47,665)
Operating Expenses	42,316	69,592	(27,276)	42,160	69,478	(27,318)
Non-Operating	292,553	3,326,723	(3,034,170)	292,388	2,783,214	(2,490,826)
TOTAL EXPENSES	\$374,588	\$3,483,641	(\$3,109,053)	\$374,286	\$2,940,095	(\$2,565,809)
FUNDING						
General Fund	\$374,588	\$0	\$374,588	\$374,286	\$0	\$374,286
State Special Rev	0	3,483,641	(3,483,641)	0	2,940,095	(2,940,095)
TOTAL FUNDING	\$374,588	\$3,483,641	(\$3,109,053)	\$374,286	\$2,940,095	(\$2,565,809)

	FTE	Gen Fund	Total Funds
Issue 1. The LFA budget includes 1.50 FTE that are not in the executive budget.	1.50	0	87,218
Issue 2. The LFA budget includes \$9,100 more for other compensation and overtime than is included in the executive budget.	0.00	0	9,100
Issue 3. The executive operating budget is \$54,594 lower than the LFA budget, based on reductions in all categories.	0.00	0	54,594
Issue 4. The LFA budget includes \$6,109,937 of grant authority for the Coal Board, while the executive includes \$584,941 of grant authority.	0	0	5,524,996

Issue 5. The LFA budget funds the Coal Board with coal tax revenues, while the executive budget funds the program with general fund and uses the coal tax revenue to support the school foundation program.

REPORT EBSR106  
DATE : 01/03/89  
TIME : 10/43/20

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

PAGE 194

AGENCY : 6501 DEPARTMENT OF COMMERCE  
PROGRAM : 74 BOARD OF HOUSING  
CONTROL : 92014 ASST-ELDERLY HOMEOWNERS

AE/OE	DESCRIPTION	OBPP FY 90	LFA FY 90	DIFF FY 90	SUB-CMT FY 90	OBPP FY 91	LFA FY 91	DIFF FY 91	SUB-CMT FY 91
2021	CONTRACTED SERVICES-INFLATION	53		53	---	105		105	---
2023	COMMUNICATIONS-INFLATION	-36		-36	---	-40		-40	---
2100	CONTRACTED SERVICES	22,500		22,500	---	22,500		22,500	---
2300	COMMUNICATIONS	1,783		1,783	---	1,735		1,735	---
	TOTAL SECOND LEVEL	24,300		24,300	---	24,300		24,300	---
	TOTAL PROGRAM	24,300		24,300	---	24,300		24,300	---
06006	BOH FINANCIAL PROGRAMS FUND	24,300		24,300	---	24,300		24,300	---
	TOTAL PROGRAM	24,300		24,300	---	24,300		24,300	---

## VISITOR'S REGISTER

Natural Resources

SUBCOMMITTEE

AGENCY (S) \_\_\_\_\_

DATE

Feb. 16

DEPARTMENT \_\_\_\_\_

NAME	REPRESENTING	SUP- PORT	OP- POSE
LARRY DOMINICK	NW MONT HUMAN RESOURCES		
John Armstrong	DNRC		
Mike Workman	Tobacco Valley Economic Dev. Council		
Ray Beek	Cons. Dist Div DNRC	X	
Mike Holzer	MSCA	X	
Ellis Hagerty	MACB	X	
Peggy Haaglund	MACD	X	
Gary Fritz	DNRC		
Andy Park	Commerce	X	
Tom Clinch	Commerce		
Joan Clark	Commerce		
Carolyn Doering	Commerce		

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