

MINUTES

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

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on January 21,
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: DEPARTMENT OF STATE LANDS
Central Management Program
Reclamation Division

Executive Action: DEPARTMENT OF STATE LANDS
Central Management Program

EXECUTIVE ACTION
DEPARTMENT OF STATE LANDS

Central Management Program:

Personal Services:

Roger Lloyd, Legislative fiscal Analyst, said Personal Services is a moot point because the Legislature already eliminated those positions. In addition the Legislature has already removed the positions that were vacant.

Minor Differences:

SEN. JERGESON asked if the department paid any dues to lobbying organizations. Mr. Kuchenbrod said no. (No action was taken on Minor Differences)

Mr. Lloyd said both the LFA and the Executive have budgeted \$1,570 each year for dues.

Equipment: (No action was taken on Equipment)

Transfers:

Mr. Lloyd said the committee could approve the concept of this accounting change but not a dollar amount.

SEN. JERGESON asked, if by approving the concept even though we don't approve the dollar amount, will the dollar amount be negative? Mr. Lloyd responded that the Executive didn't recognize the accounting change as recommended by the auditor, but the LFA did, which is why there is a negative amount shown. The accounting change will take whatever general fund is appropriated for air operations and budget that as a transfer expenditure into the proprietary account.

SEN. JERGESON said by not making a motion it will mean we have adopted this because we have already approved the LFA budget. Mr. Lloyd explained that a motion could be made on the concept and not on the dollar amount.

Motion/Vote: SEN. JERGESON moved to adopt the concept of this transfer. Motion CARRIED unanimously.

Funding and Other Issues:

A. (No action taken on Funding and Other Issues)

B. Mr. Lloyd said currently that position is out because of the 5% reduction. If it stay out the LFA will be reduced by \$6,557.

C. Mr. Lloyd said in FY 92 RIT was a little less than \$32,000 each year in this division. The Executive did not use any RIT funds so the general fund picked up the difference.

SEN. JERGESON asked if the committee would be increasing the general fund by accepting the Executive and decrease the RIT money that is available for grants?

D. Mr. Lloyd explained the department has statutory duties outlined to implement the landownership record system, however, have not received funding to do so. The department requested \$30,000 of general fund as a budget modification, but it was never approved.

SEN. DEVLIN asked if we stay with the LFA is it funded. Mr. Lloyd replied there are no funds available.

E. SEN. JERGESON said if we do not accept the Executive we will have to change statutes.

Mr. Lloyd stated that in some of the accounts which list money available, there are no funds.

Executive Budget Modifications:

Helicopter Development:

Mr. Lloyd said the two modifications relate to the Funding Issue. A. Using the LFA level there are no proprietary funds to fund the modifications. The Helicopter Development has an appropriation of \$59,686 in FY 94 and \$99,229 in FY 95 from the proprietary account. That money is not there under the LFA current level.

Florine Smith, Office of Budget Program and Planning, said the department has budgeted \$55,000 in FY 94 and \$31,000 in FY 95 of general fund. There is \$5,000 in FY 94 and \$9,000 in FY 95 of special revenue funds. The balance is about \$59,000 of proprietary funds.

SEN. WEEDING asked if the 2.0 FTE are listed. Mr. Lloyd replied that the FTE contained in this budget modification are not in current level and are not listed on the vacancy list. This is a continuation of a budget amendment.

Mr. Burger said the helicopters are here and if we don't have the money to put them into service, we will have to give them back.

SEN. WEEDING asked how much money is in the budget for fire suppression, and whether the money is being used for fire fighting. Mr. Burger replied that a rate is assessed to the proprietary accounts and that money is used for aircraft maintenance. The department is requesting money to get these helicopters ready for service.

SEN. JERGESON asked if the fees collected from landowners and counties are the source that funds the State Lands Department. Mr. Burger explained the fire suppression fees are for department services when needed. Fees are assessed a rate per hour for each aircraft and go into a proprietary account. It will cost about \$15,000 each to get the two helicopters ready for service.

SEN. DEVLIN asked what will happen to the helicopter which will be replaced in Missoula. Mr. Burger replied that it cannot be sold since it was loaned to the department. That helicopter will soon be in need of some costly repairs, and if no one wants it, it probably will be mothballed.

SEN. WEEDING asked if helicopter expenditures are approved, will contracted services be reduced. Ms. Smith said yes, in the forestry division a reduction has already been reflected in general fund of \$4,094 in FY 94 and \$28,000 in FY 95 for the contracted services in Kalispell.

SEN. WEEDING asked if the department would spend more money refurbishing an antique aircraft. Mr. Burger replied it is hard to find parts that are readily available through the military. The department believes it would cost more to repair the old aircraft than getting the new ones ready for service. He stated DSL pays Kalispell \$28,000 per year just to contract for the use of their helicopter.

REP. WISEMAN stated if we modify the aircraft and don't have the pilots then we will have aircraft ready to fly but no pilots to fly them. Mr. Burger said that is correct.

Ms. Smith said in this modification DSL is requesting .26 FTE in the first year and .85 FTE in the second year. The modification does include one FTE.

Mr. Burger said because these are seasonal pilots they were vacant. They are requesting 1.5 FTE be reinstated to fly the normal level of fire protection. Since another aircraft is being added, the department is asking for .26 FTE in FY 94 for the pilot, fuel truck drivers and the helicopter manager.

The figures will offset the transfer from the Forestry Division. In FY 94 there was a \$4,000 transfer and in FY 95 a \$27,000 transfer. The \$58,560 figure in FY 95 is spending authority in the proprietary account for the fire season.

SEN. WEEDING asked how much is proprietary funds in the maintenance modification. Mr. Burger replied it is all proprietary account money. The department is asking for authority to keep that for maintenance.

CHAIRMAN DEBRUYCKER asked what happened to the money from last year for the helicopter in Missoula. Mr. Burger replied the money will stay in that account. It will be the same as operating the aircraft in Missoula, but it will be a better aircraft.

REP. WISEMAN asked if the \$54,705 the first year, and \$5,000 the second year was general fund. Mr. Burger replied yes, that will be a one-time-only cost.

Tape 1, B.

Mr. Artley, Administrator, Forestry Division, Department of State Lands (DSL), Missoula, stated the current statutes say that one-third of the fire protection costs can be funded with landowner assessments which is state special revenue. The other two-thirds is general fund. The total fire protection program generates

about \$1.6 million from landowner assessments.

SEN. DEVLIN asked if the two-thirds assessment to home owners goes into the general fund. Mr. Lloyd answered it goes into the state special revenue fund.

SEN. DEVLIN asked how the committee got the idea that it is going into general fund. Mr. Burger replied that all of the fire assessments go into the state special revenue fund. The department is allowed by law to use one-third of the assessment but it has to be matched by two-thirds general fund.

Mr. Lloyd said the statutes tell us how it should be funded. It has to be funded by one-third of the fire protection taxes and the general fund picks up the other two-thirds.

SEN. DEVLIN asked what kind of long-range plan does the department have with regard to helicopter procurement. He questioned whether the committee would be looking at obtaining two more helicopters in a couple of years. Mr. Burger replied they plan to get two more UH-1H models from the Montana Army National Guard in the next year or two. Those will be put into storage and in FY 98 will be put into service.

The BLM is asking DSL to take over more landowner fire protection and the department would be contracting with them. He stated the department wants to provide the best service possible, and need to look ahead to the future. He said DSL does not want to turn down any of the excess equipment because it is not always available. The army is currently in a transition of buying new helicopters. There will be 113 UH-1H models available to the states, so the department has asked for five of them.

Mr. Lloyd stated the committee's first choice is to decide whether or not it wants the helicopters, and then must decide how to fund them. If the committee accepts the executive level of funding, it will be necessary to adjust the LFA level. He said the committee might also consider the general fund in FY 94 as a base year. There will be about \$9,700 general fund next year in the base. If these are one-time-only costs the department doesn't want to roll them forward in the base.

Mr. Burger said the only figure that would roll forward in the base would be approximately \$9,700. We already have \$2,670 in the proprietary account to roll forward.

CHAIRMAN DEBRUYCKER inquired if, the department would get the Montana Guard helicopters, could they be mothballed for a couple of years. Mr. Burger said they could, however the helicopter in Missoula may not run that long. The contracted services in Kalispell would like to have \$14,000 more for a total of \$42,000. The contract amount keeps going up and could be higher next year, which increases general fund.

CHAIRMAN DEBRUYCKER asked if the DSL would be charging the other agencies more. **Mr. Burger** replied no, that the reason they want to get the two helicopters ready for service is to control the hourly cost.

SEN. WEEDING inquired if the committee approved the executive budget on the helicopters, what would the adjustment be in the LFA budget. **Mr. Lloyd** replied they would have to take the proprietary funds out of the LFA and replace it with general fund. In funding this budget, he said he took the figure from the modification and used it to fund current level to reduce general fund. He said if the committee uses this in the modification, he would have to reverse that process, taking it out of general fund and increasing current level. The other option would be to fund this entirely with general fund.

REP. WISEMAN asked **Mr. Lloyd** if the committee accepts the two helicopters, what would the general fund be for each year. **Mr. Lloyd** replied it would be about \$50,000 in FY 94 and \$63,317 in FY 95.

Mr. Burger said DSL is asking for spending authority for \$58,560 to operate the aircraft. The department estimates there will be about 100 hours of flying time in the Kalispell area. If they fly 60% for the state fire program that would be paid for by fees.

SEN. WEEDING asked if DSL generates the \$58,560 of proprietary money, would that reduce the \$63,317. **Mr. Burger** said yes, if the \$58,560 is generated from other than the general fund, the net cost to the program is the difference between \$63,317 and \$58,560 or \$4,756. The \$58,560 will show up as general fund authority.

Ms. Smith said that \$58,560 is not there at this time. The money will be generated by the helicopters when they come on board. The department is only asking for spending authority at this time.

Mr. Burger stated the contractors want a guarantee of anywhere from \$60,000 to \$90,000 for a light aircraft and \$250,000 to \$300,000 for a larger helicopter. This amount must be paid whether or not there is a fire.

Motion: **SEN. WEEDING** moved to approve the Executive Budget for \$58,560 for the helicopter.

Discussion:

Mr. Lloyd stated if this is approved it will not be necessary to adjust the general fund at current level. If the revenue is available in the proprietary account it will fund current level.

Vote: Motion CARRIED 5-1 with **SEN. JERGSON** voting no.

Mr. Lloyd said he wanted to remind the committee of the one-time-only status of some of these costs. A motion could be made to direct the LFA and the OBPP of language stating "one-time-only".

Motion: SEN. DEVLIN moved to approve language saying "one-time-only".

Discussion:

Mr. Lloyd asked Mr. Burger what part of FY 94 would be on-going? Mr. Burger answered that the on-going costs is about \$9,000. The other expenditures are covered in FY 95.

Mr. Lloyd said the committee could say that any operating expenses from this modification not be continued in the next biennium. Personal Services will roll forward at the actual FY 95 level, but operating expenses will not.

Mr. Burger said \$30,000 is the cost of getting the two helicopters ready for service and \$10,500 is a one-time-only item.

Vote: Motion CARRIED unanimously.

Maintenance Facility/Air Operations:

Mr. Burger stated funding for this modification is the proprietary account.

Motion/Vote: SEN. DEVLIN moved to approve the Executive Budget for \$72,867 in FY 94 and \$73,102 in FY 95 for Maintenance Facility/Air Operations. Motion CARRIED unanimously.

Mr. Lloyd stated since this committee approved that modification on maintenance, the current level could be reduced by \$37,550 each year.

Motion/Vote: SEN. DEVLIN moved to reduce the LFA current level by \$37,550 each year for Maintenance Facility/Air Operations. Motion CARRIED unanimously.

Tape 2, A.

Mr. Burger noted that if the FTE are not reinstated there would be no pilots to fly the aircraft.

Motion/Vote: SEN. WEEDING moved to reinstate Pilots No. 90214 and No. 90213. Motion CARRIED unanimously.

Mr. Lloyd said the travel amount of \$6,557 could be removed if the Auditor position No. 140 is not reinstated.

REP. JOHNSON asked if that position is funded by general fund?

Mr. Kuchenbrod answered yes, these are resource development

funds. The auditor generated \$1.2 million in revenue over the last three or four years. This position was vacant at the time of the 5% vacancy reduction.

SEN. WEEDING asked if the department is short-handed without the auditor position. Mr. Kuchenbrod replied the turnover in this position is pretty frequent because of so much travel.

SEN. WEEDING asked how many auditors does the department normally have. Mr. Kuchenbrod replied they generally have two auditors.

Motion/Vote: REP. WISEMAN moved to delete the auditor travel expense of \$6,557. Motion CARRIED unanimously.

Motion/Vote: SEN. WEEDING moved to close the hearing on Central Management Program. Motion CARRIED unanimously.

HEARING ON DEPARTMENT OF STATE LANDS

Reclamation Division:

Gary Amestoy, Administrator, Reclamation Division, Department of State Lands (DSL) gave an overview on the Reclamation Division. EXHIBIT 2 He said the responsibility of this division goes beyond the duties of the rest of the department with regard to the administration of school trust lands. The programs the Reclamation Division is responsible for are administration and enforcement of Montana's mined land reclamation statutes. We are the state regulatory authority which administers and enforces these statutes. We are also responsible for the reclamation of abandoned mines.

In addition, the Division is responsible for the compliance of the Montana Environment Policy Act. Authority for these programs comes from the Montana Constitution; responsibility includes implementation of federal laws as well. These state laws include mandamus provisions. The mandamus provisions require that we administer all provisions under the law and the rules. Because of this the department is limited in its management strategies.

Division authority includes all lands in the state except Indian Reservations. With the regulatory program the division is responsible for coordinating with the applicant wanting to mine. The division is striving for complete and final reclamation bond releases.

Methods of mining have changed from the traditional ways of mining. They are major operations and investments and the potential for environmental impacts are very high. Another reason is it is a very high profile and there is tremendous potential for industrial development.

We are experiencing an increase in the number of legal challenges by both proponents and opponents. There is rarely a permit issued which isn't challenged one way or another.

Over the last few years the permitting process has become very high profile in the natural resource program because it has changed to a large operation and serious environmental impacts are very high. **EXHIBIT 2**

He stated this is the only state or federal program that has to meet any kind of statutory time frame.

The Abandoned Mine Reclamation Program is through a grant process. We can obtain federal dollars from a tax on coal mining in Montana to reclaim abandoned mines. We were informed that abandoned coal mines had been reclaimed so are now reclaiming abandoned non-coal mines. We run the risk of liability for future activity if a hazardous substance exists.

There is a mine just out of town that went bankrupt and one of the employees at the mine sued for back wages. Since there were no assets, that employee ended up owning the property and is now the responsible party.

The department has identified 6,000 abandoned sites located on state, private and federal lands. The public has certain projects that they would like to see done, and wanted to know why the state and federal governments are not taking care of these problems. We decided to sit down with the federal agencies and develop a statewide abandoned hardrock priority list. Of the 6,000 sites, about 260 sites fall into the category of our worst sites. We anticipate expenditures of millions of dollars each year for abandoned mine reclamation.

Mr. Amestoy reviewed the organizational chart. **EXHIBIT 3** He stated this division has 54 FTE and six programs: Opencut Mining Program; Coal and Uranium Mining; Abandoned Mine Reclamation; Hardrock Mining; Bond forfeiture; and Environmental Analysis. The Opencut Mining is 100% state funds; the Coal and Uranium Mining is 76% federal and 24% state funds; the Abandoned Mine Reclamation is 100% federal funds; the Hardrock Mining is 100% state funds (1/3 general fund and 2/3 R & D funds); Bond Forfeiture is 100% reclamation bonds; and Environmental Analysis is 100% MEPA fees.

The Hardrock Mining Program is the highest priority and is 100% general fund. Currently the department has 121,000 acres permitted under the mine permit statutes. We are holding reclamation bonds worth \$485 million. There is a proposal that \$750,000 of additional reclamation and development monies will be available for the Reclamation Division. If those funds become available it would eliminate nearly all of our general fund

portion of the program. Our goal for the FY95 biennium is to do the best possible to maintain a good regulatory program and enforce the law.

Tape 2, B.

Summary: EXHIBIT 2, Page 4.

The demands on the Reclamation Division will continue to increase. Two of Governor Racicot's priorities are 1) reclamation of lands disturbed by mining, and 2) reclamation of abandoned mines.

Questions:

SEN. DEVLIN asked if the department is also involved with gravel pits. Mr. Amestoy replied yes.

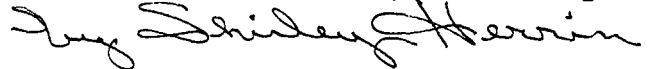
REP. WISEMAN asked if the department monitors cement plants. Mr. Amestoy replied they monitor the mining portion of cement plants.

ADJOURNMENT

Adjournment: 12:00 P.M.


ROGER DEBRUYCKER, Chairman


THEDA ROSSBERG, Secretary



RB/tr

HOUSE OF REPRESENTATIVES

NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE 1-21-93

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	✓		

DEPARTMENT OF STATE LANDS
Program Summary

Central Management Program

DATE 1-21-93

SB

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	31.00	35.22	29.26	31.00	(1.74)	29.26	31.00	(1.74)
Personal Services	994,095	1,019,824	1,065,011	1,116,809	(51,798)	1,070,725	1,122,738	(52,013)
Operating Expenses	642,858	657,051	560,871	561,021	(150)	518,581	518,740	(159)
Equipment	20,344	21,000	14,600	3,600	11,000	9,400	8,500	900
Grants	265,000	265,000	265,000	265,000	0	265,000	265,000	0
Transfers	0	0	0	123,323	(123,323)	0	67,280	(67,280)
Total Costs	\$1,922,298	\$1,962,875	\$1,905,482	\$2,069,753	(\$164,271)	\$1,863,706	\$1,982,258	(\$118,552)
Fund Sources								
General Fund	1,493,728	1,516,678	1,535,395	1,463,173	72,222	1,491,408	1,372,510	118,898
State Revenue Fund	126,109	137,302	75,073	115,226	(40,153)	71,703	110,056	(38,353)
Federal Revenue Fund	117,421	120,163	120,000	120,000	0	120,000	120,000	0
Proprietary Fund	185,039	188,732	175,014	371,354	(196,340)	180,595	379,692	(199,097)
Total Funds	\$1,922,298	\$1,962,875	\$1,905,482	\$2,069,753	(\$164,271)	\$1,863,706	\$1,982,258	(\$118,552)

Page References

LFA Budget Analysis, Vol. II pages C 48-49
Executive Budget page C-17

Current Level Differences

PERSONAL SERVICES—The executive eliminates 1.74 FTE in response to the 5% personal services reduction.

(51,798) (52,013)

MINOR DIFFERENCES

(150) (159)

EQUIPMENT

- A. Helicopter mover—The 1991 authorized the purchase of this equipment.
B. The executive uses higher purchase prices for computers.

8,500 0
2,500 900

TRANSFERS—In response to a recent legislative audit recommendation, the LFA records the general fund expenditure as a transfer to the air operations proprietary account. The money is then spent from the proprietary account. Since this transfer amount depends on the amount of general fund ultimately appropriated to this program, the committee may wish to approve or disapprove the concept and not a specific dollar amount.

(123,323) (67,280)

TOTAL CURRENT LEVEL DIFFERENCES

(164,271) (118,552)

FUNDING AND OTHER ISSUES

A. The LFA current level uses fund balance in the proprietary account to offset general fund only in the 1995 biennium. The executive uses fund balance to fund two budget modifications. If the legislature accepts the LFA current level of funding, an alternative source of funding must be found to finance the modifications, if approved. See accounting entity analysis on page C-49 of the LFA Budget Analysis.

B. The LFA current level funds the gas royalty auditor's (position #140) travel expenses (\$6,557) with resource development funds as in the past. If this position is eliminated, the LFA current level can be decreased by \$6,557 each year. *Wiseman remove 6,557 for travel passed*

C. RIT reclamation and development funds are used in the LFA current level to fund the program at the same level as in fiscal 1992. The executive does not fund from this revenue source.

D. The executive does not request funding to implement the state land ownership record system (77-1-701 through 77-1-707, MCA). See LFA Budget Analysis page C-46.

E. The 1991 Legislature directed the department to study alternative methods of allocating administrative costs in an effort to more equitably allocate these costs to state special revenue accounts. Although the study concluded that state special revenue accounts could be assessed administrative costs to offset general fund, the executive does not reflect these assessments. See LFA Budget Analysis page C-46.

Executive Budget Modifications

HELICOPTER DEVELOPMENT—The executive recommends 0.26 FTE (and \$54,705 general fund) in fiscal

59,686 99,229

DEPARTMENT OF STATE LANDS
Central Management

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

EXHIBIT 1
DATE 1-21-93

~~SB~~

		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							
140	Revenue Agent	28,241	26,214	1.00	0.00	1.00	
46	Agency Counsel	33,905	33,937	0.50		0.50	
90214	Pilot	27,639	28,220		0.60	0.60	
90213	Pilot	31,315	31,979	0.24	0.66	0.90	
Sub-Total		121,100	120,350	1.74	1.26	3.00	0.00
Non - General Fund Positions							
	None					0.00	
Sub-Total		0	0	0.00	0.00	0.00	0.00
TOTAL		121,100	120,350	1.74	1.26	3.00	0.00

DATE 1-21-93
SZ

DEPARTMENT OF STATE LANDS
RECLAMATION DIVISION

BUDGET TESTIMONY - JANUARY 21, 1993

GARY AMESTOY, ADMINISTRATOR TESTIFYING

PROGRAM 03 - RECLAMATION DIVISION

GENERAL STATEMENT / OVERVIEW

I. State Program Responsibility

- A. State regulatory authority for mine permitting and reclamation.
- B. Reclamation of abandoned mines
- C. MEPA Compliance

II. Authority

- A. Montana State Constitution
- B. State laws (include mandamus provisions)
- C. Federal laws

III. Extent of Authority

All lands in the state (i.e. private, state and federal) - The only exception is Indian Reservations)

IV. Brief Description of Mining / Reclamation Issues

- A. Mine permitting and reclamation are very high profile natural resource programs.
They are high profile because mining is changing and therefore the stakes are high for all Montanans and our way of life. For example:
 - 1. Potential for adverse impacts to the environment
 - 2. Potential for industrial investment in the development of Montana's natural resources:
 - a. Capital Investment By The Mining Industry
 - b. Employment Opportunities
 - c. Tax Base

B. Correspondingly, the Reclamation Division's role in mine permitting and reclamation is changing.

1. As the State Regulatory Authority, we are more often finding ourselves in the role of the state facilitator for mine permitting decisions (I emphasize decisions, not permitting). This is due to an increase in:

- a. Federal Government involvement (USFS/EPA/FWS)
- b. Public Participation
- c. Non-degradation issues
- d. Increasing numbers of legal challenges by both proponents and opponents of a development

2. The key factor in all of this is that the mined land reclamation statutes are the only state or federal statute that has any specific time frames to complete certain portions of the permit decision making process.

C. Extremely controversial (i.e. numerous lawsuits)

D. Additionally, in the AMR program, the Bureau is taking the lead in the development of a joint state / federal abandoned hard rock mine priority list:

1. Priority list
2. 5% reduction reinstatement MOD - Hazardous Waste Liaison position
3. MOD - PRP Attorney
4. Anticipating the expenditure of millions of dollars per year by various state and federal agencies on abandoned mine reclamation and clean-up.

V. Organizational Chart and Funding

A. Current level FTE's = 54.00

1.	Reclamation Administration	1.10 FTE
2.	Opencut Mining	4.00 FTE
3.	Coal & Uranium Mining	19.90 FTE
4.	Abandoned Mine Reclamation	10.00 FTE
5.	Hard Rock Mining	16.00 FTE
6.	Environmental Analysis	<u>3.00 FTE</u>
	TOTAL	54.00 FTE

Administrative FTE 1.00 FTE

B. Funding - Proposal for \$ 750,000 of R&D to off-set General Fund portion of Reclamation Division funding (HRB & OCB)

VI. Reclamation Division Goal For The 95 Biennium

Maintain current program level to continue to provide the existing level of services.

VII. Summary

- A. As the debate over mining and reclamation continues to escalate, the demands on the Reclamation Division will continue to increase.
- B. At the present time, the Reclamation Division has a highly qualified staff of dedicated technical and professional people. These people take their jobs very seriously both from a personal and professional standpoint. It is my goal to maintain this qualified staff to produce the highest quality product possible with the resources available, even in this extremely difficult fiscal situation.
- C. The situation is best pointed out by Governor ^{RACICOT} ~~Racicot~~ in his state-of-the-state address in which he identified two of his priorities as the:
 - 1. Reclamation of lands disturbed by mining, and the
 - 2. Reclamation of abandoned mines

6501 03 0000

DEPARTMENT OF STATE LANDS				Reclamation Program				
Program Summary								
Budget Item	Actual Expenditures Fiscal 1992	Current Level Fiscal 1992	Current Level Fiscal 1993	LFA Fiscal 1994	Executive Fiscal 1994	LFA Fiscal 1995	Executive Fiscal 1995	LFA Change 92 - 94
FTE	52.62	51.62	54.00	54.00	50.93	54.00	50.93	2
Personal Services	1,531,645	1,531,306	1,712,021	1,905,245	1,814,994	1,909,542	1,819,195	373,939
Operating Expenses	2,964,152	2,915,147	3,360,114	3,308,049	8,986,800	2,604,842	5,346,442	392,800
Equipment	142,492	142,493	83,857	77,627	84,511	64,295	68,576	(64,295)
Capital Outlay	0	0	5,000,000	0	0	0	0	0
Transfers	10,000	0	0	0	10,000	0	10,000	0
Total Costs	\$4,648,290	\$4,588,946	\$10,155,992	\$5,290,921	\$10,896,305	\$4,578,679	\$7,244,213	\$701,971
Fund Sources								
General Fund	279,571	279,575	246,492	313,440	390,217	307,387	381,945	33,800
State Revenue Fund	1,310,314	1,258,863	1,104,350	1,794,583	4,756,140	1,069,702	1,093,935	535,720
Federal Revenue Fund	3,058,405	3,050,508	8,805,150	3,182,898	5,749,948	3,201,590	5,768,333	132,300
Total Funds	\$4,648,290	\$4,588,946	\$10,155,992	\$5,290,921	\$10,896,305	\$4,578,679	\$7,244,213	\$701,971

Program Description

The Reclamation program is responsible for the administration and enforcement of all Montana's mined land reclamation statutes and administrative rules. This involves the regulation of mining on all lands within the state, regardless of ownership, and the reclamation of active and abandoned mine sites. The division and its four bureaus administer: the Montana Strip and Underground Mine Reclamation Act; the Montana Open-Cut Mining Act; the Montana Strip and Underground Mine Siting Act; statutes regulating hard-rock mining (Montana Metal Mine Reclamation Act); and the regulatory program of the Federal Surface Mining Control and Reclamation Act.

LFA Current Level

The \$373,939 increase in personal services from fiscal 1992 to fiscal 1994 is due to annualization of the fiscal 1993 pay plan increase, other benefit increases, vacancy savings experienced in fiscal 1992, and an additional 2.38 FTE authorized by the legislature in fiscal 1993. Fiscal 1992 also contains \$27,806 of operating funds transferred to personal services to fund a 1.00 FTE environmental specialist in the environmental compliance program.

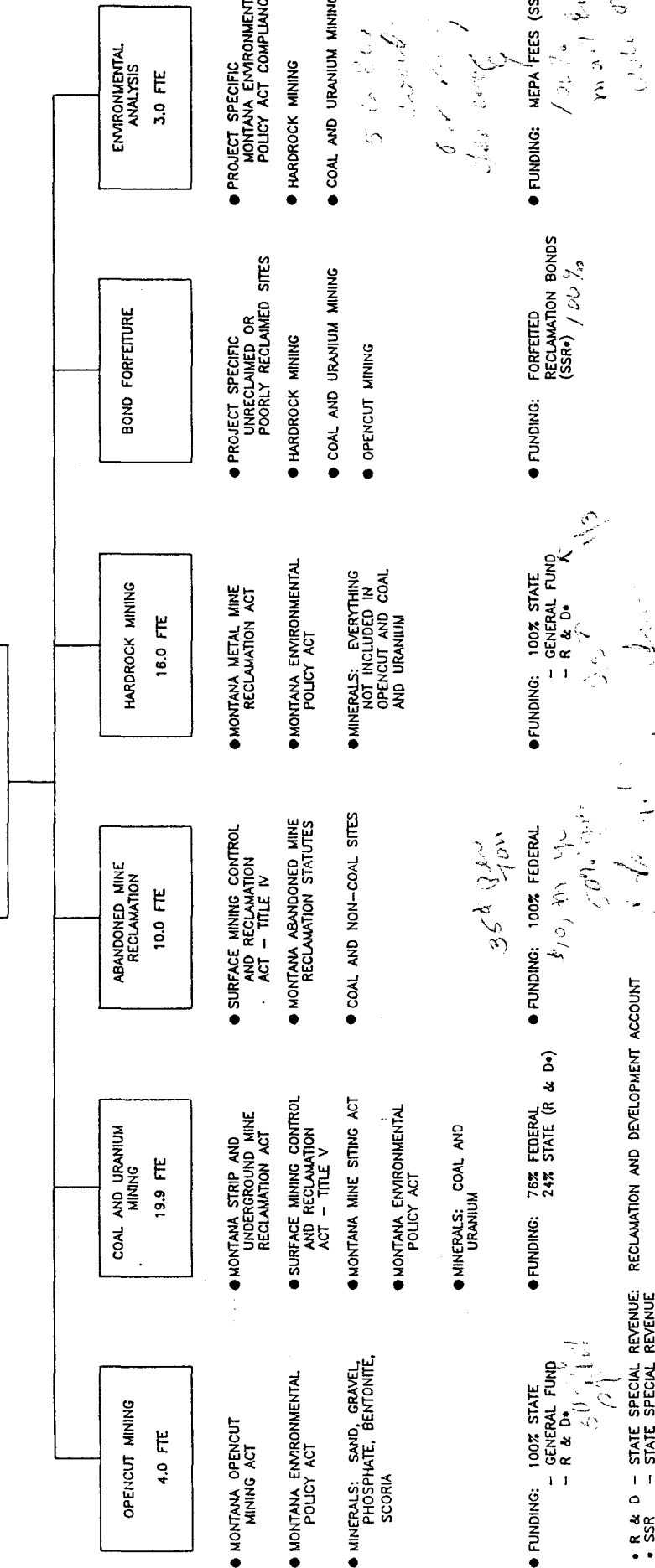
Operating expenses increase from fiscal 1992 to fiscal 1994 due to: 1) a \$6,450 increase in fixed costs; 2) a \$44,830 increase in non-Department of Administration rent; 3) a \$21,240 decrease in computer system development costs; 4) a \$11,610 decrease in contracted services due to a lower agency request by the Coal and Uranium Bureau; 5) a \$5,123 increase in janitorial services due to reallocation of the costs department-wide; 6) a \$1,000 increase in microfilm services; 7) a \$6,115 increase in electricity and natural gas from allocating these costs department-wide; 8) a \$335,945 increase (double fiscal 1992 expenditures) due to the biennial appropriation for hiring consultants to develop environmental impact statements; 9) a \$20,403 increase (double fiscal 1992 expenditures) due to the biennial appropriation for bond forfeiture reclamation; 10) \$8,092 in inflationary adjustments; and 11) miscellaneous minor adjustments.

Equipment, budgeted at the agency request, includes 13 computers, two printers, five vehicles, office furniture, field equipment, scientific apparatus, and survey equipment.

RECLAMATION ADMINISTRATION

1.1 FTE

FUNDING: R & D.



• R & D - STATE SPECIAL REVENUE: RECLAMATION AND DEVELOPMENT ACCOUNT
• SSR - STATE SPECIAL REVENUE

3

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

NATURAL RESOURCES SUBCOMMITTEE DATE 1-21-93
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Gary Amesday	DSL	
Theresa Scott	DSL	

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