

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on January 9, 1995,
at 8:05 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: none

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: -Resource Indemnity Trust (RIT)
explanation
-Fish, Wildlife and Parks Department
Capitol Grounds Maintenance Budget
Executive Action: none

Tape No. 1:A:000

Informational Testimony: Ray Beck, Administrator, and Anna
Miller, Financial Advisor, of the Conservation and Resource
Development Division of the Department of Natural Resources and
conservation (DNRC), and John Tubbs, Chief of the Resource
Development Bureau, DNRC, gave a presentation reviewing the
Resource Indemnity Trust (RIT) and Coal Severance Tax Program.
See EXHIBIT 1.

Tape No. 1:B:000

Mr. Tubbs explained the flow of funds for the RIGWAT and RIT
Trust interest earnings; see EXHIBITS 2 and 3.

Tape No. 2:A:000

Ms. Miller explained the flow of funds from the coal tax; see **EXHIBITS 4** and **5**. She said **HB 19** would change the name of the Highway Reconstruction Trust Account to the Long Range Building and Deferred Maintenance Account. In addition, **SB 27** would separate the school accounts and the general fund, and combine other accounts.

Mr. Lloyd clarified that **SB 27** would change the percentage of coal severance tax to a percentage of the total coal tax rather than a percentage of the 38% as shown on P. 2 of **EXH. 5**. He added that another bill planned to combine five of the allocations in the 38% section on P. 2, **EXH. 5**, into one allocation.

Questions were asked. A summary of public loan projects funded by the Renewable Resource Grant and Loan Program was distributed by the Dept.; see **EXHIBIT 6**.

At the conclusion of the overview **SEN. KEATING** told the committee that he had some legislation which would affect the RIT by sunsetting the tax from oil and gas once the trust reaches \$100 million. He was opposed to using money directly from the trust fund because it kept it from reaching the \$100 million limit and also because the money is used for funding unrelated to oil and gas, and was sponsoring a bill regarding this as well.

SEN. JENKINS and **REP. WISEMAN** complimented the DNRC staff for the excellent presentation and the committee then took a 15 minute break.

**HEARING ON Department of Fish, Wildlife & Parks -
Capitol Grounds Maintenance Budget**

Mr. Lloyd passed out a sheet detailing the present law adjustments being proposed for the Capitol Grounds Maintenance budget, which was contained within the FWP Parks Division budget; see **EXHIBIT 7**. He explained that item No. 4 on the handout corresponded to item No. 14 on P. C-35 in the budget book. He added that the committee would only be acting on this small portion of the FWP budget for the present time.

Tape No. 2:B:000

Mr. Lloyd said the Executive budget was proposing that \$4,000 in proprietary funding be spent on Capitol grounds equipment (see P. C-38 of the budget), to purchase a mower, and this item should also be considered with this part of the budget.

Mr. Arnie Olsen, Administrator of the Parks Division, FWP, then gave a presentation describing the program; see **EXHIBIT 8**.

Mr. Dave Mott, Associate Director, Administration and Finance Division, FWP, then went over the proposed budget adjustments; see **EXHIBIT 9**.

Mr. Olsen explained the unanticipated 39% prevailing wage rate increase which had occurred after the budget had been put together; see **EXHIBITS 10 and 11**. The Department of Labor conducted a survey of the landscaping costs in District 5 and made a ruling which resulted in the increased cost projections.

Mr. Olsen said the lawn deck under new equipment was being requested due to noncompliance with technical standards which the Department had to follow up on and also for use in isolated areas which could then be eliminated from contracted services.

In answer to **SEN. JENKINS**, **Mr. Olsen** said that the Department usually had two contracts, one for maintenance and one for chemical application, and the Department is required to use the prevailing wage rate in their Request For Proposal for these contracts. The FTE used for snow removal are not contracted because the Department has been unable to get anyone to contract for this job. The wages paid the FTE are not required to be at the prevailing wage rate, and are paid at a considerably lower rate. However, the Department does not have the necessary equipment or FTE's to do its own grounds maintenance other than snow removal. In response to **CHAIRMAN DEBRUYCKER**, **Mr. Olsen** explained that even though the change in the prevailing rate was effective as of July 1993, the Department has not had to pay it yet because it does not take effect under existing contracts which expire in July 1995.

Mr. Mott then went over several options for the committee's consideration; see **EXHIBIT 9**.

SEN. KEATING wanted to know why the cash balance had increased from FY 1994 to FY 1995. **Mr. Mott** said the rates the Department charged were slightly higher than those approved for the current biennium.

Mr. Olsen passed out a sheet detailing the impacts of the various reductions the Parks Division could make in its budget; see **EXHIBIT 12**.

Tape No. 3:A:000

It was brought out that one cost-cutting option for the division would be to let the grass grow a little longer between mowings. The hearing on this budget was then closed.

**EXECUTIVE ACTION ON Department of Fish, Wildlife & Parks -
Capitol Grounds Maintenance Budget**

Mr. Lloyd said that since the FWP Capitol Grounds Maintenance budget was dealing with fixed costs, the leadership wanted to know what the committee recommendation was as soon as possible so that the other agency budgets which would be affected could be adjusted. The **CHAIRMAN** entertained a motion on the budget.

Discussion took place regarding other possible areas this budget could be cut and how the increased prevailing wage rate could be funded. **Mr. Mott** explained that FWP had laid out its proposal so that the rates would not have to be raised for the full amount, and the remainder would be funded out of the cash balance. **Mr. Olsen** said that there was no longer a contingency fund for snow removal, and the only other contingency necessary would be for repairing broken sprinkler pipe.

Motion: **SEN. KEATING** moved that the ending cash balance be reduced by \$22,000 and the rates be increased by \$22,000 to offset the cash balance reduction. **SEN. JENKINS** seconded the motion.

Mr. Lloyd suggested that a motion to accept the Executive budget be made first.

Motion: **SEN. JENKINS** made a substitute motion to accept the Executive budget; **REP. WISEMAN** seconded the motion. Motion carried unanimously.

Motion: **SEN. KEATING** then moved his original motion.

Discussion: **Mr. Lloyd** clarified that proprietary spending authority would be increased by \$22,000 per year and that the rates would be increased by the amount necessary to generate \$11,000 each year of extra revenue.

Vote: The question was called for and the motion carried unanimously. **Mr. Lloyd** said he would notify the other LFA analysts of the adjusted rate schedules.


Motion: **REP. JOHNSON** moved to accept Executive Budget New Proposal No. 2 on P. C-38 of the budget; **REP. WISEMAN** seconded the motion. Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:32 a.m.



ROGER DEBRUYCKER, Chairman



DEBBIE ROSTOCKI, Secretary

DR/dr

The meeting was recorded on three 90-minute audiocassette tapes.

NATURAL RESOURCES

Joint Appropriations Subcommittee

ROLL CALL

DATE 1/9/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Roger DeBruycker, Chairman	✓		
Rep. John Johnson	✓		
Rep. Bill Wiseman	✓		
Sen. Judy Jacobson	✓		
Sen. Loren Jenkins	✓		
Sen. Tom Keating, Vice Chairman	✓		

EXHIBIT

DATE

1/9/95

HB

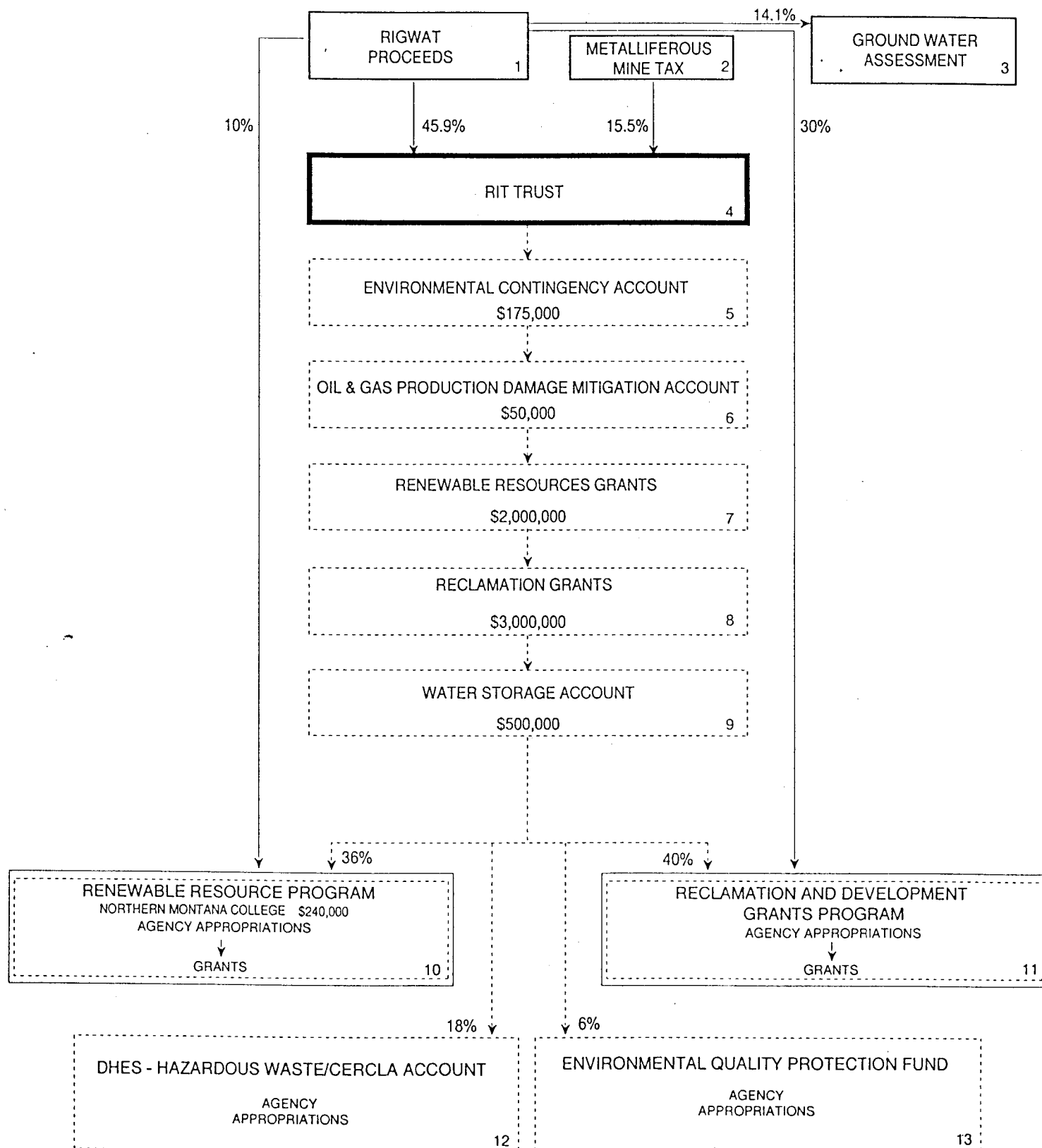
RIGWA TAX

RIT TRUST

Flow of Funds for the RIGWAT and RIT Trust Interest Earnings
FY 96-97

Source: Department of Natural Resources and Conservation
Phone #444-6667

Ray Beck, Administrator
Anna Miller, Financial Advisor
John Tubbs, Bureau Chief



- 1 The Resource Indemnity Ground Water Assessment Tax (RIGWAT) is a 0.5 percent tax of the gross value of the product of all mineral mining. The tax was originally created in 1973. Mineral production including oil, natural gas, coal, metals (gold, silver, copper, lead), talc, vermiculite, limestone and other "nonrenewable merchantable products extracted from the surface or subsurface of the state of Montana (15-38-103) are taxed. The purpose of the tax is to "protect and restore the environment from damages resulting from mineral development; to support a variety of development programs that benefit the economy of the state and the lives of Montana Citizens; and to assess the state's ground water resources." (15-38-102, MCA)
- 2 The Metalliferous Mine Tax is a tax on "annual gross value of product" of all metal mine production or precious or semiprecious gem or stone production (15-37-101 et. seq.). The tax rate is 1.81 percent of the annual gross value over \$250,000 for concentrate shipped to a smelter, mill, or reduction work (15-37-103, MCA). For gold silver or any platinum-group metal that is dore, bullion, or matte and that is shipped to a refinery, the tax rate is 1.6 percent of the annual gross value over \$250,000 (15-37-103, MCA). A 15.5 percent portion of the metalliferous mine tax is deposited into the RIT trust. The remaining 84.5 percent is distributed to several areas including the general fund, a hard-rock mining impact trust, and impacted counties.
- 3 The Ground Water Assessment Account was created in 1991 (85-2-901 et. seq., MCA). The purpose of the account is to fund a statewide ground water assessment program that will monitor quantity and quality of the state's ground water. The statute allocates 14.1 percent or a maximum of \$666,000 per year of the RIGWAT proceeds to this account. The program is staffed by the Bureau of Mines and Geology in Butte. An oversight committee reviews all expenditures, approves monitoring sites, prioritizes areas, coordinates information, and evaluates reports.
- 4 The Resource Indemnity Tax trust was created in 1973. RIGWAT (45.9%) and Metalliferous Mine Tax (15.5%) proceeds are deposited into the trust. Prior to 1991, 100 percent of the RIGWAT proceeds were deposited into the trust. No funds that are deposited into the trust can be spent until the total deposits exceed \$100 million. This protection is provided in Article IX, Section 2 of the Montana constitution. Trust fund proceeds are invested and the interest earnings are distributed to several natural resource programs.
- 5 The Environmental Contingency Account was created in 1985 (75-1-1101 et. seq., MCA). The Governor has the authority to approve expenditures from this account to meet unanticipated public needs. Specifically, the statute limits projects to the following objectives: (a) to support renewable resource

development projects in communities that face an emergency or imminent need for the services or to prevent the failure of a project; (b) to preserve vegetation, water, soil, fish, wildlife, or other renewable resources from an imminent physical threat or during an emergency, not including natural disasters or fire; to respond to an emergency or imminent threat to persons, property, or the environment caused by mineral development; and to fund the environmental quality protection fund. Each biennium \$175,000 of the RIT trust interest earnings are allocated to this account. The balance in this account cannot exceed \$750,000.

- 6 The Oil and Gas Production Damage Mitigation Account was created in 1989 (85-2-161, MCA). The Board of Oil and Gas Conservation may authorize the payment for the cost of properly plugging a well and either reclaiming and/or restoring a drill site or other drilling or producing areas damaged by oil and gas operations. The site must be abandoned and the responsible person either cannot be identified or refuses to correct the problem. Each biennium \$50,000 of the RIT trust interest earnings are allocated to this account. The balance in this account cannot exceed \$200,000.
- 7 Renewable Resource Grants receive \$2 million in RIT trust interest earnings. The Renewable Resource Grant and Loan program was created in 1993 by combining the Renewable Resource Development program and the Water Development program. The Renewable Resource Development program was originally established in 1975. The Water Development program was originally established in 1981. The purpose of the grant program is to fund projects that conserve, develop, manage, and preserve water and other renewable resources. The program provides preference to projects that support the state water plan. Projects include construction and rehabilitation of existing water supply systems and waste water systems, educational efforts, feasibility studies, development of water storage, enhancement of renewable resources including recreation, reduction and advancement of agricultural chemical use, and improvement of water use efficiency (85-1-602, MCA).
- 8 The Reclamation Development Grants Program was originally established in 1987. The purposes of the program are to: (a) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction; and (b) to develop and ensure the quality of public resources for the benefit of all Montanans (90-2-1101, MCA). Projects have ranged from plugging abandoned oil and gas wells, reclaiming mine sites, non-point source pollution control projects, researching new technologies for mine waste clean-up, conducting ground water studies to determine the extent of contamination, and cleaning up pesticide contamination. A minimum of \$3 million of RIT trust interest earnings are allocated for these grants.

- 9 The Water Storage Account was established in 1991 (85-1-701 et. seq., MCA). The purpose of the account is to provide funding for projects that rehabilitate existing water storage facilities or develop new ones. Priority is given to high hazard, unsafe dams. Each biennium \$500,000 of RIT trust interest earnings are deposited into this account. Currently, the only project to receive water storage account funding is the rehabilitation of the state owned dam on the Tongue River in eastern Montana.
- 10 The Renewable Resource grant and loan Program state special revenue account receives 36 percent of the remaining interest earnings from the RIT trust and 10 percent of the RIGWAT proceeds. This special revenue account also receives revenue from state water projects, excess deposits in the renewable resource debt service account, and other administrative fees. The revenues are used to fund natural resource agency projects and administration including DNRC, Governor's Office, Water Court and the State Library.
- 11 The Reclamation and Development Grant Program state special revenue account receives 40 percent of the remaining RIT trust interest earnings and 30 percent of the RIGWAT proceeds. The revenues are used to fund natural resource agency projects and administration including DNRC, DSL, State Library, and EQC.
- 12 The Hazardous Waste CERCLA Account is administered by the Department of Health and Environmental Sciences. (CERCLA stands for the federal Comprehensive Environmental Response, Compensation, and Liability Act). This account receives 18 percent of the remaining RIT trust interest earnings. The account was established in 1983 and is to be used to make payments on CERCLA bonds, implementation of the Montana Hazardous Waste Act, and to provide assistance in remedial action under CERCLA.
- 13 The Environmental Quality Protection Fund was established in 1985 and is administered by the Department of Health and Environmental Sciences. This account receives 6 percent of the remaining RIT trust interest earnings. The purpose of this account is to provide funding for remedial actions taken by the department in response to a release of hazardous or deleterious substances.

RIGWAT PROCEEDS, RIT TRUST INTEREST EARNINGS, AND EXPENDITURES
1997 Biennium

RIGWAT PROCEEDS PROJECTIONS	RIGWAT Proceeds	Metal Mine Tax Proceeds	Deposits To RIT Trust	Trust Balance
FY 95	\$2,979,674	\$797,469	\$2,463,107	\$91,776,719
FY 96	3,041,004	872,800	2,268,621	94,045,340
FY 97	3,030,203	823,029	2,213,892	96,259,232

RIT TRUST INTEREST EARNINGS PROJECTIONS	FY96	FY97	TOTAL
	7,703,657	7,763,086	15,466,743

TOTAL 1995 BIENNIAL ALLOCATION OF RIT INTEREST EARNINGS	\$15,466,743
Environmental Contingency Account	\$175,000
Oil & Gas Production Damage Mitigation Account	50,000
Renewable Resource Grant & Loan Program	2,000,000
Reclamation & Development Grants	3,000,000
Water Storage Account	500,000
TOTAL BIENNIAL APPROPRIATIONS	5,725,000
AMOUNT AVAILABLE FOR FURTHER DISTRIBUTION	9,741,743

Distribution of Remaining Interest Earnings

Account	Renewable Resource	Reclamation & Development	Hazardous Waste/ CERCLA	Environmental Quality Protection	TOTAL
Percent Distribution of RITT Interest	36%	40%	18%	6%	100%

Beginning Balance	\$572,226	\$212,524	\$968,414	\$841,669	\$2,594,833
--------------------------	------------------	------------------	------------------	------------------	--------------------

Revenues					
RIT Interest	\$3,507,027	\$3,896,697	\$1,753,514	\$584,505	\$9,741,743
RIGWAT Proceeds	607,121	1,821,362			\$2,428,483
Debt Service Sweep (04011 and 04008)	919,444				919,444
RRD Loan Repayments	238,900				238,900
Interest (STIP)			120,000	120,000	240,000
Cost Recoveries			514,000	1,237,000	1,751,000
Administrative Fees	10,000				10,000
State Owned Project Revenue	459,290				459,290

Total Funds Available	\$6,314,008	\$5,930,583	\$3,355,928	\$2,783,174	\$18,383,693
------------------------------	--------------------	--------------------	--------------------	--------------------	---------------------

Appropriation					
Montana State University, Havre	240,000				240,000
DNRC Centralized Services Division	875,245	154,001			1,029,247
DNRC Conservation and Resource Development	649,931	1,185,566			1,835,497
DNRC Water Resources Division	1,737,971	2,051,709			3,789,680
Reserved Water Rights Compact Commission	131,638	534,516			666,154
DNRC State Water Projects	1,690,000				1,690,000
DSL Reclamation Division		2,082,177			2,082,177
DSL Central Management		78,085			78,085
DHES Environmental Division			3,415,016	2,802,350	6,217,366
DHES Radon		50,000			50,000
Governor's Office -- Flathead Basin Commission	80,082				80,082
Water Court	1,024,296				1,024,296
State Library	322,007	285,036			607,043
Environmental Quality Council		28,083			28,083
Pay Plan					0

Total Appropriations	\$6,751,170	\$6,449,174	\$3,415,016	\$2,802,350	\$19,417,710
-----------------------------	--------------------	--------------------	--------------------	--------------------	---------------------

Projected Biennium Ending Balance	(\$437,162)	(\$518,590)	(\$59,088)	(\$19,176)	
--	--------------------	--------------------	-------------------	-------------------	--

Potential Allocation of Metal Mines Tax	\$169,583	\$508,749			
--	------------------	------------------	--	--	--

Projected Balance with Allocation of Metal Mine Tax	(\$267,579)	(\$9,842)	(\$59,088)	(\$19,176)	
--	--------------------	------------------	-------------------	-------------------	--

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Project Sponsor (Project Title)	Grant Request	Grant Recommended	Loan Recommended	Cumulative Grant Recommended
Department of Natural Resources and Conservation (Emergency Grants)		\$125,000		\$125,000
Department of Natural Resources and Conservation (Private Grants)		100,000		225,000
GRANTS AND LOANS TO GOVERNMENTAL ENTITIES				
1 Fallon County (Lower Baker Spillway Construction and Cleaning)	\$31,743	15,908	15,835	240,908
2 T Conrad, City of (Reconstruct Outlet Conduit on Lake Francis East Dam)	100,000	50,000	50,000	290,908
3 T Lewistown, City of (Water System Improvements)	100,000	50,000	50,000	340,908
4 Department of Natural Resources and Conservation -- WRD (Deadman's Basin Water Quality Improvement Project)	50,000	47,919	111,081	388,827
5 Department of Natural Resources and Conservation -- WRD (Verification of PDSI for Montana)	65,000	65,000		453,827
6 Montana Tech of the University of Montana (Groundwater Protection and Education, Rural Schools)	84,560	84,560		538,387
7 Montana State University - Montana Watercourse (Preparing Citizens for Montana's Water Future)	100,000	100,000		638,387
8 Greenfields Irrigation District (Main Canal Flow Control System)	100,000	50,000	50,000	688,387
9 Lewis and Clark County (Helena Area Bedrock Aquifer Assessment)	100,000	100,000		788,387
10 Missoula County (Conservation of Riparian Areas Model Project)	100,000	100,000		888,387
11 Thompson Falls, City of (Water Engineering Study)	51,820	51,820		940,207
12 Bozeman, City of (Separator Waste Collection Facility)	50,000	50,000	158,850	990,207
13 Governor's Office - Flathead Basin Commission (Flathead Lake-Watershed Management Plan)	100,000	100,000		1,090,207
14 Department of Natural Resources and Conservation -- WRD (Flint Creek Return Flow Study)	100,000	100,000		1,190,207
15 Richland County (Lone Tree Dam Rehabilitation)	100,000	50,000	50,000	1,240,207
16 Mile High Conservation District (Effects of Land Uses on Montana's Salinized Lands)	99,933	99,933		1,340,140
17 Butte-Silver Bow Local Government (Big Hole River Water Transmission Line Replacement)	100,000	50,000	50,000	1,390,140
18 Montana Tech of the University of Montana (Hydrologic Evaluation, Florence and Seeley Lake)	95,422	95,422		1,485,562
19 Park Conservation District (Soil Survey on Rangelands and Forestlands / Park County)	100,000	100,000		1,585,562
20 Chouteau and Fergus Counties (PN Bridge - Campground)	99,651	27,892	71,759	1,613,454
21 Libby Area Conservancy District (Libby-Granite-Cherry Creek Flood Control Plan)	35,000	35,000		1,648,454
22 Montana Historical Society (PLACES Master Plan For Rec. Enhance. in German Gulch)	100,000	100,000		1,748,454
23 Department of Fish, Wildlife and Parks (Assessment of Aquatic Resources in the Blackfoot Basin)	100,000	100,000		1,848,454
24 Hidden Lake Water District (Hidden Lake Irrigation Water System)	34,898	34,898	104,695	1,883,352
25 Kalispell, City of (North Side Water Well Project)	50,000	50,000		1,933,352

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Project Sponsor (Project Title)	Grant Request	Grant Recommended	Loan Recommended	Cumulative Grant Recommended
26 Yellowstone County (Metra Park Enhancement)	100,000	50,000	50,000	1,983,352
27T Hysham, Town of (Sewer System Improvements)	100,000	50,000	50,000	2,033,352
28T Fairview, Town of (Water System Improvements)	100,000	50,000	50,000	2,083,352
29 Madison Conservation District (Willow Creek Water Resource Management System)	56,886	56,886		2,140,238
30 Manhattan, Town of (Manhattan Water System)	100,000	50,000	50,000	2,190,238
31 Granite Conservation District (Upper Clark Fork River Basin Water Management Plan)	86,120	86,120		2,276,358
32 Jackson Water and Sewer District (Geothermal Development Feasibility Study)	100,000	27,500	72,500	2,303,858
33 Sun River Water Users Association (Sun River Water System)	100,000	50,000	50,000	2,353,858
34 Lincoln Lewis and Clark Sewer District (Lincoln Wastewater System Study and Upgrade)	100,000	4,800		2,358,658
Butte-Silver Bow Local Government (Montana Recreation Hotline)	99,833	0		2,358,658
Dawson County (Bell Street Bridge)	100,000	0		2,358,658
Fort Shaw Irrigation District (“A” System Diversion)	50,000	0		2,358,658
Fort Shaw Irrigation District (Rehabilitation and Betterment Study)	50,000	0		2,358,658

TOTAL GRANT REQUESTS > 3,190,866 SMALL LOANS > 1,034,720

COAL SEVERANCE TAX LOANS			
T Hill County Water District (Water Treatment System)			295,000
T Whitehall, Town of (Water System Improvements)			400,000
	LARGE LOANS >		695,000
	TOTAL LOANS RECOMMENDED >		1,729,720

-- Minimum Funding for RRGL grants is \$2,000,000

T -- Applied to Treasure State Endowment Program

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

Project Sponsor (Project Title)	Amount Requested	Amount Recommended	Cumulative Total Recommended
1 Department of Natural Resources and Conservation (Abandoned Mine Reclamation Project)	\$300,000	\$300,000	\$300,000
2 Montana Board of Oil and Gas Conservation (Devil's Basin: Plug, Abandonment, and Restoration)	300,000	300,000	600,000
3 Montana Board of Oil and Gas Conservation (South Cut Bank Field - A : Plug, Abandonment, and Rest.)	300,000	300,000	900,000
4 Montana Board of Oil and Gas Conservation (South Cut Bank Field - B : Plug, Abandonment and, Rest.)	300,000	300,000	1,200,000
5 Department of State Lands (Oil Well Abandonment)	183,260	183,260	1,383,260
6 Lewis & Clark County / City of Helena (Tenmile Mine Site Reclamation Project)	300,000	100,000	1,483,260
7 Montana State University (Clean Tailings Reclamation)	299,039	150,000	1,633,260
8 Cascade County Conservation District (Muddy Creek Water Quality Improvement)	300,000	300,000	1,933,260
9 Department of Health and Environmental Sciences (Nonpoint Pollution Control)	300,000	300,000	2,233,260
10 Butte-Silver Bow Local Government (Upper Clark Fork Basin: Superfund Tech. Assist.)	93,622	93,622	2,326,882
11 Department of Health and Environmental Sciences (Superfund GIS)	241,548	171,548	2,498,430
12 Glacier County Conservation District (Comprehensive Evaluation of Groundwater, Red River)	157,424	157,424	2,655,854
13 Toole County (North Toole County Reclamation Project)	295,246	295,246	2,951,100
14 Department of State Lands (Scobey Reclamation Site)	11,000	11,000	2,962,100
15 Carbon County (Dry Hydrant Demonstration)	133,000	133,000	3,095,100
16 Petroleum County Conservation District (Petroleum County Artesian Basin Groundwater Project)	300,000	300,000	3,395,100
17 Butte-Silver Bow Local Government (Travona Mineyard Preservation and Enhancement)	248,710	168,740	3,563,840
18 Town of Walkerville (Walkerville Parks and Rec. Project)	103,200	103,200	3,667,040
19 Jefferson Valley Conservation District (Remote Mine Site Demonstration Project)	65,558	65,558	3,732,598
20 Department of State Lands (Expansion of the DSL GIS)	124,377	124,377	3,856,975
21 Eastern Sanders Conservation District (Plains Area Recreational Center - PARC)	153,600	153,600	4,010,575
Libby Area Conservancy District (Libby-Granite-Cherry Creek Flood Control Plan)	35,000	0	4,010,575
Mile High Conservation District (Accelerated Soil Survey: Silver Bow County)	282,240	0	4,010,575
Montana Tech of the University of Montana (Iron Oxidation and Transport at the Bullion Mine)	64,397	0	4,010,575
Walkerville, Town of (Reclamation of the Marget Ann Claim Block)	300,000	0	4,010,575
TOTAL REQUESTS	\$5,191,221		

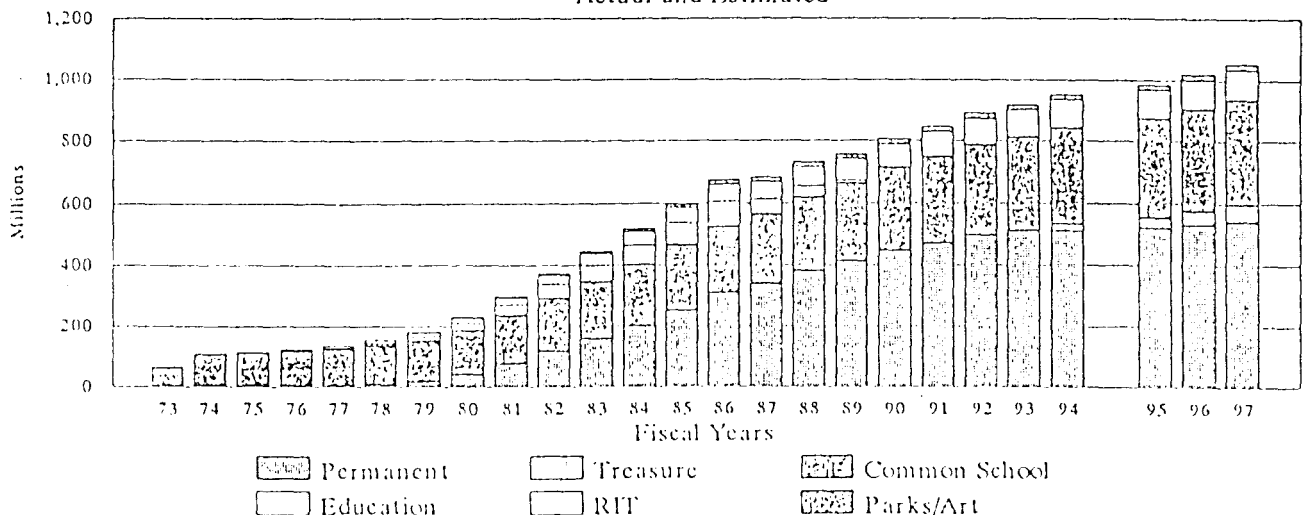
-- Minimum Funding for RDGP is \$3,000,000

TRUST FUNDS -- BALANCES AND INTEREST EARNINGS

Table 1
Selected Trust Fund Balances
Including Projected Investment Earnings

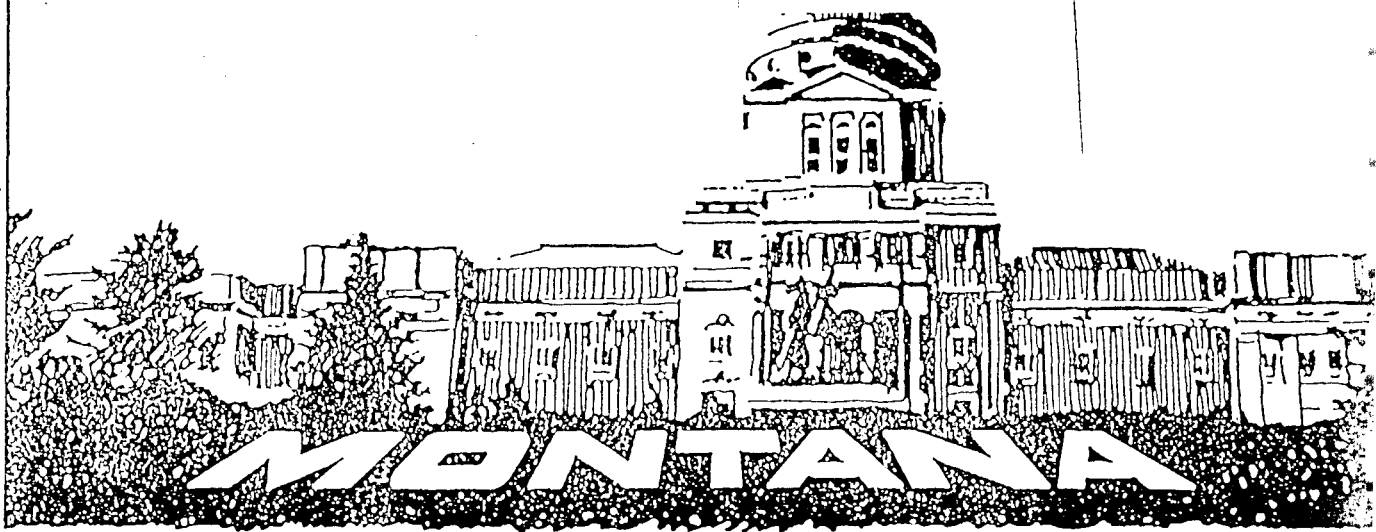
Fiscal Year	Permanent Coal Tax Trust Fund	Treasure St Endowment Trust Fund	Common School Trust Fund	Education Trust Fund	Resource Indemnity Trust Fund	Parks Acquisition Trust Fund	Arts Protection Trust Fund	Noxious Weed Trust Fund	Total Trust Fund
A 73	\$0	\$0	\$64,223,773	\$0	\$0	\$0	\$0	\$0	\$64,223,773
A 74	0	0	108,998,870	0	1,141,385	0	0	0	110,140,255
A 75	0	0	113,064,188	0	3,287,456	0	0	0	116,351,644
A 76	0	0	117,849,628	2,227,793	5,552,291	278,725	0	0	125,908,437
A 77	0	0	123,281,528	6,039,530	8,232,247	758,308	0	0	138,311,613
A 78	6,268,262	0	129,949,247	8,983,763	10,646,851	1,174,356	0	0	157,022,479
A 79	16,940,538	0	137,716,735	12,339,549	12,574,209	1,475,732	0	0	181,046,763
A 80	39,964,765	0	147,527,943	23,905,146	16,204,531	3,565,371	0	0	231,167,756
A 81	75,187,459	0	163,163,556	33,624,170	21,165,464	5,325,746	0	0	298,466,395
A 82	118,336,314	0	176,467,865	44,338,477	28,328,946	7,480,418	0	0	374,952,020
A 83	158,358,806	0	189,390,417	52,665,410	36,181,889	9,481,542	0	0	446,078,064
A 84	202,936,358	0	201,319,109	60,925,268	42,986,128	11,565,460	0	0	519,732,323
A 85	252,420,524	0	214,764,544	70,500,922	47,396,179	13,859,181	0	0	598,941,350
A 86	309,384,250	0	217,677,906	79,761,708	53,039,675	16,222,131	0	443,184	676,528,854
A 87	339,883,180	0	227,687,073	44,091,429	56,861,627	16,613,608	0	824,550	685,961,467
A 88	381,180,287	0	239,553,633	33,671,110	61,750,961	16,581,042	0	1,070,972	733,808,005
A 89	411,838,993	0	254,128,428	8,651,477	66,665,000	16,608,706	0	1,320,720	759,213,324
A 90	446,511,416	0	268,496,362	0	72,811,613	17,936,701	0	1,688,370	807,444,467
A 91	470,322,655	0	280,326,496	0	77,324,921	18,882,548	0	2,121,973	848,978,593
A 92	496,465,569	0	291,753,603	0	82,489,898	12,588,366	7,051,506	2,584,254	892,933,196
A 93	511,474,640	0	300,782,863	0	86,890,369	12,538,119	6,863,579	2,534,844	921,084,414
A 94	511,754,471	20,520,830	310,735,129	0	89,316,268	12,538,119	7,025,290	2,518,875	954,408,982
Forecasted Fund Balance									
F 95	522,193,813	31,701,156	320,776,949	0	91,779,375	12,538,119	7,308,599	2,500,000	988,798,011
F 96	532,669,644	42,915,167	330,873,476	0	94,047,996	13,106,221	7,592,762	2,500,000	1,023,705,266
F 97	542,547,783	53,504,215	340,942,649	0	96,261,888	13,642,662	7,861,088	2,500,000	1,057,260,285
Forecasted Investment Earnings									
F 95	41,806,569	1,720,541	23,879,598	0	7,764,110	887,866	506,328	240,000	76,805,012
F 96	41,802,757	2,626,972	23,690,516	0	7,760,370	919,492	512,082	240,000	77,552,189
F 97	42,213,236	3,510,824	23,982,113	0	7,881,869	966,020	525,983	240,000	79,320,045

History of Selected Trust Fund Balances
Actual and Estimated



BUDGET ANALYSIS 1997 BIENNIUM

VOL. I



OFFICE OF THE
LEGISLATIVE
FISCAL ANALYST

HELENA, MONTANA • JANUARY 1995



EXHIBIT

DATE

1/9/95

HB

COAL TAX

Flow of Funds for the Coal Tax
FY 96-97

Source: Department of Natural Resources and Conservation
Phone #444-6668

Ray Beck, Administrator
Anna Miller, Financial Advisor
John Tubbs, Bureau Chief

COAL SEVERANCE TAX

(\$86.1 MILLION / FY 96-97 ESTIMATE)



38%	% of Total	12%	50%
Local Impact.....	6.650%		
Public Schools Equalization.....	11.400%		
County Land Planning.....	0.380%	Highway	
Renewable Resource Bond Fund.....	0.475%	Reconstruction	
Parks Acq. & Management.....	0.000%	Trust	Coal Severance Tax Trust Fund
State Library Commission.....	0.380%	Fund	- Bond Fund
Conservation Districts.....	0.190%	Account	- School Bond Contingency Fund
Renewable Resource			- Treasure State Endowment Fund
Debt Service Fund.....	0.475%		- Permanent Fund
Growth in Agriculture.....	0.760%		
Capitol Art Works/Cultural			
& Aesthetic Projects.....	0.635%		
Historic/Cultural Sites			
within /State Park System.....	1.270%		
GENERAL FUND.....	15.393%	15-35-108 FY88-FY03	Article IX, Sec. 5, Montana Constitution

COAL SEVERANCE TAX TRUST FUND FLOW OF FUNDS SUMMARY

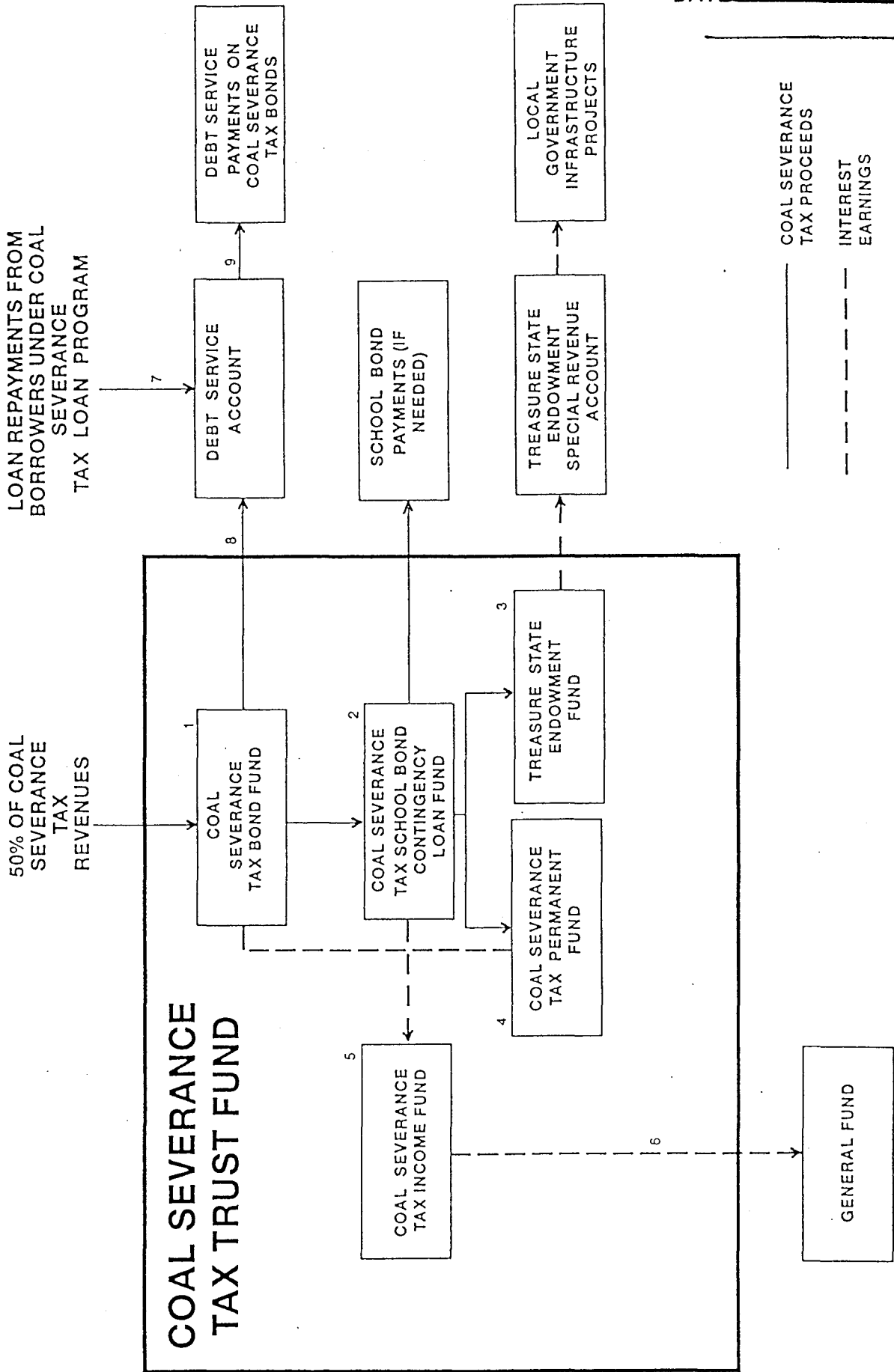


EXHIBIT 5
DATE 1-9-95

- (1) Within 30 days of the end of each calendar quarter, coal severance taxes are paid to the state, 50 percent of which are deposited in the Coal Severance Tax Trust Funds (the Trust) by the Department of Revenue. Five accounts are established within the Trust: 1) the Coal Severance Tax Bond Fund, 2) the School Bond Contingency Loan Fund, 3) the Treasure State Endowment Fund, 4) the Coal Severance Tax Permanent Fund, and 5) the Coal Severance Tax Income Fund.

Coal tax revenues which flow into the Trust are initially deposited in the Bond Fund and made available for payment of debt service on the Coal Severance Tax Bonds (see footnotes 7, 8, and 9). The Department of Natural Resources and Conservation (DNRC) will inform the Department of Revenue during the first quarter of each state fiscal year, the amount necessary to meet all principal and interest payments on bonds payable from the Coal Severance Tax Bond Fund on the next two ensuing semiannual payment dates. The Department of Revenue will retain that amount in the Coal Severance Tax Bond Fund.

- (2) The January 1992 Special Legislative Session passed an Act creating the Coal Severance Tax School Bond Contingency Loan Fund. A total of \$25 million of School Bonds were authorized to be issued and secured by this fund. For as long as there are any outstanding school district bonds secured by the Contingency Loan Fund, an amount equal to the

next 12 months of principal and interest payments due on any school bonds will be retained in the Contingency Loan Fund. DNRC will give written notice to the Department of Revenue in January of each year of exact amount needed to secure School District Bonds. During the first month of each quarter of the state fiscal year, 50 percent of the amount in the Bond Fund excess of the amount required to be retained therein and the amount needed to be transferred to the Contingency Loan Funds secure outstanding School Bonds, shall be transferred to the Treasure State Endowment Fund by the Department of Revenue. The 1991 Legislature passed an Act creating the Clean Coal Technology Demonstration Fund. However, in the November 1993 Special Session this fund was eliminated by HB 60. Proceeds of the Clean Coal Fund were moved into the Trust.

- (3) The Treasure State Endowment Fund was established when voters approved the measure on the June 2, 1992 ballot. During the first quarter of each state fiscal year, 50 percent of the amount in excess of what is retained in the Bond Fund and transferred to the Contingency Loan Fund, will be deposited in the Endowment Fund. Monthly, interest earnings on amounts on deposit in the Endowment Fund, in an amount necessary to meet the obligations of the state under this program, are transferred to the Treasure State Endowment Special Revenue Account by the Department of Revenue. Interest earnings not transferred to the Revenue

Account are to be retained in the Endowment Fund.

- (4) During the first month of each quarter of the state fiscal year, 50 percent of the amount in excess of what is retained in the Bond Fund and transferred to the Contingency Loan Fund will be transferred to the Coal Severance Tax Permanent Fund. Twenty-five percent of the Coal Severance Tax Permanent Fund is used for the purpose of making investments in Montana. Investments are managed by the Board of Investments.
- (5) Investment income on the monies in the Bond Fund, the Contingency Loan Fund and the Permanent Fund are periodically transferred to the Income Fund. The only exception to this is the Endowment Fund, any interest earnings are either transferred to the Revenue Account or retained in the Endowment Fund.
- (6) In fiscal year 1994 eighty-five percent of the balance in the Income Fund is transferred to the state's General Fund; the remaining 15 percent is transferred to the state's School Foundation Program on a monthly basis. In fiscal year 1995 the entire balance in the Income Fund will be transferred out on a monthly basis to the General Fund.
- (7) Under the Coal Severance Tax Loan Program, the state sells coal severance tax bonds and loans the proceeds to local

government entities for various water projects. The borrowers make semiannual loan payments, which upon receipt are credited to a Debt Service Account. The terms of the loans vary, but generally involve an interest rate subsidy for the first five years of the loan followed by a direct pass-through of interest rate on the Bonds for the remaining life of the loan. The loan program and debt service accounts are administered by the DNRC.

The Act creating the Endowment Fund also expanded the loan authority from strictly water projects and now includes all local government infrastructure projects approved under this Act.

- (8) Debt service payments on the Bonds are due each June 1 and December 1. To the extent funds on hand in the Debt Service Account from loan repayments are insufficient to pay principal and interest on the Bonds when due, funds are transferred to the Debt Service Account from the Bond Fund. On January 1 of each year funds are transferred to the Debt Service Account from the Bond Fund to the extent necessary to cause the balance in the Debt Service Account to equal one-twelfth of the next two ensuing semiannual debt service payment. DNRC provides written notice to the Department of Revenue if funds are needed to pay debt service or to make the required transfer on January 1. On January 1 of each year DNRC also sweeps the Debt Service Account of funds in

excess of one-twelfth of the next two ensuing semiannual debt service payments. The excess is returned to the Bond Fund in repayment of borrowed money if necessary, or deposited in the Renewable Resources Grant/Loan Special Revenue Account.

- (9) On each June 1 and December 1, the state pays debt service on the Bonds from amounts on hand in the Debt Service Account. Payments are made by DNRC.

SUMMARY OF PUBLIC LOAN PROJECTS FUNDED BY THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

EXECUTED LOANS AS OF 11/94

ID Number	Type	Applicant	Balance due	Closing	Termination
WDL-86-3050	CST	ANACONDA-DEER LODGE COUNTY	380,568.17	1/08/1986	1/20/2006
WDL-93-3160	CST	BEAVERHEAD CO/RED ROCK W & S	2,436,013.94	8/06/1992	7/02/2112
WDL-85-3015	CST	BELGRADE CITY OF	577,533.30	1/21/1985	1/21/2005
WDL-85-3043	CST	BITTERROOT IRRIGATION DISTRICT	959,445.81	9/17/1985	2/17/2016
WDL-91-3149	CST	BOZEMAN	312,725.47	4/01/1991	5/23/2011
WDL-89-3125	CST	BOZEMAN CITY OF	585,679.23	5/23/1989	5/23/2009
WDL-87-4395	CST	BROADWATER POWER PROJECT	21,735,000.00	11/05/1987	11/05/2007
WDL-87-43951	CST	BROADWATER POWER PROJECT	3,800,000.00	11/05/1987	11/05/2007
WDL-86-3053	CST	CHARLO WATER DISTRICT	22,969.25	12/04/1985	12/04/2005
WDL-93-3165	CST	COLUMBIA FALLS CITY OF	1,128,377.17	12/31/1993	12/31/2013
WDL-85-3010	CST	CONRAD	176,458.99	10/29/1984	10/29/2004
WDL-85-3029	CST	CULBERTSON CITY OF	470,305.59	7/01/1985	7/01/2005
WDL-88-3096	CST	DENTON, CITY OF	147,430.23	8/31/1987	9/01/2007
WDL-93-3162	CST	DUTTON TOWN OF	138,580.94	9/15/1992	6/08/2012
WDL-93-3162A	CST	DUTTON TOWN OF	23,740.17	9/15/1992	6/08/2012
WDL-85-3048	CST	EAST BENCH IRRIGATION DISTRICT	642,364.86	6/29/1987	7/02/2017
WDL-88-3104	CST	EAST HELENA	348,669.49	2/02/1988	2/02/2008
WDL-87-3079	CST	EKALAKA	148,327.78	8/15/1986	8/15/2006
WDL-85-3014	CST	ENNIS CITY OF	126,221.81	11/30/1984	11/30/2004
WDL-91-3147	CST	FAIRVIEW CITY OF	228,519.36	11/26/1990	7/01/2010
WDL-93-3163	CST	FLATHEAD CO BOARD OF COMMISSIO	3,910,913.48	12/31/1992	7/05/2013
WDL-93-3174	CST	FORSYTH CITY OF	391,311.73	11/01/1993	5/14/2013
WDL-86-3054	CST	FORT BENTON CITY OF	550,312.11	12/30/1985	12/30/2005
WDL-90-3134	CST	GARDINER PARK CO WATER DIST	305,483.64	10/31/1989	7/01/2009
WDL-88-3097	CST	GLASGOW CITY OF	2,544,375.47	10/02/1987	7/01/2007
WDL-91-3146	CST	GLENLIVE CITY OF	1,532,085.46	3/14/1991	1/01/2011
WDL-88-3108	CST	HARLEM CITY OF	318,148.34	5/08/1988	5/01/2008
WDL-86-3051	CST	HAVRE CITY OF	1,896,119.46	12/02/1987	12/02/2005
WDL-87-3086	CST	LAKESIDE COUNTY SEWER DISTRICT	60,778.10	3/20/1987	3/01/2007
WDL-87-3091	CST	LAKESIDE COUNTY SEWER DISTRICT	606,587.89	7/07/1987	3/01/2007
WDL-85-3013	CST	LIBBY CITY OF	413,472.07	12/03/1984	1/03/2005
WDL-88-3103	CST	LIMA	197,301.26	1/25/1988	2/01/2008
WDL-87-3087	CST	LOCKWOOD IRRIGATION DISTRICT	192,518.53	3/26/1987	7/01/2007
WDL-90-3138	CST	MILES CITY	1,350,393.74	5/21/1990	6/01/2010
WDL-89-3114	CST	MILL CRK WATER AND SEWER DIST	830,322.13	10/14/1988	7/15/2020
WDL-94-3176	CST	PONDERA CO CANAL & RESERVOIR	383,766.95	12/09/2013	12/09/2013
WDL-89-3117	CST	PONDERA CONSERVATION DIST	514,475.89	1/11/1989	7/01/1990
WDL-86-3052	CST	POPLAR CITY OF	339,385.05	11/12/1985	11/12/2005
WDL-85-3016	CST	POWER TETON CO WATER AND SEWER	41,286.15	1/30/1985	1/30/2005
WDL-85-3017	CST	SAGE CREEK CO WATER DISTRICT	539,442.19	1/31/1985	1/31/2015
WDL-90-3145	CST	SANDERS CO WATER DIST AT NOXON	128,786.03	6/14/1990	6/15/2010
WDL-85-3011	CST	SHELBY CITY OF	401,783.52	11/02/1984	11/02/2004
WDL-87-3078	CST	SHIELDS CANAL WATER USERS ASC	24,119.39	6/01/1986	12/15/2006
WDL-91-3148	CST	SUN PRAIRIE SEWER DISTRICT	507,749.61	10/15/1990	7/01/2010
WDL-93-3173	CST	SUN PRAIRIE VLG CO WATER/SEWER	194,555.50	5/06/2013	5/06/2013
WDL-85-3044A	CST	THREE FORKS CITY OF	196,663.90	1/14/1986	1/14/2006
WDL-85-3044B	CST	THREE FORKS CITY OF	124,473.93	1/14/1986	7/14/2006
WDL-85-3047	CST	UPPER MUSSELSHELL WATER USERS	156,517.69	6/12/1985	12/01/2005
WDL-88-3101	CST	WEST YELLOWSTONE CITY OF	419,859.02	12/30/1987	7/01/2007
WDL-89-3127	CST	WEST YELLOWSTONE CITY OF	592,903.26	6/30/1989	1/01/2009
WDL-87-3084	CST	WHITE SULPHUR SPRINGS, CITY OF	311,734.43	3/02/1987	3/02/2007
WDL-93-3175	CST	WHITEFISH CITY OF	483,100.90	5/01/2013	5/01/2013
WDL-87-3093	CST	WHITEHALL CITY OF	101,726.49	11/09/1987	11/01/2007

WDL-91-3152	CST WIBAUX	233,579.26	6/25/1991	7/01/2011
WDL-86-3067	CST YELLOW WATER WATER USERS ASSOC	23,072.81	10/11/1985	7/01/2005
WDL-86-3060	CST YELLOWSTONE COUNTY	291,484.76	3/13/1986	3/14/2006
WDL-86-3066	CST YELLOWSTONE COUNTY	346,105.68	3/13/1986	3/14/2006

Total: 55,845,627.38

ID Number	Type	Applicant	Balance due	Closing	Termination
WDGL-85-8005	GO	ANTELOPE CO WATER/SEWER DIST	74,652.48	1/03/1986	1/10/2016
WDL-85-3030	GO	CULBERTSON CITY OF	71,457.48	7/01/1985	7/01/2005
WDGL-85-8006	GO	HAMILTON, CITY OF	74,409.58	12/08/1986	3/01/2006
WDGL-84-8004	GO	WINNETT TOWN OF	66,799.35	5/30/1984	5/30/2004

Total: 287,318.89

ID Number	Type	Applicant	Balance due	Closing	Termination
WDL-89-3128	RRD	CUT BANK N GLACIER W/S DIST	76,598.96	9/28/1990	6/07/2010
WDGL-85-8006	RRD	HAMILTON	18,294.76	12/08/1986	3/01/2006
WDL-87-3082	RRD	KEVIN TOWN OF	133,038.45	11/10/1986	11/10/2006
WDL-88-3100	RRD	LAKE SIDE WATER DISTRICT	83,081.33	7/27/1988	7/01/2008
WDL-87-3083	RRD	PARK COUNTY RSID #7	121,922.18	12/22/1986	12/22/2006

Total: 432,935.68

Department of Fish, Wildlife and Parks

Capitol Grounds Maintenance

Present Law Adjustments/Issues

Description	FTE Fiscal 1996	Adjustments Fiscal 1996	FTE Fiscal 1996	Adjustments Fiscal 1996
<i>Statewide Present Law Adjustments</i>				
1. Personal Services		(\$2,918)		(\$2,660)
2. Inflation		11		90
3. Fixed Costs		0		0
<i>Other Present Law Adjustments</i>				
4. Operating		43,863		43,569
5. Equipment		(18,805)		(18,805)
<i>Total Executive Present Law Adjustments</i>		\$22,151		\$22,194

4) Capitol Grounds Maintenance Operating - The executive requests \$198,719 in fiscal 1996 and \$198,425 in fiscal 1997 for operating costs in the capitol grounds maintenance program, an increase over the \$154,856 spent in fiscal 1994. The program provides grounds maintenance and snow removal for agencies in the capitol complex. These agencies are charged a fee based on the costs of the program and the square footage of office space. The increase includes: a) repairs to sidewalks and water lines, replacement of vandalized signs, and maintenance of flower beds - \$32,971 in fiscal 1996 and \$31,639 in fiscal 1997; and b) indirect cost support for the Administration and Finance Division, Field Services Division, and the Department Management Division - \$10,892 in fiscal 1996 and \$11,930 in fiscal 1997. The executive requests additional funding for indirect costs because the indirect cost plan approved by the 1993 legislature will be fully implemented in the 1997 biennium at an indirect cost rate of 11.1 percent. All funds in the department are assessed fees to fund indirect services provided by the Management Services Division, Field Services Division, and the Department Management Division. Proprietary fund equipment purchases are requested in a new proposal.

5) Equipment - The executive requests no equipment. In fiscal 1994, \$18,805 was spent.

Not. Res. 546 1/9/95

LEGEND

1. Executive Residence
2. Cogswell Building
3. E.S.D. Building
4. Old Board of Health Building
5. S.R.S. Building
6. Mitchell Building
7. Old Livestock Building
8. Annex
9. Boiler Plant
10. State Capitol
11. Museum
12. Justice Building & Montana State Library
13. D.N.R.C. Building
14. Institutions Building
15. Teachers Retirement Building
16. F.W. & P. Building
17. Office Building
18. Commerce Building
19. State Motor Pool
20. Scott Hart Building
21. Office Building
22. Office Building
23. 326 Washington St.
24. 1225 6th Ave.
25. 1219 6th Ave.
26. 1215 6th Ave.
27. 1209 6th Ave.
28. 1205 6th Ave.

Grounds Maint.



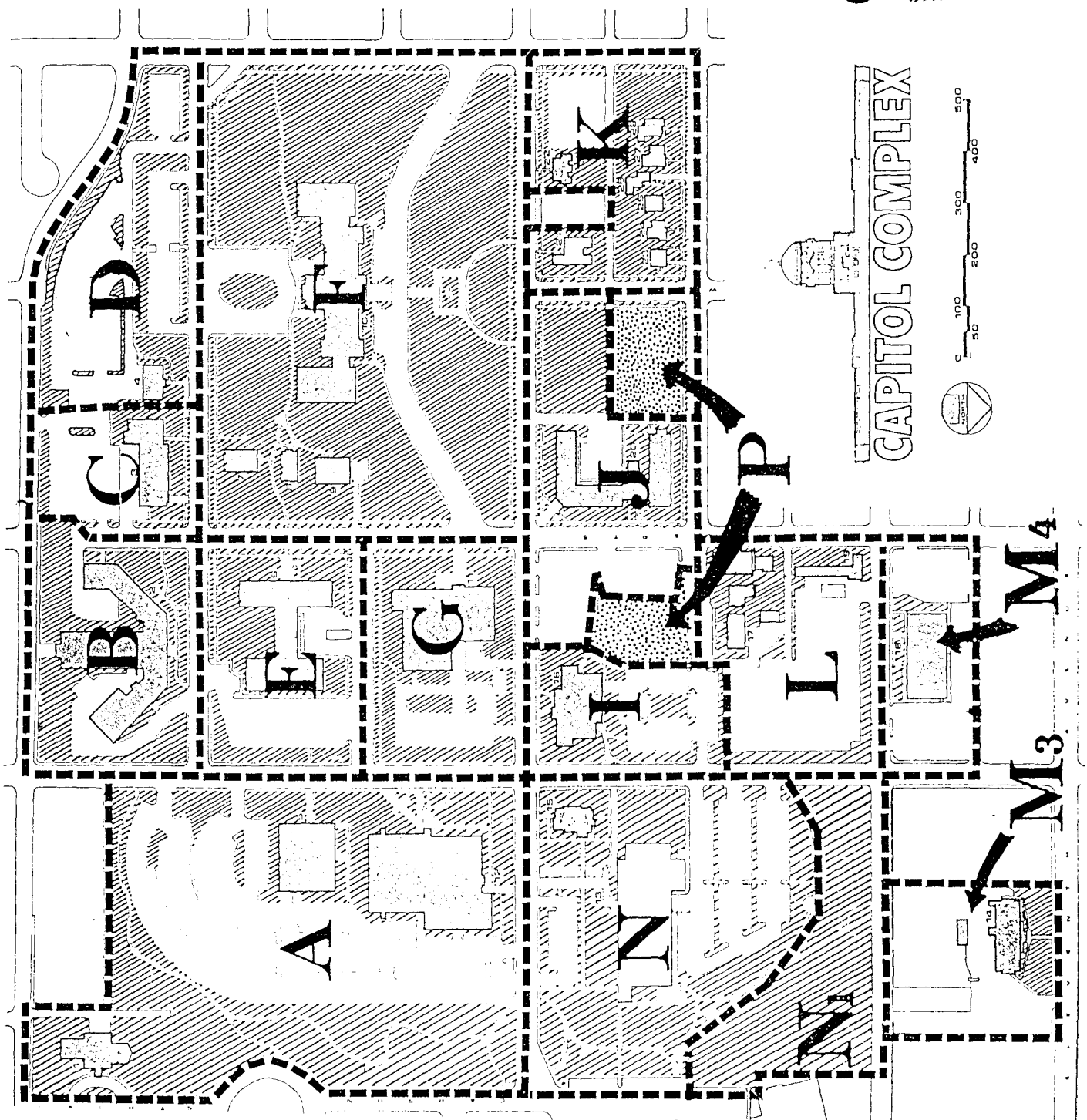
"A" Level Maintenance

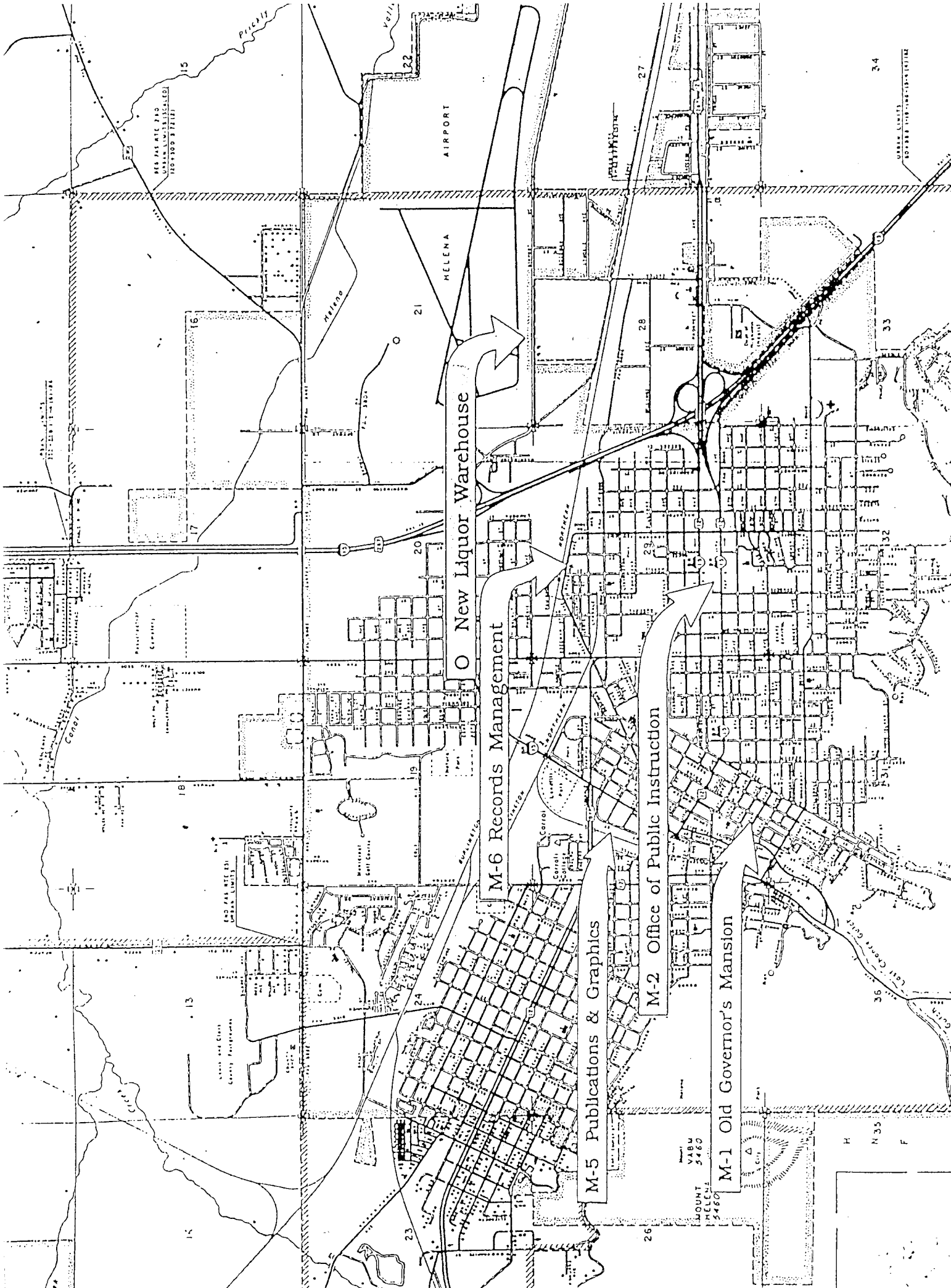


"B" Level Maintenance

EXHIBIT DATE 1/9/95

EX 14. 8





O New Liquor Warehouse

M-6 Records Management

M-5 Publications & Graphics

M-2 Office of Public Instruction

M-1 Old Governor's Mansion

AIRPORT

HELENA

MOUNT
HELLEN
5460

CROWN BUTTE
5460

SEE PAGE 740
FOR A LIST OF
1950-1951

SEE PAGE 740
FOR A LIST OF
1950-1951

34

33

32

31

30

29

28

27

26

25

24

23

22

21

20

19

18

17

16

15

14

13

12

11

10

9

8

7

6

5

4

3

2

1

0

-1

-2

-3

-4

-5

-6

-7

-8

-9

-10

-11

-12

-13

-14

-15

-16

-17

-18

-19

-20

-21

-22

-23

-24

-25

-26

-27

-28

-29

-30

-31

-32

-33

-34

-35

-36

-37

-38

-39

-40

-41

-42

-43

-44

-45

-46

-47

-48

-49

-50

-51

-52

-53

-54

-55

-56

-57

-58

-59

-60

-61

-62

-63

-64

-65

-66

-67

-68

-69

-70

-71

-72

-73

-74

-75

-76

-77

-78

-79

-80

-81

-82

-83

-84

-85

-86

-87

-88

-89

-90

-91

-92

-93

-94

-95

-96

-97

-98

-99

-100

-101

-102

-103

-104

-105

-106

-107

-108

-109

-110

-111

-112

-113

-114

-115

-116

-117

-118

-119

-120

-121

-122

-123

-124

-125

-126

-127

-128

-129

-130

-131

-132

-133

-134

-135

-136

-137

-138

-139

-140

-141

-142

-143

-144

-145

-146

CAPITOL GROUNDS MAINTENANCE

As Submitted by OBPP/FWP

EXHIBIT

DATE

1/9/95

HB

PROGRAM DESCRIPTION

The Department of Fish, Wildlife and Parks is responsible for maintaining the capitol complex grounds. These duties include snow removal; lawn, tree and shrub care; sprinkler systems maintenance, etc. Costs are funded by square footage assessment of office space occupied by agencies on the capitol complex.

RATE STRUCTURE

As compared to the current biennium, the FY96/97 rates charged to other agencies have declined by 1.1%.

RATES

<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
.3141	.3169	.3129	.3111

Decline in Rates FY 94/95 vs. FY 96/97
-1.1%

BUDGET ADJUSTMENTS

During FY 94, \$252,829 was spent on capitol grounds maintenance. The requested budget for FY96 is \$264,787 (includes a \$4,000 equipment budget modification), and for FY97 is \$260,830.

Although the FY 96/97 budget request is higher than the FY94 actuals, the rates have declined because of available cash in the account.

Some of the significant adjustments made to the FY94 budget include:

	<u>FTE</u>	<u>FY96</u>	<u>FY97</u>
<u>FY 94 Actual Expenditures</u>	2.802	\$252,829	\$252,829
<u>Adjustments:</u>			
- Reduction of one time costs for tree and shrub removal	(-.50)	(-15,030)	(-15,030)
- Reduction in equipment		(-18,805)	(-18,805)
- Other reductions		(-2,070)	(-1,733)
- Repair and maintenance increases to sidewalks, waterlines replaced, vandalized signs, and maintenance of planting beds		+32,971	+31,639
- Indirect costs assessment - the 1993 Legislature directed FWP to implement a comprehensive indirect cost plan for all programs in the agency. There is a corresponding decrease in state special revenue sources in the support service programs.		+10,892	+11,930
- New equipment		+4,000	
EXECUTIVE REQUEST 96/97	2.302	\$264,787	\$260,830

CASH BALANCE ANALYSIS

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
Beginning balance	\$ 21,350	\$ 44,662	\$ 41,700	\$42,251
Revenue	+ 264,583	+ 266,944	+ 265,338	+ 263,768
Expenditures	-252,829	-249,068	-264,787	-260,830
Accruals/adjustments	<u>+ 11,558</u>	<u>-20,838</u>	<u> </u>	<u> </u>
ENDING BALANCE	<u>\$ 44,662</u>	<u>\$ 41,700</u>	<u>\$ 42,251</u>	<u>\$ 45,189</u>

CASH BALANCE ADJUSTMENTS

The executive budget recommends a 45-day cash reserve in the Capitol Grounds Maintenance budget. There is appropriately a \$20,000 surplus balance in the account beyond the 45-day cash requirements.

UNANTICIPATED PREVAILING WAGE RATE RULING - DEPT. OF LABOR

The State Department of Labor recently informed us of an unexpected 39% increase in the prevailing wage rate for the "groundskeeper" job title which is a significant part of the annual maintenance contract. The estimated impact of this action to the capitol grounds budget is approximately \$23,000 per year.

OPTIONS FOR LEGISLATIVE CONSIDERATION

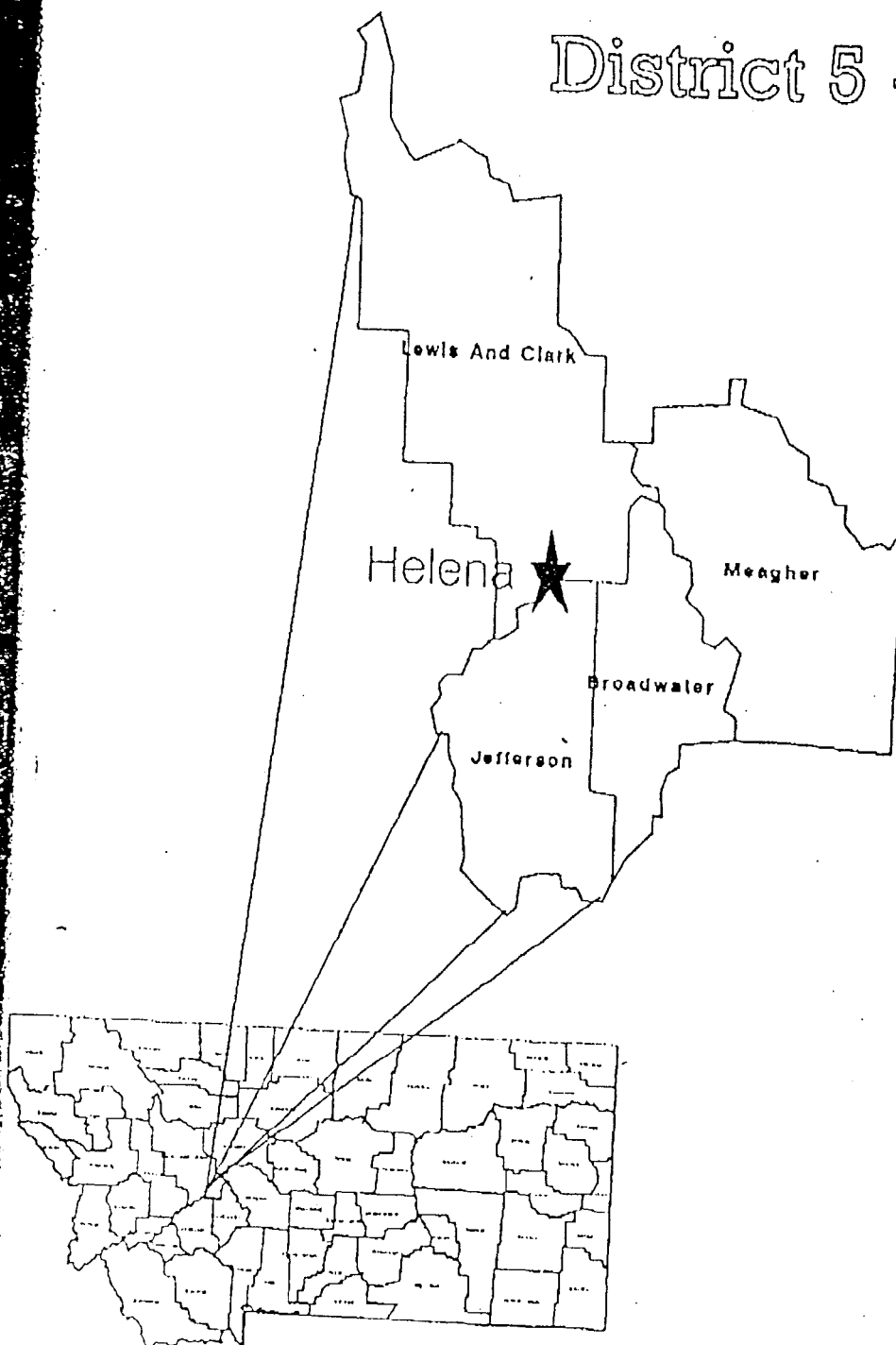
1. Maintain present law level of services by approving the Executive Budget and increasing authority by \$23,000 proprietary funds each fiscal year to fund the recent and unanticipated labor ruling. The additional money would be raised by spending \$10,000 each fiscal year of the cash balance and by an increase in the rate by \$0.015 per square foot.
2. Approve the Executive Budget and increase authority by \$10,000 proprietary funds each fiscal year to partially fund the recent and unanticipated labor ruling. Maintain the rate at the same level. Spend down the cash balance by \$10,000 each fiscal year. The present law level of services would be reduced.
3. Approve the Executive Budget, but do not approve the \$20,000 proprietary funds each fiscal year necessary to comply with the recent and unanticipated labor ruling. The accumulated fund balance could be used to lower the rate the next biennium. The present law level of services would be reduced more than option number 2.
4. Fund the program at the 1994 base amount and do not approve the \$20,000 proprietary funds each fiscal year necessary to comply with the recent and unanticipated labor ruling. Do not change the rate. The accumulated fund balance could be used to lower the rate the next biennium. The present law level of services would be reduced more than option number 3.

IMPACT ON RATES

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
FY 96	.3356	.3129	.3129	.3129
FY 97	.3338	.3111	.3111	.3111

Prevailing Wage Rates

District 5 - Helena



NOTE: If the date is after July 1, 1995 these rates may have been updated. Please confirm before using.

MONTANA	PREV	HEALTH/	PENSION	*VACATION	TRAINING	TRAVEL	PER DIEM RATE
PREVAILING	WAGE	WELFARE		(included		MATRIX	
WAGE	RATE			in pw			
SERVICES				rate)			

OCCUPATION - SERVICE OCCUPATIONS *

DISTRICT - 05 - HELENA *

JOB TITLE - ELECTRONICS MECHANIC, COMPUTER *

DOT CODE - 828.281-010 *

13.36 0.15 0.00 0.49 0.00 NONE NONE

JOB TITLE - FOREST WORKER *

DOT CODE - 452.687-010 *

11.28 0.59 0.00 0.00 0.00 NONE NONE

JOB TITLE - GARBAGE COLLECTOR *

DOT CODE - 909.687-010 *

10.99 1.47 0.64 0.00 0.00 NONE NONE

JOB TITLE - GROUNDSKEEPER *

DOT CODE - 406.604-014 *

9.11 0.96 0.00 0.00 0.00 NONE NONE

*Vacation amount is included in the prevailing rate and is to be subtracted from the hourly rate after taxes if signatory to a collective bargaining agreement or subject to a qualified ERISA plan. All others must pay the prevailing rate. See page i for a complete explanation.

PREVAILING WAGE RATE HISTORY

Groundskeeper, District 5

<u>Year</u>	<u>Wage</u>	<u>Benefits</u>	<u>Total Wage</u>	<u>%Increase</u>
1993	\$9.11	\$.96	\$10.07	+39.0%
1991	\$6.76	\$.48	\$ 7.24	+13.6%
1988	\$6.05	\$.32	\$ 6.37	+ 3.5%
1987	\$5.83	\$.32	\$ 6.15	

IMPACTS OF CAPITOL GROUNDS MAINTENANCE REDUCTIONS

Our rationale for the priority of cuts is based on cutting those items and areas which we believe will have the least long-term detrimental effects on the grounds and the elimination of maintenance areas furthest away from the Capitol Building first, and progressing into the Capitol Building, with the last thing on the list to be cut being the pesticide applications which are used to protect the plants on the Capitol Grounds.

<u>Grounds Maintenance Reductions</u>	<u>Estimated Value</u>	<u>Subtotals</u>
1. Eliminate 1st and 2nd fertilizer applications.	\$ 8,500	
2. Eliminate maintenance in all "B" areas.	\$ 575	
3. Delete flower at Old and New Governor's Mansions.	\$ 2,025	\$11,100
4. Drop maintenance at Records Management.	\$ 625	
5. Drop maintenance at Graphics and Publications.	\$ 625	
6. Delete the Montana flower display.	\$ 8,750	\$21,100
7. Drop maintenance at DNRC detention basin.	\$12,500	\$33,600
8. Eliminate 2-4-D and Roundup chemical applications.	\$ 2,175	
9. Eliminate last fertilizer application.	\$ 4,250	\$40,025
10. Drop maintenance at Office of Public Instruction.		
11. Drop maintenance at Department of Institutions.		
12. Drop maintenance at Old Governor's Mansion.		
13. Drop maintenance at Department of Commerce.		
Total Value for 10, 11, 12, and 13:	\$ 9,625	\$49,650
14. Negotiate reduced maintenance in capitol park area of "A".	\$ 7,500	
15. Drop maintenance at area "D".	\$ 4,550	
16. Drop maintenance at area "C".	\$ 2,625	\$64,325

Anticipated effects are that with #1 grass on the grounds, it would be less green and healthy and #2 weed would become large in these areas.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Natural Resources Sub- COMMITTEE BILL NO. _____
 DATE 1/9/95 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
John Tibbs	DOEC			
Anna Miller	DNR			
Arnie Olsen	FUP			
Dave Matt	FUP			

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