

DEPT OF FISH, WILDLIFE & PARKS

**Program Budget Comparison**

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	145.44	145.44	147.19	147.19	145.44	147.19	1.75	1.20%
Personal Services	7,430,128	8,276,048	8,398,945	8,422,322	15,706,176	16,821,267	1,115,091	7.10%
Operating Expenses	4,894,962	4,767,946	5,335,892	5,366,102	9,662,908	10,701,994	1,039,086	10.75%
Equipment & Intangible Assets	336,001	321,397	336,001	336,001	657,398	672,002	14,604	2.22%
Capital Outlay	0	0	55,000	55,000	0	110,000	110,000	n/a
Grants	0	70,000	0	0	70,000	0	(70,000)	(100.00%)
<b>Total Costs</b>	<b>\$12,661,091</b>	<b>\$13,435,391</b>	<b>\$14,125,838</b>	<b>\$14,179,425</b>	<b>\$26,096,482</b>	<b>\$28,305,263</b>	<b>\$2,208,781</b>	<b>8.46%</b>
General Fund	0	0	250,000	250,000	0	500,000	500,000	n/a
State Special	4,855,689	5,084,194	5,412,840	5,435,245	9,939,883	10,848,085	908,202	9.14%
Federal Special	7,805,402	8,351,197	8,462,998	8,494,180	16,156,599	16,957,178	800,579	4.96%
<b>Total Funds</b>	<b>\$12,661,091</b>	<b>\$13,435,391</b>	<b>\$14,125,838</b>	<b>\$14,179,425</b>	<b>\$26,096,482</b>	<b>\$28,305,263</b>	<b>\$2,208,781</b>	<b>8.46%</b>

**Program Description**

The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities and aquatic wildlife stewardship. The division formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The program:

1. Operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited;
2. Regulates angler harvests;
3. Monitors fish populations; and
4. Provides and maintains adequate public access.

**Program Highlights**

<b>Fisheries Division Major Program Highlights</b>
<ul style="list-style-type: none"> <li>◆ The biennial budget would increase by 8 percent if the executive proposal was adopted due to statewide present law adjustments</li> <li>◆ The executive is seeking to fund the aquatic nuisance species program with general license and federal funds since other funding sources are no longer feasible</li> <li>◆ The executive is seeking one-time only authority of \$0.5 million general fund for the State Fisheries Program</li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ The executive did not propose a solution to the funding problem at Fort Peck Hatchery</li> <li>◆ The department submitted strategic priorities from its 2008 Strategic Plan without objectives to determine future success</li> </ul>

## Program Narrative

### 2009 Biennium Monitored Goals and Objectives

The Legislative Finance Committee selected the following goals to monitor during the 2009 interim

- Provide a diversity of quality angling opportunities through management of self-sustaining wild fisheries and the responsible use of hatchery reared fish
  - Maintain number of angler days spent fishing in Montana at 2.5 million or greater and number of fishing licenses sold at 400,000 or higher
  - Hatchery system will produce and stock 50 million sport fish annually

#### LFD COMMENT

The division reported 403,205 licenses in license year 2007 and 2.4 million angler days. The hatchery system stocked 41.9 million sport fish. The division reported a decline in walleye stocking due to a cold spring

- Maintain existing level of public access for fishing and water-based recreation on state water and increase level of public access on selected waters
  - Annually increase number of fishing access sites by an average of two priority sites each year
  - Maintain at least 15 private land access sites through the Fishing Access Enhancement Program

#### LFD COMMENT

The division acquired eight fishing access sites during FY 2008 and contracted with 6 landowners in the Fishing Access Enhancement Program. The executive is seeking an increase in funding for the Fishing Access Enhancement program to add at least an additional three sites. See DP 302.

- To continue implementation of the Montana Comprehensive Fish and Wildlife Conservation Strategy in order to actively protect and restore species and habitats in need of conservation.
  - Limit the need to list additional species under the endangered species act (ESA) because better biological data would allow active protection and restoration of species and habitat in need of conservation
  - Successfully restore and/or protect aquatic habitats indentified in the plan as in need of conservation.
  - Collect basic biological data about lesser know species of concern to determine their distribution, status and habitat needs in order to undertake activities that would preclude the need to list additional species under the ESA.

#### LFD COMMENT

The division was able to provide information regarding the activities completed with state wildlife grants, but unable to provide information in regard to population improvement. That information will not be available for at least one year after the activities have occurred. The workgroup of the Legislative Finance Committee suggested that the appropriation subcommittee review this program as part of the budget deliberations process. The executive budget contains a request for one-time only general fund to provide the required match to the federal state wildlife grants. See DP 303.

### 2011 Biennium Major Goals

The agency is required by law to submit goals and measurable objectives as part of the budgeting process. The Legislative Fiscal Division recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim.

- Complete a statewide fish management plan for sport fish, native fish, warm water fish and species of concern and in need of special management
- Resolve funding shortfall and limits on operations at Fort Peck Hatchery

**LFD  
ISSUE**

**Strategic priorities submitted**

The department provided a number of strategic priorities as program goals. The above two serve as a sample. These priorities are not aligned with any specific goal of the program. The 2008 Strategic Plan relates this priority to two goals of the Fisheries Management Program. The legislature may wish to discuss with the agency appropriately formatted goals and objectives in order to properly align resources to a strategic plan.

**Funding**

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ -	-	\$ 250,000	1.8%	\$ 250,000	1.8%
01100 General Fund	-	-	250,000	1.8%	250,000	1.8%
02000 Total State Special Funds	4,855,689	38.4%	5,412,840	38.3%	5,435,245	38.3%
02051 Private Contracts & Grants	-	-	-	-	-	-
02148 Paddlefish Roe Account	24,939	0.2%	24,939	0.2%	24,939	0.2%
02409 General License	4,429,795	35.0%	4,970,246	35.2%	4,991,018	35.2%
02942 Warm Water Fish Stamp	400,955	3.2%	417,655	3.0%	419,288	3.0%
03000 Total Federal Special Funds	7,805,402	61.6%	8,462,998	59.9%	8,494,180	59.9%
03097 Fedl Fish(W/B) Wildlife(P/R)	5,069,129	40.0%	5,632,072	39.9%	5,656,833	39.9%
03129 Usfwis Section 6	-	-	-	-	-	-
03403 Misc. Federal Funds	2,218,043	17.5%	2,313,835	16.4%	2,320,369	16.4%
03408 State Wildlife Grants	518,230	4.1%	517,091	3.7%	516,978	3.6%
<b>Grand Total</b>	<b>\$ 12,661,091</b>	<b>100.0%</b>	<b>\$ 14,125,838</b>	<b>100.0%</b>	<b>\$ 14,179,425</b>	<b>100.0%</b>

The division is funded with 60 percent federal revenues, the largest source of which is the Wallup-Breaux program for sport fish restoration. Excise taxes on fishing rods, reels, creels, lures, flies, and artificial bait provide funding for the program. General license dollars contribute 35 percent of the division's funding and are used for fish restoration and hatchery support. The balance of the funding is from the warm water fish stamp earmarked for the operations of the Fort Peck Hatchery, and the federally funded state wildlife grant program.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	General Fund				Total Funds			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	12,661,091	12,661,091	25,322,182	89.46%
Statewide PL Adjustments	0	0	0	0.00%	1,013,087	1,057,639	2,070,726	7.32%
Other PL Adjustments	0	0	0	0.00%	35,897	44,888	80,785	0.29%
New Proposals	250,000	250,000	500,000	100.00%	415,763	415,807	831,570	2.94%
<b>Total Budget</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$500,000</b>		<b>\$14,125,838</b>	<b>\$14,179,425</b>	<b>\$28,305,263</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	Fiscal 2010					Fiscal 2011				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					1,224,221					1,248,539
Vacancy Savings					(346,167)					(347,152)
Inflation/Deflation					154,688					175,907
Fixed Costs					(19,655)					(19,655)
<b>Total Statewide Present Law Adjustments</b>					<b>\$1,013,087</b>					<b>\$1,057,639</b>
DP 302 - Private Lands Fishing Access										
	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 304 - Aircraft Rate Adjustment										
	0.00	0	5,666	5,231	10,897	0.00	0	10,342	9,546	19,888
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$30,666</b>	<b>\$5,231</b>	<b>\$35,897</b>	<b>0.00</b>	<b>\$0</b>	<b>\$35,342</b>	<b>\$9,546</b>	<b>\$44,888</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$1,048,984</b>					<b>\$1,102,527</b>

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited for brevity by the LFD.

- o **Market Rate** - The Fisheries Division has an entry target market of 80 percent without exceptions. The current market rate in relation to the 2008 market survey is 88 percent
- o **Vacancy** -
  - The division reports difficulties in recruiting fisheries biologists due pay issues
  - The division worked with the Department of Administration to re-evaluate the salary survey to assure equitable comparison to other states. This will result in an increase when the 2008 market was adopted
- o **Legislatively applied vacancy savings** - The division used normal staff turnover to manage to the 4.0 percent legislatively applied vacancy savings rate. The division achieved some of the saving due to the longer than anticipated time to fill open positions
- o **Pay Changes** -
  - Funds were not transferred from other budgeted expenditure categories. All pay changes were completed with excess vacancy savings and the 0.6 percent discretionary pay
  - Upgrades were awarded to approximately 10 conservation aid positions. These positions were upgraded to fish technician in recognition of the appropriate job duties and skills required. The average salary adjustment was 6.6 percent
  - The division administrator, bureau chiefs, regional fish managers, fisheries biologists, and fisheries technicians were awarded pay increases pursuant to professional development/market progression models adopted for each job code. The average salary adjustment was 4.4 percent
- o **Retirements** - The division anticipates 21, or 14 percent of employees, would be eligible for full retirement in the 2011 biennium and these retirements would result in about \$490,000 in unfunded compensated absence liability

**DP 302 - Private Lands Fishing Access** - The executive is requesting an expansion of the Private Land Fishing Access (PLFA) program. This program reimburses landowners for costs associated with allowing public access for fishing. Current funding for this program is \$25,000 per year and this request would increase base funding to \$50,000 per year.

*The following information is provided so that the legislature can consider various performance measurement principles when examining this proposal. It is submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.*

**Justification:**

Public demand for fishing access cannot be fully met on public lands. Funding associated with this proposal will be used to improve fishing access on private lands. Additionally, funds would be used to enhance safety along right-of-ways, assure landowner concerns on fencing, and balance private land use with public angling opportunities.

**Project Outcome(s):**

Increased public access opportunities on private land and reduced conflict between landowners and users.

**Performance Criteria:**

Success will be measured by evaluating the number of sites obtained or improved, the speed with which projects are implemented, and the time period within which they are completed. The FAS coordinator in the Parks Division will do performance monitoring.

**Milestones:**

Funds provided will be expended on not less than three sites before the end of FY 2010.

**FTE:**

The program will be implemented with existing FWP staff. There is no new FTE attached to this funding proposal.

**Funding:**

The source of the funding for this initiative is the general license account. Depending on the number and locations of sites where improvements may be needed, it is likely that the amount of funding will need to be increased in future fiscal years.

**Challenges:**

The most significant challenge will be the establishment and execution of projects in a timely, low cost manner.

**Risk:**

If the proposal is not adopted, the access situation will remain as status quo. As landownership changes in Montana and angler access becomes a more important issue, demand continues to rise.

**LFD  
ISSUE****Access should be defined**

This Private Land Fishing Access (PFLA) Program was modeled after the Hunting Access Enhancement Program. The purpose of this program is to give practical, tangible assistance to landowners who allow public access across their lands to fish streams or lakes that otherwise are not accessible. The landowners are paid for access, or are paid for the installation of parking areas, access fences, weed control, or the like based on the level of benefit provided to the fishing community. Benefits, as defined by statute (87-1-301, MCA), may include the number of days of public fishing provided by a participating landowner, fish habitat provided, or access provided to adjacent public lands. The program is funded with general license dollars, but could also be funded with the \$1.00 fishing access fee (87-1-605, MCA) paid with each fishing license.

Statute defines this program as an access enhancement program to benefit the angling community. However, the department, through the above performance criteria, defines success as the number of sites obtained or improved. It does not define success as utilization of the site by Montana anglers. A site can be available even if the angling public does not use it or even know about it. Currently, anglers must know to contact a FWP regional field office to find these opportunities.

**LFD  
ISSUE (CONT.)**

The issue in front of the legislature is whether to increase funding to an access program that will measure its success on the increased number of sites, not public use of such sites, particularly as the department indicates costs are likely to grow. The legislature may wish to consider one or more of the following:

- o Require the department to provide performance criteria in terms of site utilization, not site availability, and a plan to report site utilization to the Private Lands/ Public Wildlife Council or the Environmental Quality Council
- o Restrict a portion of the appropriation for public notification of the availability of such sites on the FWP website
- o Establish the appropriation as one-time-only authority and require a report on program outcomes related to site utilization to be provided to the Private Lands/Public Wildlife Council or the Environmental Quality Council
- o Request legislation to modify statute to include electronic public notification of each PFLA opportunity

DP 304 - Aircraft Rate Adjustment - The executive is requesting additional authority for department aircraft rental. Program staff who utilize department aircraft are assessed a fee for the hours flown. All rental revenue generated is used to maintain those aircraft.

**New Proposals**

Program	Fiscal 2010					Fiscal 2011				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 301 - Invasive Species Program										
03	1.75	0	71,278	94,485	165,763	1.75	0	71,297	94,510	165,807
DP 303 - State Wildlife Grants, Fisheries - Bien/OTO										
03	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
<b>Total</b>	<b>1.75</b>	<b>\$250,000</b>	<b>\$71,278</b>	<b>\$94,485</b>	<b>\$415,763</b>	<b>1.75</b>	<b>\$250,000</b>	<b>\$71,297</b>	<b>\$94,510</b>	<b>\$415,807</b>

DP 301 - Invasive Species Program - The executive is requesting 1.75 FTE and relate authority to continue the Aquatic Nuisance Species Program (ANS) and the Weed Management Program. The current funding from the U.S Fish and Wildlife Service is declining and the Pacific State Marine Fisheries Commission funding is scheduled to end in FY 2009. The request is to replace the expiring funding with general license dollars (43 percent) and federal Pittman Robertson funds (57 percent).

*The following information is provided so that the legislature can consider various performance measurement principles when examining this proposal. It is submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.*

**Justification:**

This proposal implements FWP's responsibilities under the Governor's Weed/Invasive Species initiative and will make permanent FWP's current Aquatic Nuisance Species Program and expand the Weed Management Program.

Weed Management Program: The spread of weeds poses a potentially serious threat to agricultural, industrial, and recreational interests in Montana. FWP leases or owns over 327 fishing access sites that are typically adjacent to agricultural lands. The program provides weed management on these properties and educates recreational users to prevent the spread of weeds. The Weed Program works with department land managers and private landowners to control and reduce the spread of weeds. This request will provide an additional \$40,000 annually to the support the program.

Aquatic Nuisance Species (ANS) Program: FWP is responsible for managing recreational opportunities for anglers and for protecting the aquatic resources and ecosystems in Montana. The current ANS program is funded with a grant from the US Fish and Wildlife Service and additional financial support from the Pacific States Marine Fisheries Commission

(PSMFC). The ANS Program is responsible for all public outreach, monitoring, and detecting of ANS in waters of the State of Montana; determining and implementing appropriate responses to ANS introductions; and coordinating with other intrastate, interstate, and national nuisance and invasive species efforts.

The USFWS funding has declined from \$75,000 in FY 2003 to \$43,000 in FY 2008, and is expected to continue to decline. PSMFC funding will end in FY 2009. By FY 2010, there will be insufficient funding to support the existing FTE needed for this program. This request will provide new base funding to support 1.75 FTE currently allocated to the ANS Program as modified FTE and provide operations to support the program.

#### Project Outcome(s)

##### Weed Management Program:

- o Reduce the spread of weeds from FWP Fishing Access Sites
- o Protect the integrity of fishing access sites and surrounding lands for the long-term enjoyment of anglers
- o Protect adjacent landowners from weed encroachment
- o Coordinate with other agencies to be proactive in preventing the spread of noxious weeds

##### Aquatic Nuisance Species (ANS) Program:

- o Educate anglers about the spread of nuisance species. Public outreach will include: signs at all river, lake, and reservoir access sites; booths at outdoor shows; interacting one-on-one with anglers and boaters at access sites; several public presentations at special interest group meetings, universities, lake home owner associations and others; and brochures at all Fish, Wildlife and Parks offices and traveler information systems
- o Coordinate with other states and agencies in an effort to be proactive in preventing and/or managing aquatic nuisance species while providing maximum recreational opportunities for angling in Montana
- o Protect the aquatic resources of Montana from the introduction ANS and, if established, reduce the further spread of these organisms
- o Continue the boat inspection program that was established in 2004
- o Provide Hazard Analysis and Critical Control Point (HAACP) training for department personnel and other agencies.
- o Continue sampling for the presence of ANS and monitoring established population as needed
- o Provide ANS inspection and certification of state and private hatcheries
- o Evaluate fish and egg transfers and import requests for ANS risks
- o Maintain FWP's ANS website.

#### Performance Criteria:

Weed Management Program: Photographs and GIS mapping will document before and after weed treatment and show progress and needed follow-up measures. A 5 percent reduction of infested lands per year is sought.

Aquatic Nuisance Species (ANS) Program: Performance criteria will include numbers of angler/boater contacts made, sampling/monitoring inspections, and of presentations given on ANS-related subjects. Measurable objectives will include the production of ANS-related education materials and presentations given, meeting annual reporting requirements, and the level of prevention and spread of ANS species in Montana.

#### Milestones

Weed Management Program: Weed assessments will occur from May through September annually.

Aquatic Nuisance Species (ANS) Program: The 0.75 FTE will be hired in time to begin fieldwork commencing in the summer of 2009. Presentations, production of education/outreach materials, reporting, and program coordination are ongoing. Field monitoring and sampling, sample processing, and hatchery inspections and certification occur from May through September.

**FTE**

Weed Management Program: The weed program is administered by 1.0 FTE in the Helena Field Services Division and will not be supplemented with this request. This request will augment the existing operations budget and allow additional weed control work on fishing access sites and other department-managed lands.

Aquatic Nuisance Species (ANS) Program: The ANS program is currently managed by FTE that has been funded with several budget amendments for the past four years. The same highly qualified person will continue to manage the ANS program and will hire the most experienced seasonal field help available. The manager will coordinate with other states and agencies and will supervise statewide field sampling, monitoring, and educational programs. Seasonal field technicians will monitor/sample susceptible, suspected, or positive waters; present educational programs; and conduct laboratory analysis of field samples.

**Funding**

Weed Management Program: Proposed funding is from the FWP general license account (state special revenue). This is the appropriate funding source because the activities focus on weed management primarily at fishing access sites. Weeds pose a potentially serious threat to Montana's FAS resources. It is estimated that it will cost \$80,000 of FWP license funds for the 2013 biennium.

Aquatic Nuisance Species (ANS) Program: Proposed funding is from the FWP general license account (state special revenue) and the federal Wallup-Breaux for sport fish restoration and motorboat recreation. These are appropriate funding sources because the activities focus on anglers and boaters. ANS pose a potentially serious threat to Montana's fisheries. It is estimated that it will cost \$62,594 of FWP license funds and \$189,020 of WB federal funds for the 2013 biennium.

**Obstacles**

Weed Management Program: Weed contractor effectiveness is one issue being monitored. Most contracts are with county weed coordinators. Counties don't have staff to treat all weeds at the most opportune time. We may need to explore treating weeds with FWP staff.

Aquatic Nuisance Species (ANS) Program: There are no major obstacles to implementing this program. This funding will allow an already established successful program to continue.

**Risk**

Weed Management Program: Fighting weeds will be a never-ending battle. However, by maximizing our efforts year-in and year-out, we hope to keep weed invasion in check. Without this funding, we risk the spread of noxious weeds on new and existing properties.

Aquatic Nuisance Species (ANS) Program: Continuing the coordination of this program should help prevent or control the spread of nuisance species and protect Montana's riparian and aquatic resources. Without this funding, efforts such as ANS monitoring in the Noxon Reservoir in 2007 that resulted in the discovery of Eurasian water milfoil would not have been detected and the infestation could have become more widespread. Coordination with other Columbia River Basin states on a response plan for zebra or quagga mussels may result in defined roles and responsibilities of each state and region. Without this funding, the ANS program will have to be scaled back or eliminated.

**LFD  
ISSUE**

Lack of measureable criteria for ANS

The Weed Management Program is seeking to reduce noxious weeds by 5 percent as measured through aerial and on-the ground surveys.

The Aquatic Nuisance Species Program seeks to measure success by the number of contacts, presentations, and inspections provided. This may be an objective for education if compared against previous years, but it does not address how the agency intends to control any outbreak. The legislature may wish to discuss with the department establishing a goal on either education or eradication of ANS and subsequently provide appropriate objectives.

**Responsibility for fishing access site management**

The Fisheries Division does not provide the day to day management support of fishing access sites. That management function is provided by the Parks Division. The noxious weed portion of this proposal should be segregated and placed into the budget of the Parks Division.

DP 303 - State Wildlife Grants, Fisheries - Bien/OTO - The executive is requesting \$250,000 general fund each year of the biennium to provide matching funds for the federal State Wildlife Grant Program. The funding would be used to restore and/or protect fish and aquatic habitats as defined in the comprehensive fish and wildlife conservation strategy.

**LFD  
COMMENT**

The department was provided general fund for the same purpose for the 2009 biennium. The legislature may wish to restrict this appropriation as match for the federal state wildlife grants program. See the Agency Issues section of this narrative.

**Other Issues:**

*Executive budget does not address funding challenges of the Fort Peck Hatchery*

The Fort Peck Hatchery is a \$22.0 million multi-species hatchery built by the US Army Corp of Engineers between 2002 and 2006 to establish a state-of-the-art multi-species hatchery to raise more fish for Montana waters. In 2006, per agreement with the U.S Fish & Wildlife Service, the management of the hatchery was transferred to the department. Pursuant to 87-3-235, MCA and 87-3-236, MCA the hatchery is to be fully supported by the revenues from the \$5.00 warm water species stamp required to fish waters that receive stocking from the hatchery, unless federal funding becomes available. However, the federal funds have not materialized and the revenues from the warm water fish stamp do not keep pace with the costs of operating the hatchery. The status of the warm water fund is demonstrated in Figure 5. The fees and fund interest provide revenues of approximately \$320,000 per year and the FY 2008 base cost of hatchery operations was \$400,955. At the current expenditure rate, the fund balance will be exhausted sometime in the 2013 biennium, at which time the hatchery must operate only on annual revenues.

Figure 5  
Department of Fish, Wildlife and Parks  
Warm Water Fish Stamp (02942)

	Actual	Appropriated	Executive Request	
	FY 2008	FY 2009	FY 2010	FY 2011
Beginning Balance	\$981,464	\$856,124	\$765,515	\$666,317
Expenditures	(442,522)	(416,272)	(417,655)	(419,288)
Revenues	317,182	325,663	318,457	311,262
Ending Fund Balance	\$856,124	\$765,515	\$666,317	\$558,291

The funding supports the hatchery at about half capacity. Those operations include the rearing of walleye fry and fingerlings, northern pike, and Chinook salmon. Once stocking of the fish has occurred, the hatchery sits virtually empty for several months, which it currently must do, given the lack of funding and the restriction on species production. During this idle time, FWP uses other resources to truck trout fingerlings to lakes and ponds in the northeastern part of

the state. This cost could potentially be reduced if the facility could raise trout in the alternate months of warm water fish.

To address capacity and funding issues, the department has been working with the interest groups on both sides of the issue. Cold water fish groups are historically opposed to the use of general license dollars to support the hatchery, while the warm water groups support an increase in the general fishing license to support the hatchery. The division was able to release two options for public comment. They are:

- o Increase the warm water stamp from \$5.00 to \$8.00. This option would not change the management of the hatchery. The stamp fee would continue to be paid by those who fish for warm water species in certain Montana waters. Based on license year 2007 sales, this increase would raise an additional \$183,816 for a total of \$458,000 annually.
- o Increase the general fishing license by \$1.00 to \$2.00 per year. This option would also require a statutory change that would allow other funds to be used at the hatchery and other species to be raised. An advisory council would assist in developing requests for fish production. This would raise \$400,000 to \$600,000 per year and could allow the hatchery to operate at capacity.

The results of the public comment period indicated that the clear majority would support an increase in the general fishing license. However, the policy decisions to be made about hatchery operations and funding are the responsibility of the legislature. The legislature may wish to examine the options provided by the department and consider additional options such as:

- o Establishing production goals for the facility in terms of currently allowed species and cold water species
- o Propose legislation to increase the warm water stamp fee to provide the resources for the department to meet production goals
- o Propose legislation to allow for the use of general license dollars to support the hatchery and align funding between the warm water stamp and the general license account based on production goals
- o Raise the warm water stamp to continue funding the hatchery at current levels past 2012