

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
57th LEGISLATURE - REGULAR SESSION  
JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND  
COMMERCE**

**Call to Order:** By **VICE CHAIRMAN WILLIAM CRISMORE**, on January 24,  
2001 at 8:30 A.M., in Room 317-C Capitol.

**ROLL CALL**

**Members Present:**

Rep. Dick Haines, Chairman (R)  
Sen. William Crismore, Vice Chairman (R)  
Rep. Christine Kaufmann (D)  
Sen. Linda Nelson (D)  
Sen. Bill Tash (R)  
Rep. Joe Tropila (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Becky Beckert-Graham, OBPP  
Gary Hamel, Legislative Branch  
Amber Sauer, Committee Secretary

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

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Fish, Wildlife and Parks,  
Administration and Finance  
Division  
Executive Action: Fish, Wildlife and Parks  
Fisheries Division,  
Administration and Finance  
Division

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**EXECUTIVE ACTION ON FISH, WILDLIFE AND PARKS**

**FISHERIES DIVISION (continued)**

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**Mr. Gary Hamel, LFD**, continued with the executive action for the Fisheries Division. DP-309 Murray Springs Hatchery Adjustment (Reimbursable) is a request for additional program development, maintenance, and equipment. Funding would be fully reimbursed by the Corps of Engineers. They are requesting to reduce the \$81,800 in fiscal 2003 by \$35,000 which would make the request \$46,800 in both years. **Mr. Larry Peterman, Administrator, Fisheries Division**, explained the request further. Murray Springs Hatchery is outside of Libby Dam, was built by the Corp of Engineers (COE) and is fully funded by the COE. They are currently entering into a new program there which accounts for the increased requested amounts.

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**Motion/Vote:** SEN. TASH moved that DP-309 MURRAY SPRINGS HATCHERY ADJUSTMENT (REIMBURSABLE) BE ADOPTED. Motion carried 5-0.

(Note: CHAIRMAN HAINES was excused for part of the meeting and his vote is not recorded.)

**Mr. Hamel** discussed DP-310 which is overtime expenditures. Overtime costs are zero based each year and must be rejustified.

**Mr. Peterman** stated they pay overtime only when time is an element to finish a project.

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**Motion/Vote:** SEN. NELSON moved that DP-310 OVERTIME ADJUSTMENT BE ADOPTED. Motion carried 5-0.

**Mr. Hamel** stated DP-311 is a travel adjustment for Fisheries which had been acted on previously in the vehicle rate adjustments. The next DP was a new proposal DP-301 Fishing Access Assistance Program to fund a new program that would provide assistance at non-FWP sites that provide public fishing access. Funding would allow regions to contract with an individual who would patrol private sites for abuse, litter, and conduct minor maintenance. He pointed out HB 292 would perform a similar function on a much larger scale. **Mr. Hamel** recommended passing this DP with language contingent on the results of HB 292. **Mr. Peterman** added with the increasing angling public and increasing fishing pressures, some areas are getting more pressure than the landowners are ready to accept. They have asked the FWP for assistance for monitoring and controlling the public. FWP has replaced gates with cattle guards on occasion to solve open gate problems, etc. He stated if the committee approved this and HB 292 passed, this would need to be revisited.

He felt the program it important enough to be funded in some manner.

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**Motion:** SEN. NELSON moved that DP-301 FISHING ACCESS ASSISTANCE PROGRAM CONTINGENT THAT PASSAGE OF HB 292 TAKES PRECEDENCE OVER THIS DP BE ADOPTED.

**Substitute Motion/Vote:** REP. TROPILA made a substitute motion that DP-301 FISHING ACCESS ASSISTANCE PROGRAM THAT IF HB 292 PASSES IT TAKES PRECEDENCE OVER THIS DP AND ONE-TIME-ONLY AND RESTRICTED BE ADOPTED. Substitute motion carried 5-0.

SEN. CRISMORE commented how sad it has become that we now appropriate funds to pick up litter on private property for the rights to use the streams. Mr. Hamel will draft language for the contingency for the committee to approve later.

Mr. Hamel discussed new proposal DP-302 Recreation Conflict Coordination. The request is for one FTE to carry out recreation management plans in an effort to reduce user conflicts on popular bodies of water. It is a one-time-only request for the 2003 biennium. Mr. Hamel had an issue with the DP in that it may directly benefit individuals who are not contributing to the funding source which is the General License Account. He suggested looking at alternative funding sources before committing to a new program. Mr. Peterman explained the overuse of the recreation facilities has dramatically increased due to the increase of anglers. He mentioned specific problems in various stream locations throughout the state. They established advisory committees to study the problems on two of the rivers which took a considerable amount of redirected staff time. The request is for one FTE to develop a management plan and relieve the additional workload of existing staff and allow them to return to their duties.

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**PUBLIC TESTIMONY**

**Mr. John Wilson, Conservation Director for Montana Trout Unlimited,** testified for the proposal. With over 2000 licensed anglers in the state usage conflicts are on the rise on Montana's rivers. He stated in the past FWP had to divert resources away from the primary mission of the FWP. There was some discussion about redirection of funds and manpower and if this FTE would be involved in enforcement. REP. TROPILA asked if Trout Unlimited

would like to help in this funding. **Mr. Wilson** stated they have helped in funding various items with FWP but would rather help in the primary mission of conservation and wildlife and not recreation management.

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**Motion:** SEN. TASH moved that DP-302 RECREATION CONFLICT COORDINATION ONE-TIME-ONLY BE ADOPTED.

**Discussion:** REP. KAUFMANN asked about funding the proposal with angler dollars and stated possibly a boat decal for the jet-skis could be an answer. **Mr. Chris Smith, Chief of Staff, Director's Office, FWP,** stated the Department had submitted a request for increasing the boat decal fee from \$2.50 to \$5.00 which would have provided funding for law enforcement, water safety, and education. That request had been amended out by another committee.

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**Motion/Vote:** SEN. TASH moved that DP-302 RECREATION CONFLICT COORDINATION ONE-TIME-ONLY BE ADOPTED. Motion carried 5-0.

**CHAIRMAN HAINES** assumed the chair at this time.

**Mr. Hamel** continued with DP-303 Statewide Fish Technician Support which would provide for 3 FTE Fish/Wildlife Technicians for operations support where the most critical shortages exist. The issue is that it appears to replace base adjustment redirections to fund the alternative pay plan. **Mr. Peterman** stated these funds would come from the roving creel operation which is where the Department allocates to different regions at different times resources to do site specific creel information. This DP is to request specific staff that be would assigned to the regions permanently to assist in their field work. The roving creel will become non-existent; this will increase the base operations.

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**Mr. Peterman** explained the duties of a Fisheries Technician. He stated the demands on the biologists have increased dramatically over the last ten years and they need Fisheries Technicians to assist the biologists. The assessment has been that they need 7 FTE but are limiting the request to 3 FTE. He showed a chart of the FTE positions in the last ten years in the Fisheries Division. They have fluctuated from 106 FTE to 110 FTE and are currently at 108 FTE. However, whirling disease alone has

increased the workload in addition to species being placed on the endangered species list. He stated it is a struggle to provide current increased services with the same amount of staff as in 1990.

**Proponent's Testimony**

**Mr. Wilson** stated Trout Unlimited has been working with the Fisheries Division for years and see a critical shortage of manpower to do the basic duties of the Division's mission.

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**REP. KAUFMANN** asked for further clarification on the redirection of funds for the alternative pay plan. **Mr. Jeff Hagener, Director, Department of Fish, Wildlife and Parks**, explained the cuts to fund the alternative pay plan came from prioritizing areas in the department and reducing some of those areas. They did attempt to fund the entire pay plan from the existing department funds. **CHAIRMAN HAINES** expressed his concern also. **Mr. Hagener** stated these pay plan adjustments will be forthcoming from more agencies as time goes on due to the efforts to keep people working in Montana. He commented further on those positions in the agency which were being brought up closer to the standard wages offered in other parts of the country. There was further discussion on the alternative pay plan and the possible offset of funds through additional requests. The overall consensus is that this is a redirection of funds within the Department to increase the wages.

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**CHAIRMAN HAINES** asked for further clarification on the 3 FTE's in DP-303. **Mr. Peterman** stated it will be spread out among 8 or 9 seasonal employees. He also explained the difference between a Fish Tech and a Biologist.

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**Motion/Vote: SEN. TASH** moved that **DP-303 STATEWIDE FISH TECHNICIAN SUPPORT BE ADOPTED. Motion carried unanimously.**

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**Mr. Hamel** stated the LFD has language recommendations for the committee to approve. **Mr. Hagener** stated in the language recommendation in item 3b on LFD budget book page C-32 the word "restricted" takes away the Department's ability for retirement

payouts. There was further discussion on the language. **CHAIRMAN HAINES** asked **Mr. Hamel** to redraft the language. He was to bring new language back to the committee at a later time.

*{Tape : 2; Side : A; Approx. Time Counter : 60}*

### Conservation and Reinvestment Act

The committee moved on to the Conservation and Reinvestment Act (CARA). **Mr. Smith** presented an update to the committee on the history of CARA, what happened in Congress with CARA, what Congress did at the end of the last session, and how it relates to a number of the decision packages yet to be presented.

### **EXHIBIT (jnh19a01)**

**Mr. Smith** stated originally the CARA proposal was referred to as "Teaming with Wildlife" and it was envisioned as a federal excise tax on sporting goods, backpacks, binoculars, etc., as an alternative funding source for state fish and game agencies. The idea was that it would provide a consistent funding source to support conservation programs. Although there was momentum for the idea, Congress was resistant to implementation of any new tax. HR 701 was drafted and named the Conservation and Reinvestment Act which would tap a portion of the off-shore oil and gas revenue. The appropriations turned into a block grant type of funding. Montana's share for the Land and Water conservation Fund would have been about \$4 million/year and Fish and Wildlife would have been about \$5.5 million/year. CARA was supported by as many as 6000 organizations, all governors, and two-thirds or more of the Congressmen. **Mr. Smith** continued that the one problem with CARA was that the federal government would be buying western private property and converting it to federal public land. Therefore, the Western Congressmen did not support HR 701 and the bill was not brought to the floor.

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**CHAIRMAN HAINES** stated he had a different understanding of CARA. The concern was not so much the acquisition of the lands but that the acquisition would be mandatory without congressional oversight. There was further discussion regarding this issue and **CHAIRMAN HAINES** stated he had a very different fundamental understanding of CARA.

**Mr. Smith** continued with the progress of CARA through Congress. Negotiations were conducted to modify the effects and to fund at least portions of HR 701 in an appropriations bill. It was

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referred to as "CARA-lite." There was \$50,000,000 allocated as a one-time-only appropriations to be distributed by the federal Fish and Wildlife Agency on a grant basis. **Mr. Smith** stated the committee will not see any of those grants in the budget requests since Montana does not expect to compete successfully and receive any of those grants. This is partially due to the fact that we do not have as many species on the endangered list as other western states and do not have the ability to fund matching monies. **REP. TROPILA** stressed FWP should be trying to receive those grants. **Mr. Smith** agreed but was not too hopeful. This became the "worst of both worlds" for Montana. The federal government got the funds they wanted for land acquisitions but the western states will have a hard time competing for the funding.

**Mr. Smith** stated when this problem was recognized, a permanent appropriation was made for the first time in 50 years (P-R Act) and the \$50 million will be appropriated by area and populations giving Montana about \$800,000. Requirements will have to be met but they will be minimal. The funding is to be for fiscal 2002 only, but FWP is optimistic this funding will continue. He stated with the change in administration, the funding methods for this could change also which should benefit Montana with twice the funding.

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**Mr. Smith** touched briefly on the decision packages affected by CARA per exhibit 1. He distributed further information on the CJS Appropriations Bill.

**EXHIBIT** (jnh19a02)

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**ADMINISTRATION AND FINANCE DIVISION**

**Mr. Dave Mott, Chief of Administration and Finance, FWP,** distributed information and gave a brief overview of the agency.

**EXHIBIT** (jnh19a03)

He stated the agency is responsible for the accounting functions, budgeting and fiscal analysis, information technology, hunting and fishing licensing, human resources, procurement and property management, and federal aid. He went over the services of the agency, the funding sources, and the funding expenditures. He noted the FWP agency differs from other agencies in that they

have to account for every dollar taken in and then, in turn, is expended. **Mr. Mott** stated 1.2 million hunting and fishing licenses are sold through a network of 450 private sector license agents. Also, over 200,000 applications are processed for drawings for quota based licenses and permits. They currently have 56 FTE's.

**{Tape : 2; Side : B; Approx. Time Counter : 185}**

**Mr. Hamel** began with the Decision Packages (DP). DP-101 is a Tech Adjustment Change in Accounting Policy which has been withdrawn by the agency. He moved on to DP-104 Periodic Property Inventory which includes a request to conduct a physical inventory in the second year of the biennium. During the 1999 inventory, property staff logged over 7,000 miles to accomplish the inventory.

**{Tape : 2; Side : B; Approx. Time Counter : 225}**

**Motion/Vote:** SEN. CRISMORE moved that DP-104 PERIODIC PROPERTY INVENTORY BE ADOPTED. Motion carried unanimously.

**Mr. Hamel** continued with DP-105 which would restore previous funding levels to the base for FWP to create a license preference system which was not fully implemented during fiscal 2000. **Mr. Mott** explained the adjustment further per exhibit 3 since it was in the amount of \$170,000 each year of the biennium. The system is to give preference to special license applicants who consistently and repeatedly apply without being drawn for a license. The system was developed by an advisory committee. **Mr. Mott** stated the applicant can skip applying for two consecutive years without losing the bonus points. If they do not apply the third year, the bonus points are lost. It is a voluntary program which requires a \$2.00 resident fee at the time of the license application and \$20.00 for non-resident. There was further discussion on how the program works and the cost of it. The total cost will be \$373,000 per biennium. **CHAIRMAN HAINES** asked if the internet can be used to reduce the manpower necessary to run the program. **Mr. Mott** responded the department was not there yet with the internet but hoped to be in the future.

**{Tape : 2; Side : B; Approx. Time Counter : 450}**

**Motion/Vote:** SEN. CRISMORE moved that DP-105 TECH ADJUSTMENT PHASED-IN LICENSE PREFERENCE BE ADOPTED. Motion carried unanimously.

**Mr. Hamel** stated DP-106 Biennial Appropriation Adjustment for computer replacement is to allow the department to replace existing desktop computer network equipment. State policy provides for a four-year replacement schedule on networked desktop computers. **Mr. Mott** referred to exhibit 3 for further explanation.

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**Mr. Mott** continued the adjustment is for a reduction in the request since the rollover was not accurate.

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**Motion:** REP. TROPILA moved that DP-106 BIENNIAL APPROPRIATION ADJUSTMENT COMPUTER REPLACEMENT BE ADOPTED. Motion carried unanimously.

**Discussion:** There was some discussion on the computer rollovers being inaccurate and how that might occur. There was also discussion regarding if it should be a one-time-only recommendation or if the committee considered the computer replacement program to be an ongoing program. **CHAIRMAN HAINES** raised the issue that it should be looked at on a regular basis. **Mr. Mott** stated as the motion was made it would roll into the base and not show up again for review. Due to the negative adjustment, it would be difficult to make it a one-time-only and the result would actually be to increase the base by the higher amount.

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**Motion/Vote:** REP. TROPILA moved that DO-106 BIENNIAL APPROPRIATION ADJUSTMENT COMPUTER REPLACEMENT BE ADOPTED. Motion carried unanimously.

**Mr. Hamel** stated DP-108 Commissions for Sale of Hunting License which is a request in support of hiring a conservation organization to auction a bighorn sheep license and a moose license. One permit for each is auctioned annually. **Mr. Mott** explained the request further per exhibit 3. The total amount of the auction price must be recorded by FWP as revenue but the corresponding 10% given to the auctioning association must be recorded as a expenditure. **SEN. NELSON** asked how the auctioning entity is determined and how the auctions works in general. **Mr. Don Childress, Administrator, Wildlife Division**, explained the two procedures. The funds from the sale of the auctioned

licenses go to Moose/Sheep Management and not general license fees.

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**Motion/Vote:** SEN. CRISMORE moved that DP-108 COMMISSIONS FOR SALE OF HUNTING LICENSE BE ADOPTED. Motion carried unanimously.

Mr. Hamel presented DP-109 Biennial Appropriation Adjustment Automated License System. The 1997 legislature authorized FWP to replace the manual system of handwriting 1,500,000 licenses with an electronic system. This request, if approved, would convert the biennial appropriation into an annual appropriation. Mr. Mott elaborated on the request per exhibit 3 with the history of the system, the development, the future budget and the implementation. He stated some of the problems of the current program and the need to continue to upgrade it. The automated licensing system has been funded in stages and will cost over \$5 million. The funds are for development and operation. Mr. Mott explained how the individual license operators will tie into the state computers. They are about six months behind the projected time to be in full operation.

The committee discussed further issues in being completely converted to electronically issuing licenses.

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**Motion:** REP. TROPILA moved that DP-109 BIENNIAL APPROPRIATION ADJUSTMENT AUTOMATED LICENSE SYSTEM BE ADOPTED.

**Discussion:** CHAIRMAN HAINES asked about the impact on the vendors. Mr. Mott stated the biggest complaint from the vendors is the additional telephone line that will be necessary in order to be on line. However, the benefits will out weigh any cost of the line and when implemented, the vendors will appreciate it. SEN. TASH and CHAIRMAN HAINES have both heard from constituents regarding the cost of the phone lines.

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CHAIRMAN HAINES asked for a summary of the phone line costs to vendors. Mr. Mott stated it would hard to determine that cost since some vendors have existing lines, some need new lines, some can convert current services, and some will want dedicated lines. CHAIRMAN HAINES recommended coming up with an estimate. Mr. Mott explained some of the additional benefits of automation.

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**Motion/Vote:** REP. TROPILA moved that DP-109 BIENNIAL APPROPRIATION ADJUSTMENT AUTOMATED LICENSE SYSTEM BE ADOPTED. Motion carried unanimously.

Mr. Hamel discussed DP-113 Smith River Permits which would centralize the Smith River Permit drawing process. Due to the increased demand for permits, centralized drawings need to be held rather than being handled in the Great Falls office. This would not result in a fee increase. His issue is that the Smith River drawing process will be incorporated into the automated license system which should generate additional savings. Possibly the legislature would want the department to quantify the efficiencies generated and reduce base expenditures accordingly. Mr. Mott explained 4500 people apply annually to float the Smith River. These requests can no longer be processed by the Great Falls office. The process needs to be centralized to strengthen internal controls. There are 600-700 permits issued yearly with 10% of the launch days being for outfitters. Successful applicants are sent a letter assigning a day for the float.

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**Motion/Vote:** REP. TROPILA moved that DP-113 SMITH RIVER PERMITS WITH LANGUAGE TO DIRECT THE DEPARTMENT TO QUANTIFY THE EFFICIENCIES GENERATED WITH THE INTENTION OF REDUCING BASE EXPENDITURES ACCORDINGLY BE ADOPTED. Motion carried unanimously.

CHAIRMAN HAINES adjourned the meeting.

**ADJOURNMENT**

Adjournment: 11:45 A.M.

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REP. DICK HAINES, Chairman

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SANDRA WHITAKER, Transcription  
Secretary

DH/SW

**EXHIBIT** (jnh19aad)