

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By **VICE CHAIRMAN TOM KEATING**, on February 1, 1995, at 8:00 a.m. in Room 402 of the State Capitol.

ROLL CALL

Members Present:

Rep. Roger DeBruycker, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Judy H. Jacobson (D)
Sen. Loren Jenkins (R)
Rep. John Johnson (D)
Rep. William R. Wiseman (R)

Members Excused: Rep. DeBruycker excused 8 - 8:15; Sen. Keating and Rep. Wiseman excused briefly during executive session on Department of Fish, Wildlife and Parks' Department Management budget.

Members Absent: none

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

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

Committee Business Summary:

Hearing: Department of Fish, Wildlife & Parks
- Department Management
- Field Services Division
Executive Action: Department of Fish, Wildlife & Parks
- Administration and Finance Division
- Department Management

EXECUTIVE SESSION ON DEPARTMENT OF FISH, WILDLIFE & PARKS Administration and Finance Division

Motion/vote: REP. WILLIAM WISEMAN moved to accept Present Law (PL) Adjustments No. 4 - 11 on p. C-11, with No. 10 being reduced to \$30,000 in each year; REP. JOHNSON seconded the motion. The motion carried unanimously.

Discussion: Mr. Dave Mott, Administration and Finance Division Administrator, spoke up regarding New Proposal No. 2 on p. C-13

of the LFA Budget Book. After hearing the committee's concerns regarding migratory bird harvest surveys and the partially funded federal mandate, the department is offering to try funding this all with federal money. He said he was not sure if this would work but they would try to do it. However, they would still need the .75 FTE.

Motion: REP. WISEMAN moved to accept New Proposals No. 1 and 4 on p. C-13; SEN. JACOBSON seconded the motion.

Substitute motion/vote: SEN. JENKINS made a substitute motion to accept New Proposal No. 4; REP. WISEMAN seconded the motion. The motion carried unanimously.

Motion: REP. WISEMAN moved to accept New Proposal No. 1; SEN. JACOBSON seconded the motion. The motion carried with SENS. JENKINS AND KEATING opposed.

Discussion: Mr. Roger Lloyd, Legislative Fiscal Analyst (LFA), informed the committee that if the concept in New Proposal No. 3 is approved, it will provide funding for the new proposals concerning vehicle or aircraft usage in the other Fish, Wildlife and Parks (FWP) divisions. If the new proposal is approved in concept, Mr. Lloyd can adjust the amount after the rest of the division budgets are voted on.

Motion/vote: SEN. JENKINS moved to accept New Proposal No. 3, with the funding level to be adjusted by the LFA according to the committee's action on the other divisions' new proposals in this area; REP. WISEMAN seconded the motion. The motion carried unanimously.

Discussion: Regarding New Proposal No. 2, Mr. Mott said he had reviewed the rules and could not find any consequences for not conducting the survey. FWP receives about \$9 million from the U.S. Department of Interior in (federal) Pittman-Robertson and Dingell-Johnson (PR-DJ) funds. Mr. Pat Graham, FWP Director, said the states had tried to talk the federal government out of doing the survey and as a result they had been given the flexibility to implement the program on an individual basis. If enough states don't implement it the federal government may take over.

Motion/vote: SEN. JENKINS moved to accept New Proposal No. 2, with the spending authority to be entirely from federal funds, and without any FTE included; REP. WISEMAN seconded the motion. The motion carried unanimously.

Discussion: Mr. Graham said the department would try to get the federal government to provide the other 25% of the funding for New Proposal No. 2 (via including administrative funds). If it is the committee's intention to implement the project and this strategy does not work, then FWP will need to provide the 25% matching monies.

Mr. Mott volunteered information regarding the status of the automated licensing system. In 1993 \$60,000 was requested to study the feasibility of automated license issuing at business outlets. FWP doesn't have any legislation to initiate the change as yet but if the study indicates this could be done there will be legislation introduced in 1997. If this system works out, it will save the license agents a lot of time. **EXHIBIT 1 SEN. JENKINS** suggested that the small-time license agents be given some sort of recognition for their years of service. He wanted to know who would be paying for the cost of the automated equipment. **Mr. Mott** said how to do the financing was being researched. In other states, the costs are shared with the license agents. **Tape No. 1:B:000**

SEN. JENKINS said if it was made into a cost-sharing proposition, many of the smaller agents wouldn't be able to afford to sell licenses. **Mr. Mott** said in some states the smaller agents are exempted.

HEARING ON FWP Department Management

Mr. Lloyd gave an overview of this division (pp. C-44-48). Regarding PL No. 10, the other end of this double appropriation was discussed when the Predator Control Program budget for the Department of Livestock was heard. The \$110,000 of spending authority for that department has been approved and the funding comes from the grant in PL No. 10.

Mr. Lloyd directed to the committee's attention to the bottom of the Present Law Adjustment Table on p. C-45. The LFA has no issue with PL No. 5 and reference to it needs to be crossed out.

Ms. Florine Smith, Office of Budget and Program Planning (OBPP), spoke. New Proposal No. 4, which is funded 100% from general license fees, is not really for new services but was included as a new proposal at the department's request.

Mr. Bob Martinka, Chief of Field Operations for FWP, gave an overview. Department Management is for the most part the Director's office, the Regional Supervisors and their support staff. Department Management provides overall direction for FWP via public input and liaison with the Governor's office and the Legislature as well as interaction with the FWP Commission, which is a five-member Governor-appointed Board that deals with regulatory and land issues. FWP is a decentralized agency, with 80% of its personnel in the seven regions.

Department Management provides legal services for FWP as well as establishing liaisons with other agencies as well as the state's Tribal Governments.

Department Management has been involved in restructuring of the regions in the past few years. They had eight regions at one

point but eliminated one through a public process and as a result the Helena regional office was absorbed (for the most part) by the Bozeman office. The Director's office has also been reorganized. There was one early retirement (that position was subsequently downgraded) and several positions were eliminated.

FWP has been working on the Native Species Initiative in an attempt to get on the "lead edge" of the endangered species issue. At present 60 species are candidates for endangered species listing: the initiative is aimed at keeping them off the list. FWP is participating in the Governor's Office Bull Trout Round Table and has had a very active program with the Big Hole Greyling. Another accomplishment is the implementation of the conservation specialist idea via transferring a number of FTE from Helena into the field, with the field providing matching FTE. Conservation specialist positions are a step down from the biologist and warden positions. In doing this change they downgraded some Grade 16 positions to these Grade 10 and 11 specialist positions. At present there are seven specialist positions in six regions.

FWP has also been involved in the Governor's Private Lands/Public Wildlife initiative.

Mr. Martinka then reviewed the PL Adjustments and New Proposals. PL No. 4 is the most complex of the adjustments: there are eight different components. During the busy seasons FWP would like to contract for additional secretarial support in the regional offices in order to avoid adding FTE or paying overtime. Some of the regional offices have been able to put together volunteer programs to help handle the increased workload as well.

Regarding department-wide employee training, in FY 94 they didn't spend much on this but they would like to continue this program. They want to improve communication skills and conflict resolution skills because of their high degree of contact with the public. Also, they are looking for better ways to train and manage personnel effectively. Contracted services for Native American liaison and assistance are geared towards improved reciprocal law enforcement activities with the state's seven Indian Reservations. At present only one formal agreement is in place.

Tape No. 2:A:000

Membership in the Riparian Association is geared towards finding the best way to manage riparian systems. The stockgrowers have been very involved in this effort. In FY 94 the bill from the University did not arrive in time to get the \$4,000 being requested into the base budget.

Natural resource database development basically involves funding for a fairly new computer technology called Geographic Information System (GIS) which will be used by many different individuals and agencies. FWP also hopes to use these funds to

create an electronic bulletin board for public use and accessing natural resource data bases. They are trying to share this base with other agencies in order to promote efficiency.

The contracted services request for policy research and development is related to the FWP Commission's interest in developing a sound policy base. If a better framework can be developed it will increase FWP's efficiency.

Regarding PL No. 5, they have had this expense every year and are asking for the same as in the past biennium. They would like to change the \$25,000 biennial appropriation to an annual one. The \$46,000 spent in FY 94 would add half the biennial appropriation per year, or about \$12,500.

They would like to begin holding more FWP Commission meetings than they have in the past. This would include not only official meetings but work sessions. They propose to increase the number of meeting from twelve to sixteen.

PL No. 7 is for the maintenance of all seven regional facilities. The budget of about \$59,000 amounts to less than \$10,000 per regional office. This is the same amount of funding as was authorized in FY 94.

The Sikes Act is for habitat development on federal lands. Historically funding has been in the form of a \$150,000 biennial appropriation. The monies are used to leverage funding from the federal government for habitat development projects. An example of the very successful Wade Lake Program was distributed.

EXHIBIT 2 FWP is requesting that this appropriation be switched from biennial to annual.

The PL Adjustment for equipment is for all the equipment in the regional headwaters plus the Director's office. This is the same budget for equipment (including New Proposal No. 2) as in the past.

Under PL 10, they are requesting the same amount for grants as they requested in 1993. The Montana State University (MSU) Wildlife Cooperative Specialist position was approved by the last Legislature and was filled in July 1994.

Mr. Martinka then discussed the issue of which entity FWP should contract with for predator control. FWP feels it would be better to pass the monies through to the Department of Livestock rather than the federal government because of the advantage of this communication link. FWP also has concerns about the increased paperwork it would have if it was involved directly with the federal government.

Regarding Legislative Contract Authority (LCA) he reminded the committee the figure now being used for this is \$115,000 per year, which is a cut from the original proposals. The new

figures represent the average spending levels in the past biennium.

Regarding New Proposal No. 2 on p. C-47, the U.S. Forest Service has recently negotiated a large contract with IBM to develop software and hardware for the GIS system which will make it possible to apply nation-wide. FWP has talked to the Forest Service office in Missoula about hooking on. This equipment would probably be put two different places in the state. Tremendous cost savings would be the benefit.

FWP proposes to open staff offices in six cities (New Proposal No. 3). At present, three or more staff are stationed in some communities. The public would like to have just one place to go to and this proposal would create central offices in Libby, Hamilton, Dillon, Butte, Havre and Lewistown. FWP would try to contact other agencies from the state to share offices and support staff. In some localities a new office would have to be rented. The reason for the FTE is to help guarantee that someone will be in the office at all times to meet with the public as well as do some of the office work.

The regional headquarter performance review requested under New Proposal No. 4 is for bringing someone in from outside FWP to review the Billings, Missoula and Great Falls offices to see if the department is doing things as efficiently as possible. These offices have experienced an increase in phone calls and visits from the public. During busy times upwards of 200 phone calls per hour are received. The intention is to solve these problems without adding additional staff.

The impacts of New Proposal No. 4, personal services reductions, will fall most heavily on FWP's regional headquarters.

Tape No. 2:B:000

Questions: SEN. JACOBSON wanted more information about the GIS system. Mr. Martinka explained there are many different applications for GIS technology. Statewide natural resources data are stored at the State Library. FWP has some of its own equipment in the Kalispell and Missoula offices, which is used for more specific work. REP. JOHNSON wanted to know if the Natural Resource Information System (NRIS) and the GIS were the same thing. Mr. Martinka said the Natural Resources Database in the State Library uses GIS equipment to store and manage the data, but they are separate systems. The NRIS is the group that gathers all the natural resource data and puts it in the system. The Natural Heritage Program is responsible for data gathering. Mr. Graham explained there are data layers which consist of such things as ownership, habitat, vegetation and soil type data which are stored at the NRIS. This information is accessible to persons both within and outside government. The Natural Heritage Program pulls wildlife information together. FWP and other agencies have their own specific applications of that information. A variety of agencies provide funding to help

support NRIS. NRIS cannot provide what FWP wants to do and this is why separate requests are included in the agency budget. The U.S. Forest Service is proposing to spend \$1 billion to develop a GIS for the entire U.S. and FWP is spending \$12,500 to hook up to it.

REP. JOHNSON wanted to know the relationship between the regional offices and the proposed area offices. **Mr. Martinka** said the area offices would be sub-units of the regional offices but would not have any administrative functions.

REP. JOHNSON wanted more information on the Riparian Association. **Mr. Martinka** emphasized it was not a lobbying organization. It is basically a technical association and the focal point is the University of Montana. People gather and disseminate information regarding best management practices for riparian ecosystems. Montana has been a leader in this. Membership is broad-based and includes the Montana Stockgrowers and the Conservation Districts.

In response to **SEN. JENKINS**, **Mr. Lloyd** said the one FTE attorney approved in FY 92 (mention in the LFA narrative under New Proposal No. 1) was in the base. **Mr. Martinka** explained that FWP's attorneys were not experts at prosecution and when this kind of expertise was required they called upon the county attorneys or the Attorney General's office.

SEN. JENKINS wanted to know why funding for Native American liaison and technical assistance was under both New Proposals and PL Adjustments. **Mr. Martinka** said they hadn't spent their \$40,000 appropriation and the OBPP had suggested that part of the request go into a New Proposal.

SEN. JENKINS wanted to know the department-wide total being spent statewide for proactive involvement in endangered species. **Mr. Graham** answered that this would have to be researched. Some of the funding is for specific projects. The request in this division is aimed at pulling together the overall framework. FWP has been working with an interim legislative committee to put together an overall approach for the state in both Native Species Program prevention work and reauthorization of the Endangered Species Act.

The committee deferred its questions so testimony could be presented regarding the proposed closure of the FWP sign shop in Whitehall (FWP Field Services Division budget).

SEN. MIKE FOSTER, SD 20, spoke. The woman who owns the building said she could be getting a lot more rent but because the sign shop is so well thought of in the community she has not done this. He asked that the committee consider this when looking at the budget. He stressed that it was a very cost-effective operation.

Questions: CHAIRMAN DEBRUYCKER wanted to know the source of the rest of the funding for MSU's Wildlife Cooperative Specialist (PL No. 10). Mr. Graham said MSU was partially funded from the Ag Research Program and from the Extension Program. In addition, some of the funding came from the MSU Biology Department. The creation of a position like this was recommended by the Private Land/Public Wildlife Advisory Council. The previous Legislature authorized FWP to work with the university to do this.

CHAIRMAN DEBRUYCKER submitted that combining the PL Adjustments and the New Proposals which were for the same things would have made the budget request easier to understand. **Tape No. 3:A:000**

Ms. Smith said when the PL Adjustments for contracted services were put together it was felt there was sufficient authority in these areas to include them in present law. The OBPP tried to be fair in providing spending authority for those functions but FWP didn't agree with their recommendations so it was agreed that new proposals would be included for additional spending authority in these three areas.

SEN. JENKINS asked for more information about the Sikes Act (PL No. 8). Mr. Martinka said some of the projects funded under this legislation involve burning on winter range, wetland development on Bureau of Land Management land, culvert replacement (to facilitate spawning) and others. Sportsmen and some landowners have formed a group for screening the proposals.

EXECUTIVE ACTION ON FWP Department Management

Motion/vote: SEN. JENKINS moved to accept PL Adjustments No. 5, 7, 11 and 12 on p. C-45, with No. 11 amended to \$115,000 per year. REP. JOHNSON seconded the motion. The motion carried unanimously. REP. WISEMAN voted "yes" by proxy. SEN. KEATING was excused but left no proxy.

Discussion: Regarding PL No. 10, SEN. JENKINS expressed the belief that additional funding was going to be necessary for predator control activities, to replace federal support. He suggested \$50,000 might be added to the \$110,000 proposed under the PL adjustment, with the remaining \$35,000 to be used at FWP's discretion. If during the first year these "contingency" funds are not needed, they could be spent on the other programs listed under PL No. 10. Mr. Lloyd suggested the \$50,000 be line-itemed with the language that if the federal government continues to participate in predator control in Montana, \$50,000 in each year could be granted to the State Library or MSU. SEN. JENKINS said his intention was not to cut any programs out but rather to set the priority for funding with predator control activities. SEN. JACOBSON remarked that doing this would tie that grant money up for an entire year. REP. JOHNSON asked SEN. JENKINS if he wanted the extra \$50,000 for predator control to come from a specific source or any place in the budget. SEN. JENKINS pointed out that the remaining \$35,000 under the PL adjustment could still be used

to fund the NRIS. **Mr. Graham** pointed out that most of the \$50,000 was used to pay salaries and it would be difficult to wait and see if the money would be used for predator control and accurately budget for the second year. He also questioned how it would be determined whether or not there was a "need" for increased predator control funding. He concluded it would probably be easier to add contingency funding flexibility than redirecting grants. Discussion took place regarding where the extra \$50,000 could be funded from if not the projects under the PL adjustment. **SEN. JENKINS** stressed he would like to see predator control have the spending authority but he would also like to know specifically where it would be coming from. He expressed confidence that the funding for the increase in predator control could be found from elsewhere if FWP wished to continue fully funding the other programs in the PL adjustment.

SEN. KEATING submitted that if the committee wanted to give more money for predator control it could be done by increasing general fund support for the Department of Livestock. **SEN. JACOBSON** said if the \$50,000 would not be restricted to being taken from the other programs under PL No. 10 she would feel more comfortable with the idea.

Tape No. 3:B:000

Motion/vote: **SEN. JACOBSON** moved to accept PL Adjustment No. 10; **REP. JOHNSON** seconded the motion. The motion carried with **CHAIRMAN DEBRUYCKER** and **SEN. JENKINS** voting "no" and **REP. WISEMAN** voting "yes" by proxy.

Motion/vote: **SEN. JACOBSON** moved to accept PL Adjustments No. 4, 8 and 9; **REP. JOHNSON** seconded the motion. The motion failed with **SEN. JACOBSON** and **REP. JOHNSON** voting "yes." He suggested that FWP could find a source of funds for the additional \$50,000 from elsewhere if it wanted to.

Motion/vote: **SEN. JENKINS** moved to accept PL Adjustments No. 8 and 9; **SEN. JACOBSON** seconded the motion. The motion carried with **SEN. KEATING** opposed.

Motion: **SEN. JACOBSON** moved to accept PL Adjustment No. 4 at the level of \$60,238 in each year. There was no second.

Motion/vote: **SEN. KEATING** moved to accept PL Adjustment No. 6; **SEN. JACOBSON** seconded the motion. The motion carried with **CHAIRMAN DEBRUYCKER** and **SEN. JENKINS** opposed.

Motion: **SEN. JENKINS** moved to accept PL Adjustment No. 10, with an additional \$60,000 added in each year, as a separate line item, restricting the additional authority for providing for predator control through a grant to the Department of Livestock, to be spent only if the federal government discontinues predator control funding for Montana. **CHAIRMAN DEBRUYCKER** seconded the motion.

Discussion: SEN. JENKINS rationalized that since PL No. 4 was not accepted, the savings from this area could be used to fund the increase in PL No. 10.

Vote: The motion carried unanimously.

Motion/vote: SEN. KEATING moved to accept New Proposal No. 1 on p. C-47 as a line-item for the purposes stated in the LFA narrative; SEN. JENKINS seconded the motion. The motion carried unanimously.

Motion/vote: SEN. JACOBSON moved to accept New Proposal No. 2; REP. JOHNSON seconded the motion. The motion carried with SEN. KEATING opposed.

Motion/vote: REP. JOHNSON moved to accept New Proposal No. 5; REP. WISEMAN seconded the motion. The motion carried unanimously.

Motion: SEN. JENKINS moved to accept New Proposals No. 3 and 4; SEN. JACOBSON seconded the motion.

Substitute motion/vote: SEN. KEATING moved to segregate the vote on New Proposals No. 3 and 4; REP. WISEMAN seconded the motion. The motion carried unanimously.

Vote: The question was called for on the motion to accept New Proposal No. 3. The motion carried with CHAIRMAN DEBRUYCKER and REP. WISEMAN opposed. The question was then called for on the motion to accept New Proposal No. 4. The motion carried with CHAIRMAN DEBRUYCKER and REP. WISEMAN opposed.

Tape No. 4:A:000

HEARING ON FWP - Field Services Division

The following persons gave testimony in support of retaining the FWP Sign Shop in Whitehall: Joan Jones, a Whitehall business owner and president of the Whitehall Rotary Club EXHIBIT 3; Bernadette Connor, owner of the building the Sign Shop is housed in EXHIBIT 4; Neil P. Gallagher, Mayor of Whitehall EXHIBIT 5; and Scott Mendenhall, Jefferson County Economic Development Agent, MSU Extension Service. EXHIBIT 6

Mr. Lloyd gave an overview of the Field Services Division (p. C-15). The Division is requesting increases of \$215,000 in FY 96 and \$244,000 in FY 97, mostly funded from state special revenue. He pointed out a change that needed to be made in the LFA narrative on P. C-16. The historic spending levels for Game Damage should be changed to \$79,671 in 1993 and \$79,254 in 1992; these figures are more accurate than the figures listed.

The personal services reductions contained in New Proposal No. 4 include 3.2 FTE conservation specialists as well as 1.5 FTE from the Whitehall Sign Shop. The LFA issue on the bottom of p. C-18

is now moot because the committee has approved the vehicle proprietary account New Proposal in FWP's Administration and Finance Division budget.

Ms. Florine Smith said there was an error in the budget calculation, and a new item **No. 12** needed to be added to the Present Law Adjustment Table on p. C-16. New PL No. 12 should be listed as Department Motorpool Inflation and the figures should be \$7,048 in 1996 and \$14,097 in 1997, to be funded with general license dollars.

Jerry Wells, Administrator of the FWP field Services Division, then gave an overview. A major component of the Division's work is in the area of landowner/sportsman relations, which includes the Block Management Program. In the last year about 3.3 million acres was enrolled in block management of private land. There were about 244 block management areas. The Wildlife Damage Program, the Livestock Loss Program and the Montana Weed Trust are other areas of involvement.

Land acquisition and property management is another area covered by the division. In the past year, \$266,000 was paid in property taxes on land FWP owns. Four conservation easements were purchased as part of the Habitat Montana program. They are in the process of integrating their land records into the GIS technology discussed earlier by the committee.

The Design and Construction Bureau administers the division's Capital Construction program, which also includes cultural resource evaluation, and operates the sign shop in Whitehall. The Aircraft Unit consists of two helicopters and three fixed wing aircraft located in Billings, Great Falls and Helena and used mostly for wildlife surveys. The division is also the focus for FWP's Disabled Access Program.

Tape No. 4:B:000

Funding for the division is 2/3 license dollars, 13% federal aid money (mostly attached to land taxes), 8% overhead costs and about 7% proprietary funding for aircraft use, as well as 2% coal tax money and 2% Habitat Montana trust money which is used to pay taxes on property acquired through those programs.

Questions: In response to **SEN. KEATING**, **Mr. Wells** said Wildlife Habitat Acquisition Program money was essentially funded from nonresident license fees. It was brought out that none of the above funding sources were statutory appropriations. **Mr. Lloyd** pointed out that the coal tax funding level was actually a decrease of \$32,000 over the biennium.

Mr. Wells went over the PL Adjustments and the New Proposals. Most of the money in contracted services will be used for increased game damage-related activities, such as herding elk which are damaging growing crops. The rest of the money is for

cultural resources surveys, which are required when property is disposed of.

In the Game Damage Program they have moved towards providing long-term solutions, with a focus on fencing for stack yards.

In the last few years there have been land access issues between sportsmen and landowners and the division is in the middle of this. They had to go through a rule-making process to satisfy the Land Board and when this was finally completed there wasn't much time to sign up new enrollees for the program. As a result, in 1994 they ended up being below the 1993 level. The funding in PL No. 6 would allow them to go out and sign up more people and would bring them up to the 1994 appropriation level for travel.

Regarding PL No. 7, in the coming biennium they are anticipating additional inspections on both helicopters and one of the fixed wing aircraft.

Regarding taxes and assessments, they find themselves having to pay more and more SID taxes as the cities grow onto FWP property. The division continues to purchase land for fishing access sites (wildlife habitat land purchases are decreasing), which increases their tax obligation. License dollars, Habitat Montana, federal aid and coal tax supports this.

The funding request for major aircraft maintenance has been shifted from the equipment budget to elsewhere, so that now they are doing this budgeting the same as the Department of State Lands does. The decrease in PL No. 7 is offset by an increase under New Proposal No. 3.

Regarding PL No. 10, they are requesting an additional \$5,500 to bring them to \$15,000 annually. Last year \$12,500 was paid to landowners suffering livestock losses.

They are requesting a "GPS" navigational system for one of their aircraft in 1996. \$1,250 is for bookcases for the Land section and \$1,000 for two desks. In 1997 a microfiche reader and printer is requested. At present they have to go to the private sector to get hard copies.

Expenditures in the Block Management program have gone from about \$45,000 in 1987 to a projected \$467,000 in 1995. There was a decrease in 1994 but it has rebounded in 1995. They have spent considerably more than the base in this program. Given the nature of the program, they have put this request under new proposals. They need to develop an inventory of private land access sites in the state: as this program moves forward they will need this kind of information. This work would probably be contracted. Block Management dollars can be used to lease or contract for access; the funding is about 50/50 federal/state special. He felt the \$243,000 request wasn't really a very large increase, since they spent more in their base year than the

appropriated amount. The increase in the second year is related to an increase in the landowner contract portion of the program. Additional landowners, especially in eastern Montana, will probably be taking advantage of this program in the future.

Regarding the Whitehall Sign Shop, **Mr. Wells** displayed some of the signs the shop had made and he passed out photos of more. FWP contracts with the prison for about \$35,000 worth of basic signs per year and this shop does the less common signs. He stressed the cost-effectiveness of the shop and also the impact which closing it would have on the town of Whitehall.

Tape No. 5:A:000

Contracting out for the work which the sign shop performs would probably cost at least two to three times as much.

3.2 FTE of the proposed personal services reductions are conservation specialist positions which have been created via an internal redirection by FWP. Several Helena positions have been redirected to create a pool of FTE which would be regionally located. The impact of the reductions would prevent FWP from initiating a proactive program for providing a bridge between landowners and sportsmen.

Questions: In response to **SEN. JACOBSON**, **Mr. Wells** said the sign shop had also been identified in the last legislative session for closure. FWP had been directed to prioritize budget cuts in areas where the work could be done outside the department. With the sign shop it wasn't a matter of cost-effectiveness as much as a matter of saying that this is what could be done (not what should be done).

SEN. KEATING wanted to know if there was any coordination between the Block Management Program and the Governor's mediation group regarding resolving landowner/sportsman conflicts. **Mr. Wells** said that the Governor's mediation group was not connected to this program but the Governor's Council on Private Lands/Public Wildlife had done this very thing. **SEN. KEATING** questioned the effectiveness of FWP's mediation efforts and suggested reducing the funding of the Block Management Program in this area. **Mr. Wells** stressed the program was a voluntary one and landowners chose whether or not they were going to be involved. About 2/3 of the money being requested would be for reimbursement of the private landowners for managing their land to accommodate hunting.

REP. WISEMAN wanted to know how much bigger the Block Management program was going to get. **Mr. Wells** said the increases in this request would still not meet hunter demands for access to private land. The acres that are targeted by this program would provide hunting access that FWP considers good. He added that the price they were paying was still quite cheap, less than ten cents per acre.

The subject of landowners using their more lucrative land for a private fee and using the rest of their land for the Block Management program was brought up. **Mr. Wells** felt that a very small number of areas had been leased in this way.

Regarding FWP having to pay property taxes to the counties, **Mr. Wells** said the statute mentions "in lieu of" payments; however, FWP pays the same property tax rate as private property owners.

Regarding the policy of buying land, **Mr. Wells** said the Fishing Access Sites program had changed its focus from buying land to increased maintenance. The Habitat Montana Program has become more focused on conservation easements than land acquisition, as well.

SEN. JENKINS wanted to know what the total block grant funding would be if both proposals were passed. **Mr. Wells** said in FY 94 \$371,000 was spent in the program. An additional \$23,000 in travel expenses has been requested. The eastern Montana addition would be on top of that. Presently they have 7.8 FTE in the program. Those are temporary, seasonal positions and are spread through the regions, but mostly in eastern Montana. In some regions, the biologists spend a major portion of their time in block management but in other regions law enforcement plays a larger role: FWP is billed for this. **Mr. Wells** explained that there are two approaches to block management: either FWP contracts with the land owner or FWP does the management. Most landowners choose the first option.

Regarding the LFA narrative on PL Adjustment No. 4, **Mr. Wells** pointed out a typographical error: b) should read potential land disposals, not purchases.

Tape No. 5:B:000

REP. WISEMAN wanted information from FWP regarding where the block grant land was located and how many acres the state had.

ADJOURNMENT

Adjournment: 12:04 a.m.



ROGER DEBRUYCKER, Chairman



DEBBIE ROSTOCKI, Secretary

RD/dr

This meeting was recorded on five 60-minute audiocassette tapes.



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

My votes are with
Bill Weisman

Feb 1 - 95

Roger DeBrunner

2/1/95

I HEREBY DELEGATE ROGER DEBRUNNER
TO VOTE IN MY ABSENCE.

William Weisman

REPORT TO THE 1995 NATURAL RESOURCE APPROPRIATION SUB-COMMITTEE
AUTOMATED LICENSE ISSUING SYSTEM

BACKGROUND

The 1993 Legislature approved \$60,000 to study the feasibility of automating the sale of hunting and fishing licenses at retail outlets across the state.

Approximately 400 license agents sell over 25 types of hunting and fishing licenses to the general public. Agents sell about 1.3 million licenses and remit approximately \$12.5 million in revenue annually.

The current system has remained basically the same since 1901, and is paper intensive and manual. Because of changes in computer technology, FWP requested funding from the 1993 Legislature to determine if automating the license issuing process is practical.

CURRENT STATUS

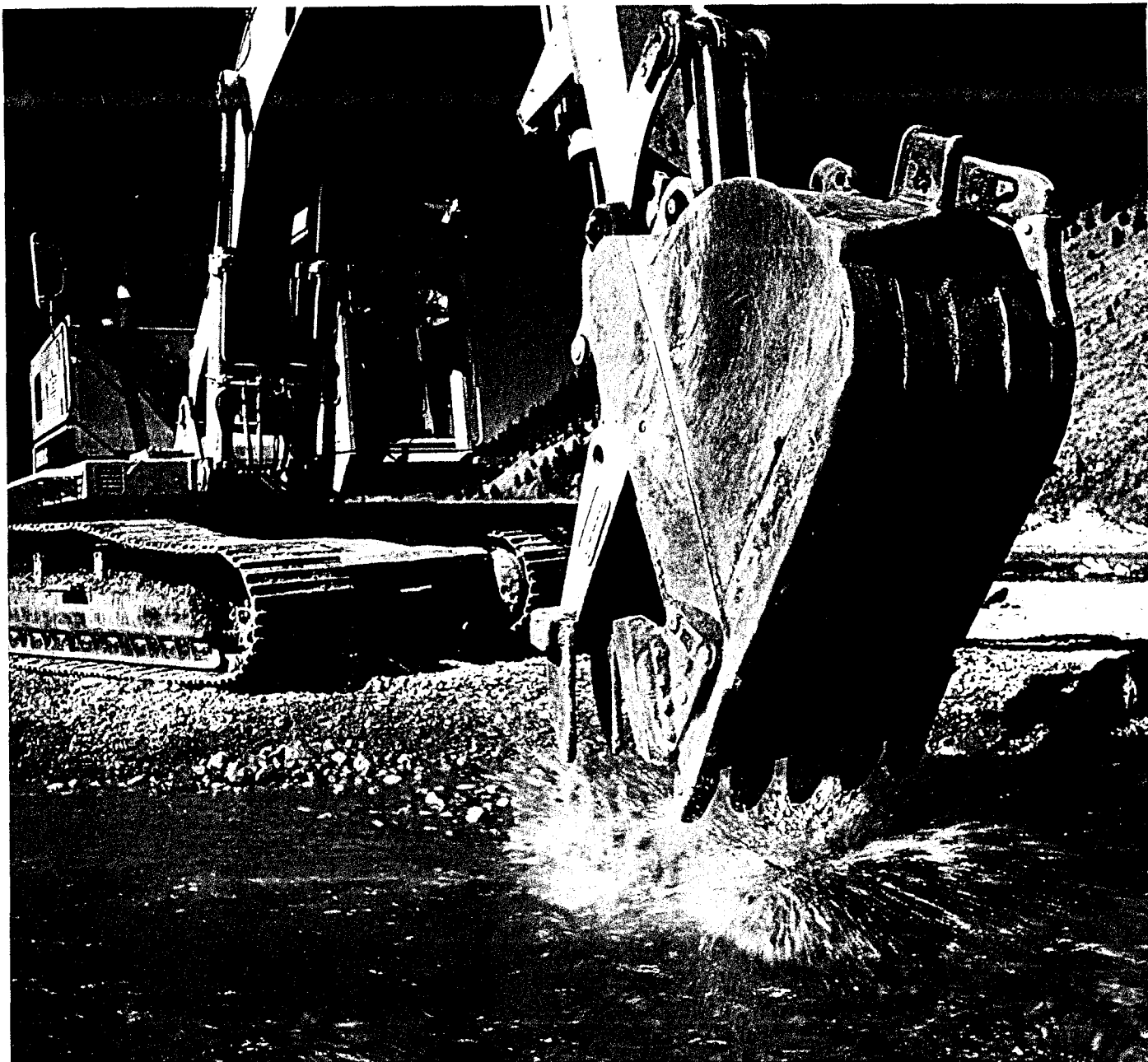
Because of the retirement of a key employee, FWP did not begin the study until September of 1994. A project team was formed, and will review the current licensing process and conduct informational meetings with the public, license agents, and FWP personnel. The team will request input from stakeholders throughout the study, identify needs, resolve issues, document system requirements, estimate system costs, identify potential funding sources, and review other states' automated license systems.

The analysis will be completed in March 1996. If an automated license system is beneficial in Montana, FWP will develop a proposal for consideration by the 1997 Legislative.

RELATIONSHIP TO THE MIGRATORY BIRD SURVEY BUDGET

On page C-13 of the LFA Budget Analysis, there is mention that future development of the automated licensing system may duplicate or overlap the efforts of the Migratory Bird Survey Budget.

If the automated licensing system becomes a reality, it would replace the Migratory Bird Survey and the \$75,000 would be saved. The information would be electronically captured at the point of sale by the license agent thereby eliminating the need for costly manual surveys. However, until the automated system is operational the \$75,000 will be needed to conduct the migratory bird surveys.



INTER-FLUVE, INC.

MONTANA MOVES MOUNTAINS

for Wild Trout

by TAD BROOKS

WILD TROUT. To serious trout anglers across the country, the words are synonymous with Montana. Wild trout live in harmony with their environment

and possess a natural vitality that appeals to many fishermen. Montana's stream trout fisheries are almost entirely self-sustaining and are the envy of the nation. The

Montana Department of Fish, Wildlife & Parks (FW&P) has not stocked hatchery fish in the state's streams and rivers since the early 1970s.

EXHIBIT 2
DATE 2/1/95
BY



INTER-FLUVE, INC.

Wade Lake, one of Montana's best big trout fisheries, is fed by a strong-flowing 40°F spring. But the 40-square-foot bed of gravel receiving the spring's flow (above) was too small to provide an adequate spawning area.

Lakes and reservoirs, however, are another matter. Where conditions aren't suitable for natural reproduction, stocking hatchery fish is necessary and desirable, and FW&P maintains a state-of-the-art hatchery system for that purpose.

To have a *self-sustaining* trout population in a lake or reservoir, adequate spawning streams or springs with good flows of high-quality water must be present. In recent years, where such conditions exist, FW&P biologists have attempted to establish strains of wild trout. These are fish hatched from eggs collected from native-spawning adults or from genetically wild hatchery broodstocks.

A case in point is Wade Lake near the Idaho border, one of a string of lakes that feed the famous Madison River. One of southwestern Montana's few high-mountain lakes that can be reached by car, Wade Lake is home to bald eagles, otters, and an occasional grizzly bear, and is serviced by a public campground and

small resort. The lake is fed by a strong-flowing 40°F spring, and is rich in vegetation, plankton, and aquatic insects.

But the 240-acre lake is lacking in spawning habitat; a mere 40-square-foot bed of gravel receives the spring's flowing water, and spawning fish often dig up and destroy each other's eggs in the effort to lay their own. Other fish, unable to approach the gravel beds, discharge their eggs in deep water, or simply absorb them and don't spawn at all.

To rectify the situation, last summer the state and federal governments moved part of a mountain to create a wild trout fishery in Wade Lake. Using \$115,000 of sportsmen's money earmarked for habitat improvement under the federal Sikes Act and state licensing laws, the agencies paid Inter-Fluve, Inc., a Bozeman-based natural resource reclamation firm, to construct a meandering, 600-foot-long spawning channel at the lake's source.

Designed to mimic a natural stream

environment while at the same time maximizing spawning capacity, the 12-foot-wide channel is expected to yield thousands of rainbow trout fry a year and eliminate the need to stock the lake.

Wade Lake was first stocked in 1930 with coho salmon, and later with cutthroat trout, neither of which successfully reproduced. Rainbow trout were added to the mix and, in 1950, brown trout were released. In 1966, the lake yielded Montana's biggest brown trout on record, a 29-pound leviathan. Since 1984, the lake has been stocked with wild strains of rainbow trout.

Today, Wade Lake is among Montana's best big trout fisheries. Creel surveys in recent years show the average rainbow measures 18 inches or more, and huge brown trout still patrol the depths. Its big-fish reputation made it popular, prompting some fishermen to mount a petition drive calling for the state to impose catch-and-release restrictions to preserve the fishery.



WADE FREDENBERG

In fall of 1991, sportsmen's dollars paid for construction of a 600-foot-long spawning channel that will yield thousands of rainbow trout fry each year and eliminate the need to stock the lake.

A recent trout population study led by FW&P revealed an alarming lack of middle-sized rainbows in the lake, possibly because they're being eaten by the big browns. Biologists concluded that even if catch-and-release rules were imposed, Wade Lake's fishery would eventually peter out unless a strong population of naturally reproducing fish could be established or the lake were continually restocked.

One alternative to continual stocking was considered in light of the quality of the spring and the state's goal of establishing wild trout wherever possible. A decision was reached to create more spawning habitat, and that meant inviting bulldozers into the lake's most vital region.

"The spring was just too nice not to be put to use," explained Wade Fredenberg, a fisheries biologist for the department in Bozeman. "It's probably the best spring in the state that doesn't have a hatchery on it."

The reclamation firm proposed building a free-form, meandering channel that emphasized spawning habitat as well as pools in which spawning fish could rest.

"It's kind of like watching your mother-in-law drive your new Cadillac off a cliff," said FW&P fisheries biologist Wade Fredenberg, as the big diesels chugged and clawed through the hillside above the lake.

The natural channel could be replanted with natural vegetation to make it aesthetically pleasing.

"People are recognizing that the more you can replicate the natural environment, the more likely you will be able to

create something that is functional and exceptionally appealing," said Dale Miller, a biologist for the reclamation firm.

But the proposal called for bulldozing 11,000 cubic yards of dirt from a hillside into the pristine lake to form a level pad on which to sculpt the channel.

That made Fredenberg and other officials nervous.

One concern was that sediment from the bulldozing would cloud the entire lake which is so clear you can toss a dime into it and read heads or tails from depths of 20 feet.

Another concern was that the sound of heavy equipment would upset campers and fishermen and hurt business at the nearby resort. Still another fear was that construction would disrupt nesting bald eagles and grizzly use of the area.

The U.S. Forest Service solicited public comment on the potential risks, but heard no complaints, said Bruce May, a fisheries biologist with the Gallatin and

Beaverhead National forests who was the co-sponsor and driving force behind the project. "You don't hear much about the white-hat projects," May said. "You hear a lot, though, when somebody has a gripe."

THE WADE LAKE CONSTRUCTION began after Labor Day, with crews building a fabric barrier across the lake to isolate the pad area. Buoyed by 50-gallon drums and anchored to the lake's bottom, the fabric curtain trapped mud and sediment while allowing water to pass through, preventing the lake from turning the color of chocolate milk.

The barrier didn't bother the trout a bit. "You could see the fish feeding on the open side right up to the barrier," said May. "On one side, the water was absolutely clear."

Later, construction crews built an earthen berm around the pad site, pumped it dry of water, and began backfilling it with tons of dirt scraped from the adjoining mountainside.

"It's kind of like watching your mother-in-law drive your new Cadillac off a cliff," said Fredenberg, as the big diesels chugged and clawed through the hillside above the lake.

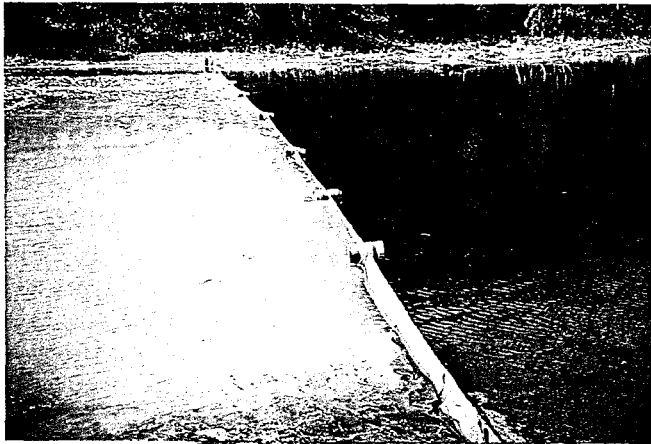
But with each shovel of dirt that turned the gin-clear water a muddy brown, the machines were helping to improve the fishing in Wade Lake.

With the pad complete, the reclamation firm began carving the spawning channel along a pre-determined gradient, then filled it with gravel for spawning beds, boulders for rest areas, and cobbles to give the young fish cover.

Banks of the channel were stabilized with a meshlike fabric made of woven coconut fibers, and the entire site was replanted with natural vegetation, including pink and purple wildflowers and willows to shield the spawning trout from ospreys and other aerial predators.

The channel sports a headgate at one end for controlling water flows and a fish ladder at the other, enabling biologists to regulate its use by fish. They can even shut it off completely if they want.

The Forest Service is so pleased with the outcome that it is considering putting up interpretive signs to explain to the public what ideal trout spawning habitat looks like, said May. "It's a long-term investment," added Fredenberg. "It allows us to do something that Mother Nature forgot. It's up to the fish now." ■



INTER-FLUVE, INC.

To prevent the whole lake from turning the color of chocolate milk, work crews built a fabric barrier (left) across the lake to trap mud and sediment during construction of the pad on which the spawning channel would be sculpted. Rainbow trout (below) now have an ample area in which to spawn.



MICHAEL S. QUINTON

EXHIBIT

3

DATE

2/1/95

HB

Chairman DeBroycker and Committee Members

My name is Joan Jones and I am a Whitehall Business Owner and current President of the Whitehall Rotary Club along with being involved with other community affairs. I am here today to emphasize and encourage a decision to let the sign shop where the work is done for the Montana Fish Wildlife and Parks remain in Whitehall.

I understand that a decision has been made to cut out 11 positions from the Fish Wildlife and Parks - 1 and 1/2 positions being the two ladies working at the sign shop now.

The budget for this operation is very very minimal and there is no way the same high quality of work could be obtained from any other enterprise. Low rent being a major factor here and cost of operations in a small town. There are many benefits to this business being in our community. The money generated splits up in various avenues - For instance - They buy supplies such as paint, lumber and other necessities from local merchants and also do some buying from our neighboring towns of Butte and Dillon. The building is locally owned and the rent payments are spent in our town. Repairs are done by local carpenters and electricians. Both employees live in Whitehall and put their earnings back into the community.

This is one of the few state businesses where the cost to the state is done less than handing it out to private sector.

The funds to support this sign shop is from user fees such as hunting and fishing licenses. With the current budget provided each year to pay the employees and also to produce the amount and quality of work here - I am sure you will agree that this is a real bargain for the State.

Where are you going to get the extra money required to get this existing job done. Will you have to raise the current user fees or adapt another tax?

Common sense tells me If It Works - Don't Fix It.

There is public access to this building to see the quality and amount of work which presents a great amount of pride to our fellow businesses and the Town of Whitehall.

There probably are plenty of situations where state agencies or administrative officials are no longer necessary or a department has to be changed to adapt to present and future times. This state agency definitely is a necessity. With increased tourism and population, the state will require more updated and necessary signs. Cutting back is not solving the problem here. A solution is not always obtained by elimination. In this case it could backfire and cause a lot of unnecessary expense to the state and people wanting to enjoy the benefits of our state.

I am sure you have put some fear and frustration in the two employees -- one who has put over 10 years of her time and at the same time provided themselves with the quality and excellence of work which is not always found in private sector. Consideration should be strongly recommended before making a decision to eliminate this beneficial entity.

Thank you for letting me take this opportunity to speak to you today.

My name is Bernadette Connor. I own the building at 11 N. Division St. in Whitehall where the Sign Shop is located.

I would like to give you a little history on the Sign Shop. It was started in Whitehall in 1950 and has been at it's present location since 1965.

We have always enjoyed a very good relationship with the Fish and Game Department and have appreciated having them as our lessees. We were given a list of improvements to make on the building. Between the period of June 1986 and December 1988 we repaired the roof; repaired the bathroom; repaired the exterior west wall and exterior sliding door. We relocated an interior partition wall to provide more heated workspace; repainted the walls and ceiling of the heated workspace to provide good lighting conditions and upgraded the electrical panel and wiring for the heated workspace. Doors were installed on the shelves to keep the paint out of the way. I would also like to note that this workshop has a very high ceiling for good circulation and an outlet for any paint fumes in the area. These repairs were all completed to the satisfaction of the Fish & Game Dept. and the Connors.

I have prepared a cost comparison to show you what a bargain the state is getting by keeping the Sign Shop in Whitehall. Our building is approximately 6,000 sq. feet and the rent for the year 1994-1995 is only \$480 per month.

<u>Building</u>	<u>No. of Sq. feet</u>	<u>Monthly rent</u>
Connor building	6,000	\$480
Showcase Carving	2,100	1,000
Department store	4,500	950
Hardware store	5,500	850
Grocery store	2,400	435
Parts store	1,200	450
Power office	1,200	500
Sandwich shop	1,200	500

My late husband and I were aware that we were not getting nearly as much rent as other buildings in the area but we liked having this exciting industry in our town and felt that we were doing a service to the community by keeping it here.

I would like to invite all the members of this committee to come to Whitehall and see for yourselves the outstanding work that is being done in Whitehall by 1 full time and 1 part time employee. It is the best bargain the state has.

Thank you

Bernadette Connor

EXHIBIT

5

DATE

2/1/95

HB

January 31, 1995

Chairman Debruycker
Natural Resource Subcommittee
Helena, MT

Dear Chairman Debruycker:

As the Mayor of Whitehall, Montana, I would like to convey to you my thoughts on the proposed elimination of the Department of Fish, Wildlife, and Parks sign shop in Whitehall.

In a small town like Whitehall (population approx. 1060), small businesses like the sign shop are the life blood of the town. Each small business, when looked at individually, does not seem significant, but given the difficulty in attracting and establishing a small business in a town like Whitehall (23 miles from Butte) every small business is important.

A few things that the sign shop represents to the town are the following:

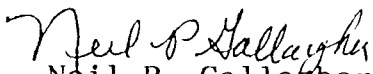
- 1 1/2 wage earning citizens which are needed to balance the fixed income population (55 % Senior Citizens in Whitehall)
- 1 definite and possibly 3 water, sewer and garbage services (3 is .66 % of the town total)
- An active facility instead of another vacant building

I, like most Montanans advocate fiscal responsibility by government and if it were true that the services of the sign shop could be obtained from the private sector at a lower cost, I could understand its proposed elimination. However, information presented to me indicates that our (we the payers of user fees) cost for signs will go up with elimination of the shop.

Therefore, as a community representative, I urge you and the subcommittee to recommend keeping the sign shop in Whitehall - it is a small but significant part of the community.

Thank you.

Sincerely,


Neil P. Gallagher
Mayor

**Extension Service****Madison-Jefferson County Extension Office**405 West Legion, USDA Building
P.O. Box B
Whitehall, Montana 59759
406-287-3282EXHIBIT 6
DATE 2/1/95

January 31, 1995

Chairman Debruycker, Senators, and Representatives:

My name is Scott Mendenhall. I work for the MSU Extension Service as the Jefferson County Economic Development agent. I stand in opposition of the Fish, Wildlife, & Parks closing the Sign Shop in Whitehall. The shop serves a very necessary function for the department and does so very economically as has been documented in other testimony. This low-cost operation in Whitehall would be difficult to duplicate elsewhere.

Jefferson County has initiated a concerted economic development effort over the past few months. With uncertainty lingering about the Golden Sunlight Mine reopening and a likely closure within 10-15 years if it does reopen, the local economy is bound to suffer much economic hardship in the future. At the same time, much of Jefferson County serves as a bedroom community to the larger Butte and Helena trade centers. In fact, Jefferson County has a retail trade capture of only 9 percent. That is, of the approximate \$75 million of discretionary income generated in the county annually, only 9 percent is spent locally.

Our economic development efforts are focusing on business retention and expansion as well as business attraction. A countywide Economic Development Task Force has formed and groups have recently formed in Boulder and Whitehall to work on economic development. It's quite apparent to the citizens of Jefferson County that we need to aggressively work to broaden our economic base. This is a long arduous task and will be accomplished bit by bit, job by job, and business by business. The Sign Shop is an established entity in Whitehall with 1.5 jobs and to lose those would be a step backwards for economic development efforts.

A final point is that, compared to other parts of Montana, the Southwest area probably receives the largest impact from Fish, Wildlife, & Parks activities such as hunting and fishing. While there are positive benefits from this for motels and restaurants, there is a related set of problems such as hunter/landowner conflicts and the impact of wildlife on private lands. Fish, Wildlife, & Parks spends a disproportionate amount of their resources in urban areas for administration, etc. The impacts are out here in the rural areas and specifically in Southwest Montana. The Sign Shop in Whitehall has helped mitigate a portion of the Fish, Wildlife, & Parks-related impacts in the area by providing some economic stimuli. Taking this away would increase costs for getting signs made and, at the same time, would take away a positive aspect of Fish, Wildlife, & Parks activity for the Whitehall community. If a set number of positions need to be cut from the department, why not look to some of the more nonsensical positions such as buffalo control officers and leave the valuable asset positions and operations alone?

Sincerely,

Scott Mendenhall

Jefferson County Economic Development Agent

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

NAT. RESOURCES SUB-COMMITTEE

BILL NO. _____

DATE 2/1 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
DAVE MOTT	FWP		
PAT GELHAM	FWP		
BOB MARTINEK	FWP		
TOM HANE	FWP		
BILL HANCOCK	FWP		
JERRY WELLS	FWP		
Scott Monahan - Whitcomb	Deft. County Gen. Sec.		
Neil Gallagher - Mayor	Town of Whitcomb		
Bernadette G. ...	Whitcomb County		
Jim ...	Whitcomb County	1/359	5077

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