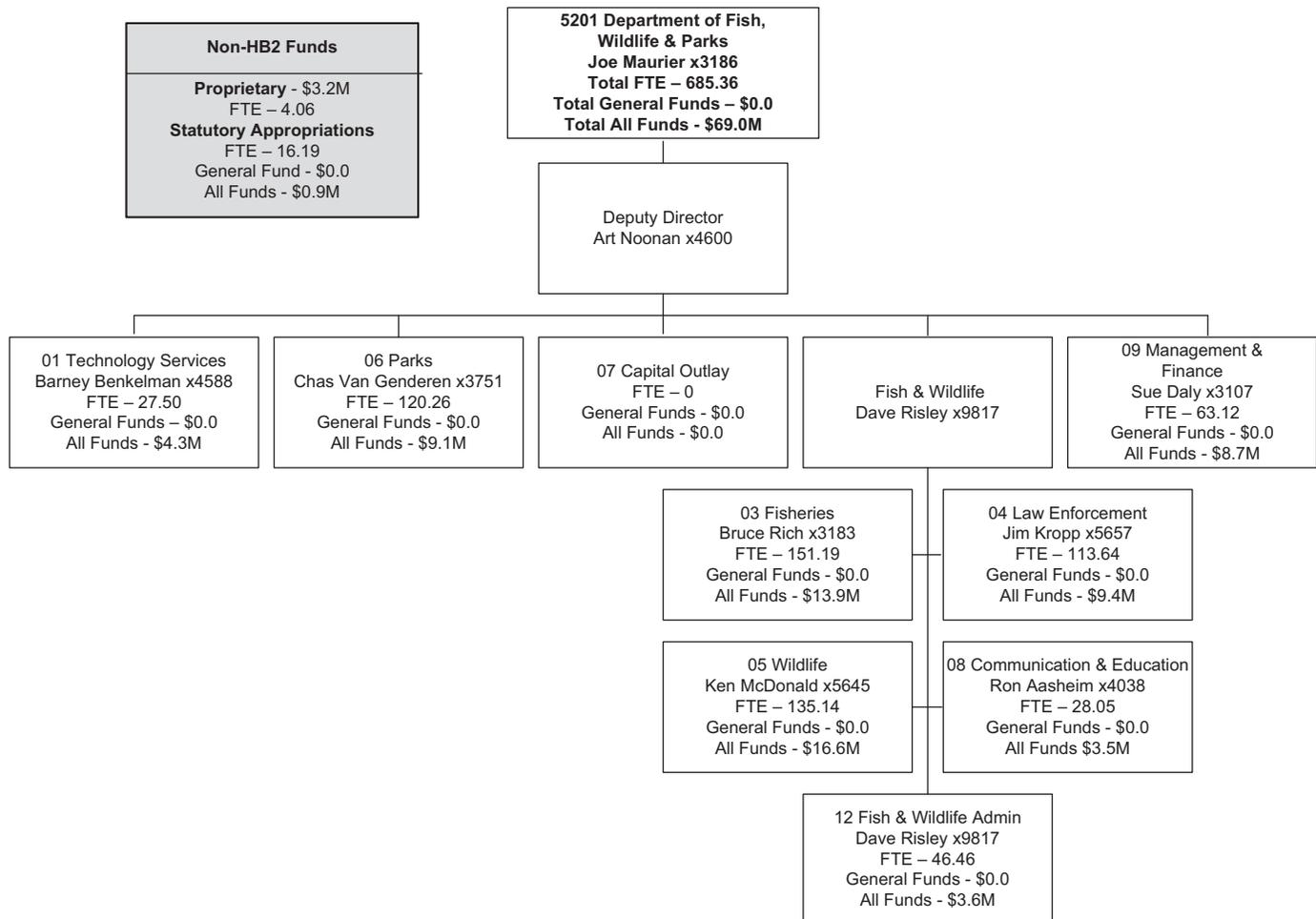


Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	685.36	685.36	700.59	700.59	685.36	700.59	15.23	2.22%
Personal Services	38,501,079	39,712,978	40,945,437	40,953,889	78,214,057	81,899,326	3,685,269	4.71%
Operating Expenses	28,622,412	29,336,152	30,556,888	30,524,845	57,958,564	61,081,733	3,123,169	5.39%
Equipment & Intangible Assets	873,722	857,212	816,995	816,995	1,730,934	1,633,990	(96,944)	(5.60%)
Grants	952,105	985,521	975,986	975,986	1,937,626	1,951,972	14,346	0.74%
Benefits & Claims	4,823	4,850	4,823	4,823	9,673	9,646	(27)	(0.28%)
Transfers	58,869	99,652	99,652	99,652	158,521	199,304	40,783	25.73%
Total Costs	\$69,013,010	\$70,996,365	\$73,399,781	\$73,376,190	\$140,009,375	\$146,775,971	\$6,766,596	4.83%
State Special	54,070,860	55,648,120	57,552,965	57,525,124	109,718,980	115,078,089	5,359,109	4.88%
Federal Special	14,942,150	15,348,245	15,846,816	15,851,066	30,290,395	31,697,882	1,407,487	4.65%
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$69,013,010	\$70,996,365	\$73,399,781	\$73,376,190	\$140,009,375	\$146,775,971	\$6,766,596	4.83%

The following is the agency organizational chart, with contact information. The chart has been modified by the LFD to include the FY 2010 base budget FTE, general fund, and total funds for each program. As applicable, total agency proprietary funds and statutory appropriations, along with associated FTE, are also shown.



Agency Description

Agency Mission: Montana Fish, Wildlife & Parks, through its employees and citizen commission, provides for the stewardship of the fish, wildlife, parks, and recreational resources of Montana, while contributing to the quality of life for present and future generations.

Fish, Wildlife and Parks (FWP) is responsible for the management of Montana's fish, wildlife, parks, and recreational resources. The department is also responsible for a state park system that includes scenic, historical, cultural, and recreational resources. The operational programs are in eight divisions and seven regional field offices. The five-member Governor appointed FWP Commission provides policy direction on resource management, seasons, fees, and use of department lands.

The agency has four overarching goals:

- o Create a work environment where priorities are clear; the decision-making process is efficient and effective; and where employees feel a sense of accountability, value, and satisfaction in their achievements and their contributions to the agency mission.
- o Provide quality opportunities for public appreciation and enjoyment of fish, wildlife, and parks resources.
- o Maintain and enhance the health of Montana's natural environment and the vitality of our fish, wildlife, cultural, and historic resources through the 21st century.
- o Emphasize education, communication, and responsible behavior to afford citizens the opportunity to better understand and participate in the decision-making process that sustain our natural, recreational and cultural resources for future generations.

The department consists of three divisions with the following functions:

The Management & Finance Division provides for overall department direction regarding policy, planning, program development, accounting, purchasing, property management, legal, information technology, personnel, and budgeting. The licensing program and special drawings are also managed in this division. This division is responsible for 63.0 FTE and is funded from the general license account and a portion of the indirect cost assessments on federal grants and nonfederal accounts.

The Parks Division is responsible for providing diverse recreational opportunities while preserving the historical, archaeological, scientific, and cultural resources of the state. This includes the maintenance and administration of all state parks, affiliated lands, fishing access sites, and the snowmobile program. In the 2003 session the daily park user fees for Montana residents were eliminated in exchange for an optional \$4 motor vehicle license fee. The fee provides significant revenue for the Parks Division. 120.26 FTE are dedicated to the Parks Division.

The Fish and Wildlife Division consists of six bureaus: communication and education, fisheries, wildlife, enforcement, strategic planning, and regional offices. The division oversees habitat and conservation practices for both fish and wildlife, enforcement of hunting and fishing regulations, hunter education, and production of regulations and implementation of department policies at the local level. Funding is primarily from the general license account and related federal funding. The division is operated with 502.10 FTE.

Agency Highlights

Department of Fish, Wildlife and Parks Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Governor proposes to increase this agency's budget by 4.8% from the previous biennium ◆ Major initiatives in the executive budget are: <ul style="list-style-type: none"> ● Restoration of one-time-only appropriations ● Elk management for brucellosis management ● Provision of funds to operate the Montana Outdoor Discovery Center ◆ The department does not receive any general fund ◆ The majority of the budget requests are funded equally with state special and federal funds
Legislative Action Issues
<ul style="list-style-type: none"> ◆ Major agency-wide LFD issues <ul style="list-style-type: none"> ● Balance of the general license account is declining ● There is a lack of balance between land acquisitions and land management ◆ Potential Items Requiring Implementing Legislation <ul style="list-style-type: none"> ● Realignment of funding for acquisitions and land management through modification of the habitat Montana fund. ● Adjustment of the \$4.00 light vehicle registration fee to fund parks ◆ Proprietary Rate Decision <ul style="list-style-type: none"> ● The legislature must approve rates for the vehicle fleet, aircraft operations, warehouse overhead, and the duplicating center ◆ Other Decision Factors <ul style="list-style-type: none"> ● Voter Initiatives - The voters passed an initiative to eliminate outfitter sponsored combination licenses and replace them with an increased number of non-resident licenses. Revenues from the licenses are dedicated to hunting access programs ◆ Interim Committee Recommendations <ul style="list-style-type: none"> ● The Legislative Finance Committee recommends that the budget starting point be the adjusted base minus 5% on general fund and state special revenue not statutorily exempt ● The general license account is exempt from the 5% reduction

Agency Discussion

Goals and Objectives

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- o Goals, objectives and year-to-date outcomes from the 2011 biennium.
- o Critical agency goals, objectives, and anticipated outcomes and their correlation to the executive's budget request for the 2013 biennium.

2011 Biennium Goals

The following provides an update of the goals monitored by the LFC during the 2011 biennium.

- o Provide a diversity of quality angling opportunities through management of self-sustaining wild fisheries and the responsible use of hatchery reared fish.
 - o The department met the goal by stocking 41.0 million fish and providing for 2.8 million angler days.
- o Maintain existing levels of public access for fishing and water-based recreation on state waters and increase levels of public access on selected state waters.
 - o The department maintained 15 private lands fishing access site.
- o Maintain state park sites and facilities to fully meet user needs.
 - o The department maintained facilities to meet public needs through the use of staff and volunteer hours.

2013 Biennium Goals

During the interim the LFC met with the agency to select critical goals and performance measurements for the legislature to consider during the appropriation process. The identified critical goal is:

- o Maintain department lands for public safety, resource protection, and facility performance.

Agency 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 by LFD staff as necessary for brevity and/or clarity.

- o **Labor Market Experience** - The agency is having difficulties attracting qualified applicant pools for science managers and science professionals. When qualified applicants are found, hiring does not always occur due to the inability to negotiate pay. Multiple recruitments are occurring for Resource Conservation Manager, Park Rangers, Park Managers, Accountants, Maintenance Workers, and Biologists.
- o **Pay Philosophy** -- The department is planning to maintain the status quo, unless the pay freeze is lifted. If the freeze is lifted the department will work with the Department of Administration to correct internal pay equity issues and adjust pay ranges to the competitive pay zones. The department does not use career ladders.
- o **Obstacles** – The department reports the biggest obstacle is the pay freeze; it hampers the ability to attract and maintain a qualified work force. In 2008 the labor management committee developed a tier 2 FWP Warden pay range. However, due to financial constraints, it has not been implemented.

5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this agency. If the component is included in the executive budget the specific decision package is listed.

The agency's 5% plan is targeted to reduce expenditures in areas funded with state parks fees, gasoline taxes, and revenues received from the Trust Lands program within the Department of Natural Resources and Conservation. The general license account is exempt from the statutory requirement. The agency did not specify the reductions that would be made, but mentioned decreased presence of law enforcement in state parks, reduced grants made to local community groups for trail maintenance, and delayed maintenance activities in state parks and fishing access sites.

If the legislature adopted the agency's 5% plan, the Governor's budget would be reduced by a further 0.52%.

Total 5% Reduction Plan Identified by Agencies, By Division Included and Not Included in Executive Budget 2013 Biennium			
Program/DP Number/Description	FTE	State Special Revenue	% Of Total
<u>Information</u>			
<i>Included in Executive Budget</i>			
Subtotal Included in Executive Budget		\$0	0.0%
<i>Not Included in Executive Budget</i>			
Technology Services in Parks		\$2,486	0.4%
Subtotal Not Included in Executive Budget		<u>\$2,486</u>	0.4%
Total Information Technology Bureau		\$2,486	0.4%
<u>Enforcement Bureau</u>			
<i>Included in Executive Budget</i>			
Subtotal Included in Executive Budget		\$0	0.0%
<i>Not Included in Executive Budget</i>			
Snowmobile Taxes		\$2,744	0.5%
Parks Enforcement		20,156	3.6%
FAS Enforcement		2,180	0.4%
Trust Land Enforcement		14,676	2.6%
Motorboat		<u>7,414</u>	1.3%
Subtotal Not Included in Executive Budget		<u>\$47,170</u>	8.3%
Total Enforcement Division		\$47,170	8.3%
<u>Parks Division</u>			
<i>Included in Executive Budget</i>			
Subtotal Included in Executive Budget		\$0	0.0%
<i>Not Included in Executive Budget</i>			
OHV Trails and Education		\$7,228	1.3%
Snowmobile Trails and Education		56,278	10.0%
Motorboat Certification		1,798	0.3%
Parks Misc		444,596	78.7%
FAS Support		<u>5,454</u>	1.0%
Subtotal Not Included in Executive Budget		<u>\$515,354</u>	91.2%
Total Enforcement Division		\$515,354	91.2%
<u>Total Reduction Plan</u>			
Included in Executive Budget		\$0	0.0%
Not Included in Executive Budget		<u>565,010</u>	100.0%
Total Agency Reduction Plan		<u>\$565,010</u>	

Funding

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2013 Biennium Budget				
Agency Program	State Spec.	Fed Spec.	Grand Total	Total %
01 Information Services Division	\$ 8,995,987	\$ 21,386	\$ 9,017,373	6.14%
03 Fisheries Division	11,561,685	17,014,762	28,576,447	19.47%
04 Enforcement Division	18,465,462	775,485	19,240,947	13.11%
05 Wildlife Division	25,844,764	11,212,739	37,057,503	25.25%
06 Parks Division	19,347,190	730,289	20,077,479	13.68%
08 Communication And Education Div	5,895,131	1,472,989	7,368,120	5.02%
09 Management And Finance	17,901,835	131,243	18,033,078	12.29%
12 Fish And Wildlife Admin	<u>7,066,035</u>	<u>338,989</u>	<u>7,405,024</u>	<u>5.05%</u>
Grand Total	<u>\$ 115,078,089</u>	<u>\$ 31,697,882</u>	<u>\$ 146,775,971</u>	<u>100.00%</u>

The department is funded with state special and federal special revenue. The department does not receive general fund. The most prominent funding source is the general license account (GLA), where the license and fee revenue for the privilege of hunting and fishing is maintained. The state has assented to federal law to utilize these funds only for the operation of the state fish and wildlife agency. Any diversion of the funds from this purpose would result in the loss of federal excise tax funds.

Significant Federal Funding

The Federal Aid in Wildlife Restoration Act, commonly referred to as Pittman-Robertson, began in July of 1938. The main purpose of this funding is to provide for the selection, restoration, rehabilitation, and improvement of wildlife habitat, wildlife management research, and the distribution of project information. An amendment to the program added funding for hunter safety and the development, operation, and maintenance of public shooting ranges.

Funding for the program comes from an 11 percent federal excise tax on sporting arms, ammunition, and archery equipment, as well as a 10 percent tax on handguns. Funds are proportioned to states based on a formula considering total area of the state and licensed hunters in the state.

The program is a cost reimbursement program where the state covers the full amount of the project and applies for reimbursement of up to 75 percent of the expenses. The state provides the other 25 percent from a nonfederal source.

Parallel to this program is the Federal Aid in Sport Fish Restoration act, referred to as Wallup-Breaux in recognition of the major revisions to the act completed in 1984. Modeled after Pittman-Robertson, Wallup-Breaux provides funding for the management, conservation, and restoration of fishery resources. Excise taxes on fishing rods, reels, creels, lures, flies, and artificial bait provide funding for the program.

Like Pittman-Robertson, Wallup-Breaux funds are distributed on a formula basis, based on the number of licensed anglers and land and water mass of the state. This is also a cost-reimbursement program where up to 75 percent of approved project costs can be recovered.

The federal programs come with specific requirements. Montana has agreed to use state hunting and fishing license revenues (and subsequent interest earnings) for only fishery and wildlife management work. If the state uses these revenues for something else, the federal government could determine that a diversion of state licensure dollars had occurred. The penalty for this activity is the withholding of Pittman-Robertson and Wallup-Breaux funding. As a consequence, the state has virtually no option to use state derived license revenues for any activities other than those related to fish and wildlife management to retain this funding.

General License Account

The department’s main source of funding is the general license account (GLA). Fees collected for the privilege of hunting and fishing that are not otherwise earmarked are deposited to the GLA. The amount available for appropriation from the GLA is dependent upon license revenues, interest earned, capital appropriations, and the demand for funds within the department.

The proposed biennium budget of \$146.7 million is funded with \$86.3 million of general license dollars. The health of this fund is central to the operation of the department. Figure 1 displays FY 2010 base expenditures per division and Figure 2 displays expenditures by category.

Figure 1

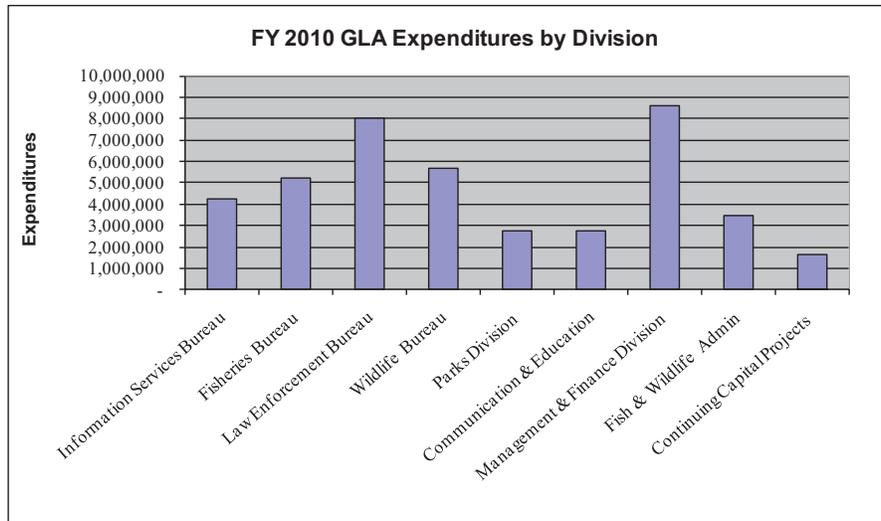
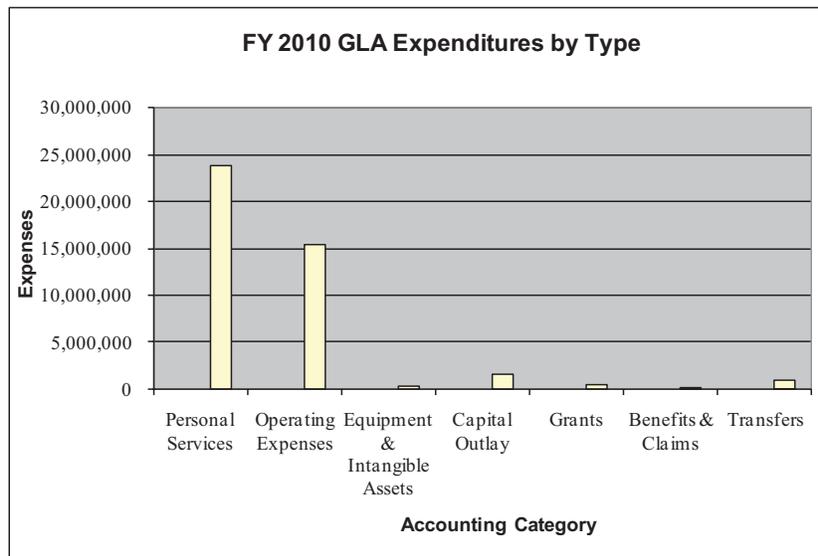


Figure 2



The Balance of the General License Account

The balance of the general license account determines the availability of funds for continuing operations, present law adjustments and expansions, and new proposals. Figure 3 provides the detail for the 2011 and 2013 biennia. The figure compares the completed base year of FY 2010, the appropriation for FY 2011, and the budget requested for FY 2012 and

FY 2013. Since FY 2010 is the base year for this biennium's budget, the figure allows for comparisons of revenues and expenditures. Entering FY 2010, the general license account had a balance of \$36.9 million, with \$40.2 million in revenues and \$42.4 million expended, leaving an available balance for FY 2011 of \$34.8 million.

Figure 3

FWP General License Account -- Estimate Available Fund Balance				
2013 Biennium Executive Request				
	Actual	Appropriated	Executive request	
	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Beginning Balance	\$36,961,944	\$34,831,331	\$36,059,695	\$33,781,482
License Revenue	32,712,634	33,895,766	33,895,766	33,895,766
Other Revenue	<u>7,557,684</u>	<u>7,014,545</u>	<u>6,738,841</u>	<u>6,692,640</u>
Total Funds Available	77,232,262	75,741,642	76,694,302	74,369,888
Disbursements				
Program Expenditures	40,754,336	35,312,299	40,371,061	40,342,120
Continuing Capital Costs		2,869,648		0
LRB Projects	1,646,595	1,500,000	1,610,500	1,610,500
Carry Forward Appropriations	0	0	0	0
Proposed Executive Pay Plan	0	0	96,914	1,207,875
Budget Proposals (PL & NP)	0	0	834,346	833,838
Total Disbursements	<u>42,400,931</u>	<u>39,681,947</u>	<u>42,912,821</u>	<u>43,994,333</u>
Adjustments (Prior Year Revenue)	0	0	0	0
Available Ending Balance	<u>\$34,831,331</u>	<u>\$36,059,695</u>	<u>\$33,781,482</u>	<u>\$30,375,555</u>

The projected balance of the general license account at the end of the 2013 biennium is \$30.4 million based upon the budget request and outstanding capital authority. The figure includes funding for the Governor's proposed pay plan for state employees. The projected fund balance illustrates that cash is readily available and fee increases are not necessary at this time.

The executive proposed biennial budget would increase funding from the general license account by \$3.1 million. This is a combination of \$1.2 million in statewide present law adjustments, \$1.4 million in agency present law adjustments, and \$0.5 million in new proposals. All are discussed in the program narratives that follow.

Structural Balance

The revenues to the general license account are based on fees set by the legislature. Historically, fees have been set at a stable level for a period of eight to ten years. Early in the cycle, the increased fees generate more income than the revenue needed to meet expenses, creating a surplus of funds in the general license account, which is utilized when expenses begin to exceed revenues. During the later period, the balance in the GLA declines as expenditures exceed revenues. When the balance is projected to reach a certain point, the executive proposes a fee increase. The department considers a fund balance of \$6.0 million to be the critical point when fee increases are necessary to support department activities.

Figure 4 provides a comparison of revenues and expenditures since FY 2000. The department managed a period of four years between FY 2005 and FY 2008 where revenues exceeded expenditures, resulting in an increasing ending fund balance. Beginning in FY 2009, the department began expending more than projected revenues, causing a decrease to the ending fund balance. This situation is anticipated to continue through the 2013 biennium. This indicates that the fund is at the turning point where expenditures exceed revenues and the department begins to spend down the fund balance.

To extend the period of time between fee increases, the legislature could limit the expenditures from the general license account to

Figure 4

Fish, Wildlife and Parks				
General License Account Revenues and Disbursements				
Fiscal Year	Revenues	Disbursements	Difference	Cummulative
*2013	\$40,588,406	\$43,149,730	(2,561,324)	551,656
*2012	40,634,607	43,179,188	(2,544,581)	3,112,980
*2011	39,486,923	41,060,033	(1,573,110)	5,657,561
*2010	40,270,320	42,360,806	(2,090,486)	7,230,671
2009	42,201,958	39,362,308	2,839,650	9,321,157
2008	39,676,271	38,404,511	1,271,760	6,481,507
2007	36,060,086	31,197,497	4,862,589	5,209,747
2006	32,214,305	32,011,336	202,969	347,158
2005	30,399,416	30,149,840	249,576	144,189
2004	28,437,936	28,905,675	(467,739)	(105,387)
2003	29,244,690	26,742,906	2,501,784	362,352
2002	25,551,068	26,610,399	(1,059,331)	(2,139,432)
2001	24,995,088	25,496,596	(501,508)	(1,080,101)
2000	24,682,872	25,261,465	(578,593)	(578,593)

*Based upon appropriations and executive request

on-going revenues. If the legislature chose to do this, the executive budget would need to be reduced by \$2.5 million each year of the biennium.

Statutory Appropriations

The following table shows the total statutory appropriations associated with this agency. Because statutory appropriations do not require reauthorization each biennium, they do not appear in HB 2 and are not routinely examined by the legislature. The table is provided so that the legislature can get a more complete picture of agency operations and associated policy.

Statutory Appropriations Department of Fish, Wildlife and Parks					
Purpose	MCA #	Fund Source	Fiscal 2010	Fiscal 2012	Fiscal 2013
<i>No Direct Bearing on Agency Operations</i>					
Property Taxes	87-1-603	SSR	\$571,456	\$571,457	\$571,457
<i>Direct Bearing on Agency Operations</i>					
6.9% Bed Tax - Parks Operations	15-65-121	SSR	814,214	882,144	882,363
Maintenance Set Asides	87-1-230	SSR	49,444	33,537	33,446
Forest Managemnt Account	87-1-621	SSR	<u>0</u>	<u>0</u>	<u>0</u>
Total Statutory Appropriations			\$1,435,114	\$1,487,138	\$1,487,266

As appropriate, LFD staff has segregated the statutory appropriations into two general categories: 1) those where the agency primarily acts in an administrative capacity and the appropriations consequently do not relate directly to agency operations; and 2) those that have a more direct bearing on the mission and operations of the agency.

Reorganization

The department reorganized in May of 2009 shortly after the legislature adjourned. The agency was consolidated from eight divisions down to three. The Fish and Wildlife Division contains six bureaus: Communication & Education, Enforcement, Fisheries, Wildlife, Strategic Planning, and Regional Offices. The Finance Division consists of four bureaus: Accounting, Budgeting, Licensing, and Federal Aid. The Parks Division has three bureaus: Capital and Recreation Management, Field Services, and Business Operations. Agency wide services such as legal, human resources, lands, and information technology are housed with the director's office.

In managing this re-organization, the agency retained a majority of the budget reporting levels, thus creating a functional budget that does not replicate the organizational structure. The legislature can still see the fisheries, enforcement, information technology, and wildlife programs as separate entities. However, the department has been asked to present the budget in a manner consistent with the new organizational structure to the Joint Appropriations Subcommittee.

Executive Requested Legislation

The executive has requested the following legislation:

- o LC 416 –Authorize first Saturday in June as free fishing day
- o LC 417 – Revise the Primitive Parks Act
- o LC 418 – Authorize bounties, commercial hook-line fishing for selective harvest
- o LC 419 – Exempt certain state parks proceeds from deposit to the real property trust

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	69,013,010	69,013,010	138,026,020	94.04%
Statewide PL Adjustments	0	0	0	0.00%	1,673,145	1,650,649	3,323,794	2.26%
Other PL Adjustments	0	0	0	0.00%	2,237,965	2,237,274	4,475,239	3.05%
New Proposals	0	0	0	0.00%	475,661	475,257	950,918	0.65%
Total Budget	\$0	\$0	\$0		\$73,399,781	\$73,376,190	\$146,775,971	

Agency Issues

The Imbalance between Land Acquisition and Funds for Maintenance

Over the course of the past few years, the Department of Fish Wildlife and Parks has been actively purchasing and leasing land for wildlife, fisheries, and recreational values. As this increase has occurred, the set aside for maintenance has remained relatively flat, creating an imbalance between the amount available for maintenance and the requirements of the expanding system. The legislature required that 20% of the acquisition price or \$300,000 whichever is lower be set aside at the time of purchase for maintenance and operations but these requirements have made little impact on the overall imbalance. There are three key questions to examine to provide ample background to determine what legislative options exist.

1. What are the current land acquisition policies?
2. What are the current sources of funding for acquisitions and maintenance?
3. What is currently spent for maintenance activities on department land?

Current Acquisition Policies

Statute (87-1-209, MCA and 23-1-102, MCA) provides blanket authority to FWP to acquire lands by purchase, lease, agreement, gift, or device for hatcheries, land, or water suitable for animal restoration or propagation, public hunting, fishing or trapping, state parks and outdoor recreation, or to exercise control measures of undesirable species. Controls over these purchases are limited only by the approval of the Land Board and available appropriation authority and corresponding cash. Three discussion points regarding acquisition of specific land types are presented:

1. Wildlife Management Areas - As of September 2010, the department owns or controls through leases approximately 424,745 acres classified as Wildlife Management Areas (WMA). However, the term is not defined by statute and is therefore left open to interpretation by the department. According to the FWP website, a WMA is defined as follows:
 - Wildlife Management Areas (WMAs) are managed with wildlife and wildlife habitat conservation as the foremost concern. WMAs protect important wildlife habitat that might otherwise disappear from the Montana landscape. They provide vital habitat for bear, bighorn sheep, birds, deer, elk, furbearers, moose, mountain goats, wolves and an array of other game and nongame wildlife

Therefore, the department can determine the amount of land needed for wildlife management without any legislative guidelines. The administrative rules for the acquisition of wildlife have not been updated since 1994, thus reflecting land management values of sixteen years ago.

An alternative is to acquire habitat based on scientific data regarding the need for habitat. The department is required by law to calculate available habitat and viable population by October 1 of each odd numbered year. This report could be used as a tool to debate the appropriateness of tying habitat acquisition to need as defined by the department.

2. Fishing Access Sites (FAS) or Fishing Access Areas – As of September 2010, the department owns or controls through leases approximately 20,932 acres classified as fishing access sites or access areas. As with WMAs, the term is not defined in statute. The following definition is found in administrative rule under the State parks program:

- Purpose. To provide permanent public access to high-quality rivers, streams, and lakes.
- Description. Areas adjacent to high-quality fishing waters accessible by an existing or acquired public right-of-way and of adequate size to permit practical use of the waters concerned for fishing and, when appropriate, other water-based recreation.
- Development and management. Accommodations will consist of facilities for day-use, and in certain cases, overnight camping. Boat-launching ramps, road-building, and fencing may be necessary. Management will involve proper identification of the site and maintenance of public right-of-way and service facilities.

This rule has not been updated since 1972, again reflecting land management values of 38 years ago. The definition allows the department to develop an FAS system with limited legislative oversight and control.

With this definition and the lack of statutory guidance, acquisition and development of either a FAS or FAA is limited only by HB 5 (capital) authority and cash. Therefore, what an FAS or a FAA should be and how many should be acquired is left to the department. However, FWP has stated at Land Board staffers meeting and the FWP Commission that the goal of the department is to acquire an FAS to allow access every half day float on major Montana Rivers.

The second issue with fishing access sites is where they are managed within the department. The sites, when purchased, have typically been paid for with license monies, access Montana funds, and federal excise tax dollars. They are maintained by the Parks Division, rather than the Fisheries Program, with plate fees and some general license dollars. The disconnect is that the Parks Division cares for the sites as if they are parks and not access sites. This may or may not be a contributing factor to the maintenance issues.

3. State Parks – A state park is generally defined as a park or other protected area of land preserved on account of its natural beauty, historic interest, recreation or other reason, and under the administration of the state. Montana code supports the development of state parks for this purpose (23-1-101, MCA). The department has categorized 53 sites as state parks. As of September 2010, the department owns or controls through leases approximately 43,999 acres classified as state parks.

The statute is silent regarding how many sites should exist, where they should be located, and how new sites should be selected. As resources for operations and maintenance become tight, the scope of the state park system becomes a bigger factor. Currently, the system includes small homestead parcels, large developed parcels with amenities, as well as primitive parks. Without statutory or other policy, the legislature is routinely asked to increase the operational resources and, in recent legislative sessions, provide additional resources to purchase state parks.

Over the years, the department has acquired a number of sites in a number of ways, for varied purposes and uses, such as the Greycliff prairie dog town, Tower rock, the Anaconda stacks, and the one and one-half building within Granite ghost town. The diverse characteristic of park lands raises question about the department's overall acquisition philosophy, and the how it impacts how consistent and coordinated the overall parks system is. This situation is punctuated by conditions on many acquisitions that limit the ability of the department to divest itself of the property. For example, the land under the Anaconda smokestack can be returned to ARCO if the state destroys the stack. Other parcels without deed restrictions have to be sold for fair market value., Whereas other state entities can transfer non-trust land, with the oversight of Legislative Council and permission of the Land Board, to a local government entity for a public purpose.

Again, discretion on what a state park is and what should be purchased lies solely with the department.

The department also manages 91,887 acres of leased land and oversees 387,082 acres of conservation easements. While this acreage is not held in fee title by the department, they still have associated costs and issues. Acquisition of these lands is not defined in statute, either.

Funding Sources for Acquisition

According to a report from FWP regarding fee title acquisitions from 2003 forward, the following sources of funding and appropriations have been used for land acquisition:

State Funds – Budgeted – HB 5 or Cat and Dog Bills

- o Habitat MT - (87-1-242, MCA) – Allocates 80% to acquisition of wildlife habitat and one half of the remaining amount for development and maintenance of real property used for wildlife habitat; the remaining is transferred to the real property trust.
- o General License Account - (87-1-601, MCA) – Allows for these funds to be used for the purpose of salaries, per diem, fees, expense, and expenditures under Title 87 as appropriated by the legislature.
- o Auction Accounts – (87-2-722, 87-2-724, 87-2-725, MCA) - Allows for revenues to be used for the benefit or management of the species.
- o State Parks Miscellaneous – (23-1-105, MCA) – This fund records all revenues for the state parks, including the light vehicle registration fee. The fund is not defined in statute.
- o Access Montana – The 2007 Legislature passed and the executive approved \$10.0 million for the purpose of purchasing recreational land.

State Funds – Non Budgeted

- o Natural Resources Damage Program – Settlement proceeds from the state’s lawsuit with ARCO. A portion of the settlement is dedicated to acquiring replacement lands to compensate the state for land damaged by ARCO. Due to terms of the settlement, this fund is non-budgeted; therefore, it does not require a specific legislative appropriation.

Federal Funds – Budgeted through HB 5 or budget amendment

- o Bonneville Power Administration (BPA) – In December of 1988, the state and BPA entered into a wildlife mitigation agreement for the Libby and Hungry Horse Dams. BPA is required by federal law to aid in the protection and preservation of valuable fish and wildlife habitat throughout the Northwest.
- o Federal Forest Legacy Funds – This program, funded by the US Forest Service, protects “working forests” or those forests that protect water quality or provide habitat, forest products, opportunities for recreation, and other public benefits.
- o State Wildlife Grants – This program provides federal grant funds for developing and implementing programs that benefit wildlife and their habitats, including species not hunted or fished. Priority is placed on projects that benefit species of greatest conservation concern.
- o Federal Fish and Wildlife – Otherwise known as Pittman Robertson or Wallop Breaux funding. These funds are excise taxes on fishing and hunting sporting goods.

Other

- o Donations of land from private parties occur on a regular basis.

Funding Sources for Maintenance and Operations

There are a number of funds that can be and have been used for operations and maintenance. Again, some of these funds are restricted in statute to the type of property it can be used on.

- Real Property Trust (87-1-601 (5), MCA) – Statute allows for the interest on the trust to be appropriated for operation, development, and maintenance of real property.
- FAS portion of the plate fee – (61-2-321, MCA) – Directs that \$0.25 of the \$4.00 light vehicle registration fee be used for fishing access sites.
- State Parks Miscellaneous – (23-1-105, MCA) – This fund records all revenues for the state parks, including the light vehicle registration fee. The fund is not defined in statute.
- General License Account - (87-1-601, MCA) – Allows for these funds to be used for the purpose of salaries, per diem, fees, expense, and expenditures under Title 87 as appropriated by the legislature.
- Federal Fish and Wildlife - Otherwise known as Pittman Robertson or Wallop Breaux Funding. These funds are excise taxes on fishing and hunting sporting goods. Neither can be used in parks.
- Natural Resources Damage Program - Settlement proceeds from the state's lawsuit with ARCO. A portion of the settlement is dedicated to acquiring replacement lands to compensate the state for land damages done by ARCO. The department has been successful at obtaining operations and maintenance costs on specific projects.

Cost of Maintenance

In examining the department's financial transactions it is often difficult to determine what has been expended for maintenance on department lands. In the parks program, personal services and operational costs for the larger parks are separated out. However, fishing access sites are combined. In the Wildlife program, again the larger management areas are separated out, but the smaller sites or administrative sites are combined. Add to this complexity the number and types of revenue streams that pay for this type of work, and tracking finances becomes difficult. For example, to determine how much has been spent on weed control statewide, the amount expended on supplies or contracts can be isolated, but not often the corresponding personal services costs. However, expenditures are not an adequate means to measure weed control activities, as paying for weed control and actually controlling weeds are two different things.

The implementation of the set aside from SB 164 (2009 Legislative Session) created another revenue source for property maintenance. The act requires that FWP set aside 20%, up to \$300,000, of the purchase price of any land acquisition to aid with the cost of maintaining the property. The bill further requires that the agency follow up with an annual report on the use of the funds. The reports indicated that the funds were used predominantly to control weeds and hire part time workers to increase the maintenance presence on the ground. While this provides an infusion of cash in the short term, the long term implications have not been addressed, including:

- Funds are only obtained when the agency purchases property. To continue the revenue stream, the agency must continue to purchase property
- The statute is temporary and is scheduled to sunset July 1, 2013
- There is no long term plan to replace revenues once they are exhausted

Options:

If the legislature wants to achieve a different balance between purchase of land and maintenance of assets, Montana statutes and budgets need to be realigned. There are three areas that provide some options for the legislature. Most of these options can be combined.

Acquisitions and Divestitures

As stated, statute leaves much of the discretion for land purchases and classification to the department. The department has the ability to procure lands for any purpose related to the department's mission, and classify such parcels. The legislature could define the land classifications in statute and adjust statute to control how and what type of land is purchased, such as limiting the number of state parks, setting policy of where fishing access sites should be procured, and tying purchases of habitat to the need for habitat.

The department does not have any alternative methods to dispose of land other than selling them for fair market value. Other state entities can transfer non-trust land, with the oversight of Legislative Council and permission of the Land

Board, to a local government entity for a public purpose as provided for in 77-2-351, MCA. It may be beneficial for the legislature to explore this option, which would allow divestiture of smaller parcels of department land to local entities.

Funding Legislative Priorities

There are few and in some instance no statutory controls over the use of the department's funding for acquisition. The major source of acquisition funds is the Habitat MT account, which allocates 80% to acquisition and one half of the remainder to maintenance. To address this issue, the fund could be rebalanced to more accurately reflect the policy decision of the legislature. For example, less emphasis on acquisition could translate into 50% to acquisition and 50% to maintenance. In addition, most of the other state special revenues sources are not specifically restricted from being used to purchase land. The legislature may wish to examine how those funds are codified and adjust where deemed necessary.

Federal funds pose a different situation. The legislature has provided the ability to any agency to seek a budget amendment for federal funds that become available when the legislature is not in session if the agency can demonstrate it was not aware of the funding at the time the legislature was in session. Of the federal funds listed above, Bonneville Power Administration and Forest Legacy funds have been added through budget amendment for the purpose of exploring opportunities to acquire land or land acquisition. The legislature could determine if this type of expenditure needs to be controlled. The legislature could consider utilizing HB 5 to control all funding for acquisitions or adjusting current budget amendment statutes.

Maintenance

There are a number of questions regarding state policy on maintenance.

- Maintenance is defined in statute in terms of all department lands and does not recognize the different needs and characteristics of the land types, leading to question of prioritization. For example, while weed control on all lands may be the highest priority of the legislature, should it take precedence over public safety in heavily used parks or fishing access sites?
- The legislature has defined maintenance priorities but has not defined maintenance outcomes. Does the legislature want to establish public policy that the outcome is to be weed free on all department lands?
- Does the legislature want public policy to be a balanced maintenance program to ensure that Montanans have access to appropriately maintained parks, fishing access sites, and wildlife management areas? Or is the public policy somewhere in-between the two?

If the legislature desires specific outcomes, it should be stated in code. One remedy option would be to describe maintenance in terms of outcomes such as:

- Safety – Maintain lands in a condition that protects the health, safety, and welfare of the public
- Cleanliness – Maintain facilities in a clean and sanitary condition
- Facility Performance – Maintain facilities in a condition that allows for intended use
- Resource Protection – Protect natural resources, including wildlife and fisheries, developed improvements, and equipment from deterioration, vandalism, and waste
- Responsiveness – Respond to public needs, requests, and concerns in a timely manner

This approach could allow the agency to manage maintenance based on resource type and characteristics by applying this set of criteria to each type of land holding. For example, public safety in a state park has different requirements than public safety in a wildlife management area.

The efficient use of resources is also an issue to consider. Fishing access sites are paid for with angler dollars or federal sport fish excise tax, and yet the maintenance and operations of the sites may not be adequately funded with sportsman's dollars. While the department's 2010 base for general license funds in the parks program was \$2.1 million for the year. This equates to approximately \$100 per acre. Is this a significant amount? Unless the legislature has a mechanism to determine what the outcomes of maintenance should be, the significance of per acre budgeting is lost. The legislature would need to establish policy of what a maintained site looks like and then fund to that level.

Funding maintenance, as discussed earlier, is not a priority. Overtime the department, with appropriate authority, has purchased lands and subsequently has asked the legislature to fund the operations and maintenance. The passage of SB 164 (2009 Legislative Session) was designed to address this gap, but as stated earlier it is a short term remedy. If the legislature decreases the agency's ability to purchase land, then the funds set aside for maintenance will also decrease. The legislature needs to examine the set aside provisions and determine if it should continue, if and when the level of acquisitions is altered.

Summary

If the legislature chooses to pursue this issue, it may wish to examine various options. The legislature could consider addressing the most critical issues and seeking to resolve those with any necessary budget and legislative changes within the current legislative session. Other issues, the legislature may consider to address through a resolution for work by an interim committee. The options to address the issue are summarized below.

Options

- Establish public policy regarding acquisition of lands through legislation, such as:
 - Defining land types such as Wildlife Management Areas, Fishing Access Sites, and State Parks by purpose, characteristics, size, and potentially location
 - Establishing limits on the number or acreage held of state parks and fishing access sites
 - Requiring habitat calculations be considered when purchasing wildlife management areas
 - Addressing criteria for land donations, including location, value to the state, and future operation and maintenance costs
- Create opportunities for the department to transfer lands to local government units for a public purpose in lieu of obtaining fair market values
- Alter current public policy regarding maintenance issues
 - Revise the termination date established in SB 164, the requirement to set aside funds at the time of purchase, and continue to require agency reporting
 - Realign the split between acquisition and maintenance in the Habitat Montana fund to place the emphasis on land management rather than acquisitions
 - Require the agency to account for operations and maintenance on a per parcel basis
 - Define maintenance in terms of outcomes

Ballot Initiative 161

In November 2010, the voters passed a ballot initiative abolishing outfitter sponsored nonresident big game and deer combination licenses and replacing them with an equal number of nonresident licenses of the same category, starting in license year 2011. The fee for a big game license was raised from \$628 to \$897, and the deer license was increased from \$328 to \$527. Twenty five percent of the revenues from the nonresident licenses is dedicated to provide hunting access and to preserve and restore habitat.

There are a number of budget implications of I-161. The revenue from the outfitter sponsored nonresident licenses provided support to the Block Management Program. In FY 2010, the licenses provided \$4.7 million to operate the program. This revenue source is no longer available to support block management. Instead, I-161 dedicates 25% of revenues from the nonresident licenses to any hunting access program established under law or administrative rule. If all nonresident licenses are sold in license year 2011 the hunting access fund would receive \$4.2 million or \$0.5 million less than the outfitter licenses provided to block management. In the absence of a dedicated revenue stream, the scope of the block management program and how the program should be funded will now have to be determined.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	27.50	27.50	32.00	32.00	27.50	32.00	4.50	16.36%
Personal Services	2,033,029	2,095,699	2,275,205	2,273,029	4,128,728	4,548,234	419,506	10.16%
Operating Expenses	2,213,816	1,886,996	2,179,939	2,182,718	4,100,812	4,362,657	261,845	6.39%
Equipment & Intangible Assets	53,241	53,172	53,241	53,241	106,413	106,482	69	0.06%
Total Costs	\$4,300,086	\$4,035,867	\$4,508,385	\$4,508,988	\$8,335,953	\$9,017,373	\$681,420	8.17%
State Special	4,289,393	4,025,653	4,497,692	4,498,295	8,315,046	8,995,987	680,941	8.19%
Federal Special	10,693	10,214	10,693	10,693	20,907	21,386	479	2.29%
Total Funds	\$4,300,086	\$4,035,867	\$4,508,385	\$4,508,988	\$8,335,953	\$9,017,373	\$681,420	8.17%

Program Description

The Technology Services Bureau provides information technology and information management services to the department, including network creation and administration, hardware and off-the-shelf software procurement and configuration, support of automated license sales and drawings, intranet and internet communications, software development, deployment and support, and all database management.

Program Highlights

Technology Services Bureau Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Governor proposes to increase this program budget by 8.2% from the previous biennium due to statewide present law adjustments ◆ The executive is requesting positions that were one-time-only be made permanent

5% Reduction

State law requires that agencies provide a 5% reduction plan on certain state special revenue funds. The total state special revenue reduction for this program is \$2,486 for the biennium. The executive did not include any part of this amount in the proposed budget. According to the agency's 5% plan, the reduction would eliminate two computer work stations in the Parks Program.

If the total 5% plan was adopted by the legislature, it would reduce the Governor's budget by 0.03%.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table							
Information Services Division							
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget	
	FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013	
02000 Total State Special Funds	\$ 4,289,393	99.8%	\$ 4,497,692	99.8%	\$ 4,498,295	99.8%	
02409 General License	4,264,537	99.2%	4,472,836	99.2%	4,473,439	99.2%	
02411 State Parks Miscellaneous	24,856	0.6%	24,856	0.6%	24,856	0.6%	
03000 Total Federal Special Funds	10,693	0.2%	10,693	0.2%	10,693	0.2%	
03097 Fedl Fish(W/B) Wildlife(P/R)	10,693	0.2%	10,693	0.2%	10,693	0.2%	
Grand Total	\$ 4,300,086	100.0%	\$ 4,508,385	100.0%	\$ 4,508,988	100.0%	

The bureau receives almost all of its funding from the general license account. The remaining funding is from state parks revenues and federal grants to provide additional support to the licensing system.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	4,300,086	4,300,086	8,600,172	95.37%
Statewide PL Adjustments	0	0	0	0.00%	208,299	208,902	417,201	4.63%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$4,508,385	\$4,508,988	\$9,017,373	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “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.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					7,192					5,661
Vacancy Savings					(81,608)					(81,548)
Inflation/Deflation					(214)					(164)
Fixed Costs					282,929					284,953
Total Statewide Present Law Adjustments		\$0	\$208,299	\$0	\$208,299		\$0	\$208,902	\$0	\$208,902
DP 101 - Reinstatement Information Technology Bureau Manning	4.50	0	0	0	0	4.50	0	0	0	0
Total Other Present Law Adjustments	4.50	\$0	\$0	\$0	\$0	4.50	\$0	\$0	\$0	\$0
Grand Total All Present Law Adjustments	4.50	\$0	\$208,299	\$0	\$208,299	4.50	\$0	\$208,902	\$0	\$208,902

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 by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – This bureau does not have any pay plan exceptions.

- o **Program Specific Obstacles** - Regardless of position, state government pay for technology staff is traditionally less than what the private sector pays. When a pay freeze is added to an applicant's consideration, the only real draw to the applicant is the general stability of a government position.
- o **Vacancy** - The only major vacancies that existed during this biennium were new positions purposely left unfilled to attain vacancy savings, one extended leave of absence that ultimately resulted in termination, and one retirement. All noted examples resulted in increased workload for most other technology staff, resulting in increased compensatory time, and a number of projects and support efforts that were not completed during the timeframes desired.
- o **Legislatively Applied Vacancy Savings** - During the first year of the biennium, the program left two new positions unfilled for the majority of the year to achieve the required 7% savings. During the second year, open positions have been left open longer than desired, and it is anticipated that it may also require additional funding from another source, such as excess vacancy savings by other agency programs, carry-forward funds, or redirection of other operation's budget.
- o **Pay/Position Changes** – Three increases were provided due to completed training assignments, or a pay progression step, in positions where the personal services authority already existed to cover the increase.
- o **Retirements** - The program has two employees eligible for full retirement during the 2013 biennium. The program does not have any anticipated retirements.

DP 101 - Reinstate Information Technology Bureau - The executive is requesting 4.50 FTE in the Information Technology Bureau. In the 2009 legislative session, the positions were approved as part of a switch from contracted services to personal services, with a one-time-only condition. This request does not add more funding but converts contracted services costs to more effective internal positions.

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One-Time-Only

Because the 2009 Legislature conditioned the original appropriation as one-time-only, 4.50 FTE were not considered permanent and therefore not in the base. This adjustment would restore the positions and make them permanent.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	151.19	151.19	151.19	151.19	151.19	151.19	0.00	0.00%
Personal Services	8,374,301	8,536,613	8,730,099	8,732,148	16,910,914	17,462,247	551,333	3.26%
Operating Expenses	5,161,322	5,203,146	5,206,151	5,223,961	10,364,468	10,430,112	65,644	0.63%
Equipment & Intangible Assets	342,044	350,801	342,044	342,044	692,845	684,088	(8,757)	(1.26%)
Total Costs	\$13,877,667	\$14,090,560	\$14,278,294	\$14,298,153	\$27,968,227	\$28,576,447	\$608,220	2.17%
State Special	5,614,265	5,691,157	5,778,599	5,783,086	11,305,422	11,561,685	256,263	2.27%
Federal Special	8,263,402	8,399,403	8,499,695	8,515,067	16,662,805	17,014,762	351,957	2.11%
Total Funds	\$13,877,667	\$14,090,560	\$14,278,294	\$14,298,153	\$27,968,227	\$28,576,447	\$608,220	2.17%

Program Description

The Fisheries Bureau 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

Fisheries Bureau Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Governor is proposing to increase this program's budget by 2.2% from the previous biennium, predominantly due to statewide present law adjustments ◆ The major initiative in this budget is the restoration of one-time-only appropriations from the 2009 Legislature
Major LFD Issues
<ul style="list-style-type: none"> ◆ Outcomes for the Aquatic Nuisance Species Program and the Private Lands Fishing Access Program should be reviewed

Program Narrative

5% Reductions

This program was not required to submit a 5% reduction plan as the bureau's funding sources are exempt under statute.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	\$ 5,614,265	40.5%	\$ 5,778,599	40.5%	\$ 5,783,086	40.4%
02148 Paddlefish Roe Account	24,916	0.2%	24,916	0.2%	24,916	0.2%
02409 General License	5,180,137	37.3%	5,345,629	37.4%	5,348,958	37.4%
02942 Warm Water Fish Stamp	409,212	2.9%	408,054	2.9%	409,212	2.9%
03000 Total Federal Special Funds	8,263,402	59.5%	8,499,695	59.5%	8,515,067	59.6%
03097 Fedl Fish(W/B) Wildlife(P/R)	5,471,694	39.4%	5,612,855	39.3%	5,625,494	39.3%
03403 Misc. Federal Funds	2,366,883	17.1%	2,462,652	17.2%	2,464,748	17.2%
03408 State Wildlife Grants	424,825	3.1%	424,188	3.0%	424,825	3.0%
Grand Total	\$ 13,877,667	100.0%	\$ 14,278,294	100.0%	\$ 14,298,153	100.0%

The bureau 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 37 percent of the bureau’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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	13,877,667	13,877,667	27,755,334	97.13%
Statewide PL Adjustments	0	0	0	0.00%	320,627	340,486	661,113	2.31%
Other PL Adjustments	0	0	0	0.00%	80,000	80,000	160,000	0.56%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$14,278,294	\$14,298,153	\$28,576,447	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “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 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					719,553					721,685
Vacancy Savings					(363,755)					(363,838)
Inflation/Deflation					(34,927)					(17,117)
Fixed Costs					(244)					(244)
Total Statewide Present Law Adjustments		\$0	\$125,584	\$195,043	\$320,627		\$0	\$130,071	\$210,415	\$340,486
DP 301 - Reinstate Aquatic Nuisance Species Program	0.00	0	13,750	41,250	55,000	0.00	0	13,750	41,250	55,000
DP 302 - Reinstate Private Lands Fishing Access	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
Total Other Present Law Adjustments	0.00	\$0	\$38,750	\$41,250	\$80,000	0.00	\$0	\$38,750	\$41,250	\$80,000
Grand Total All Present Law Adjustments	0.00	\$0	\$164,334	\$236,293	\$400,627	0.00	\$0	\$168,821	\$251,665	\$420,486

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 by LFD staff as necessary for brevity and/or clarity.

- **Pay Plan Exceptions** – This bureau does not have any pay plan exceptions.
- **Program Specific Obstacles** – The bureau has experienced a large turnover in biologists, primarily due to retirements. The program is experiencing difficulties in filling those vacancies with qualified people who meet the technical criteria of the job as well as who are a good “fit” for the position. Minimum competitive biologist pay, for example, is currently 25% more than what the agency pays at minimum.
- **Vacancy** – Turnover of biologists and resource conservation manager ranks due to retirements, internal promotions, and transfers have occurred. All noted examples resulted in increased workload for most, resulting in increased compensatory time and a number of projects and support efforts that were not completed during the timeframes desired.
- **Legislatively Applied Vacancy Savings** - During the first year of the biennium, the program left two new positions unfilled for the majority of the year to achieve the required 7% savings. During the second year, open positions have been left open longer than desired, and it is anticipated that it may also require additional funding from another source, such as excess vacancy savings by other agency programs, carry-forward funds, or redirection of other operation’s budget.
- **Pay/Position Changes** – One increase was provided due to a completed training assignment.
- **Retirements** - The program has 28 employees eligible for full retirement in the 2013 biennium. The program anticipates 11 retirements at a cost of \$100,000.

DP 301 - Reinstate Aquatic Nuisance Species Program - The executive requests base authority to support the Aquatic Nuisance Species (ANS) program. This funding was approved as one-time-only by the 2009 Legislature.

LFD ISSUE

Examination of Program Outcomes

The original proposal to the 2009 Legislature included additional information regarding the outcomes of funding the Aquatic Nuisance Species (ANS) program. The information included proposed measurable objectives to determine program successes in the future, including the production of ANS-related education materials and presentations given, meeting annual reporting requirements, and the level of prevention and spread of ANS in Montana. The legislature may wish to examine the 2010 outcomes provided by the agency below prior to acting on the proposal.

The Inspect, Clean, Dry campaign was launched for the 2010 boating season and is ongoing. A variety of materials were used in the outreach campaign including 12 billboards, 500 metal signs for Fishing Access Sites and boat ramps, and direct mailings to 50,000 boaters and anglers. Outreach efforts also included presentations to angling groups and distribution of other print materials including brochures, flyers, media packets, bumper stickers and posters. In the last year, 334 events for 7,258 K-12 children have been conducted. Advertisements were purchased in 15 Montana newspapers, on the Northern Broadcasting network, with Bresnan and also on MT Outdoor Radio. Tailgate wraps are being used as a novel advertising approach on FWP trucks to help spread the message.

Watercraft inspections were conducted statewide on over 50 different waters. Over 3,000 watercraft were inspected. Early detection monitoring was conducted at 600 sites on 77 waters statewide. FWP worked closely with the counties and Montana Department of Agriculture to help identify the distribution of Eurasian Water milfoil.

In November 2010 organisms were identified in water samples from Flathead Lake that displayed characteristics consistent with zebra or quagga mussels. At this time, it has not been confirmed as either zebra or quagga mussels. FWP is currently working to confirm or deny the find.

**LFD
ISSUE**

FTE Inappropriately Added to the Base

The 2009 Legislature provided a one-time-only restricted appropriation and 1.75 FTE for the invasive species program. In FY 2010 the program expended \$116,253 of the \$125,763 approved. The executive is requesting base authority of \$55,000 for operational expenses only. Due to an oversight the 1.75 FTE were inappropriately carried into the base. The legislature may wish to examine the package as if both operations and personal services costs are being requested.

Department of Fish, Wildlife and Parks			
	Actual		Requested
	FY 2010	FY 2012	FY 2013
Personal Services	\$72,856	\$90,901	\$89,298
Operations	43,397	55,000	55,000
	<u>\$116,253</u>	<u>\$145,901</u>	<u>\$144,298</u>

The figure illustrates expenditures from FY 2010 and the executive request plus the costs for the 1.75 FTE. The increase for the FTE is currently in the statewide present law adjustment. The operating costs include \$43,397 to fund the FY 2010 expenditures and an additional \$11,603 in increased costs, for a total of \$55,000.

Options:

- Establish base funding at FY 2010 levels by approving \$43,397 in operational costs and leave the 1.75 FTE in the base by lowering the request to \$43,397.
- Establish base funding for operations at \$55,000 and leave the 1.75 FTE in the base by approving the executive request.
- Fund the program with a different level of FTE and/or a different level of operational cost by creating a different decision package.

DP 302 - Reinstate Private Lands Fishing Access - The executive requests one-time-only funding to the Private Lands Fishing Access by the 2009 Legislature. This request would make the funding permanent to provide parking facilities, trails, or ramps to facilitate fishing access on public waters and allow the department to continue to address access at bridges.

**LFD
ISSUE**

Examination of Program Outcomes

The original proposal to the 2009 Legislature included additional information regarding the outcomes of increased funding to the Private Lands Fishing Access program, including proposed measurable objectives to determine program successes in the future. This included evaluating the number of sites obtained or improved, the speed with which projects are implemented, and the time period within which they are completed.

In addition, the bureau stated that funds provided would be expended on no fewer than three sites before the end of FY 2010. The legislature may wish to examine the 2010 outcomes provided the program and listed below, prior to acting on the proposal.

**LFD
ISSUE CONT.**

The following projects were completed in the base year:

- o Big Spring Creek – Fencing project across leased land to reach the creek.
- o Split Rock Lake – Rebuilding of washed out road across private land to allow access and decrease natural resource damage.
- o Loon Lake - The Loon Lake 4H Camp adjoins Loon Lake FAS, which is primarily wetlands creating access issues. The agreement is to allow public access through the camp to the lake without disturbing wetlands. The agreement also includes use of the camp docks and vault latrines
- o Brookie Pond – Funding to improve road access across private land to the reservoir.
- o Gamma Lake – Parking, litter control and latrine provided to landowner allowing access for ice fishing.

Request is Greater than Actual Expenditures

This request would add \$25,000 of authority to the bureau's base budget. During FY 2010, the bureau expended \$3,853 of the \$25,000 appropriated for this function. The request, if approved, would establish a funding level \$21,147 higher than was expended in the base year. The average annual expenditures are \$15,000. The legislature may wish adjust the appropriation to the annual average amount.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	113.64	113.64	113.64	113.64	113.64	113.64	0.00	0.00%
Personal Services	7,256,103	7,395,807	7,479,556	7,481,230	14,651,910	14,960,786	308,876	2.11%
Operating Expenses	1,995,190	2,036,059	2,037,454	2,038,753	4,031,249	4,076,207	44,958	1.12%
Equipment & Intangible Assets	86,377	96,785	86,377	86,377	183,162	172,754	(10,408)	(5.68%)
Grants	15,600	15,600	15,600	15,600	31,200	31,200	0	0.00%
Total Costs	\$9,353,270	\$9,544,251	\$9,618,987	\$9,621,960	\$18,897,521	\$19,240,947	\$343,426	1.82%
State Special	8,997,727	9,186,231	9,231,501	9,233,961	18,183,958	18,465,462	281,504	1.55%
Federal Special	355,543	358,020	387,486	387,999	713,563	775,485	61,922	8.68%
Total Funds	\$9,353,270	\$9,544,251	\$9,618,987	\$9,621,960	\$18,897,521	\$19,240,947	\$343,426	1.82%

Program Description

The Law Enforcement Bureau is responsible for ensuring compliance with laws and regulations pertaining to the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other protected wildlife species. It also enforces the laws and regulations relative to lands or waters under agency jurisdiction and the authority of the department such as state parks, fishing access sites, and wildlife management areas, as well as those laws and regulations pertaining to outfitters/guides, boating, snowmobiles, and off highway vehicles safety and registration. Other duties include block management patrols, stream access enforcement, commercial wildlife permitting, hunter education, license vendor contacts, game damage response, urban wildlife activities, and assisting other law enforcement agencies as requested.

Program Highlights

Law Enforcement Bureau Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Governor proposes to increase this program's budget by 1.8% from the previous biennium due to operating adjustments offset by statewide present law adjustments ◆ The major initiatives in the executive budget include: <ul style="list-style-type: none"> ● Restoration of overtime for on-the-ground wardens ● Adjustments for water based enforcement due to a wet summer
Major LFD Issues
<ul style="list-style-type: none"> ◆ The request for overtime is 28% higher than FY 2010 expenditures

5% Reduction Plan

State law requires that agencies provide a 5% reduction plan on certain state special revenues. The total state special revenue reduction for this program is \$47,170 for the biennium. The executive did not include any part of this amount in the proposed budget. According to the agency's 5% plan, the reduction would reduce enforcement on snowmobile trails, at state parks and fishing access sites, on state trust lands and on state waters.

If the total 5% plan was adopted by the legislature, it would reduce the Governor's budget by 0.24%.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	\$ 8,997,727	96.2%	\$ 9,231,501	96.0%	\$ 9,233,961	96.0%
02115 Off-Highway Vehicle Fines	53,605	0.6%	62,271	0.6%	62,305	0.6%
02329 Snowmobile Fuel Tax-Enforcemnt	27,437	0.3%	27,087	0.3%	27,160	0.3%
02334 Hunting Access	434,594	4.6%	425,268	4.4%	425,826	4.4%
02409 General License	7,974,910	85.3%	8,150,593	84.7%	8,151,679	84.7%
02411 State Parks Miscellaneous	201,562	2.2%	202,447	2.1%	202,449	2.1%
02413 F & G Motorboat Cert Id	74,146	0.8%	86,686	0.9%	86,146	0.9%
02414 Snowmobile Reg	62,910	0.7%	81,913	0.9%	81,986	0.9%
02558 Fas - Vehicle Registration	21,807	0.2%	49,366	0.5%	49,654	0.5%
02938 Tlmd - Administration	146,756	1.6%	145,870	1.5%	146,756	1.5%
03000 Total Federal Special Funds	355,543	3.8%	387,486	4.0%	387,999	4.0%
03403 Misc. Federal Funds	<u>355,543</u>	<u>3.8%</u>	<u>387,486</u>	<u>4.0%</u>	<u>387,999</u>	<u>4.0%</u>
Grand Total	<u>\$ 9,353,270</u>	<u>100.0%</u>	<u>\$ 9,618,987</u>	<u>100.0%</u>	<u>\$ 9,621,960</u>	<u>100.0%</u>

The Enforcement Bureau is funded primarily with general license dollars. Other state special revenue includes non – resident hunting fees, fuel taxes, and off highway vehicle and snowmobile registration fees. Federal funds are primarily from the US Coast Guard and require a 25 percent match supplied from the general license account.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	9,353,270	9,353,270	18,706,540	97.22%
Statewide PL Adjustments	0	0	0	0.00%	(63,083)	(60,110)	(123,193)	(0.64%)
Other PL Adjustments	0	0	0	0.00%	328,800	328,800	657,600	3.42%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$9,618,987	\$9,621,960	\$19,240,947	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "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.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
	Personal Services			(42,713)					(41,066)	
	Vacancy Savings			(23,834)					(23,807)	
	Inflation/Deflation			3,464					4,763	
	Total Statewide Present Law Adjustments									
	\$0	(\$69,826)	\$6,743	(\$63,083)		\$0	(\$67,366)	\$7,256	(\$60,110)	
DP 401 - Warden Overtime										
0.00	0	278,300	11,700	290,000	0.00	0	278,300	11,700	290,000	
DP 402 - Enforcement Division Base Operations Adjustment										
0.00	0	25,300	13,500	38,800	0.00	0	25,300	13,500	38,800	
	Total Other Present Law Adjustments									
	0.00	\$0	\$303,600	\$25,200	\$328,800	0.00	\$0	\$303,600	\$25,200	\$328,800
	Grand Total All Present Law Adjustments									
	0.00	\$0	\$233,774	\$31,943	\$265,717	0.00	\$0	\$236,234	\$32,456	\$268,690

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 by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - This bureau does not have any pay plan exceptions.
- o **Program Specific Obstacles** – The level of Captain’s pay does not attract outside candidates.
- o **Vacancy** – The bureau did not report any issues with vacancies.
- o **Legislatively Applied Vacancy Savings** - Enforcement is exempt from the 7% vacancy savings for positions that are not “post-certified”. In the 2011 biennium several warden positions were required to have vacancy savings. The Enforcement Division left some positions vacant to fulfill this obligation.
- o **Pay/Position Changes** – One increase was provided after a training assignment was completed.
- o **Retirements** - The program has 18 employees eligible for full retirement in the 2013. At this time, no employee has notified the program of their intention to retire.

DP 401 - Warden Overtime - The executive requests authority for overtime compensation. Overtime is zero-based in the budgeting process and must be requested each biennium. This proposal would fund the MPEA Warden collective bargaining agreement for overtime compensation.

LFD ISSUE	<p><u>Request Exceeds FY 2010 Expenditures</u> The executive request for overtime exceeds actual overtime paid in FY 2010. In FY 2010, the bureau paid \$226,124, or 22% less than the request.</p>
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DP 402 - Enforcement Division Base Operations Adjustment - The executive requests authority for law enforcement water safety funds that were not spent in the base year. Conditions at the start of the base year were cold and wet, which reduced the amount of time needed to patrol waters.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	135.14	135.14	138.14	138.14	135.14	138.14	3.00	2.22%
Personal Services	7,275,537	7,698,743	7,837,469	7,844,396	14,974,280	15,681,865	707,585	4.73%
Operating Expenses	9,168,961	9,792,727	10,494,418	10,497,292	18,961,688	20,991,710	2,030,022	10.71%
Equipment & Intangible Assets	46,091	46,090	46,091	46,091	92,181	92,182	1	0.00%
Grants	141,050	140,682	141,050	141,050	281,732	282,100	368	0.13%
Benefits & Claims	4,823	4,850	4,823	4,823	9,673	9,646	(27)	(0.28%)
Total Costs	\$16,636,462	\$17,683,092	\$18,523,851	\$18,533,652	\$34,319,554	\$37,057,503	\$2,737,949	7.98%
State Special	11,513,567	12,366,500	12,920,602	12,924,162	23,880,067	25,844,764	1,964,697	8.23%
Federal Special	5,122,895	5,316,592	5,603,249	5,609,490	10,439,487	11,212,739	773,252	7.41%
Total Funds	\$16,636,462	\$17,683,092	\$18,523,851	\$18,533,652	\$34,319,554	\$37,057,503	\$2,737,949	7.98%

Program Description

The Wildlife Bureau is responsible for the department's statewide Wildlife Management Program, which enhances the use of Montana's renewable wildlife resources for public benefit. It protects, regulates, and perpetuates wildlife populations with habitat management and regulated harvest. Through promotion of land management practices, wildlife habitat areas are maintained and enhanced. In addition, the program provides wildlife recreational opportunities to the public, including non-game wildlife, and provides public information regarding conservation of wildlife populations and wildlife habitats. The program manages animals legislatively categorized as big game, nongame wildlife, game birds, furbearers, and threatened and endangered species. The bureau is divided into four program areas; habitat conservation, hunting access, wildlife conflict and wildlife management.

Program Highlights

Wildlife Bureau	
Major Budget Highlights	
◆	The Governor proposes to increase this program's budget by 8.0% from the previous biennium due to statewide present law adjustments and the following major initiatives: <ul style="list-style-type: none"> ● Restoration of one-time-only appropriations from the 2009 legislative session ● Funding for elk management for brucellosis
Major LFD Issues	
◆	The personal services information provided by the bureau does not address the impact of funds provided by the 2009 Legislature in HB 2 for pay increases to wildlife biologists

Program Narrative

This program was not required to submit a 5% reduction plan as the bureau's funding sources are exempt under statute.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	\$ 11,513,567	69.2%	\$ 12,920,602	69.8%	\$ 12,924,162	69.7%
02061 Nongame Wildlife Account	58,424	0.4%	32,924	0.2%	32,924	0.2%
02085 Waterfowl Stamp Spec. Rev.	13,072	0.1%	53,072	0.3%	53,072	0.3%
02086 Mountain Sheep Account	72,202	0.4%	139,002	0.8%	139,002	0.7%
02112 Moose Auction	-	-	67,000	0.4%	67,000	0.4%
02113 Upland Game Bird Habitat	261,192	1.6%	179,342	1.0%	178,506	1.0%
02176 Mountain Goat Auction	-	-	13,000	0.1%	13,000	0.1%
02334 Hunting Access	5,536,204	33.3%	6,429,021	34.7%	6,429,536	34.7%
02409 General License	5,311,916	31.9%	5,682,210	30.7%	5,686,233	30.7%
02459 Hunting Access Acquisitions	-	-	25,000	0.1%	25,000	0.1%
02469 Habitat Trust Interest	260,557	1.6%	262,031	1.4%	261,889	1.4%
02560 Elk Auction	-	-	38,000	0.2%	38,000	0.2%
03000 Total Federal Special Funds	5,122,895	30.8%	5,603,249	30.2%	5,609,490	30.3%
03097 Fedl Fish(W/B) Wildlife(P/R)	4,673,041	28.1%	5,103,824	27.6%	5,109,881	27.6%
03403 Misc. Federal Funds	104,864	0.6%	151,655	0.8%	152,106	0.8%
03408 State Wildlife Grants	344,990	2.1%	347,770	1.9%	347,503	1.9%
Grand Total	<u>\$ 16,636,462</u>	<u>100.0%</u>	<u>\$ 18,523,851</u>	<u>100.0%</u>	<u>\$ 18,533,652</u>	<u>100.0%</u>

The Wildlife Bureau is funded with state special revenue consisting primarily of the general license account and non-resident license funds. Other earmarked fees support the Upland Game Bird Program and the operations portion of the Wildlife Habitat Program. Federal funding consists of Pittman-Robertson funds that require a 25 percent non-federal match that is typically met with funds from the general license account.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	16,636,462	16,636,462	33,272,924	89.79%
Statewide PL Adjustments	0	0	0	0.00%	445,000	455,067	900,067	2.43%
Other PL Adjustments	0	0	0	0.00%	1,122,800	1,122,800	2,245,600	6.06%
New Proposals	0	0	0	0.00%	319,589	319,323	638,912	1.72%
Total Budget	\$0	\$0	\$0		\$18,523,851	\$18,533,652	\$37,057,503	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "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.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					763,918					771,409
Vacancy Savings					(321,575)					(321,873)
Inflation/Deflation					2,673					5,547
Fixed Costs					(16)					(16)
Total Statewide Present Law Adjustments		\$0	\$257,440	\$187,560	\$445,000		\$0	\$261,134	\$193,933	\$455,067
DP 503 - Reinstatement Block Management	0.00	0	850,000	0	850,000	0.00	0	850,000	0	850,000
DP 504 - Reinstatement Game Damage Herders	0.00	0	23,000	0	23,000	0.00	0	23,000	0	23,000
DP 505 - Restore Auction Programs	0.00	0	184,800	0	184,800	0.00	0	184,800	0	184,800
DP 506 - Restore Coming Home To Hunt Funding	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 507 - Reinstatement Migratory Bird Program	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
Total Other Present Law Adjustments	0.00	\$0	\$1,122,800	\$0	\$1,122,800	0.00	\$0	\$1,122,800	\$0	\$1,122,800
Grand Total All Present Law Adjustments	0.00	\$0	\$1,380,240	\$187,560	\$1,567,800	0.00	\$0	\$1,383,934	\$193,933	\$1,577,867

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 by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – This bureau does not have any pay plan exceptions.
- o **Program Specific Obstacles** - The bureau has experienced a large turnover in biologists primarily due to retirements. The program is experiencing difficulties in filling those vacancies with qualified people who meet the technical criteria of the job as well as who are a good “fit” for the position. Biologist pay is considerably higher in the private market and the federal government.
- o **Vacancy** - Turnover of biologists and resource conservation managers are due to retirements, internal promotions, and transfers. All noted examples were the result in increased workload for most resulting in increased compensatory time, and a number of projects and support efforts were not completed during the timeframes desired.
- o **Legislatively Applied Vacancy Savings** - During the first year of the biennium, the program had vacant positions that had to be left unfilled for the majority of the year to achieve the required 7% savings. During the second year, positions open have been left open longer than desired, and it is anticipated that it may also require additional funding from another source.
- o **Pay/Position Changes** - One increase was provided due to a completed training assignment.
- o **Retirements** – The program has 21 employees eligible for full retirement during the 2013 biennium. The program anticipates three retirements at an estimated cost of \$60,000.

LFD ISSUE	<u>Legislative Appropriation for Wildlife Biologists</u> The legislature granted and the executive approved a line item for wildlife biologist pay increases during the 2009 Legislative session. The personal services information provided by the bureau indicates that this increase was not distributed.
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DP 503 - Reinstate Block Management - The executive requests state special revenue derived from nonresident license fees totaling \$750,000 for hunter access and \$100,000 for enforcement related work. The authority for hunter access was approved as one-time-only appropriation by the 2009 Legislature.

LFD COMMENT The bureau expended the \$750,000 in one-time only funds by enrolling an additional 18 land owners and nearly 500,000 acres in the block management program.

LFD ISSUE Impacts of I-161 on Block Management, Structural Balance
 The passage of I-161 eliminated outfitter sponsored licenses, which was the dedicated revenue source for the Block Management Program. Block management is a cooperative effort between the department, private landowners, and public land management agencies to help landowners manage hunting activities and to provide free public hunting access to private and isolated public lands. The initiative created a hunting access fund to provide support to hunting access programs that have been established in law or rule. Revenues to the hunting access fund are 25% of the revenue from nonresident big game combination or deer combination licenses, 25% of the revenue from licenses issued to the nonresident child of a resident, and the hunting access fees that are part of the conservation license. The executive is requesting reinstatement of one-time-only authority from the 2009 Legislature that had been provided to support block management and authority to expend funds from the new hunting access fund in lieu of outfitter sponsored license revenues. The figure illustrates the status of the Block Management Program.

Department of Fish, Wildlife and Parks Block Management Funding				
	Mkt Based Combo		Huting Access	
	Actual FY 2010	Appropriated FY 2011	Executive Request FY 2012	Executive Request FY 2013
Beginning Balance	\$6,242,552	\$3,618,305	\$3,001,889	\$2,583,992
Expenditures	(7,356,124)	(7,052,808)	(6,854,289)	(6,855,362)
Revenues	4,731,877	6,436,392	6,436,392	6,436,392
Ending Fund Balance	<u>\$3,618,305</u>	<u>\$3,001,889</u>	<u>\$2,583,992</u>	<u>\$2,165,022</u>

The budget for the Block Management Program in the 2011 biennium was prior to the passage of I-161. This budget was funded with outfitter sponsored license revenues deposited to the market based combo fund. The biennial budget is not structurally balanced as the expenditures exceed revenues by \$3.2 million by the end of FY 2011.

The executive request for the 2013 biennium is based upon the ending fund balance from the market based combo fund plus the new revenues from nonresident combination licenses. The biennial budget is not structurally balanced. Revenues exceed expenditures by \$417,000 each year of the biennium. The executive is relying on the fund balance to cover the short fall.

The executive requests that the legislature increase base authority for the Block Management Program even though the fund balance is declining and future revenue streams under I-161 have not been proven. The legislature may wish to condition the appropriation as one-time-only due to questionable revenues.

DP 504 - Reinstate Game Damage Herders - The executive is requesting authority for short term employees to work as herders in the game damage program. This funding was approved as one-time-only by the 2009 Legislature. This authority would allow the program to hire local area ranch hands as short term workers under a modified level FTE to herd game animals away from crops and stored hay/grain in response to private landowner complaints of game damage.

LFD COMMENT The agency expended \$4,900 of the \$25,000 appropriated as one-time-only in FY 2010.

DP 505 - Restore Auction Programs - The executive requests authority to expend revenues from license auctions. Statute provides the bureau the authority to auction one license per year for elk, goat, moose, and sheep with the auction proceeds dedicated to the management of the specific species. This funding was approved as one-time-only by the 2009 Legislature.

LFD COMMENT The agency expended \$14,200 of the \$91,000 appropriated as one-time-only in FY 2010. This appropriation was also conditioned as biennial; the bureau could expend the remaining \$76,800 in FY 2011.

DP 506 - Restore Coming Home To Hunt Funding - The executive requests authority to fund the "Coming Home to Hunt" program (HB 585, 2009 Legislature) with earmarked revenues from license sales to nonresidents who hunt with a resident sponsor. The funding is dedicated to securing access across private lands to public lands.

LFD COMMENT This program was in development during the base year so there were no expenditures.

DP 507 - Reinstate Migratory Bird Program - The executive requests authority to expend revenues from the Waterfowl Stamp program for projects related to the protection of wetlands. This funding was approved as one time only by the 2009 Legislature. The continuation of this funding would allow the agency to implement contracts for wetland habitat project monitoring.

LFD COMMENT The agency expended approximately \$37,500 of the \$40,000 appropriated as one-time-only for FY 2010.

New Proposals

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 501 - Elk Management Strategy for Brucellosis											
05	3.00	0	159,795	159,794	319,589	3.00	0	159,661	159,662	319,323	
DP 508 - Upland Game Bird Enhancement Program Refund											
05	0.00	0	(133,000)	133,000	0	0.00	0	(133,000)	133,000	0	
Total	3.00	\$0	\$26,795	\$292,794	\$319,589	3.00	\$0	\$26,661	\$292,662	\$319,323	

DP 501 - Elk Management Strategy for Brucellosis - The executive is requesting state special and federal authority for 3.0 FTE and operational support to implement an elk management strategy that helps to minimize the risk of disease transmission between elk and livestock in high-risk areas surrounding Yellowstone National Park. The strategy is directed toward minimizing the risk of disease transmission between elk and livestock during high risk periods.

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 the LFD staff as necessary for brevity and/or clarity.

Justification

This proposal is directed toward gaining a better understanding of brucellosis prevalence and distribution in elk in the Yellowstone area, and to implement measures to minimize risk of transmission between elk and livestock.

Project Outcome(s)

The overall goal of this proposal is to work to minimize risk of brucellosis transmission between elk and livestock in the high risk area surrounding Yellowstone National Park (YNP). Outcomes include improving understanding of where the disease is present and at what prevalence; understanding where the transmission risk is greatest to include birth/abortion sites; working with livestock producers and the Montana Department of Livestock to evaluate risk based on elk distribution, elk movements, and livestock operations; identifying risk mitigation measures to minimize the risk of transmission during the high risk period; and implementing risk mitigation strategies.

Performance Criteria

Progress will be measured by brucellosis surveillance results in elk, by elk distribution information, by landowner contacts, quantification of risk mitigation measures implemented, and ultimately by continued maintenance of Montana brucellosis-free status.

Milestones

Key activities will begin during fall of 2011 prior to the general hunting season. Test kits will be provided to all antlerless elk license holders in hunting districts surrounding YNP. Staff will work with landowners to try to prevent unusually high concentrations of elk in areas inaccessible to hunters and use techniques to disperse the elk if necessary. FWP staff will work through the winter months to implement risk mitigation measures such as hazing, fencing of hay stacks, and other methods to prevent disease transmission between elk and livestock. These efforts will continue in 2012 and 2013.

FWP will enhance surveillance efforts through the capture and testing of 100 cow elk in targeted areas beginning in winter 2012. Blood will be collected for testing, with radio collars and vaginal implants to be annually maintained and monitored on sero-positive elk for up to five years.

LFD COMMENT	The US Department of Agriculture, Animal and Plant Inspection Services (APHIS) provided the department with a grant in September of 2010 to begin to implement this plan. This grant covered the initial costs of elk surveillance and monitoring efforts associated with capture of 100 cow elk in the winter of 2011.
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FTE

Surveillance work will be supervised by the Wildlife Lab Supervisor and Wildlife Veterinarian. Seasonal technicians hunt coordinators, and wildlife herders will implement surveillance and risk mitigation efforts under the direction of regional wildlife managers and area biologists. Elk distribution information secured via radio collars and risk analysis may be analyzed by FWP research staff. FWP is requesting 3.00 FTE to implement the lab and field work.

Funding Sources

FWP is requesting \$319,000 per year to fund the work. Funding sources include 75% federal Pittman/Robertson funds matched with 25% general license account. This is in addition to grant funds received from APHIS. Future requests to APHIS will be made to help offset costs, but are uncertain.

Future Funding

It is anticipated that future funding needs will be similar for the same types of work.

Obstacles

Challenges to implementing this proposal are primarily social. Some landowners who are outside of the designated surveillance area (DSA) do not want enhanced surveillance because of fears that the DSA could be expanded to include them. Some landowners want large concentrations of elk and therefore provide refuge during the hunting season, which results in large concentrations during high-risk periods. Some landowners won't allow hazing, elk capture, or radio collar retrieval because they like the elk, don't like the government, or in one case, were trying to sell the property and felt elk on the property enhanced the value and marketability.

Risks

Risks include less knowledge about the distribution and prevalence of brucellosis and associated risks, which could likely be cause for APHIS to become more restrictive. Lack of or reduced risk mitigation also increases likelihood of transmission of brucellosis between elk and livestock.

**LFD
ISSUE**New Program, High Risks, Monitoring Could be Considered

The legislature is being asked to fund a new program for elk management utilizing general license account fees and federal wildlife funds. The goal of the program is to minimize the risk of brucellosis transmission between elk and livestock, with the risk of not implementing the program the increased potential to lose the state's class free brucellosis status.

This new initiative establishes a program within the department to formalize management practices for brucellosis transmission in elk. Due to the statewide implications if the strategy is not successful, the department should be able to provide assurances it will establish a strategy and process that will benefit all interests in the state. One way to obtain such assurances is to require that the department report on a routine basis on items such as progress toward the stated goal, success in achieving milestones, and any unintended consequences of the strategy. The legislature could consider one or more of the following options:

- Require reporting through the Legislative Finance Committee's performance measurement project
- Require routine reporting to the Environmental Quality Council under the Council's oversight responsibilities
- Require a follow up report to the 2013 Legislature

To implement these options, language would need to be added to a bill that implemented provisions of HB 2 (a separate bill) stating the requirement for reporting, the goals of the reporting, and how often the reporting should occur.

New Initiative May Require Legislative Control

Whether the legislature chooses to request interim reporting or not, the option of conditioning the appropriation adds control for the legislature. The decision package could be conditioned to restrict appropriations to only this purpose and be one-time-only. In doing this, the legislature makes the policy statement that the department must return to the 2013 Legislature for continued funding. The legislature could also add a biennial condition that would allow the department to utilize the funds in either year, providing funding flexibility.

DP 508 - Upland Game Bird Enhancement Program Refund - The executive requests a funding switch between state special Upland Game Bird Enhancement Program (UGBEP) funds with federal special Pittman-Robertson dollars.

Proprietary Rates

Aircraft fund

Proprietary Proposed Budget

The 2013 Biennium Report on Internal Service and Enterprise Funds for aircraft operations shows the financial information for the fund for FY 2010 through FY 2013.

Proprietary Program Description

The department's aircraft fund provides aircraft to department employees. These revenue users are department employees, mostly fish and wildlife biologists. Every month, users are charged for the hours flown during the previous month. The objective of the aircraft account is to recover (through rates) 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 \$181,000. In FY 2010 the department flew just under 1,000 hours in department aircraft.

Funding

All program utilizing FW aircraft are assessed an hourly rate for each hour flown. All programs that utilized department air have base budgets to support annual aircraft activity. If the rate approved by the legislature is different than the rate proposed, all program budgets will need to be adjusted accordingly.

Proprietary Significant Present Law

DP 510, FWP Aircraft Proprietary Fund Operations Adjustment - This operating adjustment is for \$62,363 in FY 2012 and \$80,335 in FY 2013 of proprietary funds to reflect estimated expenses in aircraft repair and maintenance in the upcoming biennium. There is no impact to rates.

Proprietary Rates

For the 2013 biennium the following rates are proposed by the executive.

2011 Biennium Report on Internal Services Funds				
Aircraft Operations				
	Actual 2010	Budgeted 2011	Projected 2012	Projected 2013
Beginning Working Capital Balance	(\$76,013)	(\$34,340)	\$0	\$10,389
Operating Expenses	312,506	345,780	359,611	373,996
Operating Revenues				
Revenue from Fees	354,179	380,120	370,000	370,000
Total Operating Revenues	354,179	380,120	370,000	370,000
Operating Gain (Loss)	41,673	34,340	10,389	(3,996)
Ending Working Capital Balance	<u>(\$34,340)</u>	<u>\$0</u>	<u>\$10,389</u>	<u>\$6,393</u>
FWP Aircraft Operations - Proposed Hourly Rates				
Aircraft	Actual 2010	Actual 2011	Proposed 2012	Proposed 2013
Two place single engine	108.07	129.69	108.07	108.07
Partnavia	514.56	617.47	514.56	514.56
Turbine Helicopters	576.10	691.32	576.10	576.10

The rate methodology attempts to determine a cost/hour rate for each class of aircraft. The methodology is to determine the previous year's expenses, including operating, maintenance, and administration expenses minus the previous year's revenue generated from the rates to establish the net cash inflow. Future year expenses are estimated based on the most current year's information plus a 5% inflationary factor. Using anticipated future year's usage and the projected

expenses, a cost (hour) rate is determined for the future years. The goal is to have a cash balance at fiscal yearend equal to 60 days of total operating expenses.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	120.26	120.26	126.49	126.49	120.26	126.49	6.23	5.18%
Personal Services	5,507,202	5,816,583	6,172,412	6,171,526	11,323,785	12,343,938	1,020,153	9.01%
Operating Expenses	2,821,984	3,099,735	3,152,408	3,157,697	5,921,719	6,310,105	388,386	6.56%
Equipment & Intangible Assets	323,127	272,328	266,400	266,400	595,455	532,800	(62,655)	(10.52%)
Grants	421,437	445,317	445,318	445,318	866,754	890,636	23,882	2.76%
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$9,073,750	\$9,633,963	\$10,036,538	\$10,040,941	\$18,707,713	\$20,077,479	\$1,369,766	7.32%
State Special	8,790,340	9,346,076	9,670,681	9,676,509	18,136,416	19,347,190	1,210,774	6.68%
Federal Special	283,410	287,887	365,857	364,432	571,297	730,289	158,992	27.83%
Total Funds	\$9,073,750	\$9,633,963	\$10,036,538	\$10,040,941	\$18,707,713	\$20,077,479	\$1,369,766	7.32%

Program Description

The Parks Division is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, and for providing for their use and enjoyment. The program includes 54 parks, 15 affiliated lands such as rifle ranges and recreation sites managed by local and federal agencies, and 336 fishing access sites. Other programs administered by the division include motorized and non-motorized trail grants and local government recreation grants. The division also provides architectural and engineering services for construction and maintenance projects at state parks, state fishing access sites, and administrative facilities.

Program Highlights

Parks Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Governor proposes to increase this program's budget by 7.3% from the previous biennium ◆ One half of the total increase is due to statewide present law adjustments ◆ Major initiatives in the executive budget include: <ul style="list-style-type: none"> • Restoration of one-time-only appropriations from the 2009 Legislature • FTE to manage Traveler's Rest and the Madison River recreational corridor
Major LFD Issues
<ul style="list-style-type: none"> ◆ The program does not have sufficient funds to adequately operate, maintain, and preserve state parks ◆ There are resources available to increase support to fishing access sites

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	\$ 8,790,340	96.9%	\$ 9,670,681	96.4%	\$ 9,676,509	96.4%
02213 Off Highway Vehicle Gas Tax	59,936	0.7%	108,076	1.1%	107,883	1.1%
02238 Off-Hwy Vehicle Acct (Coned)	5,001	0.1%	4,475	0.0%	4,631	0.0%
02239 Off Hwy Vehicle Acct (Parks)	15,541	0.2%	12,632	0.1%	12,566	0.1%
02328 Ohv Gas Tax - Con Ed	12,335	0.1%	11,500	0.1%	11,471	0.1%
02330 Snowmobile Fuel Tax-Con Ed	46,251	0.5%	41,479	0.4%	41,313	0.4%
02331 Motorboat Certification-Parks	17,968	0.2%	19,062	0.2%	18,982	0.2%
02332 Snowmobile Registration-Parks	232,723	2.6%	224,995	2.2%	224,803	2.2%
02333 Fishing Access Site Maint	341,924	3.8%	337,547	3.4%	335,986	3.3%
02407 Snowmobile Fuel Tax	516,512	5.7%	547,393	5.5%	547,551	5.5%
02408 Coal Tax Trust Account	908,686	10.0%	759,737	7.6%	755,789	7.5%
02409 General License	2,132,937	23.5%	2,301,104	22.9%	2,307,284	23.0%
02411 State Parks Miscellaneous	3,394,896	37.4%	3,966,527	39.5%	3,975,975	39.6%
02412 Motorboat Fuel Tax	1,051,098	11.6%	1,158,300	11.5%	1,154,666	11.5%
02558 Fas - Vehicle Registration	54,532	0.6%	177,854	1.8%	177,609	1.8%
03000 Total Federal Special Funds	283,410	3.1%	365,857	3.6%	364,432	3.6%
03097 Fedl Fish(W/B) Wildlife(P/R)	283,410	3.1%	365,857	3.6%	364,432	3.6%
Grand Total	<u>\$ 9,073,750</u>	<u>100.0%</u>	<u>\$ 10,036,538</u>	<u>100.0%</u>	<u>\$ 10,040,941</u>	<u>100.0%</u>

The largest revenue source is the \$4.00 registration fee per vehicle charged in lieu of resident day use fees at state park sites, followed by motorboat fuel taxes, parks coal tax trust earnings, the general license account, snowmobile fuel taxes, fishing access maintenance and acquisition fee revenues, snowmobile registration fees, and off-highway vehicle registration fees. The general license account and earmarked fishing fees are restricted to fishing access sites management.

Federal funding sources include Wallop-Breaux, National Recreational Trails, the Land and Water Conservation fund, and miscellaneous federal revenues. These federal funding sources require a match of 20 to 50 percent.

The department receives 6.5 percent of the accommodation tax collections for the maintenance of state parks. However, since the money is appropriated through statute, it is not included in HB 2.

LFD ISSUE	<u>State Parks Funding</u>
	The major funding sources for state parks are stagnant and unreliable. This issue is discussed in detail in the program issues section of this write-up.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	9,073,750	9,073,750	18,147,500	90.39%
Statewide PL Adjustments	0	0	0	0.00%	396,370	401,343	797,713	3.97%
Other PL Adjustments	0	0	0	0.00%	566,418	565,848	1,132,266	5.64%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$10,036,538	\$10,040,941	\$20,077,479	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "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.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					638,736					638,411
Vacancy Savings					(245,836)					(245,827)
Inflation/Deflation					4,564					9,853
Fixed Costs					(1,094)					(1,094)
Total Statewide Present Law Adjustments		\$0	\$378,624	\$17,746	\$396,370		\$0	\$384,908	\$16,435	\$401,343
DP 601 - Reinstate Parks Ops & Maintenance	2.33	0	128,089	0	128,089	2.33	0	127,817	0	127,817
DP 602 - Reinstate Fishing Access Site Ops & Maintenance	3.90	0	98,220	64,701	162,921	3.90	0	98,036	64,587	162,623
DP 603 - Restore Snowmobile Equipment (BIEN)	0.00	0	(67,690)	0	(67,690)	0.00	0	(67,690)	0	(67,690)
DP 604 - Restore Grants Administration Funding	0.00	0	85,000	0	85,000	0.00	0	85,000	0	85,000
DP 605 - Parks Base Operating Adjustment	0.00	0	213,280	0	213,280	0.00	0	213,280	0	213,280
DP 606 - Fishing Access Site Base Operating Adjustment	0.00	0	44,818	0	44,818	0.00	0	44,818	0	44,818
Total Other Present Law Adjustments	6.23	\$0	\$501,717	\$64,701	\$566,418	6.23	\$0	\$501,261	\$64,587	\$565,848
Grand Total All Present Law Adjustments	6.23	\$0	\$880,341	\$82,447	\$962,788	6.23	\$0	\$886,169	\$81,022	\$967,191

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 by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The Parks Division makes a blanket exception from agency policy on tour guides that work at Lewis and Clark Caverns State Park. These positions are becoming increasingly difficult to recruit for due to: 1) the remote locations of state parks and the lack of housing; 2) shift work of nights, weekends, and holidays; 3) jobs are repetitive (cleaning restrooms, handling trash, etc.); and 4) wages are not on par with the private sector.
- o **Program Specific Obstacles** - The economic recession has allowed for larger pools of employees for entry level positions that require low skill levels. Recruitment has not improved for skilled positions because qualified employees either do not apply due to wage rates or remove themselves from consideration. This has resulted in extended recruitments and hiring staff who are not adequately prepared to handle the position upon starting. This has driven up training and productivity costs until employees are qualified.
- o **Vacancy** - The Parks Division experiences higher turnover in field positions. These include front-line staff such as maintenance workers, park rangers, and park managers. Factors affecting turnover include: 1) work conditions and workload; 2) lack of housing facilities (i.e. Lewis and Clark Caverns, etc.); and 3) wages too low in comparison with the private sector and other state/local service. The division has lost candidates to other agencies. The division has provided transportation assistance, pay exceptions, alternating shifts, and even began to provide housing to staff as a means of improving operations and reducing turnover such as at Hell Creek State Park or Tongue River Reservoir State Park. Vacancies have impacted the ability to provide consistent service to Montanans and their guests resulting in tasks not being done completely or being prioritized lower. Overtime and workload increases on remaining staff have a cost over the long term.

- o **Legislatively Applied Vacancy Savings** - The Parks Division met the 7% applied vacancy savings by not filling positions as quickly as might have been desired. This was aided by resignations and recruitment problems that created delays in hiring and resulted in saved personal services.
- o **Pay/Position Changes** – The division did not process any pay changes.
- o **Retirements** - The Parks Division estimates 12 permanent employees will be eligible for full retirement in the 2013 biennium. The program has not been notified of any anticipated retirements.

DP 601 - Reinstate Parks Ops & Maintenance - The executive requests restoration of state park operations and maintenance funding and 2.08 FTE that was approved as one-time-only by the 2009 Legislature. The request also includes an additional 0.25 FTE for a field manager at Traveler's Rest State Park, which was funded in the 2011 biennium with federal stimulus money.

LFD ISSUE	<p><u>Two Adjustments are Being Requested</u> The program is asking for two present law adjustments in this package. The first adjustment is to restore \$99,925 in base authority and 2.08 FTE that was approved as one-time-only by the 2009 Legislature. The second adjustment is to add 0.25 FTE and \$28,164 in base authority to support the field manager at Traveler's Rest. This adjustment is to replace one-time-only stimulus funding. The legislature may wish to consider the parts of this decision package independent of one another.</p>
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DP 602 - Reinstate Fishing Access Site Ops & Maintenance - The executive requests restoration of Fishing Access Site (FAS) operations and maintenance funding and 3.15 FTE that was approved as one time only by the 2009 Legislature. The request also includes 0.75 FTE for a Madison River Ranger and the associated operations that were formerly funded with grants from PPL Montana and the Bureau of Land Management.

LFD ISSUE	<p><u>Two Adjustments are Being Requested</u> The program is asking for two present law adjustments in this package. The first adjustment is to restore \$99,318 in base authority and 3.15 FTE that was approved as one-time-only by the 2009 Legislature. The second adjustment is to add 0.75 FTE and \$63,603 in base authority to support the Madison River Ranger position. This adjustment is to replace expired grant funding. The legislature may wish to consider the parts of this decision package independent of one another.</p>
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DP 603 - Restore Snowmobile Equipment (BIEN) - The executive requests restoration of the biennial appropriation for snowmobile equipment to \$160,000 per year of state special revenue. Most of this biennial appropriation was spent in the base year, resulting in an over inflation of the 2013 biennium appropriation. A reduction of \$67,690 per year will correct the inflation.

LFD COMMENT	<p>This is a technical adjustment. The historical level of funding would be restored with this adjustment.</p>
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DP 604 - Restore Grants Administration Funding - The executive requests restoration of funding for a modified level FTE for the Land and Water Conservation Fund (LWCF)/Trails Bureau Chief. This position is responsible for the administration of several recreational and trail improvement programs.

**LFD
ISSUE**Mid-level Manager in a Modified Position

The recreational and trail improvement program provides grants to community organizations to maintain and manage recreational resources in Montana. However, the on-going program manager has been in a modified position, meaning it was not a part of the budget request and has been supported with funds appropriated by the legislature for other purposes, for the last two biennia. If the legislature considers this position critical to the mission of the program, the position could be made permanent by adding FTE authority with this decision package.

DP 605 - Parks Base Operating Adjustment - The executive requests funds for the Parks Division for contract services, weed control, travel, and grounds and buildings.

DP 606 - Fishing Access Site Base Operating Adjustment - This budget request is for \$44,818 per year of state special revenue for Fishing Access Site (FAS) operations. This budget request primarily adjusts contract services and grounds maintenance.

Program Issues*Issues impacting the fiscal health of the state parks program*

In 1929 the legislature authorized the land board to designate state lands as parks. The first park, Lewis & Clark Caverns, was acquired in 1936 via donation of 650.06 acres from the Northern Pacific Railroad. Seventy four years later, the Parks Division within the Department of Fish, Wildlife and Parks manages 54 state parks, covering approximately 40,000 acres.

A state park is generally defined as a park or other protected area of land preserved on account of its natural beauty, historic interest, recreation or other reason, and under the administration of the state. Montana code supports the development of state parks for this purpose (23-1-101, MCA). The department has categorized 54 sites as state parks. The system includes large developed parks, primitive or minimally developed parks, and areas of cultural interest. The diversity of the system plays a role in the current and future fiscal health of the system. In addition, as with land in general as discussed in the agency summary, the agency has several funding sources and other methods to acquire new parks that do not require legislative oversight.

Unreliable & Stagnant Fiscal Resources

The resources to operate the current parks system are stagnant and unreliable while costs to maintain the system and the system itself continue to grow. The parks program is funded by four major sources: 1) bed tax; 2) coal severance tax; 3) motorboat fuel taxes; and 4) parks specific revenue, which includes the light vehicle registration fee (plate fee), camping fee, concession revenues, and the like. Figure XX below summarizes the expenditures from the four major funds from FY 2006 forward. As revenues fluctuate, expenditures follow the same trend.

Figure 3

Structural Balance of Four Major Park Funding Sources								
Funds	Actual			Projected	Estimated	Requested		
<u>Beginning Fund Balances</u>	2006	2007	2008	2009	2010	2011	2012	2013
02274 - Bed Tax	\$863,090	\$816,859	\$1,026,156	\$1,160,676	\$1,190,529	\$1,235,548	\$1,471,471	\$1,822,301
02408 - Coal Tax	572,179	516,521	619,469	396,067	265,854	78,435	(130,994)	35,132
02411 - State Parks Misc.	4,357,218	4,858,963	4,964,873	3,664,694	3,023,264	3,172,547	2,162,115	1,719,509
02412 - Motorboat Fuel	348,228	635,907	799,335	766,928	754,863	723,669	844,760	938,460
Subtotal	<u>\$6,140,715</u>	<u>\$6,828,250</u>	<u>\$7,409,833</u>	<u>\$5,988,365</u>	<u>\$5,234,510</u>	<u>\$5,210,199</u>	<u>\$4,347,352</u>	<u>\$4,515,402</u>
Revenues								
02274 - Bed Tax	\$910,440	\$1,160,434	\$1,117,667	\$1,074,826	\$1,091,445	\$1,128,000	\$1,188,000	\$1,233,000
02408 - Coal Tax	888,746	990,758	1,168,343	1,003,879	921,359	947,000	974,000	1,007,000
02411 - State Parks Misc.	4,339,958	4,601,078	4,325,769	4,394,632	4,506,638	4,506,638	4,506,638	4,506,638
02412 - Motorboat Fuel	1,190,844	1,210,284	1,137,441	1,085,547	1,192,026	1,229,000	1,252,000	1,276,000
Subtotal	<u>\$7,329,988</u>	<u>\$7,962,554</u>	<u>\$7,749,220</u>	<u>\$7,558,884</u>	<u>\$7,711,468</u>	<u>\$7,810,638</u>	<u>\$7,920,638</u>	<u>\$8,022,638</u>
Available Funds	<u>\$13,470,703</u>	<u>\$14,790,804</u>	<u>\$15,159,053</u>	<u>\$13,547,249</u>	<u>\$12,945,978</u>	<u>\$13,020,837</u>	<u>\$12,267,990</u>	<u>\$12,538,040</u>
Expenditures/Appropriations (Inc. Capital)								
02274 - Bed Tax*	(\$956,671)	(\$979,412)	(\$983,148)	(\$1,044,972)	(\$1,046,426)	(\$892,077)	(\$837,170)	(\$837,631)
02408 - Coal Tax	(944,403)	(887,810)	(1,389,745)	(1,136,091)	(1,108,778)	(1,156,429)	(807,874)	(803,918)
02411 - State Parks Misc.	(3,838,213)	(4,495,198)	(5,625,918)	(5,036,063)	(4,357,355)	(5,517,070)	(4,949,244)	(3,931,441)
02412 - Motorboat Fuel	(902,701)	(1,022,733)	(1,169,848)	(1,097,612)	(1,223,220)	(1,107,909)	(1,158,300)	(1,154,666)
Subtotal	<u>(\$6,641,988)</u>	<u>(\$7,385,153)</u>	<u>(\$9,168,659)</u>	<u>(\$8,314,738)</u>	<u>(\$7,735,779)</u>	<u>(\$8,673,485)</u>	<u>(\$7,752,588)</u>	<u>(\$6,727,656)</u>
Ending Fund Balance								
02274 - Bed Tax	\$816,859	\$997,881	\$1,160,675	\$1,190,530	\$1,235,548	\$1,471,471	\$1,822,301	\$2,217,670
02408 - Coal Tax	516,522	619,469	398,067	263,855	78,435	(130,994)	35,132	238,214
02411 - State Parks Misc.	4,858,963	4,964,843	3,664,724	3,023,263	3,172,547	2,162,115	1,719,509	2,294,706
02412 - Motorboat Fuel	636,371	823,458	766,928	754,863	723,669	844,760	938,460	1,059,794
Total Ending Fund Balance	<u>\$6,828,715</u>	<u>\$7,405,651</u>	<u>\$5,990,394</u>	<u>\$5,232,511</u>	<u>\$5,210,199</u>	<u>\$4,347,352</u>	<u>\$4,515,402</u>	<u>\$5,810,384</u>
Structural Balance	\$688,000	\$577,401	(\$1,419,439)	(\$755,854)	(\$24,311)	(\$862,847)	\$168,050	\$1,294,982

* Statutorily Appropriated

The largest funding source is the state parks miscellaneous fund. This fund receives revenues from the \$3.50 light vehicle registration fee. This fee provides approximately \$2.8 million in revenues each year since FY 2008. The fee has not been increased since its inception in FY 2006. Park revenues generated from camping fees and the like are normally examined as part of a biennial fee rule by the FWP Commission. This November the commission opted not to increase fees within the state parks. This portion of the revenue is not anticipated to increase either. The executive is utilizing this fund to cover increasing operational costs, although the revenue is stagnant.

The bed tax is the only funding source that is increasing faster than the rate of expenditure. This fund is statutorily appropriated and does not receive routine oversight from the legislature. The fund has an ending fund balance that can offset the shortages in the other funds. This revenue is also dependent upon tourism within the state. If lodging usage does not increase as predicted, this fund too could see decreased revenues.

Structural Balance

Figure 1 also addresses structural balance. Structural balance illustrates if ongoing revenues are sufficient to fund ongoing activities or if an entity is utilizing fund balance to finance ongoing program activities. If there is not a positive structural balance and fund balances begin to be depleted, long term sustainability with current revenues comes into question. Figure 1 provides detail of expenditures, revenues, and fund balances from FY 2006 forward. During the 2009 biennium, expenditures exceeded revenues by \$1.4 million in FY 2008 and \$0.8 million in FY 2009, reducing fund balances by \$2.1 million. The same will occur during the in 2011 biennium, further reducing fund balance by approximately \$0.8 million.

Structural balance occurs in the executive's proposed budget. The Governor is proposing a present law budget, mirroring FY 2010 expenditures and a smaller request for capital authority.

Management Challenges

As stated, the parks system consists of a large number of very diverse types of lands and facilities. The Parks Division is tasked with managing the entire system at the level expected by the public. Given the variance of the types of land, and where the lands are located, the program is faced with competing and sometimes conflicting needs. Managing an isolated parcel of one and one half buildings within a ghost town could take as much effort and resources as managing a historical parcel or a smaller recreational park. Personnel are required to monitor sites, maintain public safety, and protect resources regardless of the location and the size and site revenues. If resources are sufficient, this diversity can be managed. However, when resources are tight and/or not keeping up with increased needs, it creates an environment where work may not be accomplished in a timely manner, potentially leaving the sites at risk and impacting public safety. A primary issue, therefore, is what types of land belong in the parks system and what could be removed for more efficient management. This could be accomplished by either altering statute or by taking the interim study approach to inventory and design a parks system, including how future parks will be acquired.

There are several decision points to consider:

- While fund balances would allow the parks system to operate within current and projected expenditures, the funding sources are not stable, nor are they growing to meet increasing needs, requiring expenditures to conform to revenues, rather than to the needs of the system. If the legislature wishes to increase revenues for continued maintenance of parks, there are a number of potential options, including:
 - Raise the light vehicle registration fee to \$5.00 or \$6.00 per plate and allocate the increased revenue to the parks system
 - Amend primitive parks statutes to allow for the collection of fees in primitive parks with developed campsites
 - Raise the parks portion of the bed tax revenue from 6.5 percent to 7.5 percent
 - Change the allocation of the coal severance tax by one percent to raise the parks trust to \$20 million
 - Revise the parks trust to set a required deposit amount and appropriate funds that exceed this amount
 - Eliminate deposit of parks earned revenue to the real property trust
 - Increase user fees via a statutory change.
- The legislature can also consider addressing public policy issues that impact the division's ability to manage assets efficiently
 - Allow the department to transfer parks lands to other governmental entities for a community use
 - Statutorily define the state parks system, potentially including the types of sites, location, and overall number of sites.
- The legislature may wish to address the larger issues such as defining the parks system, evaluation of land arrangements between state agencies, determine the role for historical parks and any other large scale issues, through an interim study?

Management of Fishing Access Sites

The Parks Division is responsible for the management and operations of Fishing Access Sites (FAS), even though the sites are considered an integral part of the Fisheries Program. Much like state parks, the legislature has not provided any statutory guidance as to where sites should be located, how many are necessary, or what they should look like. Management issues for the FAS program are similar to that of the state parks, as the sites are widely dispersed as well as diversified. The program now manages 360 sites ranging in size from small roadside access points to larger acreage with developed amenities. The majority of these sites has been purchased or leased with sportsman's dollars, either general license or federal Wallop Breaux funds.

Funding to support the FAS program can come from the fees earmarked for FAS from fishing licenses and the light vehicle registration fee, as well as the general license account. The current level of funding for the FAS program, \$2.3

million, may not provide adequate resources to maintain and support the 360 sites. A recent audit by the Legislative Audit Division indicated that the program has opportunities to improve weed control activities to improve compliance with the good neighbor policy. This includes completing weed audits, utilizing county weed coordinators and increasing field staff knowledge of available resources. Given the fact that the program can use general license dollars, the FAS program should have the resources to meet the good neighbor policy. Should the legislature want to increase the maintenance and operational support to the FAS program, additional funds from the general license account could be appropriated.

Proprietary Rates

Proprietary Program Description

Proprietary Proposed Budget

The 2013 Biennium Report on Internal Service and Enterprise Funds for fund 06501 shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity

2011 Biennium Report on Enterprise Funds				
Visitor Center Services				
	Actual 2010	Budgeted 2011	Projected 2012	Projected 2013
Beginning Working Capital Balance	\$263,320	\$290,974	\$291,474	\$296,474
Operating Expenses	110,614	141,500	140,000	140,000
Operating Revenues				
Revenue from Fees	138,023	142,000	145,000	150,000
Other Revenues	541	0	0	0
Total Operating Revenues	138,564	142,000	145,000	150,000
Operating Gain (Loss)	27,654	500	5,000	10,000
Ending Working Capital Balance	\$290,974	\$291,474	\$296,474	\$306,474

Proprietary Program Description

23-1-105 (5), MCA, authorizes the Parks Division of Montana Fish, Wildlife and Parks to establish an enterprise fund (fund 06068) for the purpose of managing state park visitor services revenue. The fund is used by the department to provide inventory through purchase, production, or donation and for the sale of educational, commemorative, and interpretive merchandise and other related goods and services at department sites and facilities.

Proprietary Program Narrative

The fund was established primarily to better manage Montana State Parks visitor centers that sell books, clothing, and commemorative items at parks like Ulm Piskin, Makoshika, and Chief Plenty Coups as well as parks that sell firewood an ice. Monies generated go back into the purchase of inventory and the improvement of visitor services in state parks.

The expenses associated with the enterprise fund include office supplies, merchandising materials, and the purchase of inventory to replenish stock. As the program develops, the 60-day working capital requirement would provide sufficient cash to fund on-going operations of the program. The cash balances are highest in the winter after the parks season ends and lowest in the spring when stock is purchased to replenished inventory.

In FY 2010 this fund accounted for the following monies: \$138,564 of earned revenue, \$110,614 of expenditures and a fund balance in the amount of \$290,974.

Proprietary Significant Present Law

DP 607, Visitor Services Proprietary Fund Ops Adjustment - This operating adjustment is for \$2,222 in FY 2012 and \$2,217 in FY 2013 of proprietary funds for expected expenses in the upcoming biennium. There is no impact to rates.

Proprietary Rates

Because this is an enterprise fund, the legislature does not approve rates.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	28.05	28.05	28.05	28.05	28.05	28.05	0.00	0.00%
Personal Services	1,886,125	1,920,100	1,926,157	1,926,394	3,806,225	3,852,551	46,326	1.22%
Operating Expenses	1,330,523	1,338,487	1,452,769	1,453,448	2,669,010	2,906,217	237,207	8.89%
Grants	304,676	314,533	304,676	304,676	619,209	609,352	(9,857)	(1.59%)
Total Costs	\$3,521,324	\$3,573,120	\$3,683,602	\$3,684,518	\$7,094,444	\$7,368,120	\$273,676	3.86%
State Special	2,820,825	2,846,937	2,946,800	2,948,331	5,667,762	5,895,131	227,369	4.01%
Federal Special	700,499	726,183	736,802	736,187	1,426,682	1,472,989	46,307	3.25%
Total Funds	\$3,521,324	\$3,573,120	\$3,683,602	\$3,684,518	\$7,094,444	\$7,368,120	\$273,676	3.86%

Program Description

The Communication and Education Bureau coordinates the department's information and education programs as well as the department's planning efforts. This coordination includes the distribution of public information through news releases; audio-visual materials; brochures and public services announcements; production of hunting, fishing and trapping regulations; and the coordination of hunter, bow-hunter, snowmobile, boat, off-highway vehicle, and youth education and safety programs. The management of the Wildlife Center is included in this bureau. The bureau also facilitates the department's strategic planning process.

Program Highlights

Communication and Education Bureau Major Budget Highlights	
<ul style="list-style-type: none"> ◆ The Governor proposes to increase this program's budget by 3.9% from the previous biennium ◆ One-half of the budget increase is due to a request to re-establish funding for operations at the Montana Outdoor Discovery Center ◆ The major initiatives in this budget are: <ul style="list-style-type: none"> ● Restoration of one-time-only authority from the 2009 Legislative session ● Increased funds for aquatic education 	
Major LFD Issues	
<ul style="list-style-type: none"> ◆ The program did not expend the one-time-only appropriation from the 2009 Legislature 	

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table							
Communication And Education Div							
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
Program Funding		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
02000	Total State Special Funds	\$ 2,820,825	80.1%	\$ 2,946,800	80.0%	\$ 2,948,331	80.0%
	02408 Coal Tax Trust Account	72,127	2.0%	33,127	0.9%	33,127	0.9%
	02409 General License	2,748,698	78.1%	2,913,673	79.1%	2,915,204	79.1%
03000	Total Federal Special Funds	700,499	19.9%	736,802	20.0%	736,187	20.0%
	03097 Fedl Fish(W/B) Wildlife(P/R)	667,080	18.9%	702,821	19.1%	702,768	19.1%
	03403 Misc. Federal Funds	33,419	0.9%	33,981	0.9%	33,419	0.9%
Grand	Total	<u>\$ 3,521,324</u>	<u>100.0%</u>	<u>\$ 3,683,602</u>	<u>100.0%</u>	<u>\$ 3,684,518</u>	<u>100.0%</u>

The largest funding source in the Communication and Education Bureau is the general license account. Federal funds are primarily Pittman-Robertson and Wallop-Breaux funds derived from federal excise taxes on sporting rifles, ammunition, and fishing equipment, and require a 25 percent match in non-federal funds.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	3,521,324	3,521,324	7,042,648	95.58%
Statewide PL Adjustments	0	0	0	0.00%	44,995	45,911	90,906	1.23%
Other PL Adjustments	0	0	0	0.00%	49,000	49,000	98,000	1.33%
New Proposals	0	0	0	0.00%	68,283	68,283	136,566	1.85%
Total Budget	\$0	\$0	\$0		\$3,683,602	\$3,684,518	\$7,368,120	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “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.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					120,287					120,537
Vacancy Savings					(80,255)					(80,268)
Inflation/Deflation					4,963					5,642
Total Statewide Present Law Adjustments		\$0	\$39,392	\$5,603	\$44,995		\$0	\$40,923	\$4,988	\$45,911
DP 802 - Reinstate Comm Ed Operating Adjustment	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
DP 803 - Restore Dingle-Johnson Federal Appropriation	0.00	0	0	19,000	19,000	0.00	0	0	19,000	19,000
Total Other Present Law Adjustments	0.00	\$0	\$30,000	\$19,000	\$49,000	0.00	\$0	\$30,000	\$19,000	\$49,000
Grand Total All Present Law Adjustments	0.00	\$0	\$69,392	\$24,603	\$93,995	0.00	\$0	\$70,923	\$23,988	\$94,911

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 by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – The bureau does not have any pay exceptions.
- o **Program Specific Obstacles** - Salaries, especially the Program Manager class. Current program managers pay is too compressed.
- o **Vacancy** - Positions at the Education Center turn over more frequently than other positions. Low pay and hours they are expected to work with varied shifts are the typical issues. Flex-time and training opportunities are used to retain employees.
- o **Legislatively Applied Vacancy Savings** - During the first year of the biennium, the program had vacant positions that were left unfilled for the majority of the year to achieve the required 7% savings. During the second year, open positions have been left open longer than desired, and it is anticipated that it may also require additional funding from another source.
- o **Pay/Position Changes** – The program did not provide any pay changes.
- o **Retirements** - The program has 3 employees eligible for full retirement during the 2013 biennium. The program is not anticipating any retirements.

DP 802 - Reinstate Comm Ed Operating Adjustment - The executive requests an operating adjustment for printing, general supplies, and travels. This authority was approved as one-time-only by the 2009 Legislature.

LFD ISSUE	<p><u>No Expenditures</u> The 2009 Legislature provided a \$30,000 per year one-time only appropriation for operating expenses. The bureau did not expend any of this appropriation.</p>
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DP 803 - Restore Dingle-Johnson Federal Appropriation - The executive requests restoration of federal funds for aquatic education. Contracted services were not fully expended due to scheduling issues with schools.

New Proposals

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

Program	FTE	Fiscal 2012				Fiscal 2013					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 801 - Montana Outdoor Discovery Center Operations	08	0.00	0	56,583	11,700	68,283	0.00	0	56,583	11,700	68,283
Total	0.00	\$0	\$56,583	\$11,700	\$68,283	0.00	\$0	\$56,583	\$11,700	\$68,283	

DP 801 - Montana Outdoor Discovery Center Operations - The executive requests operational authority for the Discovery Center. Renovations are nearly completed and the center is projected to be open by early 2011.

LFD COMMENT	<p>The Montana Outdoor Discovery Center project was approved by the 2003 Legislature for pre development and private fundraising. In FY 2005 the program was provided authority to begin developing portions of the educational program.</p> <p>The center will be housed in the Stedman Foundry, a restored limestone building dating to 1882 located on the west end of Helena. A large classroom for students, hunter and angler education, youth groups, adult education, and workshops will include biological collections, maps, aquariums, and terrariums.</p>
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COMMENT CONT.**

The facility will also feature an interpretive exhibit area with interactive programs, both cold- and warm-water living streams, wildlife mounts and displays, and closed-circuit video monitors to view bears and other wildlife at the adjacent wildlife rehabilitation center. A theatre/multipurpose room with seating for 100 people will provide visitors with an audiovisual experience, and also serve as a hall for lectures, on-line learning opportunities, teacher workshops, and community meetings.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	63.12	63.12	63.62	63.62	63.12	63.62	0.50	0.79%
Personal Services	3,600,691	3,654,288	3,843,550	3,845,192	7,254,979	7,688,742	433,763	5.98%
Operating Expenses	5,004,981	5,002,650	5,091,078	5,026,902	10,007,631	10,117,980	110,349	1.10%
Equipment & Intangible Assets	13,526	28,720	13,526	13,526	42,246	27,052	(15,194)	(35.97%)
Transfers	58,869	99,652	99,652	99,652	158,521	199,304	40,783	25.73%
Total Costs	\$8,678,067	\$8,785,310	\$9,047,806	\$8,985,272	\$17,463,377	\$18,033,078	\$569,701	3.26%
State Special	8,613,983	8,720,260	8,974,170	8,927,665	17,334,243	17,901,835	567,592	3.27%
Federal Special	64,084	65,050	73,636	57,607	129,134	131,243	2,109	1.63%
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$8,678,067	\$8,785,310	\$9,047,806	\$8,985,272	\$17,463,377	\$18,033,078	\$569,701	3.26%

Program Description

The Management and Finance Division is made of up two sections. The management section is responsible for overall department direction regarding policy, planning, program development, guidelines, budgets, decision-making for key resource activities, and supervision of the seven divisions. Legal services and human resources management for the department are also in this division.

The finance section provides for department-wide support for accounting; fiscal management; purchasing; property management; federal aid administration; and the sale of hunting, fishing, and other recreational licenses.

Program Highlights

Management and Finance Division	
Major Budget Highlights	
◆	The Governor proposes to increase this program's budget by 3.3% from the previous biennium due to statewide present law adjustments
◆	Major initiatives in the executive budget include: <ul style="list-style-type: none"> ● Additional 0.50 FTE for the legal unit's workload ● Restoration of search and rescue funding

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Management And Finance							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000	Total State Special Funds	\$ 8,613,983	99.3%	\$ 8,974,170	99.2%	\$ 8,927,665	99.4%
	02086 Mountain Sheep Account	27,500	0.3%	27,500	0.3%	27,500	0.3%
	02408 Coal Tax Trust Account	15,038	0.2%	15,010	0.2%	15,002	0.2%
	02409 General License	8,486,611	97.8%	8,806,442	97.3%	8,760,046	97.5%
	02469 Habitat Trust Interest	22,765	0.3%	22,366	0.2%	22,265	0.2%
	02547 Search & Rescue	58,869	0.7%	99,652	1.1%	99,652	1.1%
	02559 Mule Deer Auction	900	0.0%	900	0.0%	900	0.0%
	02560 Elk Auction	2,300	0.0%	2,300	0.0%	2,300	0.0%
03000	Total Federal Special Funds	64,084	0.7%	73,636	0.8%	57,607	0.6%
	03097 Fedl Fish(W/B) Wildlife(P/R)	64,084	0.7%	73,636	0.8%	57,607	0.6%
Grand Total		<u>\$ 8,678,067</u>	<u>100.0%</u>	<u>\$ 9,047,806</u>	<u>100.0%</u>	<u>\$ 8,985,272</u>	<u>100.0%</u>

The division provides management and financial oversight of all department activities. Because of this role the department is funded almost entirely with general license account revenues. Pittman-Robertson and Wallop-Breaux provide the federal funds to the division.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	8,678,067	8,678,067	17,356,134	96.25%
Statewide PL Adjustments	0	0	0	0.00%	278,792	216,379	495,171	2.75%
Other PL Adjustments	0	0	0	0.00%	90,947	90,826	181,773	1.01%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$9,047,806	\$8,985,272	\$18,033,078	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “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.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					350,751					352,587
Vacancy Savings					(158,056)					(158,129)
Inflation/Deflation					7,913					8,329
Fixed Costs					78,184					13,592
Total Statewide Present Law Adjustments		\$0	\$269,240	\$9,552	\$278,792		\$0	\$222,856	(\$6,477)	\$216,379
DP 901 - Legal Unit Workload Efforts	0.50	0	50,164	0	50,164	0.50	0	50,043	0	50,043
DP 903 - Search and Rescue Base Operating Adjustment	0.00	0	40,783	0	40,783	0.00	0	40,783	0	40,783
Total Other Present Law Adjustments	0.50	\$0	\$90,947	\$0	\$90,947	0.50	\$0	\$90,826	\$0	\$90,826
Grand Total All Present Law Adjustments	0.50	\$0	\$360,187	\$9,552	\$369,739	0.50	\$0	\$313,682	(\$6,477)	\$307,205

Program Personal Services Narrative

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 by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – This program does not have any pay exceptions.
- o **Program Specific Obstacles** – Salaries, especially the accounting fields. State government pay for accounting positions is traditionally less than what the private sector pays and in some cases, other state agencies.
- o **Vacancy** - In the past two years, all vacated positions have been for more money elsewhere. The agency still continues to get quality applicants.
- o **Legislatively Applied Vacancy Savings** - During the first year of the biennium, the program had vacant positions that had to be left unfilled for the majority of the year to achieve the required 7% savings. During the second year, open positions have been left open longer than desired, and it is anticipated that it may also require additional funding from another source.
- o **Pay/Position Changes** – This program did not provide any pay or position changes.
- o **Retirements** - The program has six employees eligible for full retirement during the 2013 biennium. The program does not anticipate any retirements at this time.

DP 901 - Legal Unit Workload Efforts - The executive requests authority for an additional 0.50 attorney for the Legal Unit due to an increased workload. The workload has increased due to litigation in federal courts defending Endangered Species Act delisting decisions (wolves, grizzly bear); increased litigation in state district courts defending agency management decisions such as the contract for caretaking of quarantined bison; increases in objections before the Water Court; and an increase in legal work in the acquisition, monitoring, and enforcement of conservation easements for fish and wildlife habitat.

DP 903 - Search and Rescue Base Operating Adjustment - The executive requests authority to transfer cash to the Department of Military Affairs for costs incurred by search and rescue clubs when searching for hunters, anglers, or trappers. The revenue source for these funds is \$0.25 for each conservation license sold, which is statutorily dedicated for this purpose.

Proprietary Rates

Proprietary Program Description

The General Services Division provides the following functions funded with proprietary funds.

These programs are described separately along with a discussion of the program expenses, revenues, and rates being requested to finance the program:

- Duplicating Center
- Vehicle Fund
- Supply Warehouse

Duplicating Center

Proprietary Proposed Budget

The 2013 Biennium Report on Internal Service and Enterprise Funds for fund 06501 shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

2011 Biennium Report on Internal Services Funds				
Duplicating Center				
	Actual 2010	Budgeted 2011	Projected 2012	Projected 2013
Beginning Working Capital Balance	\$11,587	\$8,126	\$12,899	\$17,512
Operating Expenses	85,287	78,227	79,387	80,566
Operating Revenues				
Revenue from Fees	81,826	83,000	84,000	85,000
Other Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenues	81,826	83,000	84,000	85,000
Operating Gain (Loss)	(3,461)	4,773	4,613	4,434
Ending Working Capital Balance	<u>\$8,126</u>	<u>\$12,899</u>	<u>\$17,512</u>	<u>\$21,946</u>
FWP Duplicating Center - Proposed Rates				
Service	Actual 2010	Actual 2011	Proposed 2012	Proposed 2013
<u>Duplicating (number of copies)</u>				
1-20	0.060	0.065	0.065	0.070
21-100	0.045	0.050	0.050	0.055
101-1000	0.040	0.045	0.045	0.050
1001-5000	0.035	0.040	0.040	0.045
Color Copies	0.250	0.250	0.250	0.250
<u>Bindery</u>				
Colating (per sheet)	0.010	0.010	0.010	0.010
Hand stapling (per set)	0.020	0.020	0.020	0.020
Saddle stitch (per set)	0.035	0.035	0.035	0.035
Folding (per sheet)	0.010	0.010	0.010	0.010
Punching (per sheet)	0.005	0.005	0.005	0.005
Cutting (per minute)	0.600	0.600	0.600	0.600

Proprietary Program Description

The department's duplicating center provides duplicating and bindery services to department employees. The Duplicating Center has only 1.00 FTE and whenever the demand for services becomes too great or a particular job is considered too large, the excess jobs are taken to Publications and Graphics in the Department of Administration to be completed.

Revenues and Expenses

Expenses recovered in the rates are the personal services of the 1.00 FTE, operating expenses, and the raw materials needed for duplicating.

Rates have been historically adjusted based on the need to increase or decrease the cash balances in the account. Prior to requesting new rates, a review of the cash balance is completed. At FYE 2010, the cash balance was (\$458).

The 60-day working capital requirement provides sufficient cash to fund on-going operations of this program.

A portion of the program's fund balance has been reserved for the duplicating center's equipment and inventory. At FYE 2010 the book value of the fund's assets was \$7,456 and the fund had \$10,576 in inventory.

Proprietary Significant Present Law

DP 904, Duplicating Center Operations Adjustment - This operating adjustment is for \$2,020 in FY 2012 and \$2,407 in FY 2013 in proprietary funds for additional inflationary costs anticipated in the upcoming biennium. This represents approximately a 1% rate increase.

Proprietary Rates

For the 2013 biennium the following rates are proposed by the executive.

The rate methodology attempts to determine a rate for various duplicating and bindery services that allows the fund to recover both the cost of the raw materials and all associated personal services and operating costs. Rates have been historically adjusted based on the need to increase or decrease the cash balance. The requested rates have been increased only to recover anticipated inflationary increases in the raw materials and administrative costs.

Vehicle Fund

Proprietary Proposed Budget

The 2013 Biennium Report on Internal Service and Enterprise Funds for fund 06501 shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

2011 Biennium Report on Internal Services Funds				
Vehicle Fund				
	Actual 2010	Budgeted 2011	Projected 2012	Projected 2013
Beginning Working Capital Balance	\$6,218,009	\$6,758,797	\$6,501,415	\$6,222,961
Operating Expenses	2,640,439	3,057,382	3,178,454	3,304,333
Operating Revenues				
Revenue from Fees	3,067,727	2,800,000	2,900,000	3,000,000
Other Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenues	3,067,727	2,800,000	2,900,000	3,000,000
Gain (loss) on Sale of Assets	40,201	(100,000)	(100,000)	(100,000)
Operating Transfers In (Out)	73,299	100,000	100,000	100,000
Operating Gain (Loss)	<u>540,788</u>	<u>(257,382)</u>	<u>(278,454)</u>	<u>(304,333)</u>
Ending Working Capital Balance	<u>\$6,758,797</u>	<u>\$6,501,415</u>	<u>\$6,222,961</u>	<u>\$5,918,628</u>

Proprietary Program Description

The department's equipment fund provides a fleet of vehicles to department employees. The revenue users are department employees, mostly enforcement wardens, fish and wildlife biologists, and park employees. Every month, users are charged for the miles driven during the previous month.

Proprietary Program Narrative

Revenues, and Expenses The objective of the vehicle account is to recover (through rates and annual auction revenues) sufficient funds to cover administrative costs to operate the program (personal services and operations) fuel and repair

costs of the fleet, in addition to being able to replace fleet vehicles at approximately 120,000 miles. A total of 2.56 FTE are funded in this fund. The two largest costs are fuel and repairs. In FY 2006 the fund spent over \$930,000 on fuel and \$365,000 on repairs. In FY 2008 the fund spent \$1.28 million on fuel and \$340,000 on repairs. In FY 2010 the fund spent over \$1.1 million on fuel and \$380,000 on repairs. Gasoline expenses have decreased 14% in the past two years but are expected to increase again in the near future. In FY 2010 the department drove just over 5.8 million miles in department vehicles. With the proposed rates in FY 2012 and FY 2013, the program anticipates revenues of \$2.9 million in FY 2012 and \$3 million in FY 2013.

Working Capital Discussion

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. Since the cash balance is finally positive and fuel prices have stabilized. 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.

Rate Explanation

For the 2013 biennium the following rates are proposed by the executive.

FWP Vehicle Fund - Proposed Rates				
Vehicle	Actual 2010	Actual 2011	Proposed 2012	Proposed 2013
Sedans (per mile)	0.45	0.46	0.46	0.46
Vans (per mile)	0.52	0.53	0.53	0.53
Utilities (per mile)	0.57	0.58	0.58	0.58
Pickups - 1/2 ton (per mile)	0.52	0.53	0.53	0.53
Pickups - 3/4 ton (per mile)	0.60	0.61	0.61	0.61

The rate methodology attempts to determine a cost/mile rate for various classes of vehicles. The methodology is to determine the previous year's expenses, including operating, maintenance, and administration expenses minus the previous year's revenue generated from the rates and the annual vehicle auction to establish the net cash inflow. Future year expenses are estimated based on the most current year's information plus a 10% inflationary factor. Using the most current year's mileage and the projected expenses, a cost/mile (hour) rate is determined for the future years. The goal is to have a cash balance at fiscal yearend equal to 60 days of total operating expenses. Since the cash balance is finally positive and fuel prices have stabilized, no increase is requested.

In addition, in order to more fairly charge users, a minimum mileage rate was instigated in FY 2000. This was an attempt to recover overhead costs whether a vehicle is driven or not. A minimum monthly overhead charge would be assessed to each vehicle that is not driven a minimum number of miles. By using this method, the overhead costs are recovered and low mileage vehicles are not being subsidized by higher mileage vehicles.

Warehouse Inventory

Proprietary Proposed Budget

The 2013 Biennium Report on Internal Service and Enterprise Funds for fund 06501 shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity

2011 Biennium Report on Internal Services Funds				
Warehouse Fund				
	Actual	Budgeted	Projected	Projected
	2010	2011	2012	2013
Beginning Working Capital Balance	\$97,139	\$94,569	\$56,597	\$28,185
Operating Expenses	88,233	127,972	123,412	124,114
Operating Revenues				
Revenue from Fees	85,663	90,000	95,000	100,000
Other Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenues	85,663	90,000	95,000	100,000
Operating Gain (Loss)	<u>(2,570)</u>	<u>(37,972)</u>	<u>(28,412)</u>	<u>(24,114)</u>
Ending Working Capital Balance	<u>\$94,569</u>	<u>\$56,597</u>	<u>\$28,185</u>	<u>\$4,071</u>

Proprietary Program Description

The department's warehouse contains mainly uniform items (both for wardens and non-wardens) and items specifically related to the duties of the department such as gill nets for the fisheries biologists. Overhead costs are recovered by charging a predetermined fixed percentage to all sales.

Proprietary Program Narrative

Revenues and Expenses

The expenses associated with the warehouse include personal services, miscellaneous office supplies and expenses for the warehouse worker, and inventory purchased needed to replenish existing stock. Revenues are the sales of inventory items to department employees. Revenues are anticipated to be constant at around \$90,000 per year for FY 2012 and FY 2013.

Proprietary Present Law Adjustments

DP 905, Equipment Proprietary Fund Operations Adjustment - This base restoration is for \$373,682 in FY 2012 and \$450,835 in FY 2013 in equipment proprietary funds for expenses and inflation anticipated in the upcoming biennium. Current rates are sufficient to support this level of expenditure.

Proprietary Rates

For the 2013 biennium the following rates are proposed by the executive.

FWP Warehouse Fund - Proposed Rates				
	Actual	Actual	Proposed	Proposed
Rate	2010	2011	2012	2013
Percentage Mark-up on Goods	18.00	18.00	24.00	24.00

The rate requested for the warehouse is an overhead rate that is added to the cost of the inventory items. The overhead rate is expected to generate sufficient revenue to cover the administrative costs of the program.

The approved FY 2010 and FY 2011 rate was 18%. Due to a substantial increase to inventory, there is currently a \$27,000 loan from another fund to maintain a positive cash balance in this fund. In order to reduce this loan, a warehouse overhead rate of 24% in FY 2012 and 26% in FY 2013 is requested. The rate is calculated by estimating the support costs required to maintain the warehouse function such as personal services, office supplies, and other miscellaneous office costs. Based on estimated warehouse sales, a fixed overhead percentage is determined that allows the department to recover the warehouse support costs. This rate is also adjusted for any previous over or under collections. Due to the size of this operation, a simple warehouse overhead rate has been considered the most logical.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	46.46	46.46	47.46	47.46	46.46	47.46	1.00	2.15%
Personal Services	2,568,091	2,595,145	2,680,989	2,679,974	5,163,236	5,360,963	197,727	3.83%
Operating Expenses	925,635	976,352	942,671	944,074	1,901,987	1,886,745	(15,242)	(0.80%)
Equipment & Intangible Assets	9,316	9,316	9,316	9,316	18,632	18,632	0	0.00%
Grants	69,342	69,389	69,342	69,342	138,731	138,684	(47)	(0.03%)
Total Costs	\$3,572,384	\$3,650,202	\$3,702,318	\$3,702,706	\$7,222,586	\$7,405,024	\$182,438	2.53%
State Special	3,430,760	3,465,306	3,532,920	3,533,115	6,896,066	7,066,035	169,969	2.46%
Federal Special	141,624	184,896	169,398	169,591	326,520	338,989	12,469	3.82%
Total Funds	\$3,572,384	\$3,650,202	\$3,702,318	\$3,702,706	\$7,222,586	\$7,405,024	\$182,438	2.53%

Program Description

Fish & Wildlife Administration program provides oversight of the Enforcement, Wildlife, Fisheries, and Communication & Education bureaus and the seven regional offices that are responsible for program implementation. The program also includes a strategic planning section to support division wide planning needs and a data services section is responsible for maintenance and support of biological databases and agency's website.

Program Highlights

Fish and Wildlife Administration Major Budget Highlights	
◆	The Governor proposes to increase this program's budget by 2.5% from the previous biennium due to statewide present law adjustments and an initiative to restore the urban wildlife planner position

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Fish And Wildlife Admin						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	\$ 3,430,760	96.0%	\$ 3,532,920	95.4%	\$ 3,533,115	95.4%
02409 General License	3,430,760	96.0%	3,532,920	95.4%	3,533,115	95.4%
03000 Total Federal Special Funds	141,624	4.0%	169,398	4.6%	169,591	4.6%
03403 Misc. Federal Funds	116,252	3.3%	103,220	2.8%	103,501	2.8%
03408 State Wildlife Grants	25,372	0.7%	66,178	1.8%	66,090	1.8%
Grand Total	<u>\$ 3,572,384</u>	<u>100.0%</u>	<u>\$ 3,702,318</u>	<u>100.0%</u>	<u>\$ 3,702,706</u>	<u>100.0%</u>

The program provides management oversight of all fish and wildlife activities. Because of this role the program is funded almost entirely with general license account revenues. Pittman-Robertson, Wallup-Breaux, and state wildlife grants provide federal funds to the 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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	3,572,384	3,572,384	7,144,768	96.49%
Statewide PL Adjustments	0	0	0	0.00%	42,145	42,671	84,816	1.15%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	87,789	87,651	175,440	2.37%
Total Budget	\$0	\$0	\$0		\$3,702,318	\$3,702,706	\$7,405,024	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "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.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					166,229					165,320
Vacancy Savings					(109,370)					(109,338)
Inflation/Deflation					(13,654)					(11,051)
Fixed Costs					(1,060)					(2,260)
Total Statewide Present Law Adjustments		\$0	\$58,266	(\$16,121)	\$42,145		\$0	\$58,530	(\$15,859)	\$42,671
Grand Total All Present Law Adjustments	0.00	\$0	\$58,266	(\$16,121)	\$42,145	0.00	\$0	\$58,530	(\$15,859)	\$42,671

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 by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – The program does not have any pay exceptions.
- o **Program Specific Obstacles** - Manager salaries are low. When a pay freeze is added to an applicant's consideration, the only real draw to the applicant is the general stability of a government position.
- o **Vacancy** – The program did not report any issues with vacancies.
- o **Legislatively Applied Vacancy Savings** - During the first year of the biennium, the program had vacant positions that had to be left unfilled for the majority of the year to achieve the required 7% savings. During the second year, open positions have been left open longer than desired, and it is anticipated that it may also require additional funding from another source.
- o **Pay/Position Changes** – The program did not provide any pay or position changes.
- o **Retirements** - The program has four employees eligible for full retirement during the 2013 biennium. The division does not anticipate any retirements.

New Proposals

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals											
Program	FTE	Fiscal 2012				Fiscal 2013					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 1201 - Restore Urban Wildlife Planner	12	1.00	0	43,894	43,895	87,789	1.00	0	43,825	43,826	87,651
Total	1.00	\$0	\$43,894	\$43,895	\$87,789	1.00	\$0	\$43,825	\$43,826	\$87,651	

DP 1201 - Restore Urban Wildlife Planner - The executive requests authority to restore the Urban Wildlife Planner position. This position was approved as one-time-only by the 2009 Legislature and therefore is not part of the base. The FTE is a land use planning specialist that provides direction on residential development and transportation impacts on Montana's fish and wildlife resources at the county and state level.

LFD COMMENT	The program expended \$80,057 of the one-time-only appropriation of \$88,891.
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