

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on January 8, 1993,
at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Roger DeBruycker, Chairman (R)
Sen. Cecil Weeding, Vice Chairman (D)
Sen. Gerry Devlin (R)
Sen. Greg Jergeson (D)
Rep. John Johnson (D)
Rep. William Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Roger Lloyd, Legislative Fiscal Analyst
Florine Smith, Office of Budget & Program
Planning
Theda Rossberg, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SUPPLEMENTALS: FISH, WILDLIFE & PARKS,
STATE LANDS, LIVESTOCK
FISH, WILDLIFE & PARKS

Executive Action: FISH, WILDLIFE & PARKS
Supplemental
DEPARTMENT OF STATE LANDS
Supplemental
DEPARTMENT OF LIVESTOCK
Supplemental

**HEARING ON SUPPLEMENTALS FOR
FISH, WILDLIFE & PARKS - STATE LANDS - LIVESTOCK**

TAPE 1, A

Roger Lloyd, Legislative Fiscal Analyst, reviewed the previous
orientation meeting with those present. He requested that the
committee try to take Executive Action upon completing each

program while it was still fresh in the members' minds. He also suggested that the committee make a one-time motion to vote the LFA level; from that make motions as to pluses or minuses.

Mr. Lloyd reviewed the differences of the LFA budget and the Executive budget on the supplementals. EXHIBIT 1

Capitol Grounds Maintenance Program:

The Senate Finance and Claims Committee met a couple of days ago and were presented two issues. The executive budget proposed that one-half of the program's cost be paid from fees to be allocated to all agencies based on the number of FTE in each agency. The agencies in the capitol complex would pick up the balance of the cost based on square footage. The committee voted not to accept that proposal and to keep the allocations as they are. Agencies in the capitol complex would continue to pay for this program based on a percentage of the square footage of their office space.

He stated an .50 FTE was eliminated from the LFA budget resulting in the difference of \$7,055. In the 1991 session the legislature approved a modification to add this FTE to replace trees and shrubs destroyed in the winter of 1988 and 1989.

SEN. CHUCK SWYSGOOD, in a joint meeting two days ago, made a motion to eliminate all vacant FTE's. Due to that motion and the LFA eliminating that FTE, it was eliminated twice.

In the House Appropriations and the Senate Finance and Claims joint committee meeting the .09 FTE for Capitol Groundskeeper and the .50 FTE was eliminated for a total of .59 vacant FTE.

The 5% reduction was due to REP. COBB'S motion.

SEN. GERRY DEVLIN asked if there was a 44.2% impact on the general fund for each item listed in the LFA's handout. EXHIBIT 1 Mr. Lloyd explained approximately 44.2% of the fees paid in FY 92 came from the general fund. Future years may vary slightly.

REP. JOHNSON asked whether the license fees were included in the administrative costs. Mr. Lloyd replied that license fees are not included in this program. They pay for some department management and administration and finance programs. Indirectly, hunting and fishing fees pay for some services of this program.

SEN. WEEDING asked whether the 44.2% was applied to other agencies such as State Lands. Mr. Lloyd responded that the program is funded by fixed cost fees that are allocated through all agencies within the Capitol Complex.

SEN. WEEDING asked if State Lands is assessed a fixed amount and may be different from the allocation. Mr. Lloyd said they directed State Lands to reallocate their internal administrative

costs. However, it may change as to how they pay the fixed costs.

Florine Smith, Office of Budget and Program Planning, reviewed a list of the Ground Maintenance Allocations with the committee.

EXHIBIT 2 If any changes are made through action of the committee, then those allocations will change how the agencies pay. Because of SEN. SWYSGOOD'S motion to eliminate vacant positions, she would check on the hiring date and report back to the committee.

**HEARING ON DEPARTMENT OF
FISH, WILDLIFE & PARKS**

Pat Graham, Director, Fish, Wildlife & Parks reviewed the budget with the committee. **EXHIBIT 3**

Personal Services:

The .50 FTE was tied to tree and shrub replacements. This program began in the last biennium when there was significant damage to shrubs and trees due to the severe winter. FWP could have completed that program in two years with sufficient funds. It will take four years for that program to be completed now. The .50 FTE was eliminated twice because it was a vacant position. Also the .09 FTE was eliminated which is filled in the springtime for ground maintenance for mowing, planting, etc. That is the reason it is vacant at this time.

One-Time Expenditures:

A. Operating expenditures associated with the budget modification - This \$15,030 expenditure is tied-in to the tree replacement program, originally estimated to be about \$60,000 for material. Therefore, FWP is asking for \$30,000 this fiscal year and the other \$30,000 in the next biennium.

B. Operating expenditure associated with emergency snow removal contingency - The \$8,000 reserve account reduced to the expenditure level of \$2,336 is the reserve account for contract work for snow removal.

Administrative Costs:

Dave Mott, Administrator of the Administration and Finance Division, reviewed these costs with the committee. He stated it became apparent two years ago when presenting this budget, the division was not allocating administrative costs to all of the accounts within the department which was not fair. The department decided to do a better job of allocating these costs across all accounts. The department was directed by this committee to do it formally.

A report was presented to the Legislative Finance Committee last July and Mr. Lloyd analyzed it. A number of wildlife programs didn't pay any administrative costs. There are 15 accounts including the Ground Maintenance account that are paying zero

dollars. Of the 15 accounts, 14 of them are internal accounts. There is about a 10% add-on which comes from the general license account for payroll, etc.

The FWP is not trying to increase the budget for administrative costs, but spreading out the costs differently rather than having the general license account picking up the tab for all of them.

Discussion:

SEN. DEVLIN asked if the FTE was presently under contract. Mr. Graham replied the positions are only seasonal and have not been filled yet.

SEN. DEVLIN inquired how it would affect the department's timetable for tree and shrub replacement without this person. Mr. Graham responded that if the \$15,030 in Item A is not approved they won't need the .50 FTE. The .09 FTE vacancy is separate and is used for springtime work only. These are not add-ons; they are part of the base budget and the department is asking that they be continued.

SEN. WEEDING asked if they had groundskeepers now and if they could shift people around to help with the contracted services. Mr. Graham said he was not certain of the duties of the grounds maintenance people.

SEN. DEVLIN asked if the \$15,030 was just a portion of the operating expenses connected with the .50 FTE. Mr. Graham replied it was for the materials for replacement of shrubs and trees. However, the department could try to contract for this without the .50 FTE.

SEN. DEVLIN asked if the \$6,000 for the well for the Capitol grounds resulted in a savings of \$12,000. Mr. Graham responded it resulted in about a 50% savings in utility costs and the other \$6,000 is for upgrading the underground water system. The \$6,000 savings reduces all the department's square footage allocations. He said that 44.2% of the \$6,000 is general fund.

SEN. JERGSON asked if the department had not drilled the wells, would the operating expenditures be \$6,000 more. Mr. Graham said these costs are already built into the budget. The \$27,950 administrative costs are different and those costs will have to be taken out of the program and reduce it by 10%.

REP. JOHNSON asked whether the tree planting program, could be completed without the .50 FTE at the \$15,030 figure. Mr. Graham said the department would prefer to have the .50 FTE because it is not certain what the IRS involvement would be for contracted services. If they don't get the FTE they will put the job on hold for two more years.

Mr. Mott said the budget is approximately \$300,000 and they have approximately 2.0 FTE for the entire program. Most of the

departments summer help is contracted because there are no available FTE to accomplish the work. One full-time FTE is assigned to building and grounds maintenance. The department tries to get all of the material included under the contracted service with the exception of the flowers for the front of the Capitol. The FWP normally buy these flowers, however, sometimes the State Nursery will donate them. There is nothing allocated in the budget for this expense, therefore the amount comes out of the operating budget.

SEN. WEEDING asked for clarification if the .50 FTE was not included in the \$15,030. Mr. Graham said that was correct.

Mr. Lloyd said due to the SWYSGOOD and COBB resolution that .50 FTE and the .09 FTE are out. If the department wants the .50 FTE the committee can make a motion to that effect and it will take care of the amount.

SEN. WEEDING asked if that would also take care of the .09 FTE also. Mr. Graham said that was also taken out with the SWYSGOOD and COBB resolution.

EXECUTIVE ACTION FISH, WILDLIFE & PARKS

Motion/Vote: SEN. WEEDING moved to accept the LFA recommendations on all agencies with the exception of SEN. SWYSGOOD and REP. COBB'S motions adopted by the Joint House Appropriations and Senate Finance and Claims Committee. The committee will take action on any items adjusted up or down. Motion CARRIED unanimously.

Mr. Lloyd explained that SEN. SWYSGOOD and REP. COBB'S motions took out the .50 FTE represented as 5% and the .09 FTE vacancy savings position. The LFA level will have those FTE left in. Therefore, if the committee wants to take them back out, it will require a motion to do so.

Motion: SEN. WEEDING moved to reinstate the .50 FTE for \$7,055 for replacing trees and shrubs.

SEN. DEVLIN declared that with the financial trouble the state is in, he cannot support the motion.

Vote: Motion CARRIED 3-2 with SEN. DEVLIN and REP. DEBRUYCKER voting no.

Motion: SEN. JERGESON moved to approve the Executive budget of \$6,000 each year for spending of savings.

SEN. JERGESON contended that with the wells, the general fund is better off by 44.2% each year.

Vote: Motion CARRIED 3-2 with SEN. DEVLIN and REP. DEBRUYCKER voting no.

SUPPLEMENTALS EXHIBIT 4

Fish, Wildlife & Parks:

Mr. Lloyd reviewed the supplementals with the committee. Mr. Graham explained this request is for \$64,000 for the cost of five retiring wardens in the Law Enforcement Division. Over 70% of the budget is tied up in Personal Services and 10% to 15% is tied up in travel.

SEN. DEVLIN asked if the money had been spent somewhere else. Mr. Graham replied the department hadn't received the money yet. The actual amount is between \$68,000 and \$69,000, but the department is only requesting \$64,000.

SEN. WEEDING asked if, with the SWYSGOOD and, COBB amendments, can those positions be filled. Mr. Graham said he was not sure if that would affect those positions or not because they weren't vacant yet.

SEN. DEVLIN asked what would happen if these were not approved. Mr. Graham said they would have to reduce the travel budget for all personnel and leave those positions vacant until the end of June.

CHAIRMAN DEBRUYCKER asked if they could transfer funds from other divisions to cover this. Mr. Graham said they do have authority to transfer some funds from the operating budget.

SEN. WEEDING noted this would be 100% special revenue funds and asked what the effect would be if the committee did not grant the supplemental? Mr. Graham replied the department has no authority to spend this money without the committee's approval.

EXECUTIVE ACTION
FISH, WILDLIFE & PARKS SUPPLEMENTAL

Motion/Vote: SEN. JERGESON moved to approve the supplemental of \$64,000 for law enforcement officers' retirement. Motion FAILED 3-3.

SUPPLEMENTALS EXHIBIT 4
Department of State Lands:

Mr. Lloyd reviewed the supplemental request for the Department of State Lands with the committee.

He said when State Lands fights fires and incurs costs when doing so, there are no funds appropriated to cover these costs. DSL receives spending authority through the supplemental process.

During the two special legislative sessions the legislature did

appropriate funds to reimburse the department for actual costs.

Page 2, Table B of EXHIBIT 4 lists the amounts which were appropriated to the department from 1983 to 1993. The July Special Session appropriated \$1 million and the January 1992 Special Session appropriated \$5,573,650 for fighting fires. Actual costs exceeded any amounts that were appropriated.

SEN. JERGESON inquired if the 1993 costs are less than estimated, does that money revert to the general fund. Mr. Lloyd replied that is correct.

Bud Clinch, Commissioner Department of State Lands, introduced his staff.

Bob Kuchenbrod, Administrator of Central Management, gave the committee an overview of their supplemental request. He said the department has to request a supplemental to pay for fire suppression every year. Last October-November, the budget office contacted the department and requested the amount of supplemental the department would need for HB 3. The request was for \$1,303,097. However, since then some figures have been revised and a schedule prepared of the differences for the committee to review. The difference amounts to \$67,440 more for a total of \$1,370,537. EXHIBIT 5

SEN. DEVLIN stated that due to the fires in 1988, it cost State Lands a lot more. He asked if the department has a better understanding now with the Forest Service. Tim Murphy, Head of Fire Management, replied that after the 1988 forest fire, the legislature directed DSL to work with the U. S. Forest Service and the Park Service on the prescribed burn program. Since that time, they have received an individual burn plan for every management burn plan from the Forest Service. The parks have not updated their management burn plan so the department does not have a burn plan for the parks in Montana. He said the DSL is reimbursed 100% for any costs incurred for equipment or personnel sent out to help with the fires.

SEN. WEEDING asked whether REP. KADAS' amendment, which gave spending authority without approval of the governor's office, would expire at the end of biennium? Mr. Kuchenbrod said there was a statutory appropriation from the general fund for \$3 million available to be used for an emergency due to fires. Because of the statutes, the appropriation must not exceed \$3 million in any biennium. The department originally had a request for \$3 million which was reduced to \$1 million.

SEN. WEEDING stated the original request was for \$5 million which was reduced to \$3 million in the subcommittee and reduced to \$1 million in the full committee. Mr. Kuchenbrod relied the appropriation for fire suppression was \$1 million and the emergency fund by statute was for \$3 million, which was not used.

EXECUTIVE ACTION
SUPPLEMENTAL - DEPARTMENT OF STATE LANDS

Motion/Vote: SEN. DEVLIN moved to approve the supplemental of \$1,370,547 requested by the Department of State Lands for fire suppression. Motion CARRIED unanimously.

SUPPLEMENTALS **EXHIBIT 4**

Department of Livestock:

Mr. Lloyd reviewed the supplemental request from the Department of Livestock.

Cork Mortensen, Acting Executive Secretary, Department of Livestock, said Mr. Lloyd covered most of the issues concerning the supplemental request, but he would respond to any questions from the committee.

REP. WISEMAN asked why only one FTE was requested if DSL was authorized four FTE. Mr. Mortensen said originally the Meat Inspection Program was all based upon projection. At the time of this modification the department had 12 requests for meat inspections. Based on the 12 requests and the different locations throughout the state, and believed four FTE would be adequate to cover any additional growth. However, as it turned out, four FTE were more than was needed. Only one FTE is working on total inspection at this time.

He stated the first FTE was added for the Butte, Anaconda, Dillon and western Montana area; the second FTE was to service the Montana State Prison. From 1987, up until the last two years, the program has leveled off and the department does not anticipate any more growth. He said anyone who is interested in meat inspection from this point on would have to come before the legislature to justify the need.

REP. JOHNSON asked what other businesses are inspected besides the Montana State Prison. Mr. Mortensen replied that, including the prison which was previously inspected by federal inspectors, there are 29 official establishments which slaughter and/or process or are just processing establishments that buy inspected products and manufacture multi-ingredient products. These establishments are inspected on a daily basis or a patrol type basis. Any plant that slaughters must have an inspector on site while animals are being slaughtered.

He stated there is one veterinarian on staff in Helena. He is the meat inspector officer who was trained by the Federal Meat Inspector Service. Private veterinarian practitioners are trained in meat inspection procedures and are hired on a contract basis as needed. There are at least two of these practitioners on each location that can be used as a backup.

In addition to these 29 plants, there are 163 customer exempt operations. They can slaughter and process, but the meat is

identified as "not for sale" and the product goes back to the customer. Also, they can slaughter at home and take meat into one of these facilities for processing and would be stamped "not for sale." Of these 163 plants there are about 60 Hutterite colonies which are the biggest poultry producers in the state.

SEN. WEEDING asked whether the state is moving any closer to inter-state inspections. Mr. Mortensen said a state inspected product is allowed to move only in intra-state commerce due to the way the Federal Meat Inspection law is written. Federal legislation would have to be changed in order for Montana to move products inter-state. He said 50% of the inspection program is funded by federal funds and 50% with state funds. In addition between 14% to 15% of indirect costs are received for administrative purposes.

Florine Smith, Office of Budget Program and Planning, said there was \$31,000 of federal funds appropriated for FY 94 and \$32,000 for FY 95 which goes into centralized services.

SEN. DEVLIN asked what would happen if the state just got out of this program. Mr. Mortensen said he believes that within a very short time some of these establishments would go out of business. It would be hard to predict. Some of the establishments that were under the federal program were ready to close their doors because of the treatment they were receiving from the federal inspectors. The inspection regulations are lengthy and complex.

SEN. DEVLIN asked how many plants are federally inspected. Mr. Mortensen said approximately 40-41, which the state also licenses.

SEN. DEVLIN inquired if products from these federally inspected plants can be shipped out of the state. Mr. Mortensen said yes. He stated, however, there are very few products shipped out of state. Missoula has a large bacon plant which ships out of state, but most of the federally inspected plants are not any different than the state inspected plants.

EXECUTIVE ACTION

SUPPLEMENTAL - DEPARTMENT OF LIVESTOCK


Motion/Vote: SEN. WEEDING moved to approve the \$211,024 supplemental each year for the Department of Livestock. Motion CARRIED unanimously.

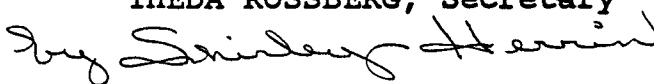
Adjournment: 11:05 A.M.

ADJOURNMENT



ROGER DEBRUYCKER, Chairman



THEDA ROSSBERG, Secretary


RD/tr

HOUSE OF REPRESENTATIVES

NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE

1-08-93

NAME	PRESENT	ABSENT	EXCUSED
REP. ROGER DEBRUYCKER, CHAIRMAN	✓		
SEN. CECIL WEEDING, VICE CHAIRMAN	✓		
SEN. GERRY DEVLIN	✓		
REP. WILLIAM WISEMAN	✓		
REP. JOHN JOHNSON	✓		
SEN. GREG JERGESON	✓		
	✓		

HR:1993

wp:rollcalls.man

CS-10

Fish, Wildlife and Parks
Parks Division

Capitol Grounds Maintenance Program

DATE 1-8-93

Budget Item	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	2.91	2.41	0.50	2.91	2.41	0.50
Personal Services	65,320	58,265	7,055	65,699	58,602	7,097
Operating Expenses	209,944	158,517	51,427	214,041	162,506	51,535
Equipment	19,200	19,200	0	0	0	0
Total Costs	294,464	235,982	58,482	279,740	221,108	58,632
<u>Fund Source</u>						
Proprietary	294,464	235,982	58,482	279,740	221,108	58,632
Total Funds	294,464	235,982	58,482	279,740	221,108	58,632

Page References

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

See LFA Budget Analysis, Vol. II, page C 15-17 for a discussion of issues.

Current Level Differences

PERSONAL SERVICES - The LFA eliminates 0.50 FTE established in a budget modification by the 1991 Legislature to replace trees and shrubs killed in the winter of 1988-89. This position was vacant as of December 1992 and was eliminated by joint committee action (see attached sheet). In addition, the joint committee eliminated .09 FTE which was vacant.

7,055 7,097

ONE-TIME EXPENDITURES, 1992

A. Operating expenditures associated with the budget modification mentioned above.

15,030 15,030

B. Operating expenditures associated with emergency snow removal contingency.

2,336 2,336

ADMINISTRATIVE COSTS - This is a new expense for this program. The 1991 Legislature directed the department to review methods for allocating administrative costs to its state special revenue accounts. It was not its intent that other fund types be assessed these costs. The department includes an assessment to this program's proprietary account for administrative costs since federal law prohibits use of license dollars to fund non fish and game activity (as is currently the case).

27,950 27,950

SPENDING OF SAVINGS - The executive allows an increase over the base to spend one-half of the projected utility cost savings (realized by the installation of the new irrigation well) to enhance the irrigation system.

6,000 6,000

INFLATION (Non-voting item)

111 219

TOTAL DIFFERENCES

58,482 58,632

OTHER ISSUES:

1. In fiscal 1992, 44.2 percent of fees paid by agencies were paid by general fund. Any program increase will have a general fund impact.

2. The joint HAC and SFC committee voted not to approve the method of fee allocation based on FTE and to assess fees to agencies in the capitol complex based on square footage of office space as done in the 1993 biennium.

3. Once the subcommittee sets the expenditure level for this program, a new fee schedule will be produced showing the new fees for all agencies. All appropriations subcommittees can then vote on the new fixed cost schedule.

DEPARTMENT OF FISH, WILDLIFE AND PARKS
Parks Division: Capitol Grounds Maintenance Program

Positions Removed by Joint Committee Action
House Appropriations & Senate Finance and Claims
January 6, 1993

		Total Personal Services		FTE		Total FTE Removed	Non—Approp. FTE
Position #	Position Description	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions				Swygowski's note		0.00	
	None					0.00	
Sub—Total		0	0	0	0	0	0.00
Non—General Fund Positions						0.00	
26452	Groundskeeper	1,818	1,820	0.00	0.09	0.09	
96446	Not yet classified	7,055	7,097	0.00	0.50	0.50	
Sub—Total		8,873	8,917	0.00	0.59	0.59	0.00
TOTAL		8,873	8,917	0.00	0.59	0.59	0.00

* Already eliminated in the LFA current level.

01/07/93
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PUBLIC SERVICE REGULATION
Program Summary

Public Service Regulation Prog

DATE

1-11-93

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	47.00	47.00	44.00	47.00	(3.00)	44.00	47.00	(3.00)
Personal Services	1,599,153	1,643,327	1,656,044	1,740,942	(84,898)	1,658,836	1,743,804	(84,968)
Operating Expenses	417,473	445,285	454,840	442,510	12,330	442,240	430,151	12,089
Equipment	45,931	39,579	34,583	27,738	6,845	16,114	17,862	(1,748)
Total Costs	\$2,062,558	\$2,128,191	\$2,145,467	\$2,211,190	(\$65,723)	\$2,117,190	\$2,191,817	(\$74,627)
Fund Sources								
General Fund	2,018,499	2,081,711	2,115,740	2,181,463	(65,723)	2,089,022	2,163,649	(74,627)
Federal Revenue Fund	24,679	27,100	29,727	29,727	0	28,168	28,168	0
Proprietary Fund	19,378	19,380	0	0	0	0	0	0
Total Funds	\$2,062,558	\$2,128,191	\$2,145,467	\$2,211,190	(\$65,723)	\$2,117,190	\$2,191,817	(\$74,627)

Page References

LFA Budget Analysis (Vol. II), pages C 1-6
Stephen's Executive Budget, pages C 1-2

Current Level Differences

RESPONSE TO 5% PERSONAL SERVICES REDUCTION—The executive eliminates 3.00 FTE. These FTE are: .50 FTE secretary, 1.00 FTE utility rate analyst, 1.00 FTE word processor, and .50 FTE compliance specialist.

CONSULTING AND PROFESSIONAL SERVICES—The executive includes amounts above fiscal 1992 actual expenditures for natural gas master meter operators (\$2,500 general fund, \$2,500 federal funds), court reporter fees (LFA includes a 10% increase from fiscal 1992 actual expenditures), and natural gas BTU analysis (LFA at fiscal 1992 actual expenditures).

NRRI DUES—The executive includes (for the first time) payment of National Regulatory Research Institute dues. See page C-4 of the LFA Budget Analysis.

ONE-TIME EXPENSES—The executive considered expenditures for recruiting and telephone hookups to be one-time expenses.

VOICE MAIL—The executive includes funds for the purchase of voice mail.

MINOR DIFFERENCES (NET)

EQUIPMENT—The executive provides additional expenditures for vehicle lightbars; conference and office chairs, desks, and calculators; and Local Area Network (LAN) software. The LAN software appears to be related to the LAN budget modification (See below).

INFLATION DIFFERENCES (Non-voting item)**TOTAL CURRENT LEVEL DIFFERENCES**

FUNDING—The department is funded entirely with general fund. A tax is levied on utilities to generate the amount of the agency's appropriation and the revenue is deposited in the general fund. See the LFA Budget Analysis, Vol. II page C-3 for discussion of this tax.

Budget Modifications**Executive Budget Modifications:**

CONSULTANT FUNDS—This modification would provide expert witnesses to represent the department before federal agencies and provide funding to review least-cost plans submitted by utilities. A biennial appropriation is requested. See LFA Vol. II, page C-2.

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

(84,898) (84,968)

5,000
7,859 7,859
4-1 Dev'n

6,678 6,678
4-1 Dev'n
5,018 (5,653) (5,653)

- 0 - 2,645 2,460

- 0 - 1,357 1,358

6,367,054 (1,473)

(765) (888)

(65,723) (74,627)

100,000 0

LOCAL AREA NETWORK—This modification would replace the department's present computer system with microcomputers and a local area network. A biennial appropriation is requested. See LFA Vol. II, page C-2.

200,000 0

DATA NETWORK SERVICES—This modification would pay for additional network fees associated with computer equipment purchased in the 1993 biennium. See LFA Vol. II, page C-2 and Office Relocation issue on page C-3.

2,880 2,880

Elected Officials Budget Modifications:

RESTORE 5% REDUCTIONS—This modification would replace the 3.00 FTE removed in the Executive Budget.

84,500 84,600

TRAVEL—This modification is for a biennial appropriation to fund out-of-state travel for commissioner's training and participation in NARUC. A similar modification was approved by the 1991 Legislature.

25,000 0

PAY INCREASE FOR EXEMPT STAFF—This modification would provide funding for salary and benefit increases for the department's 10 exempt staff. A similar modification was approved by the 1991 Legislature.

30,000 30,000

PUBLIC INFORMATION PROGRAM—This modification would provide staff and funding to provide information about the department to the public. See LFA Vol. II, page C-3.

49,813 40,480

TOLL-FREE NUMBER—This modification would provide staff and funding for a toll-free telephone to receive utility customer's complaints. See LFA Vol. II, Pages C 2-3.

15,689 26,297

TOTAL MODIFIED LEVEL

507,882 184,257

DATE 1-8-93

GROUND MAINTENANCE ALLOCATION
January 7, 1992

AGENCY	INCLUDED IN FY94		RE- CALCULATED FY94		DIFFERENCE		INCLUDED IN FY95		RE- CALCULATED FY95		DIFFERENCE	
	EX BUDGET		EX BUDGET				EX BUDGET		EX BUDGET			
1101 Legislative Auditor	1,975		2,604		629		1,991		2,625		634	
1102 Legislative Fiscal Analyst	739		1,123		384		745		1,132		387	
1104 Legislative Council	2,121		3,251		1,130		2,138		3,277		1,139	
1111 Environmental Quality Council	70		0		(70)		70		0		(70)	
1112 Consumer Counsel	42		0		(42)		43		0		(43)	
2110 Judiciary	9,725		17,620		7,895		9,803		17,761		7,958	
3101 Governor's Office	4,367		7,557		3,190		4,402		7,618		3,216	
3201 Secretary of State	2,661		4,618		1,957		2,682		4,655		1,973	
3202 Commissioner of Political Practices	217		369		152		219		372		153	
3401 State Auditor's Office	3,362		5,328		1,966		3,389		5,371		1,982	
3501 Office of Public Instruction	6,341		9,886		3,545		6,392		9,965		3,573	
4107 Crime Control Division	180		0		(180)		181		0		(181)	
4108 Highway Traffic Safety	85		0		(85)		85		0		(85)	
4110 Department of Justice	17,316		21,829		4,513		17,455		22,004		4,549	
4201 Public Service Regulation	469		0		(469)		472		0		(472)	
5101 Board of Public Education	40		0		(40)		40		0		(40)	
5102 Commission of Higher Education	668		0		(668)		673		0		(673)	
5103 Vo-Tech Centers	2,614		0		(2,614)		2,635		0		(2,635)	
5104 University Units	33,542		0		(33,542)		33,810		0		(33,810)	
5113 School for the Deaf & Blind	851		0		(851)		858		0		(858)	
5114 Montana Arts Council	79		0		(79)		80		0		(80)	
5115 Library Commission	6,965		13,341		6,376		7,021		13,448		6,427	
5117 Historical Society	5,469		9,983		4,514		5,513		10,063		4,550	
5201 Department of Fish, Wildlife & Parks	11,033		11,035		2		11,121		11,123		2	
5301 Department of Health and Environmental Sciences	21,478		35,258		13,780		21,650		35,540		13,890	
5401 Department of Transportation	20,221		433		(19,788)		20,383		437		(19,946)	
5501 Department of State Lands	3,621		0		(3,621)		3,650		0		(3,650)	
5603 Department of Livestock	4,170		5,972		1,802		4,203		6,020		1,817	
5706 Department of Natural Resources and Conservation	15,933		26,636		10,703		16,060		26,849		10,789	
5801 Department of Revenue	16,893		18,475		1,582		17,028		18,623		1,595	
6101 Department of Administration	19,398		32,411		13,013		19,553		32,670		13,117	
6103 State Mutual Insurance Fund	2,178		0		(2,178)		2,195		0		(2,195)	
6104 Public Employees' Retirement Board	199		0		(199)		201		0		(201)	
6105 Teachers' Retirement Board	1,247		2,265		1,018		1,257		2,283		1,026	
6201 Department of Agriculture	3,786		5,597		1,811		3,817		5,641		1,824	
6401 Department of Corrections and Human Services	24,650		8,091		(16,559)		24,847		8,156		(16,691)	
6501 Department of Commerce	10,145		13,806		3,661		10,226		13,917		3,691	
6602 Department of Labor and Industry	16,811		20,877		4,066		16,945		21,044		4,099	
6701 Department of Military Affairs	995		0		(995)		1,003		0		(1,003)	
6901 Department of Social and Rehabilitative Services	17,928		17,745		(183)		18,072		17,887		(185)	
6911 Department of Family Services	6,113		586		(5,527)		6,162		591		(5,571)	
TOTAL	296,697		296,696		(1)		299,070		299,070		(0)	

HB2
January 8, 1993

1-8-93

Testimony presented by Pat Graham and Dave Mott
Dept. of Fish, Wildlife & Parks
before the Natural Resources Appropriations Sub-Committee

The Department of Fish, Wildlife and Parks is concerned about the significant cuts recommended by the LFA on the Capital Grounds budget for FY94 and FY95.

A summary of the impacts of eliminating the tree/shrub replacement budget and the emergency snow removal budget is attached.

The 1991 Legislature directed the department to study the present method of allocating administrative costs to programs funded with state special revenues, and recommend improvements to the interim Legislative Finance Committee. Last July, K. L. Cool, former director of the department, presented a report to the Legislative Finance Committee.

The study discovered 15 accounts that were exempted from paying administrative costs. One of the 15 accounts is the Capital Grounds budget. These costs are being paid by the general license account (hunter and angler funds). The department believes there is a question about the possible violation of federal diversionary laws that could jeopardize the department's Pittman-Robertson and Dingell-Johnson funds.

EXHIBIT 3
DATE 1-8-93
~~88~~

3

Tree and Shrub Replacement

- LFA cut \$22,000 per year for winter-killed tree and shrub replacement
- In the winter of 1988/89, a winter storm inversion hit
 - ▶ Damaged 500 capital grounds trees
 - ▶ Killed between 60-100 mature trees
 - ▶ Killed 90% of all Juniper (48 truck loads)
 - ▶ Killed many other plants
- Estimated materials replacement cost - \$60,000; multi-year program
- The 1991 Legislature funded at .5 FTE and \$15,000 materials assuming a four-year replacement program for just these damaged plants.
- Tree replacement is on schedule, about 50% completed using Department employees (.5 FTE and regular staff) and \$15,000 for plant materials per year.
- List of progress and needs

COMPLETED	WILL BE COMPLETED IN SPRING OF 93	TO BE COMPLETED IF FUNDED IN 94 & 95
Capitol Square Museum Mitchell	Cogswell	Capitol Park Teachers Retirement Scott-Hart Capitol Parking Lot Labor and Industry OBH Parking Lot Governor's Mansion

EXHIBIT 3
DATE 1-8-93
SB

3

Emergency Snow Removal

- LFA cut \$2,300 from base expenditures in FY92, a mild winter. Regular snow removal cost \$35,490 in 1992, without the emergency contingency.
- Used only as a last resort to continue snow removal
- Unused year-end balance within this contingency reverts to Capital Ground Operating Account
- Without this contingency:
 - ▶ Snow removal would cease or slow down.
 - ▶ Public Access, especially disabled access, would be disrupted.
 - ▶ Liability would increase from snow and ice build-up.
- Used only for snow removal, no lawn/tree maintenance.

NATURAL RESOURCES SUBCOMMITTEE

January 8, 1993

Supplementals House Bill 3

Fish, Wildlife and Parks

The Executive Budget recommends \$64,000 of additional fiscal 1993 general license account authority to pay termination costs for five retiring wardens in the Law Enforcement Division. This amount represents 1.4 percent of the division's fiscal 1993 appropriation.

State Lands

The Executive Budget requests a \$1,303,097 supplemental appropriation for the Department of State Land to: 1) replace \$248,558 of fiscal 1993 general fund authority transferred to and spent in fiscal 1992; and 2) pay fiscal 1993 actual and estimated fire suppression costs. The legislature usually does not appropriate any funds to suppress fires (other than personal services appropriated for other purposes but spent on fire suppression), but approves a supplemental to reimburse the department for appropriation transfers and actual and expected fire suppression costs. However, the January 1992 special session appropriated \$5,573,650 general fund to pay fiscal 1992 fire suppression costs. The July 1992 special session appropriated another \$1,000,000 in fiscal 1993 for this purpose.

Table A shows the derivation of the supplemental request:

Table A Department of State Lands Supplemental Request	
<u>Projected Costs</u>	
Fiscal 1993 Appropriation Transfer	\$248,558
Actual Fiscal 1993 Costs (As of October 31, 1992)	1,193,481
U.S. Forest Service Bill Estimate	500,000
Late Bills Estimate	124,700
Bureau of Land Management Bill Estimate	50,000
Spring Fires Cost Estimate	250,000
National Guard Costs	1,268
Montana State Prison Costs	9,659
Resupply of Fire Caches	<u>10,000</u>
Total Projected Costs	\$2,387,666
<u>Less</u>	
Supplemental Appropriation (July 1992 Special Session)	\$1,000,000
Budgeted Personal Services Spent on Fires	<u>84,569</u>
Requested Amount	\$1,303,097

The "actual costs" in the table reflect the state's cost of fighting fires in both state and federal jurisdictions. State and federal agencies assist each other in their fire-fighting efforts and then bill for the costs. Any reimbursements from federal agencies and private/corporate entities (responsible for starting a fire) are deposited in the general fund. Since fiscal 1989, the legislature has appropriated some of these reimbursements to the department (\$44,000 in each year of the 1993 biennium) to fund additional administrative assistance when administrative personnel are doing work associated with fire suppression.

The amount of fire suppression supplemental budget authority approved by the legislature has varied widely, as Table B shows. If the fiscal 1993 supplemental request is approved, the total fire suppression costs for the 1993 biennium will be \$7,876,747, second only to the 1989 biennium. Reimbursements from the federal government for money the state spent in assisting with fire suppression on land under federal fire suppression jurisdiction is usually deposited in the general fund. However, the 1991 legislature directly appropriated \$600,000 of these funds to DSL, thus reducing the general fund supplemental but decreasing general fund revenues by the same amount.

Table B
Department of State Lands
Fire Suppression Supplementals

Fiscal Year	General Fund	Federal Funds	Total
1993 *	\$1,000,000	\$0	\$1,000,000
1992 *	5,573,650	0	5,573,650
1991	2,999,161	600,000	3,599,161
1989	12,639,542	0	12,639,542
1987	557,462	0	557,462
1986 *	3,185,472	0	3,185,472
1985	2,896,992	0	2,896,992
1983	797,355	0	797,355

* Special Session

Livestock

The Executive Budget requests a \$105,512 general fund and \$105,512 federal fund supplemental appropriation for the Department of Livestock to: 1) replace \$65,512 of fiscal 1993 general fund authority and \$65,125 federal authority that was transferred from fiscal 1993 to fund an additional 4.00 FTE for meat inspection; and 2) pay fiscal 1993 costs of an additional 2.00 FTE estimated at \$40,000 general fund and \$40,000 federal funds (Table C).

Table C
Department of Livestock
Meat & Poultry Inspection Supplemental

<u>Expenditures</u>	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
Fiscal 1993 Appropriation Transfer	\$65,512	\$65,512	\$131,024
Fiscal 1993 Estimate for 2.00 FTE	40,000	40,000	80,000
Requested Amount	\$105,512	\$105,512	\$211,024

A budget modification requesting expansion of the meat inspection program by 4.00 FTE was considered by the 1991 Legislature but eliminated during the free

conference committee on House Bill 2, with executive concurrence. In September 1991, the Governor declared an emergency for the purpose of approving an appropriation transfer of \$65,512 general fund and \$65,512 federal funds from the fiscal 1993 appropriation to fiscal 1992 to hire 4.0 additional FTE in the department's Meat and Poultry Inspection Program. In approving the transfer of the funds, the Governor stated that an economic emergency existed because, "there are at least a dozen small businesses waiting for state meat inspection which would not be able to open or expand their business without this transfer." Historically, supplementals have been used to fund operation and maintenance of existing programs that have received appropriations from the preceding legislature. In this case, the supplemental was used to fund a budget modification that was denied by the legislature with concurrence of the executive.

In fiscal 1992, only one of the inspectors was hired (beginning October 21, 1991) and \$15,004 general fund and \$15,005 federal was spent. Another inspector was hired at the beginning of fiscal 1993. In addition to the supplement request, the agency is also requesting a budget modification for 2.0 FTE and \$121,980 (\$60,990 general fund, \$60,990 federal funds) to continue funding the program increase in the 1995 biennium. The Executive Budget also proposes to increase the current level FTE in the Meat and Poultry Inspection Program by moving 0.50 FTE and \$25,795 from the Milk and Egg Program.

DATE 1-8-93

TABLE A
DEPARTMENT OF STATE LANDS
SUPPLEMENTAL REQUEST

Projected Costs	Original	Adjustments	New Totals
Fiscal 1993 Appropriation Transfer 75 '92	\$248,558	\$0	\$248,558
Actual Fiscal 1993 Costs (AS of December 31, 1992)	\$1,193,481	\$140,256	\$1,333,737
U.S. Forest Service Bill Estimate (As of December 31, 1992)	\$500,000	\$112,064	\$612,064
Late Bills Estimate (Now included in actual 1993 costs above)	\$124,700	(\$114,700)	\$10,000
Bureau of Land Management Bill Estimate (As of January 6, 1993)	\$50,000	(\$28,351)	\$21,649
Spring Fires Cost Estimate	\$250,000	\$0	\$250,000
Mt. National Guard	\$1,268	\$0	\$1,268
Montana State Prison Costs (Now included in actual 1993 costs above)	\$9,659	(\$9,659)	\$0
Resupply of Fire Caches	\$10,000	\$0	\$10,000
Total projected Costs	\$2,387,666	\$99,610	\$2,487,276
LESS:			
Supplemental Appropriation (July 1992 Special Session)	\$1,000,000	\$0	\$1,000,000
Budgeted Personnel Services Spent on Fires	\$84,569	\$32,170	\$116,739
Request Amount	\$1,303,097	\$67,440	\$1,370,537

EXHIBIT _____
DATE _____
~~SB~~ _____

DATE 01/08/93

DIVISION _____

PLEASE PRINT

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.