

MINUTES

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

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on January 25, 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
Reclamation Program

Executive Action: DEPARTMENT OF STATE LANDS
Reclamation Program

Ray Beck, Administrator of the Department of Natural Resources and Conservation, said that Ms. Smith has asked them to go over the RIT account with this subcommittee.

He introduced John Tubbs, Bureau Chief of the Resource Development Bureau, who handles the RIT funds. He reviewed the flow of funds with the subcommittee. EXHIBIT 1

Mr. Tubbs said there are five different resources that make up the Resource Indemnity Trust: 1) Coal 23.1%, 2) Oil 55.7%, 3) Natural Gas 8.4%, 4) Metals 9.4%, and 5) Other 3.4%.

The anticipated deposits into the RIT fund are \$4.8 million in FY94 and \$4.9 million in FY95 less 14.1% for the groundwater. The projected ending balance is \$87.5 million at the end of FY93, \$91.5 million at the end of FY95. The interest for the biennium is estimated to be \$17.1 million.

Roger Lloyd asked whether does the groundwater program earns its own interest. Mr. Tubbs answered that he believes any interest earned in that account will go into the general fund.

The Long Range Planning Committee wanted DNRC 1) to establish a minimum funding level for the grant program and 2) combine the Water Development and Renewal Resources Grant Program into the Renewable Resource Grant and Loan Program. HB 106 is simply the combining of the two programs. DNRC wants to restructure the Reclamation and Development Grants Program. EXHIBIT 1, Page 3

DNRC's RIT appropriations replace \$2,487,302 of current general fund appropriations. DSL's RIT appropriation replaces \$750,000 of current general fund appropriations. Northern Montana College receives \$240,000 for its water quality program.

Tape 1, B.

SEN. WEEDING asked how much is left in the RIT account after the 14.1% is taken out for the Groundwater Program. Mr. Tubbs replied that the RIT projected balance would be \$91,992,660 in FY95. EXHIBIT 1, Page 4

REP. WISEMAN asked how firm the \$16 million in interest is since interest rates are lower. Mr. Tubbs explained that figure reflects what the House Joint Resolution adopted as short and long term. It is about 3.9% short term in the first fiscal year and 8.5% for long term. The short term would be about 2 months of investments and the remaining balance would be for long term investments for the rest of the biennium. The projected ending balance is \$1,712,931 in the RIT account.

SEN. GERRY DEVLIN asked what the result would be if HB 608 does not pass. Mr. Tubbs said that if HB 608 doesn't pass, they will be back to the LFA budget.

SEN. DEVLIN asked whether all the money going into the trust flows into the grants. Mr. Beck said that the grants use all of the interest.

SEN. DEVLIN asked how many agencies use the RIT funds. Mr. Lloyd said in this committee, DSL and DNRC use RIT funds.

Mr. Lloyd said that the table reflects Governor Racicot's proposal which replaces \$750,000 of general fund with state special revenue funds created by HB 608. The LFA funds it under current statute with general fund, and the executive used the funding switch. EXHIBIT 2

Mr. Lloyd said the executive recommends that, however the expenditures are set by this committee, RIT money be used to replace general fund. The two bureaus affected by the funding switch are the Open Cut Bureau and the Hard Rock Bureau. The Open Cut Bureau is primarily general fund except that \$15,500 of the difference is state special revenue funds. The Coal and Uranium Bureau difference is state special revenue (RIT) funds and federal funds.

SEN. DEVLIN asked about the mix of those funds. Mr. Lloyd replied that they are 76% federal funds and 24% RIT funds. He added that bond forfeitures and environmental analysis are 100% state special revenue funds. The source is from fees collected from the development of EIS under the Montana Environmental Policy Act.

Personal Services:

The positions the legislature has already removed are listed on the last page. EXHIBIT 2

Funding for the first 2.0 FTE is a mix of general fund and state special revenue funds. The remaining 4.0 FTE are funded with federal or state special revenue funds.

SEN. DEVLIN said whether, if the committee approves Personal Services, it would be 100% federal funds. Mr. Lloyd replied that the legislature took action after the LFA developed the budget. The committee has already approved the removal of the 3.07 FTE, and 1.50 FTE were removed because they were vacant. If the committee wishes to reinstate any of these positions, it would have to be stated in a motion.

Gary Amestoy, Administrator of the Reclamation Program in the Department of State Lands, said the Open Cut Bureau is funded by 50% state special revenue and 50% general fund. The Hard Rock Bureau is funded by 66% state special revenue funds and 34% general fund. Of the 3.07 FTE, approximately \$11,293 is general fund, and the 1.50 FTE is about \$8,000 general fund. The rest is federal dollars and Reclamation and Development funds. The two modifications are 100% state special revenue funds.

EXECUTIVE ACTION
RECLAMATION PROGRAM

Consulting & Professional Services:

Motion/Vote: SEN. JERGESON moved to approve the executive budget for \$380,193 each year of the biennium for Consulting and Professional Services and the executive for \$2,239,193 each year of the biennium for Reclamation. Motion CARRIED 4 to 2 with CHAIRMAN DEBRUYCKER and SEN. DEVLIN voting no.

SEN. JERGESON asked what happens when the department doesn't have the staff to adequately review applications for permits. Does the department deny or not grant the permit or would it grant a permit even though it has not reviewed it?

Mr. Amestoy replied that if DSL doesn't have adequate resources, it takes longer to make a decision. It is a legal and technical decision; if they don't have both of those bases covered, they can be challenged by both the opponents and the proponents. The biggest complaint is it takes too long for the applicant to get a decision because DSL lacks enforcement activities.

SEN. DEVLIN asked whether the workload increased that much. Mr. Amestoy said that the permitting process has changed dramatically in the last 24 to 46 months. Since most permitting activities include federal lands, the interaction with the federal agency has greatly increased. Public participation has also greatly increased. There are more and more meetings and some of the environmental impacts are far greater than before. The biggest priority is to retain the current staff because people are going to be stretched extremely thin.

SEN. DEVLIN asked the amount being spent in the Open Cut Bureau.

Mr. Lloyd said that in FY92 the amount spent for Consulting and Professional Services was \$69. The executive requests \$21,500 of which \$15,500 is from state special revenue funds. Taking out the \$15,500 difference leaves \$6,000; approximately half of that is general fund and half is state special revenue funds.

SEN. JERGESON asked whether the Reclamation Specialist is in the Open Cut Bureau. Mr. Amestoy said that .57 FTE is out of the Hard Rock Bureau.

SEN. JERGESON asked what program funds the non-general fund Reclamation Specialist. Mr. Amestoy replied that 1.00 FTE is out of the Coal and Uranium Bureau.

SEN. DEVLIN said that under the Consultant and Professional Services, general fund could be replaced with RIT interest money.

SEN. JERGESON said he had a problem with removing FTE and replacing them with Consultant Services. If eliminating FTE isn't the answer, what is needed is to reinstate some of the FTE.

Reclamation:

Motion: SEN. WEEDING moved to approve \$18,431 each year of the biennium, \$15,500 from Reclamation and Research account and \$3,000 from state special revenue funds.

Discussion:

SEN. DEVLIN asked whether fees from fines can be spent in other areas within this division. Mr. Amestoy said no, they have to be spent on Reclamation and Research.

SEN. DEVLIN asked what happens to the money if this is not approved. Mr. Amestoy replied that it stays in the account because it cannot be used for anything else.

Substitute Motion/Vote:

SEN. DEVLIN moved a substitute motion to approve spending authority up to \$15,500 each year of the biennium derived from fines, fees and penalties. Motion CARRIED 4 to 2 with SEN. WEEDING and REP. JOHNSON voting no.

Coal & Uranium Bureau:

Motion: SEN. DEVLIN moved to approve the executive of \$5,000 each year of the biennium for the Coal and Uranium Bureau.

Discussion

SEN. WEEDING asked what happens to the federal funds if the executive is approved. Mr. Amestoy answered that the state wouldn't receive the federal funds.

SEN. WEEDING asked what that account was for. Mr. Amestoy said they were going to use the \$5,000 to hire graduate level interns to assist in the Coal and Uranium Bureau.

Vote: Motion FAILED 3-3.

SEN. JERGESON asked about the purpose of the \$150,000 in the Hard Rock Bureau. Mr. Amestoy said that \$150,000 is derived from fines, fees and penalties. It can be used for research and reclamation. Most of the fund is used for remediation of imminent hazards to public health and safety. The FTE is used for actual physical reclamation such as moving dirt, neutralizing contaminated water, etc.

CHAIRMAN DEBRUYCKER asked what happens to the bond forfeiture monies. Mr. Amestoy replied that the division would take care of problems using the fines, fees and penalties account and reimburse that account with bond forfeitures.

CHAIRMAN DEBRUYCKER asked whether DSL will get enough money back to cover the amount used from fines, fees and penalties.

Mr. Lloyd said that of the \$209,000, \$150,000 is a biennial request for fines, fees and penalties. If the committee approves the \$150,000, it will come out of the fines, fees and penalties account where they were deposited.

Mr. Amestoy said that the other \$59,000 includes \$50,000 for consultants and \$9,000 for interns. About \$20,000 of that is general fund.

Mr. Lloyd added that the \$59,000 balance in each of the two years is funded with general fund and RIT funds. That is not set by law, so this committee could direct it to be funded with RIT or

general fund or any way it wants.

SEN. WEEDING asked how else RIT money gets back into the reclamation account. Mr. Lloyd said that when current level budgets are funded, DSL bases that on what the legislature has historically appropriated to fund the current level biennial budget.

Hard Rock Bureau:

Motion/Vote: SEN. DEVLIN moved to approve spending authority up to \$150,000 biennial appropriation in the Hard Rock Bureau derived from the fines, fees and penalties account. Motion CARRIED unanimously.

Liaison Position:

Motion/Vote: SEN. WEEDING moved to approve \$40,000 biennial appropriation from RIT funds for an abandoned mine liaison position with the Department of Health and Environmental Sciences. Motion CARRIED unanimously.

Bond Forfeitures:

Motion/Vote: SEN. JERGESON moved to approve the executive budget for \$459,194 biennial appropriation for Bond Forfeitures. Motion CARRIED unanimously.

Tape 3, A.

Environmental Analysis:

Motion/Vote: SEN. JERGESON moved to approve \$2,328,110 biennial appropriation for Environmental Analysis. Motion CARRIED unanimously.

Mr. Amestoy said the Laboratory Testing in the Hard Rock Bureau is for sampling of contaminated water wells, etc.

SEN. WEEDING asked about the funding split. Mr. Amestoy replied there is \$2,772 per year of general fund for laboratory testing and the balance is RIT funds.

Laboratory Testing:

Motion: SEN. WEEDING moved to approve \$5,382 each year of the biennium for Laboratory Testing.

Discussion

SEN. DEVLIN whether there is any correlation between Laboratory Testing and the Hard Rock Bureau. Mr. Amestoy answered that the Consultant & Professional Services for the Hard Rock Bureau has to do with technical expertise needed from outside sources. The testing has to do with chemical analysis of water, metals, etc.

Vote: Motion CARRIED 4-2 with CHAIRMAN DEBRUYCKER and SEN. DEVLIN voting no.

SEN. JERGESON asked whether DSL anticipates more legal fees and court costs. Mr. Amestoy replied that every decision they make

is challenged by someone. For example: when subdivisions expand in an area where there would be a gravel pit, people think that operation should stop. That is where most controversies start. Everything done in the Hard Rock Program gets challenged. For example: an existing challenge at the Golden Sunlight Mine at Whitehall. DSL also had challenges at Zortman and Landusky. There are a number of other challenges throughout the state.

SEN. DEVLIN asked about the current level for Laboratory Testing. Mr. Lloyd answered that they spent \$1,780 in FY92 .

SEN. WEEDING asked if the budget for Laboratory Testing is approved, would that be spending authority and would the funds revert if they were not used.

Mr. Lloyd replied the Laboratory Testing is funded by 27% of general and the remainder is RIT funds. The spending authority that is granted could be used anywhere in operations. This committee can direct how to fund the program.

Mr. Amestoy said that the three different programs -- the Coal Program, Hard Rock Program and Open Cut Program use no general fund.

REP. WISEMAN asked when, with all the legal problems outlined, the cost only \$1,780. Mr. Amestoy said the budget is for contract fees, court reporters, exhibits, travel, etc.

SEN. WEEDING asked whether, in the event expenditures ran over the budget, DSL would ask for a budget amendment. Mr. Amestoy replied that it would depend upon how much they were over budget. They could make up a small amount from operating expenses. However, if it was a large amount, they would have to ask for an amendment or a supplemental.

REP. WISEMAN asked how much of the \$25,902 budget request is general fund. Mr. Amestoy replied that \$7,810 is general fund and the balance is from federal funds in the Coal Program and RIT funds in the Open Cut Program and Hard Rock Program.

Legal Fees and Court Costs:

Motion/Vote: SEN. WEEDING moved to approve \$18,092 each year of the biennium for Legal Fees and Court Costs to be funded by non-general funds. Motion FAILED 4-2.

Printing: No action taken. (Remains at LFA level)

Department Aircraft Rental: No action taken. (Remains at LFA level)

Minor Differences:

SEN. JERGESON asked whether DSL pays any lobbying fees to any organizations. Mr. Kuchenbrod replied that they have prepared a list by programs and divisions of the dues we paid and propose to

pay from 1992, 1993 and 1995. EXHIBIT 3

Equipment:

SEN. WEEDING asked whether there is any particular piece of equipment requested. Mr. Amestoy said there was a replacement vehicle and a computer tied into the network.

Mr. Lloyd noted that there is a lot of difference in equipment between the LFA budget and the executive. Executive uses less for each replacement vehicle and the LFA uses less for each computer.

Funding:

Mr. Lloyd said he would ask this committee how to fund this program in terms of general fund and state special revenue. There is language that says "If legislation HB 608 is enacted, general fund in the Reclamation Program is reduced by \$329,136 in FY94 and \$370,864 in FY95 and state special revenue increased by a like amount."

SEN. WEEDING asked whether, if language is adopted and the bill fails, the committee can revisit this later. Mr. Lloyd said the committee could be silent on this now and amend HB 2 if the bill becomes law. If the bill becomes law, language could be put in. If the bill fails, nothing will have to be done.

SEN. DEVLIN asked whether, if the committee hadn't approved any of these items, it would be at \$279,571 general fund. Mr. Lloyd said no, it would be at \$313,440 in FY94 and \$307,387 in FY95.

Motion/Vote: SEN. JERGESON moved to approve the language as written and in the event the bill passes, general fund will be reduced and state special revenue increased up to \$379,136 in FY94 and \$370,864 in FY95. Motion CARRIED unanimously.

Budget Modifications:

Reclamation Attorney AMRB:

Motion/Vote: REP. JOHNSON moved to approve \$39,869 in FY94 and \$35,085 in FY95 of federal funds for the Reclamation Attorney AMRB. Motion CARRIED unanimously.

Tape 3, B.

Environmental Compliance:

SEN. WEEDING asked how many FTE there are now. Mr. Amestoy replied that in the 1991 session, 3.0 FTE were approved for the EIS projects. The SWYSGOOD FTE reduction leaves 2.0 FTE. The other FTE is needed in order to comply with the Environmental Impact Statements and Assessments. These are 100% MEPA fees.

Motion/Vote: SEN. WEEDING moved to approve the executive for \$41,605 each year of the biennium for Environmental Compliance FTE. Motion CARRIED 4-2 with CHAIRMAN DEBRUYCKER and SEN. DEVLIN voting no.

Restore 5% Reduction:

Ms. Smith said that under the Racicot budget, any restoration modification that had general fund portion must be removed. Therefore, there is no general fund support for the 5% FTE.

Mr. Lloyd said this committee must make a positive motion on any of these positions it wishes to reinstate.

Mr. Amestoy explained that position No. 85 is the Abandoned Mine liaison position with is 100% federally funded. Position No. 131 is a .50 FTE in the Coal and Uranium Bureau funded with federal funds and RIT funds. Position No. 153 is a 1.0 FTE for a Reclamation Specialist in the Coal and Uranium Bureau, funded with federal funds and RIT funds. That position is currently filled. Position No. 146 is a .57 FTE for a Reclamation Specialist in the Hard Rock Bureau, which is currently filled. The funding is a combination of federal funds and \$11,283 of general fund.

He reviewed the SWYSGOOD FTE reductions with the committee. He said that position No. 163 is an Administrative Assistant in the Hard Rock Bureau, funded with RIT funds and \$7,790 in general fund. Position No. 170 is 1.0 FTE for an Environmental Specialist, funded with 100% MEPA fees. The total general fund for all of these positions is \$19,073 for the biennium.

SEN. WEEDING asked **Mr. Amestoy** to name positions which would have priority. **Mr. Amestoy** said that the positions which use some general funds in the Hard Rock Bureau are the most important.

Motion: **SEN. DEVLIN** moved to reinstate position No. 85 to be funded with federal funds.

Discussion:

Mr. Lloyd noted that this is the liaison position that the DHES discussed with the committee. This was a budget modification in their budget for \$40,000 of operating expenses.

Vote: Motion CARRIED 5-1 with **CHAIRMAN DEBRUYCKER** voting no.

SEN. WEEDING asked whether the two Reclamation Specialist positions are interchangeable. **Mr. Amestoy** answered that positions No. 146 and No. 153, Reclamation Specialists, cannot be interchangeable because of the federal dollars tied to the coal position.

SEN. WEEDING asked for the federal amount tied to the Reclamation Specialist. **Mr. Amestoy** said the 1.0 FTE Reclamation Specialist in the Coal Bureau is 76% federal funds and the balance is RIT funds.

Motion/Vote: **SEN. WEEDING** moved to reinstate position No. 153, Reclamation Specialist. Motion FAILED 3-3.

HEARING ON
FORESTRY DIVISION

Tim Murphy, Chief Fire Manager, Department of State Lands located in Missoula, reviewed the cost difference between a single engine air tanker and a large air tanker.

He said that large air tankers average one hour per turnaround. They average 2,000 gallons of retardant dropped on a fire at a cost of \$2,500 per hour to operate the aircraft. For the product delivered on the ground it costs \$1.25 per hour per gallon. The single engine air tanker currently being used averages five turn-arounds in an hour and delivers the same 2,000 gallons of retardant per hour. The cost is \$700 per hour and \$.35 cents per gallon of retardant.

Doug Williams, Vice-President of the Montana Fire Marshals Association, said that he has been on three fires that utilized the single engine aircraft. There were farms and wildlife at risk, and coal that may catch fire also must be extinguished. With the smaller aircraft they were able to control the fires sooner and minimize the damage with less cost to the department. He said that when a pilot and plane are contracted, it has to be within 15 minutes of the airport. They can have the pilot in the air within 15 minutes of the request.

Mr. Williams showed a short video on some of the fires and the aircraft dropping fire retardant.

HOUSE NATURAL RESOURCES SUBCOMMITTEE

January 25, 1993

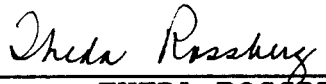
Page 11 of 11

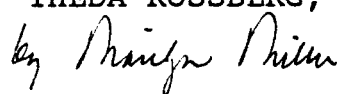
ADJOURNMENT

Adjournment: 11:55 A.M.



ROGER DEBRUYCKER, Chairman



THEDA ROSSBERG, Secretary


RD/tr

HOUSE OF REPRESENTATIVES

NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE

1-25-93

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	✓		

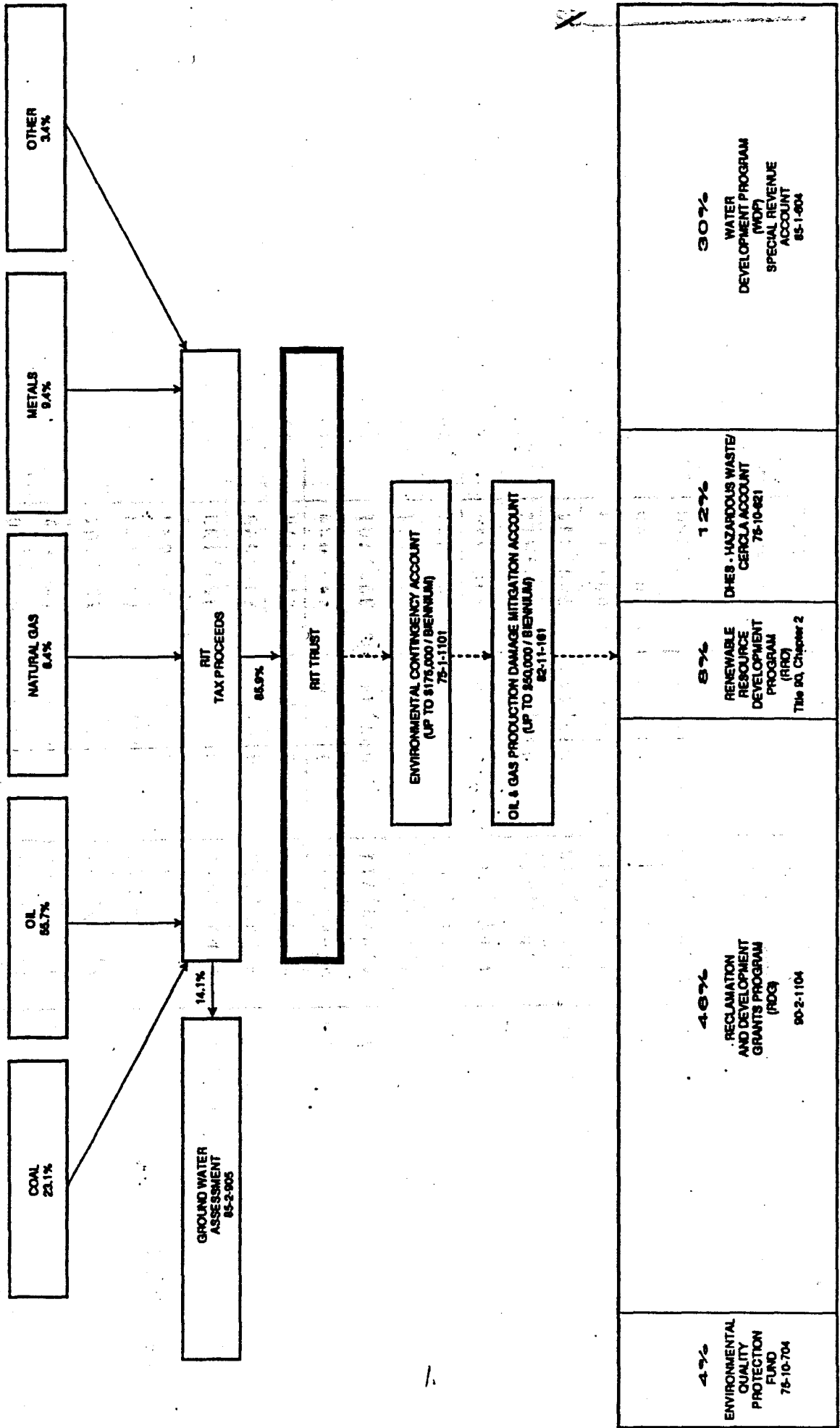
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DATE 1-25-93
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LC 1404

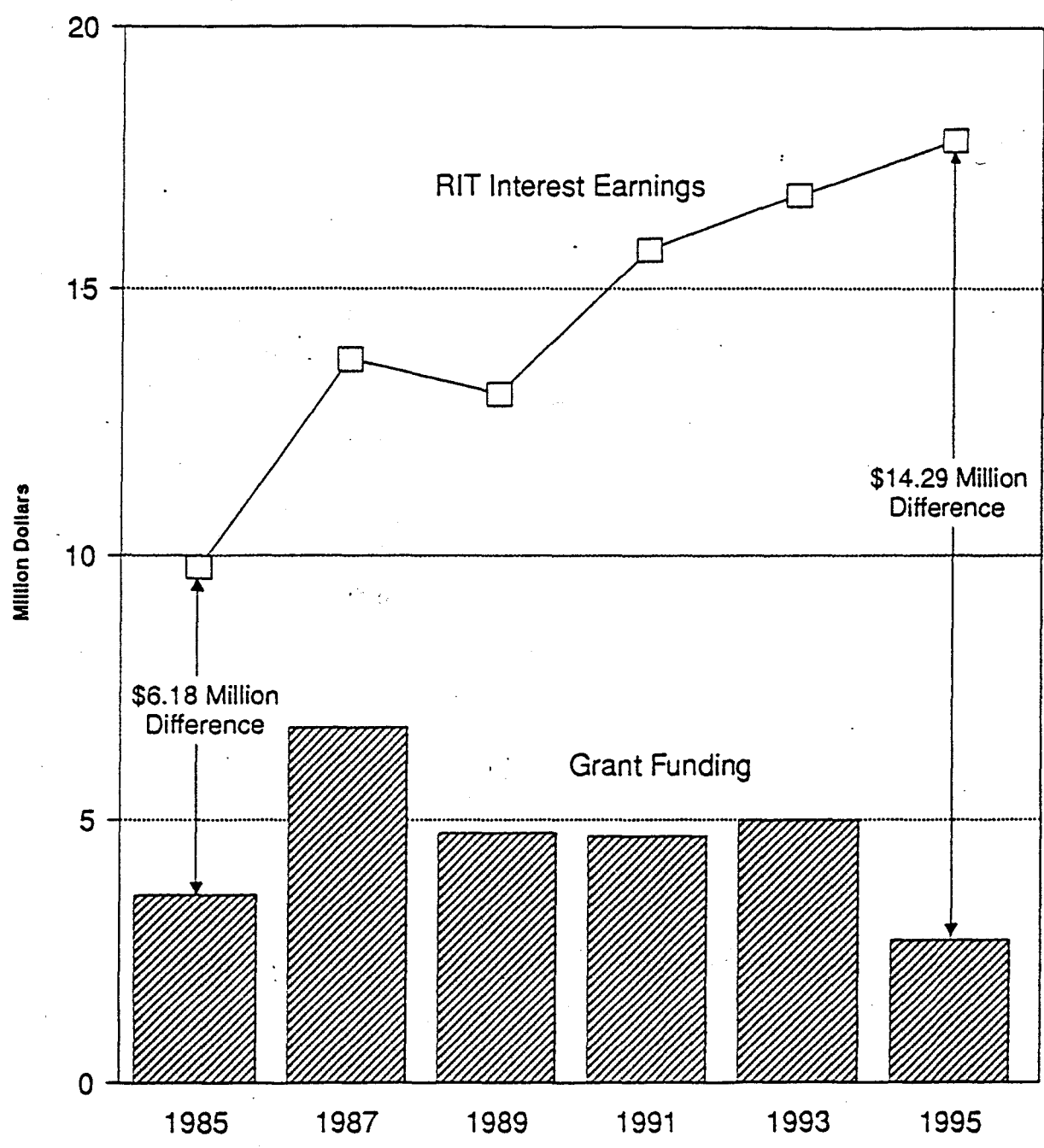
RIT PROGRAM CHANGES

RESOURCE INDEMNITY TRUST

DATE 1-25-93
~~SECRET~~



Funding for RIT Grants DNRC



Based on June 30, 1992 Cash Flow Sheets and 1993 Income Estimates

*Long Range Planning
Grant Fund.*

LC 1404RIT Program Changes*Larry
Romer
Clonning*

- Combines the Water Development and Renewable Resource Development programs into the Renewable Resource Grant and Loan program;
- Restructures the Reclamation and Development Grants Program by separating the two objectives of funding mineral reclamation projects and crucial state need projects into individual programs: the "Reclamation Grants Program" and the "Rural Economic Revitalization Program." Reclamation and Development will fund mineral reclamation projects and Rural Economic Revitalization will fund economic development projects;
- Moves grant funding to the top of the RIT cash flow;
- Establishes minimum grant funding levels of \$1.6 million for the Renewable Resource Grant and Loan program, \$1.6 million for the Reclamation and Development Grants program, \$800,000 for the Rural Economic Revitalization program, and \$400,000 for Water Storage; *New acid* ^{725%}
- Allocate 20 % of the RIT proceeds to Renewable Resource Grant and Loan Program State Special Revenue Account and allocate 20 % of the RIT proceeds to Reclamation and Development Grants Program State Special Revenue Account.

*1.6 per 1 of 5 items*Changes in Appropriations

- Natural resource agency RIT appropriations replace \$2,487,302 of current general fund appropriations;
 - DNRC RIT appropriations replace \$1,737,302 of current general fund expenditures.
 - * Conservation and Resource Development Division: \$55,052 (replaces all general fund appropriations)
 - * Centralized Services Division: \$844,948
 - * Reserved Water Rights Compact Commission: \$337,302 (replaces all general fund appropriation)
 - * Water Resource Division: \$500,000
 - DSL RIT appropriation replace \$750,000 of current general fund appropriations.
- Northern Montana College receives \$240,000 for their water quality programs.

RIT Assuming LC 1404

FISCAL YEARS 1994 AND 1995

		RIT Proceeds	RIT Trust Deposits	Ending Fund Balance
RIT TRUST (Projected Ending Balance)	FY 93	\$5,012,489	\$5,012,489	\$87,502,387
	FY 94	4,855,568	2,228,706	89,731,093
	FY 95	4,927,161	2,261,567	91,992,660

EXHIBIT 1
DATE 1-25-93

RIT INTEREST EARNINGS

FY 94	\$8,092,445
FY 95	8,704,122
Total	16,796,567

RIT REVENUE
INFORMATION

ALLOCATION OF EARNINGS (BIENNIAL APPROPRIATIONS)

Environmental Contingency Account	\$175,000
Oil and Gas Production Damage Mitigation Account	\$50,000
Renewable Resource Grant and Loan Program	1,800,000
Reclamation Development Grants	1,600,000
Rural Economic Revitalization	800,000
Water Storage Account	400,000
Total Biennial Appropriations	\$4,825,000
Distribution of Remaining Earning Among the FOUR Remaining Accounts	\$12,171,567

	Renewable Resource G/L 38%	Reclamation & Development 46%	Hazardous Waste/ CERCLA 12%	Environmental Quality Protection 4%	TOTAL 100%
Beginning Balance	\$890,367	\$0	\$1,241,749	\$1,402,813	\$3,534,929
Revenues					
RITT Interest	\$4,825,196	\$5,598,921	\$1,460,588	\$486,863	\$12,171,567
RITT Tax Proceeds	1,956,546	1,956,546			\$3,913,092
Coal Tax	783,500				\$783,500
Loan Repayments	1,338,831				\$1,338,831
NR Damage Repayment					\$0
Interest (STIP)			100,000	110,000	\$210,000
Administrative Fees	10,000				\$10,000
State Owned Proj. Rev.	538,604				\$538,604
Total Funds Available	\$10,143,043	\$7,555,467	\$2,802,337	\$1,399,676	\$22,500,523
Appropriation					
Bond Debt Service	\$1,834,273	\$0	\$0	\$0	\$1,834,273
DNRC Cert Serv Div	1,190,459	300,600			1,491,059
DNRC CARD	1,123,588	1,095,750			2,219,338
DNRC Water Res Div	1,776,926	2,471,846			4,248,772
Reserved Water Rights Compact Com	337,302	672,295			1,009,597
DNRC State Water Proj	1,785,000				1,785,000
State Project Ownership Transfer	125,088				125,088
Missouri Water Reservations	323,749				323,749
Weather Seeding	20,000				20,000
Water Courts	1,035,150				1,035,150
DSL Reclamation Div		2,687,695			2,687,695
DH&ES Envir Div			2,253,140	1,040,869	3,294,009
State Library	199,999	177,000			376,999
Environmental Quality Council					0
Northern Montana College	240,000				240,000
Pay Plan	37,370	43,048	13,238	3,207	96,863
Total Appropriations	\$10,028,904	\$7,448,234	\$2,266,378	\$1,044,076	\$20,787,592
Projected Biennium Ending Balance	\$114,140	\$107,233	\$535,959	\$955,600	\$1,712,931

DEPARTMENT OF STATE LANDS
Program Summary

Reclamation Program

DATE 1-25-93

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	51.62	54.00	50.93	54.00	(3.07)	50.93	54.00	(3.07)
Personal Services	1,531,305	1,712,021	1,814,994	1,905,245	(90,251)	1,819,195	1,909,542	(90,347)
Operating Expenses	2,915,123	3,360,114	8,986,800	3,308,049	5,678,751	5,346,442	2,604,842	2,741,600
Equipment	142,492	83,857	84,511	77,627	6,884	68,576	64,295	4,281
Capital Outlay	0	5,000,000	0	0	0	0	0	0
Transfers	0	0	10,000	0	10,000	10,000	0	10,000
Total Costs	\$4,588,921	\$10,155,992	\$10,896,305	\$5,290,921	\$5,605,384	\$7,244,213	\$4,578,679	\$2,665,534
Fund Sources								
General Fund	(279,571)	246,492	11,081	313,440	(302,359)	11,081	307,387	(296,306)
State Revenue Fund	1,258,847	1,104,350	5,135,276	1,794,583	3,340,693	1,464,799	1,069,702	395,097
Federal Revenue Fund	3,050,502	8,805,150	5,749,948	3,182,898	2,567,050	5,768,333	3,201,590	2,566,743
Total Funds	\$4,588,921	\$10,155,992	\$10,896,305	\$5,290,921	\$5,605,384	\$7,244,213	\$4,578,679	\$2,665,534

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995LFA Budget Analysis, Vol. II pages C 50-51
Executive Budget page C-18**Current Level Differences**

Meeting passed

PERSONAL SERVICES—The executive eliminates 3.07 FTE in response to the 5% personal services reduction. Position number 85 is a superfund/hazardous waste liaison position that has never been filled since approved in a budget modification by the 1989 Legislature. The Department of Health and Environmental Sciences is requesting a budget modification for \$40,000 each year funded with RIT to contract with DSL for an abandoned mine liaison FTE to coordinate the investigation and cleanup of abandoned mine sites to comply with federal and state law. See page B-8 (#21) in the LFA Budget Analysis under DHES.

(90,251) (90,347)

ABANDONED MINE RECLAMATION BUREAU (Federal Funding)

- Jorgensen passed*
- A. Consulting & Professional Services—The LFA current level reflects fiscal 1992 actual expenditures.
- B. Reclamation—The LFA current level reflects fiscal 1992 actual expenditures.

380,193 380,193
2,239,193 2,239,193

CONSULTING & PROFESSIONAL SERVICES

- Devel. Jorgensen passed*
- A. Open Cut Bureau—The LFA current level reflects fiscal 1992 actual expenditures.
- B. Coal & Uranium Bureau—The LFA current level reflects the agency request. The executive lowers the agency request.

15,500 15,500
21,431 21,431
(5,000) (5,000)

- Devel. Jorgensen passed*
- C. Hard Rock Bureau—The executive requests a \$150,000 biennial appropriation for fiscal 1994 not included in the LFA current level. Contained in the LFA and executive base is \$25,000 each year to contract with DHES to fund one-half of a 1.00 FTE grade 15 water quality specialist.

209,000 59,000
750,000 750,000
RIT funds 40,000 40,000

- Meeting passed*
- D. Bond Forfeitures—The executive requests a biennial appropriation for \$500,000. The LFA current level reflects double fiscal 1992 actual expenditures. See LFA Budget Analysis page C-46. *Jorgensen passed*

459,194 0

- E. Environmental Analysis—The executive requests a biennial appropriation for \$3,000,000. The LFA current level reflects double fiscal 1992 actual expenditures.

2,328,110 0

Meeting passed

LABORATORY TESTING—The executive includes an increase over the base in the Hard Rock Bureau. The LFA current level reflects fiscal 1992 actual expenditures.

5382 5382
8,154 8,154

Meeting passed

LEGAL FEES & COURT COSTS—The LFA current level reflects fiscal 1992 actual expenditures.

18092 18092
25,902 25,902

Meeting passed

PRINTING—The LFA current level reflects fiscal 1992 actual expenditures.

4,844 4,844

DEPARTMENT AIRCRAFT RENTAL—The LFA current level reflects fiscal 1992 actual expenditures.

3,448 3,448

MINOR DIFFERENCES

3,460 3,547

INFLATION (Non-voting item)

822 888

EQUIPMENT—The LFA current level is less than average expenditures for the last three years.

6,884 4,281

TRANSFERS—The executive requests authority to transfer funds to the Montana State Library for core support of the Natural Resource Information System (NRIS). The Montana State Library is requesting \$2,097 RIT and \$7,903 federal funds as a budget modification for this purpose. The Institutions and Cultural Education Subcommittee has approved this modification. See LFA Budget Analysis page D-8.

TOTAL CURRENT LEVEL DIFFERENCES

FUNDING—The executive budget replaces \$750,000 general fund with state special revenue in the Hard Rock Bureau and the Open Cut Bureau contingent on enactment of legislation diverting resource indemnity tax revenue from the trust. If the legislature approves this funding switch, suggested language appears below.

Budget Modifications

RECLAMATION ATTORNEY AMRB—The executive recommends 1.00 FTE to hire an attorney to conduct potentially responsible parties searches. (Page C-45)

ENVIRONMENTAL COMPLIANCE—The executive recommends 1.00 FTE additional staff to develop and distribute environmental impact statements and environmental assessments. The 1991 Legislature approved a budget modification for 3.00 FTE for this purpose. (Page C-45)

RESTORE 5% REDUCTIONS—The executive recommends restoration of 2.57 FTE funded with federal funds and \$19,630 RIT reclamation and development funds in fiscal 1994 and \$19,648 in fiscal 1995. The LFA current level uses these amounts to fund current level and reduce general fund. See LFA Budget Analysis page C-45 for funding options.

TOTAL MODIFIED LEVEL

Language

If the legislature approves the executive recommendation for switching \$750,000 general fund with a like amount of RIT state special revenue, the following language is suggested: ("If legislation [House Bill number ??] is enacted, general fund in item [reclamation program] is reduced by \$375,000 in fiscal years 1994 and 1995 and state special revenue increased a like amount.")

10,000 10,000
EXHIBIT 9
DATE 1-25-93
5,605,384 2,665,
379,136 370,86

39,869 35,085

41,605 41,605

77,834 77,925

159,308 154,615

DEPARTMENT OF STATE LANDS
Reclamation Division

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

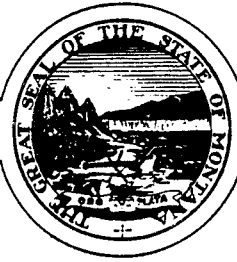
EXHIBIT 2
DATE 1-25-93
~~SZ~~

Position #	Position Description	Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
		Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
146	Reclamation Specialist	16,586	16,601	0.57		0.57	
163	Administrative Assistant	11,450	11,461		0.50	0.50	
						0.00	
Sub-Total		28,036	28,062	0.57	0.50	1.07	0.00
Non-General Fund Positions							
170	Environmental Specialist	34,426	34,462		1.00	1.00	
85	Not Yet Classified	28,901	28,943	1.00		1.00	
153	Reclamation Specialist	31,367	31,396	1.00		1.00	
131	Not Yet Classified	11,276	11,288	0.50		0.50	
						0.00	
Sub-Total		105,970	106,089	2.50	1.00	3.50	0.00
TOTAL		134,006	134,151	3.07	1.50	4.57	0.00

45
190

EXHIBIT 3DATE 1-25-93

DEPARTMENT OF STATE LANDS



MARC RACICOT, GOVERNOR

P.O. BOX 201601

STATE OF MONTANA

(406) 444-2074

1625 ELEVENTH AVENUE
HELENA, MONTANA 59620-1601

January 21, 1993

DEPARTMENT OF STATE LANDS

DUES	1992	1993	1995
CENTRAL MGT	1,570	1,570	1,570
-Western State Lands Commissioners Assn.			
RECLAMATION DIVISION	250	250	250
-Coal Recorded in error s/b meeting rooms			
LANDS DIVISION	195	195	195
-American Associates of Petroleum Geologists			
-International R/W Assn	176	176	176
-Montana Grain Growers Assn,	75	75	75
-Weed Control Assn	10	10	10
-Natural Areas Assn	100	100	100
FORESTRY DIVISION	75	75	75
FIRE			
-National Fire Protection Assn			
-Associated Public Safety Communications Assn	45	45	45
-Flathead County Fire Protective Assn	45	45	45
-International Society of Fire Service Instructors	75	75	75
FOREST MANAGEMENT	112	112	112
-International Right-of-Way Assn			
-The Montana Riparian Assn	400	400	400
-The Watershed Mgmt Council	30	30	30
TSI		8,462	8,462
-Inland Empire Tree Improvement Coop		(Not GF)	(Not GF)
NURSERY	20	20	20
-Montana Assn of Nurserymen			
OTHER SERVICES	3,134	3,134	3,134
-National Assn of State Foresters			
-American Forestry Assn	Subscription, not dues		
-Forest Resource Systems Institute	Dropped		
SERVICE FORESTRY	95	95	95
-National Arbor Day Foundation			
-International Society of Arbor	Subscription, not dues		

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

NATURAL RESOURCES SUB COMMITTEE

~~FILE NO.~~

DATE 1-25-93 SPONSOR(S) _____

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PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
BOB CALUCH	DSL		
BOB KUCHENBROD	DSL		
DOAN ADNEY	DSL		
GARY AMESTOY	DSL		
THERESA SCOTT	DSL		
Kay Beak	DNRC		
John Tubbs	DNRC		
Tim Murphy	DSL		
Doug Williams	MT Co. Fireworks		

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