Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	135.98	135.98	140.94	140.43	135.98	140.43	4.45	3.27 %
Personal Services	8,245,831	9,209,049	9,717,617	9,677,520	17,454,880	19,395,137	1,940,257	11.12 %
Operating Expenses	10,091,906	10,126,394	11,423,967	11,377,724	20,218,300	22,801,691	2,583,391	12.78 %
Equipment & Intangible Assets	47,867	47,867	47,867	47,867	95,734	95,734	0	0.00 %
Capital Outlay	0	0	0	0	0	0	0	0.00 %
Grants	0	162,879	0	0	162,879	0	(162,879)	(100.00)%
Benefits & Claims	800	6,225	800	800	7,025	1,600	(5,425)	(77.22)%
Transfers	0	0	0	0	0	0	0	0.00 %
Total Costs	**$18,386,404**	**$19,552,414**	**$21,190,251**	**$21,103,911**	**$37,938,818**	**$42,294,162**	**$4,355,344**	**11.48 %**
General Fund	0	0	654,431	558,716	0	1,213,147	1,213,147	0.00 %
State/Other Special Rev. Funds	9,990,806	11,023,122	11,770,930	11,777,432	21,013,928	23,548,362	2,534,434	12.06 %
Federal Spec. Rev. Funds	8,395,598	8,529,292	8,764,890	8,767,763	16,924,890	17,532,653	607,763	3.59 %
Total Funds	**$18,386,404**	**$19,552,414**	**$21,190,251**	**$21,103,911**	**$37,938,818**	**$42,294,162**	**$4,355,344**	**11.48 %**

Program Description

The Wildlife Division is responsible for the conservation and management of Montana's birds, mammals, reptiles, and amphibians and their habitat. Activities related to the Wildlife Division include monitoring the status of wildlife and habitats, conserving and enhancing wildlife habitat, as well as providing opportunity for public enjoyment of wildlife through hunting, trapping, and viewing. The division manages animals legislatively categorized as big game, nongame wildlife, migratory game birds, upland game, furbearers, and threatened and endangered species. Responsibilities within the Wildlife Division fall into four major themes: management, habitat, access, and wildlife conflict.

Program Highlights

Wildlife Division
Major Budget Highlights

- The proposed budget represents an 11% increase over the biennium or $4.3 million
- The biennial increase is attributable to:
  - $1.2 million of general fund for sage grouse conservation, including 7.0 FTE
  - $1.0 million split between state special and federal special for wolf managment
  - $1.2 million of state special revene for the hunter access program
- There are no proposed changes to the department aircraft proprietary program.

Major LFD Issues
• The executive has also requested $5.0 million general fund each year of the biennium for sage grouse managment in the Department of Natural Resources and Conservation (DNRC). The legislature may wish to consider all sage grouse requests in a hearing with both FWP and DNRC present

Program Discussion -

The following table highlights the differences between the FY 2015 appropriations as shown in the main table and the FY 2015 legislative appropriations used for purposes of the budget base.

FY 2015 Appropriation Transactions - Department of Fish, Wildlife & Parks							
Program	Legislative Appropriation	Legislative Approp OTO	House Adj	Operating Plan	Program Transfers	Reorgs	Total Executive Implementation
05 WILDLIFE DIV	$19,485,909	$11,500				($71,442)	$19,552,414
05 WILDLIFE DIV						(5,937)	
05 WILDLIFE DIV					$132,384		
05 WILDLIFE DIV				($22,825)			
05 WILDLIFE DIV				(278,316)			
05 WILDLIFE DIV				(8,888)			
05 WILDLIFE DIV				(26,663)			
05 WILDLIFE DIV				(11,500)			
05 WILDLIFE DIV				(48,437)			
05 WILDLIFE DIV				22,825			
05 WILDLIFE DIV				278,316			
05 WILDLIFE DIV				8,888			
05 WILDLIFE DIV				26,663			
05 WILDLIFE DIV				11,500			
05 WILDLIFE DIV				48,437			
05 WILDLIFE DIV			$2,811				
05 WILDLIFE DIV			(3,251)				
05 WILDLIFE DIV			5,320				
05 WILDLIFE DIV			34,597				
05 WILDLIFE DIV			(11,233)				
05 WILDLIFE DIV			75,630				
05 WILDLIFE DIV			(103,697)				
05 WILDLIFE DIV			(2,153)				
05 WILDLIFE DIV			(24,037)				
05 WILDLIFE DIV			26,013				
Program Total	$19,485,909	$11,500	-	-	$132,384	($77,379)	$19,552,414

The difference between the legislative appropriation and the executive is a program transfer of FTE and the reduction of $77,379 associated with the transfer of 1.5 FTE to the Department Management Division as part of the reorganization.

Comparison of FY 2014 Actual to FY 2015 Appropriations

The Wildlife Division expended $18.4 million in FY 2014, or 94.4% of the FY 2015 legislative appropriation

Funding

The following table shows proposed program funding by source from all sources of authority.

Department of Fish, Wildlife & Parks, 05-Wildlife Division
Funding by Source of Authority

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,213,147	0	0	1,213,147	2.81 %
02051 Private Contracts & Grants	0	0	0	0	0.00 %
02061 Nongame Wildlife Account	101,624	0	0	101,624	0.43 %
02084 Fish WL Forest Management	242,573	0	0	242,573	1.03 %
02085 Waterfowl Stamp Spec. Rev.	26,124	0	0	26,124	0.11 %
02086 Mountain Sheep Account	295,960	0	0	295,960	1.26 %
02112 Moose Auction	72,380	0	0	72,380	0.31 %
02113 Upland Game Bird Habitat	350,581	0	0	350,581	1.49 %
02176 Mountain Goat Auction	0	0	0	0	0.00 %
02334 Hunting Access	10,629,313	0	0	10,629,313	45.14 %
02409 General License	9,539,679	0	0	9,539,679	40.51 %
02423 Wolf Collaring	620,092	0	0	620,092	2.63 %
02424 Wolf Depredation	620,072	0	0	620,072	2.63 %
02469 Habitat Trust Interest	999,964	0	0	999,964	4.25 %
02559 Mule Deer Auction	50,000	0	0	50,000	0.21 %
02560 Elk Auction	0	0	0	0	0.00 %
02432 Oil and Gas ERA	0	0	0	0	0.00 %
State Special Total	**$23,548,362**	**$0**	**$0**	**$23,548,362**	**54.46 %**
03097 Fedl Fish(W/B) Wildlife(P/R)	16,061,853	0	0	16,061,853	91.61 %
03129 USFWS SECTION 6	0	0	0	0	0.00 %
03403 Misc. Federal Funds	551,156	0	0	551,156	3.14 %
03408 State Wildlife Grants	919,644	0	0	919,644	5.25 %
Federal Special Total	**$17,532,653**	**$0**	**$0**	**$17,532,653**	**40.55 %**
06540 FWP AIRCRAFT	0	943,207	0	943,207	100.00 %
Proprietary Total	**$0**	**$943,207**	**$0**	**$943,207**	**2.18 %**
Total All Funds	**$42,294,162**	**$943,207**	**$0**	**$43,237,369**	

This division is predomintantly funded with hunter access fees, the general license account and federal fish and wildlife funds. The general fund ($1.2 million) is related to the executive request to implement the sage grouse conservation plan.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category

	General Fund				Total Funds			
Budget Item	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	19,485,909	19,485,909	38,971,818	92.14 %
PL Adjustments	0	0	0	0.00 %	785,302	794,881	1,580,183	3.74 %
New Proposals	654,431	558,716	1,213,147	100.00 %	919,040	823,121	1,742,161	4.12 %
Total Budget	**$654,431**	**$558,716**	**$1,213,147**		**$21,190,251**	**$21,103,911**	**$42,294,162**	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law										
	0.00	0	554,150	(180,286)	373,864	0.00	0	550,383	(180,512)	369,871
DP 99 - LEG. Present Law										
	0.00	0	(4,446)	415,884	411,438	0.00	0	6,027	418,983	425,010
Grand Total All Present Law Adjustments										
	0.00	**$0**	**$549,704**	**$235,598**	**$785,302**	**0.00**	**$0**	**$556,410**	$238,471	$794,881

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law Adjustments					
	FY 2016				
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	131.08	-	$30,568	$33,136	$63,705
Executive Implementation of 2015 Pay Increase		-	69,386	85,021	154,407
Fully Fund 2015 Legislatively Authorized FTE		-	88,831	79,100	167,931
Other	0.00	-	365,365	(377,543)	(12,179)
Personal Services Present Law Adjustments	131.08	-	$554,150	($180,286)	$373,864
	FY 2017				
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	131.07	-	30,567	33,133	$63,700
Executive Implementation of 2015 Pay Increase		-	69,386	85,021	154,407
Fully Fund 2015 Legislatively Authorized FTE		-	88,831	79,100	167,931
Other	0.00	-	361,600	(377,766)	(16,167)
Personal Services Present Law Adjustments	131.07	-	$550,383	(1$80,512)	$369,871

The other adjustments include increases for retirement and longevity offset by small funding switches.

DP 99 - LEG. Present Law -

Operational costs included in this adjustment are related to wolf management and the hunter access program off set by reductions in fixed costs and inflation/deflation.

LFD ISSUE

Wolf Management

The executive requested approximately $1.0 million in federal and state special fund for the wolf management program. The decision package includes travel related expenses and minor equipment. The adjustments for travel are ten times the amount expended in FY 2014, motor pool triples and contract services about double. The executive did not provide any reason why these funds are needed. The legislature may wish to have the agency clearly describe the needs and provide an update on the wolf management program as part of the decision making process.

LFD COMMENT

Hunter Access

The executive request to align hunter access revenue with expenditures results in an increase of approximately $1.2 million. The legislature may wish to consider what the hunting community will receive with this adjustment. The narrative suggests increased contractor payments, it does not discuss increased land access.

New Proposals -

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals

	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 500504 - WMA Maintenance FTE										
	1.86	0	118,232	0	118,232	1.86	0	118,209	0	118,209
DP 500506 - Sage Grouse Implementation										
	7.00	654,431	0	0	654,431	6.50	558,716	0	0	558,716
DP 500508 - Forest Management FTE and Operations										
	1.00	0	121,377	0	121,377	1.00	0	121,196	0	121,196
DP 500509 - Mule Deer Auction										
	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
Total	**9.86**	**$654,431**	**$264,609**	**$0**	**$919,040**	**9.36**	**$558,716**	**$264,405**	$0	$823,121

DP 500506 - Sage Grouse Implementation -

The executive requests $654,431 in FY 2016 and $558,716 in FY 2017 for 7.50 FTE and operations costs required to implement the Sage Grouse Conservation Strategy developed by the Sage Grouse Advisory Council. The purpose of the council and this request is to avoid federal listing under the Endangered Species Act. Funding for the proposal comes from the general fund.

LFD ISSUE

What is the Sage Grouse Plan?

According to the agency website, the goals of the plan include the following:

- Minimize impacts of wildfire or prescribed fire on sage grouse habitat.
- Maintain sage grouse hunting without impacting the viability of sage grouse populations and the public's sage grouse hunting opportunity.
- Maintain and enhance sagebrush rangelands to provide productive sage grouse habitat while providing for grazing and the other uses of Montana's sagebrush grasslands desired by society.
- Engage in mining and oil and gas development and minimize impacts to sage grouse and sagebrush habitats.
- Minimize impacts of noxious weeds and other invasive species on sage grouse.

- Teach and inform Montanans and others about sage grouse populations and habitat needs, to help coordinate Montana's conservation plan on public and private lands.
- Continue to provide electric service to customers (which requires power lines and generation facilities) while minimizing impacts to sage grouse and sagebrush habitats.
- Where appropriate, manage predation rates to enhance sage grouse survival and production using either indirect control (reduction of perch sites, elimination of denning site, or improved habitat conditions) or direct control where legal and cost effective.
- Continue to provide sage grouse viewing and other recreational opportunities while minimizing impacts to sage grouse and sagebrush habitats.
- Manage existing and future roads to minimize road-related disturbance, loss of habitat, degradation of habitat, and mortality of sage grouse.
- Manage vegetation to maintain the health of the sagebrush community, enhance sage grouse habitats, and meet the needs of other species and human uses.
- Maintain sage grouse habitat where the effects of other wild herbivores (especially ungulates) are reducing the quality of the site for use by sage grouse.

To obtain these goals, the executive has also requested $5.0 million general fund each year of the biennium for the purpose of funding non-regulatory, conservation based measures on private land to preserve sage grouse habitat to be managed by the Department of Natural Resources and Conservation. This raises the general fund investment to $5.6 million per year or $11.2 million general fund over the biennium.

In order to contemplate funding of the plan, the legislature could request a joint hearing between FWP and DNRC. This would allow the legislature to examine the plan as a whole rather in parts, including each agency's responsibilities.

DP 500509 - Mule Deer Auction -

The executive requests $25,000 per year in state special revenue for enhanced mule deer management efforts to improve the understanding of habitat use by the species and enable predictive population modeling. Funding is from the earmarked mule deer auction account which must be used to benefit the species.

DP 500508 - Forest Management FTE and Operations -

The executive request is for $121,377 in FY 2016 and $121,196 in FY 2017 for 1.00 FTE and related operational expenses with the intent of establishing an active forest management program including sustainable yield activities on the 151,000 acres of forest land administered by FWP as well as guide forest planning for the 203,000 acres of conservation easement interests held by FWP.

LFD COMMENT While prior legislatures have directed FWP to complete this activity, the legislature may wish to examine how the Forestry Division in DNRC can assist in this activity as that program houses the State Forester who is responsible for forest health statewide.

DP 500504 - WMA Maintenance FTE -

This executive requests $118,232 in FY 2016 and $118,209 in FY 2017 to make permanent the 1.86 modified FTE that were previously funded under SB 164 from the 2009 session, which has expired. The funding is statutorily dedicated to Wildlife Management Area maintenance.

LFD COMMENT SB 164 (2009)

The good neighbor policy requires the department to maintain land and water under department ownership. The orginial legislation included revenue from land acquisitions and disposals. While the requirement to maintain land and water remains, the funding source and the corresponding statutory appropriation have expired due to a sunset clause. This request would establish the FTE within HB 2 (rather than a statutory appropriation) and is funded with habitat trust interest. The habitat trust is provided for in 87-1-601 (5), MCA which limits appropriations to the interest off the trust for the purpose of operation, maintenance, and development of property under agency ownership.

Other Issues -

Proprietary Program Description

Fund 06540 - Aircraft Fund

Program Description

The department's aircraft fund provides aircrafts to department employees. These users are mostly fish and wildlife biologists. Every month, users are charged for the hours flown during the previous month.

Revenues and Expenses

The objective of the aircraft account is to recover sufficient funds to cover insurance costs, fuel, repair costs, and general operational costs of the airplanes. Personal Services are not covered by this fund. The two largest costs are fuel and repairs. The average annual repair costs for the past six years have been $197,000. In FY 2014, the department flew just approximately 2,040 hours in department aircrafts.

Rates and Rate Explanation

The costs of the Aircraft Unit to FWP are a combination of hourly rates to operate, scheduled and non-scheduled maintenance, and associated costs such as hanger rental, insurance, and airport fees. The department attempts to ensure that fees are commensurate with costs over time. It does this in two ways. First, proposed rates for the next biennium take into consideration any excess income or loss generated from previous periods. Second, prior to finalizing new rates at the beginning of a new fiscal year, the rates are recalculated based on actual information.

	FY2014	FY2015	FY2016	FY2017
Two place-single engine - per hour	$130.00	$150.00	$150.00	$150.00
Partnavia - per hour	$425.00	$500.00	$500.00	$500.00
Turbine helicopter - per hour	$425.00	$500.00	$500.00	$500.00

Changes in Level of Fees and Charges

No changes in services or fees are proposed.

Projected Fund Balance, Including Cash Fluctuations

There is no requirement to reserve fund balance. However, a portion of the program's fund balance has been reserved for the book value of department aircraft. The fund balance in FY 2014 was $124,023 and the cash balance was $85,547.

Working Capital and Fees Commensurate Analysis

The department attempts to manage this account so that a 60-day working capital amount of cash is available when the cash balance is at its lowest level.

The department attempts to ensure that fees are commensurate with costs over time. It does this in two ways. First, proposed rates for the next biennium take into consideration any excess income or loss generated from previous periods.

Second, prior to finalizing new rates at the beginning of a new fiscal year, the rates are recalculated based on actual information.

Cash balances fluctuate during the year for two reasons. Monthly flight hours vary due to optimum times to do species counts, and major repairs and scheduled maintenance occur sporadically throughout the year.

2017 Biennium Report on Internal Service and Enterprise Funds

Agency #
52010

Agency Name:
Department of Fish, Wildlife & Parks

Program Name:
Wildlife Division

Fund	Fund Name
06540	FWP AIRCRAFT

	Actual FY12	Actual FY13	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
Operating Revenues:						
Fee and Charges						
Fee Revenue A	523,966	463,951	464,771	500,000	500,000	500,000
Total Operating Revenues	523,966	463,951	464,771	500,000	500,000	500,000
Expenses:						
Other Operating Expenses	411,904	443,390	415,539	450,000	450,000	450,000
Total Operating Expenses	411,904	443,390	415,539	450,000	450,000	450,000
Operating Income (Loss)	112,062	20,561	49,232	50,000	50,000	50,000
Nonoperating Revenues:						
Nonoperating Expenses:						
Total Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Contributions and Transfers	112,062	20,561	49,232	50,000	50,000	50,000
Change in Net Position	112,062	20,561	49,232	50,000	50,000	50,000
Beginning Net Position - July 1	(8,599)	103,463	124,024	173,256	223,256	273,256
Change in Net Position	112,062	20,561	49,232	50,000	50,000	50,000
Ending Net Position - June 30	103,463	124,024	173,256	223,256	273,256	323,256
Net Position (Fund Balance) Analysis						