

Agency Proposed Budget	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	581.18	4.75	12.67	598.60	4.75	13.67	599.60	599.60
Personal Services	24,614,203	2,231,104	1,244,459	28,089,766	2,253,202	483,004	27,350,409	55,440,175
Operating Expenses	19,451,450	3,074,396	2,388,968	24,914,814	3,144,640	1,122,362	23,718,452	48,633,266
Equipment	689,472	146,391	22,515	858,378	(196,529)	76,015	568,958	1,427,336
Capital Outlay	0	0	0	0	0	0	0	0
Grants	570,899	101,809	145,172	817,880	16,809	(14,828)	572,880	1,390,760
Benefits & Claims	5,057	0	0	5,057	0	0	5,057	10,114
Transfers	0	0	3,703,719	3,703,719	0	3,703,716	3,703,716	7,407,435
Total Costs	\$45,331,081	\$5,553,700	\$7,504,833	\$58,389,614	\$5,218,122	\$5,370,269	\$55,919,472	\$114,309,086
General Fund	281,816	(26,386)	0	255,430	(25,379)	0	256,437	511,867
State/Other Special	33,971,373	3,921,930	2,041,158	39,934,461	3,546,012	1,364,626	38,882,011	78,816,472
Federal Special	11,077,892	1,658,156	5,463,675	18,199,723	1,697,489	4,005,643	16,781,024	34,980,747
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$45,331,081	\$5,553,700	\$7,504,833	\$58,389,614	\$5,218,122	\$5,370,269	\$55,919,472	\$114,309,086

Agency Description

Fish, Wildlife and Parks (FWP) is responsible for the management of Montana 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 seven divisions and seven regional field offices. The five-member FWP Commission provides policy direction on resource management, seasons, and use of department lands.

Executive Recommended Legislation

General Recreation use of State Lands - The Executive Budget includes a request for budget authority to enter into a 10 year memorandum of understanding (MOU) with the Department of Natural Resources and Conservation to compensate the school trust for the value of recreational use of school trust lands by hunters and anglers. The total is an amount equivalent to \$1.25 for every conservation license sold the prior year. This proposal is the result of a request by the Board of Land Commissioners that FWP and DNRC develop an alternative to the current method of compensating the School Trust for general recreational use through the purchase of a general recreational use stamp. A decision package that would fund this proposal is found in the Field Services Division section of this write-up.

Agency Discussion

Department of Fish, Wildlife and Parks Major Budget Highlights
<ul style="list-style-type: none"> ○ The largest funding source is the general license account. At 49.4 percent of the budget, it totals \$56.4 million over the biennium ○ Total funds increase \$20.3 million over the biennium ○ Total FTE increase by 18.42 to a total of 599.6 FTE ○ A fee is proposed to compensate school trust lands for impacts by hunters and anglers
Major LFD Issues
<ul style="list-style-type: none"> ○ The Executive Budget has proposed \$12.9 million in program expansions over the biennium to expand the number of FTE by 13.67 ○ The executive is requesting \$7.4 million in legislative contract authority ○ General license account balance is projected to be \$15.0 million at the end of the 2005 biennium, limiting program expansions which could reduce likelihood of a fee increase in future biennia ○ The department is paying commissions to license agents that do not meet the statutory definition of a “transaction.”

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 2005 Biennium Executive Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
Administration & Finance Div.	\$ -	\$ 12,062,290	\$ 3,210,204	\$ 15,272,494	13.4%
Field Services Division	-	16,187,087	1,710,157	17,897,244	15.7%
Fisheries Division	-	7,748,866	14,527,652	22,276,518	19.5%
Enforcement Division	-	13,362,492	612,518	13,975,010	12.2%
Wildlife Division	-	8,635,293	8,900,197	17,535,490	15.3%
Parks Division	511,867	10,464,013	664,742	11,640,622	10.2%
Conservation Education Div	-	3,809,122	1,585,476	5,394,598	4.7%
Department Management	-	6,547,309	3,769,801	10,317,110	9.0%
Grand Total	\$ 511,867	\$ 78,816,472	\$ 34,980,747	\$ 114,309,086	100.0%

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	Present Law Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Biennium Fiscal 02-03	Total Exec. Budget Fiscal 04-05
FTE	585.93	12.67	598.60	585.93	13.67	599.60	581.18	599.60
Personal Services	26,845,307	1,244,459	28,089,766	26,867,405	483,004	27,350,409	50,567,056	55,440,175
Operating Expenses	22,525,846	2,388,968	24,914,814	22,596,090	1,122,362	23,718,452	41,120,276	48,633,266
Equipment	835,863	22,515	858,378	492,943	76,015	568,958	1,139,264	1,427,336
Capital Outlay	0	0	0	0	0	0	0	0
Grants	672,708	145,172	817,880	587,708	(14,828)	572,880	888,335	1,390,760
Benefits & Claims	5,057	0	5,057	5,057	0	5,057	11,698	10,114
Transfers	0	3,703,719	3,703,719	0	3,703,716	3,703,716	308,819	7,407,435
Total Costs	\$50,884,781	\$7,504,833	\$58,389,614	\$50,549,203	\$5,370,269	\$55,919,472	\$94,035,448	\$114,309,086
General Fund	255,430	0	255,430	256,437	0	256,437	559,307	511,867
State/Other Special	37,893,303	2,041,158	39,934,461	37,517,385	1,364,626	38,882,011	70,620,709	78,816,472
Federal Special	12,736,048	5,463,675	18,199,723	12,775,381	4,005,643	16,781,024	22,855,432	34,980,747
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$50,884,781	\$7,504,833	\$58,389,614	\$50,549,203	\$5,370,269	\$55,919,472	\$94,035,448	\$114,309,086

New Proposals

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

Program	FTE	Fiscal 2004				Fiscal 2005				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 103 - Accounting Function Support Staff										
01	0.50	0	18,495	0	18,495	0.50	0	16,463	0	16,463
DP 106 - Legislative Contract Authority										
01	0.00	0	0	75,000	75,000	0.00	0	0	75,000	75,000
DP 206 - Legislative Contract Authority										
02	0.00	0	0	60,000	60,000	0.00	0	0	60,000	60,000
DP 209 - Lands Staff FTE										
02	0.50	0	21,740	0	21,740	0.50	0	20,196	0	20,196
DP 210 - Private Landowner Technical Services										
02	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 211 - Collaborative Elk Management										
02	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 301 - Fish Tech Support										
03	2.00	0	24,250	72,750	97,000	2.00	0	25,500	76,500	102,000
DP 302 - Fort Peck Hatchery Support										
03	1.00	0	100,000	0	100,000	1.00	0	200,000	0	200,000

New Proposals Program	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 303 - Legislative Contract Authority 03	0.00	0	0	2,701,319	2,701,319	0.00	0	0	2,701,322	2,701,322
DP 304 - Roving Creel Survey 03	0.00	0	25,000	75,000	100,000	0.00	0	26,250	78,750	105,000
DP 305 - Restore OTO for FAS Assistance Program 03	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 308 - WCRP-Prairie Riparian Study OTO 03	0.00	0	19,967	59,901	79,868	0.00	0	0	0	0
DP 401 - Warden Trainee 04	1.00	0	29,812	7,760	37,572	1.00	0	29,812	7,760	37,572
DP 402 - Boating Parks & Recreation Law Enf Program Manager 04	1.00	0	45,000	15,000	60,000	1.00	0	45,000	15,000	60,000
DP 405 - FTO/Trainer Compensation 04	0.00	0	7,500	0	7,500	0.00	0	7,500	0	7,500
DP 409 - Restore OTO for Commercial Licensing 04	0.00	0	32,000	0	32,000	0.00	0	32,000	0	32,000
DP 413 - Legislative Contract Authority 04	0.00	0	0	18,000	18,000	0.00	0	0	18,000	18,000
DP 416 - Snowmobile Enforcement 04	0.00	0	5,217	0	5,217	0.00	0	5,217	0	5,217
DP 502 - Coal Bed Methane Coordinator 05	1.00	0	13,005	39,016	52,021	1.00	0	13,004	39,011	52,015
DP 505 - Research Weather Relationships with Wildlife 05	0.00	0	1,750	5,250	7,000	1.00	0	13,214	39,642	52,856
DP 507 - Restore OTO for Black Bear Research 05	0.50	0	14,893	44,679	59,572	0.50	0	14,886	44,658	59,544
DP 510 - Bighorn Sheep Auction 05	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 517 - Legislative Contract Authority 05	0.00	0	0	550,000	550,000	0.00	0	0	550,000	550,000
DP 604 - Legislative Contract Authority 06	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 609 - FAS Maintenance and Operations 06	3.87	0	174,240	0	174,240	3.87	0	174,229	0	174,229
DP 801 - Legislative Contract Authority 08	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 804 - Restore OTO for Shooting Range Grants Enhancement 08	0.00	0	43,193	0	43,193	0.00	0	(16,807)	0	(16,807)
DP 905 - Restore OTO for Office Maint and Small Equipment 09	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
DP 906 - Legislative Contract Authority 09	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 908 - Restore OTO for River Recreation Coordinator 09	1.00	0	72,169	0	72,169	1.00	0	72,053	0	72,053
DP 909 - Economic Study 09	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
DP 910 - Regional Office Support Staff 09	0.30	0	6,127	0	6,127	0.30	0	6,109	0	6,109
DP 911 - State Wildlife Grant (SWG) Federal Program 09	0.00	0	160,000	1,200,000	1,360,000	0.00	0	0	0	0
DP 913 - FWP Retirement Liability 09	0.00	0	546,800	240,000	786,800	0.00	0	0	0	0
DP 8213 - General Recreation Use of State Lands (Requires Legislation) 02	0.00	0	460,000	0	460,000	0.00	0	460,000	0	460,000
Total	12.67	\$0	\$2,041,158	\$5,463,675	\$7,504,833	13.67	\$0	\$1,364,626	\$4,005,643	\$5,370,269

Language Recommendations

The following HB 2 language is recommended by the executive:

- o "The appropriations for legislative contract authority in each program are subject to all of the following provisions:
 - o legislative contract authority applies only to federal funds.
 - o legislative contract authority expenditures must be reported on the state accounting system and the records must be separate from present law operations. In preparing the 2007 biennium budget for legislative consideration, the office of budget and program planning may not include the expenditures from this item in the present law base.
 - o a report must be submitted by the department to the legislative fiscal division following the end of each fiscal year of the biennium. The report must include a list of projects with the related amount of expenditures and FTE for each project."

- o "The department is to report to the natural resources and commerce appropriations committee on the projects funded with federal Sikes Act money and state match money. The report is to include an analysis of the viability for continuance of the program and a list of projects funded with the money."
- o "If the department receives additional federal special revenue for services comparable to those with general license revenue, the approving authority shall decrease the state special revenue appropriation by the amount of federal money received and establish the federal funds appropriation. All transfers between fund types must be fully explained and justified on budget documents submitted to the office of budget and program planning."

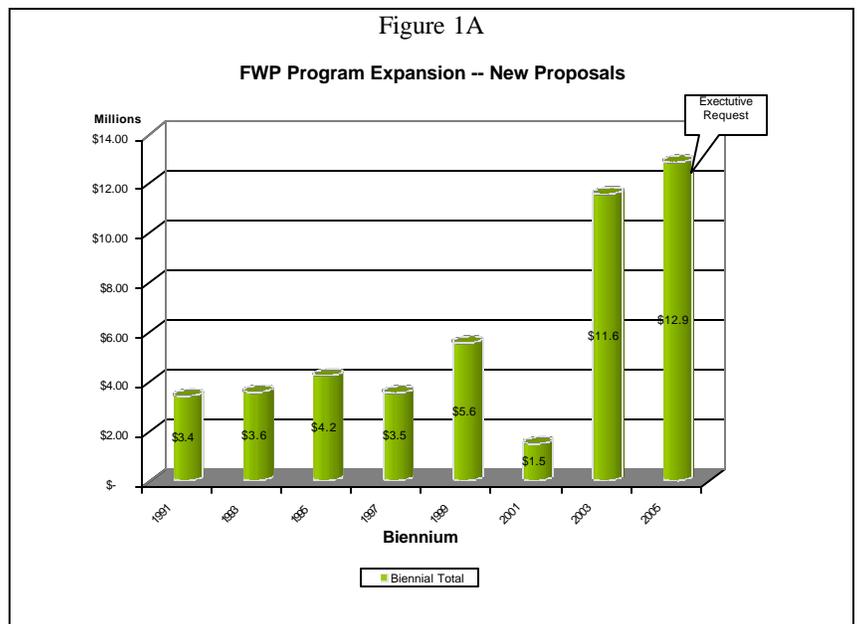
"If the department is required to adjust personal services expenditure costs between state and federal accounts, the approving authority shall adjust the state special revenue appropriation and the federal appropriation by like amounts. All transfers between fund types must be fully explained and justified on budget documents submitted to the office of budget and program planning."

Agency Issues

Program Expansions

The Executive Budget includes recommendations for significant program expansions through new proposals, which also include requests for FTE, in the 2005 biennium. Figure 1 shows this increase and compares it to new proposals since the 1991 biennium.

In examining each new proposal, the legislature may wish to consider its potential degree of impact on the largest funding source for the entire department. Many of the new proposals request additional spending authority from the general license account, which derives its revenue from that source. Therefore, a reduction in the number and size of the new proposals could mitigate the need for license fee increases in future biennia. For a further discussion of the fund balance in the general license account, please see the general license discussion later in this section.



Biennia	Amount	FTE	Quantity
2005	\$12,875,102	13.67	36
2003	11,583,068	19.19	32
2001	1,489,334	0.5	6
1999	5,559,132	10.92	22
1997	3,548,177	-6.16	35
1995	4,239,704	31.7	23
1993	3,573,221	16.59	23
1991	\$ 3,415,028	24.97	27

Legislative Contract Authority

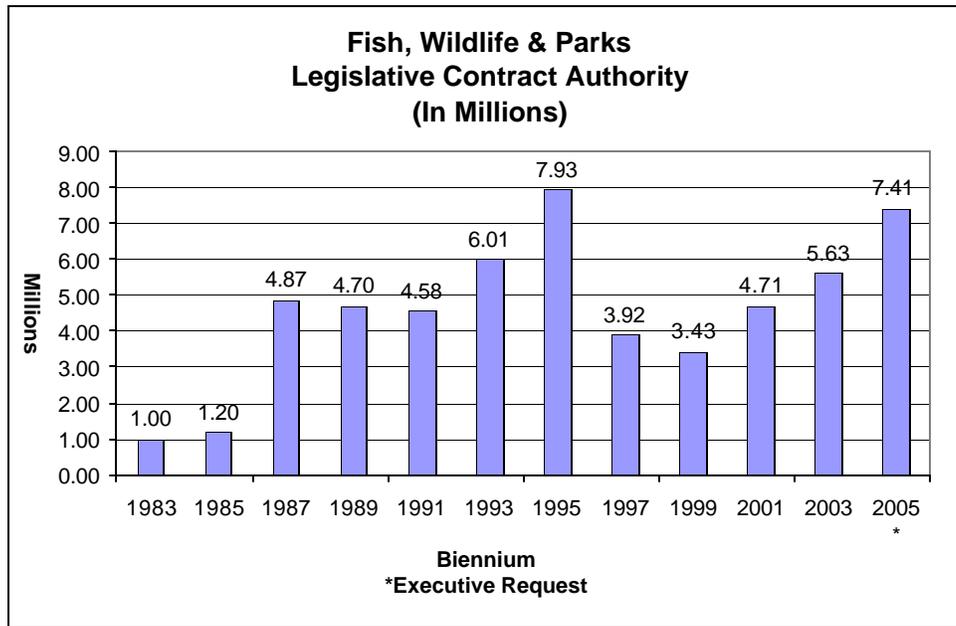
Legislative contract authority (LCA) provides a means by which the legislature can appropriate the additional federal funds that the department anticipates receiving after the legislature adjourns. LCA expenditures are treated like budget amendment expenditures, in that they are removed from the base and must be re-appropriated each biennium. However, unlike a budget amendment, the legislature does not have the opportunity to review LCA expenditures on an on-going basis. The agency receives federal funding and spends it. The legislature becomes involved during the subsequent legislative session when they receive a report from the agency showing LCA expenditures.

The more typical post-session process to spend emergent federal money is through a budget amendment. Budget amendments are generally reserved for money the legislature could not reasonably have expected during the legislative session. Through the budget amendment process, the legislature has the opportunity to review the amount and purpose of funding received after the legislative session. Thus, the legislature, on an ongoing basis, is kept apprised of fiscal activity.

In contrast, LCA allows the agency to spend federal funding without routine notification. In addition, the agency must request funding in HB 2 for ongoing budget amendments, if the agency is to avoid requesting a budget amendment again in the next biennium.

From fiscal 1982, when this mechanism was first established, through the 2005 biennium, the department has received \$48.0 million of LCA. Biennial LCA appropriations reached their highest level in the 1995 biennium, but were reduced to \$3.4 million in the 1999 biennium. The executive is requesting \$7.4 million in LCA authority for the 2005 biennium.

Figure 2



There are three main legislative issues relative to legislative contract authority.

- o The legislature does not have control over how the money is spent. After the department is given federal authority in the legislative session, the legislature is removed from the process. They are not notified of specific projects until the next legislative session
- o The legislature does not have the ability to review individual projects. In most cases, the projects have already taken place by the time the legislature gets a status report
- o Some projects have been ongoing for many years. If LCA projects have been ongoing for a number of years (the legislature could determine this criteria), they should be funded in HB 2 through the legislative appropriations process and be subject to the same scrutiny as other ongoing projects. Thus, if the legislature wants the opportunity to review on-going projects and weigh their merits against other ongoing projects, the legislature may want to consider including the authority in the agency HB 2 budget, not as LCA

Figure 3
Department of Fish, Wildlife and Parks
Legislative Contract Authority, 2005 Biennium
Executive Budget

Program	Fiscal 2004	Fiscal 2005
	Federal	Federal
Administration & Finance	\$ 75,000	\$ 75,000
Field Services	60,000	60,000
Fisheries	2,701,319	2,701,322
Law Enforcement	18,000	18,000
Wildlife	550,000	550,000
Parks	50,000	50,000
Conservation Education	50,000	50,000
Department Management	200,000	200,000
Total	\$ 3,704,319	\$ 3,704,322

Options

- o Require the department to include project duration information in their annual report
- o Require that all projects that remain ongoing over a specified period of time be budgeted in HB 2
- o Require that the department provide quarterly updates on the status and amounts spent with LCA
- o Eliminate LCA.

General License Account

The general license account is the single largest funding source in the department. In fiscal 2002, the general license account supplied 47.1 percent of department total funding and 70.5 percent of department state special revenue funding. The license fees that provide revenue to the account are set by the legislature.

Figure 4 provides details of the fund balance for the 2003 and 2005 biennia. Fiscal years 2002 to 2005 reflect the amount of money that is expected to be available for legislative appropriation after requested new proposals and present law adjustments are taken into account. The large decrease in fiscal 2003 is caused by the removal of \$5.8 million in unspent capital project and carry-forward appropriations. Even though the department will not spend the entire \$5.8 million in fiscal 2003, the money is not available for the 2003 legislature to appropriate.

Likewise, the full amount of the \$2.5 million capital request from this account is shown in fiscal 2004, even though expenditures will occur in later years. The actual fund balance at a given point in time will be higher. However, the legislature would not be able to appropriate the full amount of the balance because a portion has already been committed to capital projects.

If all capital projects were completed in the next biennium and if all new proposals and present law adjustments were accepted by the 2003 legislature, the balance in the general license account would be nearly \$15.0 million. Even when expending

	Actual		Executive Request	
	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005
Beginning Balance	\$ 23,966,967	\$ 24,344,542	\$ 19,147,458	\$ 15,320,425
License Revenue	23,077,095	25,934,231	26,176,138	26,394,996
Other Revenue	<u>2,473,973</u>	<u>1,224,628</u>	<u>1,178,337</u>	<u>1,118,072</u>
Total Funds Available	49,518,035	51,503,401	46,501,933	42,833,493
Disbursements				
Program Expenditures	25,673,822	26,577,697	26,900,707	26,802,784
Continuing Capital Costs	848,457	4,165,921	-	-
LRB Projects	245,669	977,495	2,500,000	-
Carry Forward Appropriations	-	634,830	-	-
Proposed Executive Pay Plan	-	-	-	-
New Proposals	-	-	1,780,801	1,059,213
Total Disbursements	26,767,948	32,355,943	31,181,508	27,861,997
Adjustments (Prior Year Revenue)	1,594,455			
Available Ending Balance	<u>\$ 24,344,542</u>	<u>\$ 19,147,458</u>	<u>\$ 15,320,425</u>	<u>\$ 14,971,496</u>

more than is being brought in from revenue, the department could go for at least three biennia before the balance would approach the \$5.7 million the department considers a critical point at which a fee increase would have to be implemented. If the legislature decides to limit funding for department expansion, the current fund balance could last even longer.

If the legislature wants to postpone or eliminate future license fee increases, it may not want to consider new proposals that seek to spend from the General License Account. Over the 2005 biennium, the executive is proposing over \$2.8 million in new proposals using the general license account.

Figure 5
Fish, Wildlife and Parks
General License Account Revenues and Disbursements

Fiscal Year	Revenues	Disbursements	Difference	Cummulative
* 2005	\$ 27,513,068	\$ 27,861,997	\$ (348,929)	\$11,662,644
* 2004	27,354,475	31,181,508	(3,827,033)	9,401,420
* 2003	27,158,859	32,355,943	(5,197,084)	15,678,834
2002	25,551,068	26,767,948	(1,216,880)	12,011,573
2001	23,485,476	31,132,941	(7,647,465)	13,228,453
2000	24,682,872	25,980,492	(1,297,620)	20,875,918
1999	24,855,232	25,647,061	(791,829)	22,173,538
1998	24,556,436	23,387,660	1,168,776	22,965,367
1997	24,001,499	21,387,625	2,613,874	21,796,591
1996	25,118,865	21,082,910	4,035,955	19,182,717
1995	25,254,777	19,510,966	5,743,811	15,146,762
1994	23,200,161	18,963,554	4,236,607	9,402,951
1993	21,511,108	18,192,128	3,318,980	5,166,344
1992	18,836,165	17,152,135	1,684,030	1,847,364
1991	16,948,445	16,785,111	163,334	163,334

*Based upon estimate available fund balance.

From 1991 until 1998, General License Account revenues have exceeded disbursements. These disbursements include both present law adjustments and new proposals. Since some of the future growth in expenditures could be avoided, the legislature may want to direct the department to limit expenditures to the amount of ongoing revenues in the general license account and avoid keeping the general license account in a structurally imbalanced position.

License Commissions

Under 87-2-903 MCA, license agents are paid a commission of \$.50 for each transaction. For purposes of this section of law, the term "transaction" includes the sale of any license, permit, or certificate prescribed by the department. Statute is clear on what is considered a transaction for purposes of paying a commission. However, the executive has either paid commissions, or is proposing to pay commissions on services that do not meet the definition of "transaction" under current statute.

- o Under 87-2-202 (3)(c), MCA, a \$2 hunting access enhancement fee is charged, the first time a wildlife conservation license is used, as a prerequisite to purchase a hunting license. This statute was enacted by the 2001 legislature. Section 87-2-903(6), MCA, defines a transaction as the sale of any license, permit, or certificate. Under 87-2-202(3)(c), MCA, a separate license, permit, or certificate is not sold. Only an additional fee is collected. Therefore, the collection of a fee is not a transaction under 87-2-903, MCA, and funding to pay license agents for this should be removed.
- o Under DP 101 titled "Additional Commission Authority", the executive is requesting additional authority to pay commissions for each Migratory Bird Harvest Information Program (MBHIP) survey conducted. Section 87-2-903(6), MCA, defines a transaction as the sale of any license, permit, or certificate. Since this would not be considered a "transaction" under state law, the legislature may wish to reduce the department general license account authority by \$8,357, which represents the commissions paid to license agents in license year 2001. In addition, the legislature may wish to reduce DP 101 by the \$833, which represents the estimated commission paid on MBHIP surveys.
- o Under the current system, if a hunter or angler desires to access state school trust lands, he or she is required to purchase a \$10 state lands use permit. The proceeds, less a \$.50 commission on each transaction, are deposited into the general license account. In the 2001 license year, \$16,513 of general license dollars was paid for commissions on state lands use permit sales.

The executive is proposing to change the way state school trust lands are compensated for use by hunters and anglers. Instead of purchasing a permit, the executive is proposing a \$1.25 increase in the conservation licenses of all hunters and anglers to be paid to the state lands trust to compensate for usage. Under the new methodology, an increase in the conservation license would not be considered a "transaction" under 87-2-903(6), MCA, and if approved, the legislature may wish to reduce general license authority by \$16,513.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	56.32	0.00	0.50	56.82	0.00	0.50	56.82	56.82
Personal Services	2,369,839	268,166	14,495	2,652,500	268,390	14,463	2,652,692	5,305,192
Operating Expenses	4,568,822	316,357	4,000	4,889,179	335,527	2,000	4,906,349	9,795,528
Equipment	10,887	0	0	10,887	0	0	10,887	21,774
Transfers	0	0	75,000	75,000	0	75,000	75,000	150,000
Total Costs	\$6,949,548	\$584,523	\$93,495	\$7,627,566	\$603,917	\$91,463	\$7,644,928	\$15,272,494
State/Other Special	5,748,821	251,120	18,495	6,018,436	278,570	16,463	6,043,854	12,062,290
Federal Special	1,200,727	333,403	75,000	1,609,130	325,347	75,000	1,601,074	3,210,204
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$6,949,548	\$584,523	\$93,495	\$7,627,566	\$603,917	\$91,463	\$7,644,928	\$15,272,494

Program Description

The Administration and Finance Division provides department-wide support for accounting, fiscal management, purchasing and property management, personnel, and federal aid administration. Additionally, the division provides information technology services to the agency and administers the sale of hunting, fishing, and other recreational licenses.

Program Narrative

Administration and Finance Division	
Major Program Highlights	
o	The addition of the automated license system (ALS) enables more types of licenses to be sold by vendors <ul style="list-style-type: none"> • The executive is requesting \$147,888 of general license authority to pay additional commissions
Major LFD Issues	
o	Some commissions paid by executive do not meet the statutory definition of a "transaction."

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding Table							
Administration & Finance Div.							
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005	
02086 Mountain Sheep Account	\$ 9,000	0.1%	\$ 30,000	0.4%	\$ 30,000	0.4%	
02112 Moose Auction	2,000	0.0%	2,000	0.0%	2,000	0.0%	
02409 General License	5,737,821	82.6%	5,986,436	78.5%	6,011,854	78.6%	
03097 Fish(Dj)-Wldlf(Pr) Restor Grnt	621,101	8.9%	638,623	8.4%	626,793	8.2%	
03404 Overhead	579,626	8.3%	970,507	12.7%	974,281	12.7%	
Grand Total	\$ 6,949,548	100.0%	\$ 7,627,566	100.0%	\$ 7,644,928	100.0%	

The Administration and Finance Division operating budget is funded from the General License Account, with a portion of the indirect cost assessments coming from federal grants and non-federal accounts. The Management and Field Services Divisions are also funded from these same indirect cost assessments. The rate for the 2005 biennium from non-federal funds is 10.7 percent for operational expenditures and 4.6 percent for capital expenditures. The federal rate of 16.0 percent is applied to federal grants, which include Pittman-Robertson and Wallop-Breaux funds, Corps of Engineers and U.S. Coast Guard grants.

Present Law Adjustments	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					361,234					361,470
Vacancy Savings					(109,241)					(109,253)
Inflation/Deflation					24,439					25,569
Fixed Costs					196,974					209,014
Total Statewide Present Law Adjustments					\$473,406					\$486,800
DP 101 - Additional Commission Authority for New Licenses	0.00	0	73,944	0	73,944	0.00	0	73,944	0	73,944
DP 102 - Seasonal Overtime	0.00	0	16,173	0	16,173	0.00	0	16,173	0	16,173
DP 104 - Sheep Auction Commission	0.00	0	21,000	0	21,000	0.00	0	21,000	0	21,000
DP 105 - Periodic Property Inventory	0.00	0	0	0	0	0.00	0	6,000	0	6,000
Total Other Present Law Adjustments	0.00	\$0	\$111,117	\$0	\$111,117	0.00	\$0	\$117,117	\$0	\$117,117
Grand Total All Present Law Adjustments					\$584,523					\$603,917

Executive Present Law Adjustments

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

DP 101 - Additional Commission Authority for New Licenses - The Executive Budget includes an increase for license agent commissions. The following increases are part of the proposal:

- o Hunter access fee - The 2001 legislature established a hunter access fee, that all hunters must pay prior to using a wildlife conservation license, as a prerequisite to purchasing any other hunting license
- o There was no increase in license agent commission authority to cover the \$0.50 commission on these licenses
- o Resident two-day fishing licenses - In license year 2002, the department started to sell resident two-day fishing licenses
- o There was no increase in license agent commission authority to cover the commission on these licenses Authority requested has been reduced by a corresponding reduction in full-season resident licenses
- o Mountain lion license - Prior to license year 2002, only department headquarters could sell mountain lion licenses. Now, the automated license system (ALS) allows most non-agency license agents to sell these licenses. This portion of the request includes authority to pay a commission on these sales
- o Duplicate licenses - Prior to license year 2002, only department headquarters could issue duplicate licenses. Now, ALS allows most non-agency license agents to issue duplicates. This portion of the request includes authority to pay a commission on these sales
- o Migratory Bird Harvest Information Program (MBHIP) survey - The department pays a \$0.50 commission for every MB HIP survey completed by a license agent. Prior to license year 2002, the payment was netted against the amount owed by the license agent. Now with ALS, the \$0.50 is recorded as a commission expense. This portion of the request establishes authority for the commission

LFD ISSUE The Executive Budget proposes to pay a commission on a fee collected by license agents. According to legislative legal staff, section 87-2-903(6), MCA, defines a transaction as the sale of any license, permit, or certificate. Under 87-2-202(3)(c), MCA, a separate license, permit, or certificate is not sold. Only an additional fee is collected. The collection of a fee is not a transaction under 87-2-903, MCA. Therefore, the legislature may wish to reduce this request by the \$70,188, which represents the amount of commission proposed on this fee.

DP 102 - Seasonal Overtime - The Executive Budget includes requests for funding to maintain current budget levels for overtime, since overtime pay does not carry forward. This adjustment continues the fiscal 2002 spending level into fiscal 2004 and fiscal 2005. Overtime is used in lieu of adding more staff during peak workload periods in the areas of licensing, payroll, fiscal year end, and budget preparation.

DP 104 - Sheep Auction Commission - The Executive Budget includes a request to hire a conservation organization to auction a bighorn sheep license. This funding would restore budget authority to fiscal 2002 levels. Accounting standards require the department to record the 10.0 percent commission earned from the sale of licenses as expenditures in the state accounting records. The sheep permit is auctioned annually. The average price paid since the 1986 license year has been \$148,912, but the permit has sold for as much as \$310,000. In the 2002 license year, the winning bid was \$90,000.

DP 105 - Periodic Property Inventory - The Executive Budget includes a request to conduct a physical inventory in the second year of the biennium. The department is required by state policy to conduct a biennial department-wide physical inventory. The adjustment is requested because the inventory takes place during the second year of the biennium and expenditures are not reflected in the base.

New Proposals	-----Fiscal 2004-----					-----Fiscal 2005-----					
	Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 103 - Accounting Function Support Staff											
01	0.50	0	18,495	0	18,495	0.50	0	16,463	0	16,463	
DP 106 - Legislative Contract Authority											
01	0.00	0	0	75,000	75,000	0.00	0	0	75,000	75,000	
Total	0.50	\$0	\$18,495	\$75,000	\$93,495	0.50	\$0	\$16,463	\$75,000	\$91,463	

New Proposals

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

DP 103 - Accounting Function Support Staff - The Executive Budget includes a proposal to add 0.50 FTE to assist accounting functions in the claims section. According to the department, workload increases have made it difficult for staff to process transactions in a timely manner. Additional FTE would be used to assist with data entry, processing documents, and verifying the accuracy of the input.

DP 106 - Legislative Contract Authority - The Executive Budget includes a request for legislative contract authority at the level authorized last session. The division uses the authority to provide accounting, budgeting, personnel, and word processing support for federal and private contracts.

LFD ISSUE Please see the agency-wide issue on legislative contract authority.

Proprietary Rates

Program Description

There are three proprietary functions within this division:

Warehouse Inventory

The department 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.

Duplicating Center

The department duplicating center provides duplicating and bindery services to department employees. The Duplicating Center has 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 & Graphics to be completed.

Equipment Enterprise Fund

The department equipment fund provides a fleet of vehicles and aircraft to department employees. The revenue users are department employees, mostly enforcement wardens, fish and wildlife biologists and park employees. Users are charged for the miles driven (hours flown) during the previous month.

Revenues and Expenses

Duplicating Center

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 done. At the end of fiscal 2002, the cash balance was \$20,850.

The 60-day working capital requirement provides sufficient cash to fund on-going operations of this program. Field projects are billed monthly for the services provided during the month. The workload is fairly consistent so there is little fluctuation in cash balances except when additional inventory is purchased.

A portion of the program fund balance has been reserved for the duplicating center equipment and inventory. At the end of fiscal 2002, the book value of the fund assets was \$13,000 and the fund had \$11,600 in inventory.

Equipment Fund

The objective of the vehicle account is to recover (through rates and annual auction revenues) funds to cover administrative costs to operate the program (personal services and operations) in addition to being able to replace fleet vehicles at approximately 100,000 miles. A total of 2.06 FTE are funded in this fund. The two largest costs are fuel and repairs. In fiscal 2002, the fund spent \$625,000 on fuel and \$500,000 on repairs. In fiscal 2002 the department drove just over 5.0 million miles in department vehicles while the 10-year average is 4.9 million miles. Due to a 15.0 percent rate increase in fiscal 2003, and the proposed rate increases in fiscal 2004 and fiscal 2005, the program anticipates revenues of \$4.7 million over the 2005 biennium. These amounts are increases of approximately 19.0 percent and 23.0 percent, respectively, over base year fee revenue.

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. To compensate for a cash flow problem created by keeping rates artificially low, rates were increased 25.0 percent in fiscal 2002 and 15.0 percent in fiscal 2003. The executive is requesting a 6.0 percent rate increase in fiscal 2004 and an additional 3.0 percent rate increase in fiscal 2005. 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.

In order to maintain a positive cash balance, the vehicle fund currently has a \$300,000 loan from another fund. Working capital at the end of fiscal 2002 was \$147,000.

Divisions are billed monthly for the miles driven (hours flown) during the previous month. Cash balances fluctuate during the year for two reasons. The first is that monthly mileage is greater during the summer and fall than during the winter and spring. The second reason is that new vehicles are purchased in the spring. Thus cash balances are normally highest in December after the hunting season and lowest in the spring after purchasing the new vehicles. Fiscal year end balances tend to be significantly higher than spring balances

There is no requirement to reserve fund balance. At the end of fiscal 2002, the vehicle fund had total assets of \$5.6 million and the book value (original cost less accumulated depreciation) of the fleet was \$5.3 million. The major liability is a \$300,000 loan to ensure a positive cash balance at year-end. As stated above, working capital at the end of fiscal 2002 was \$147,000. A portion of the program fund balance has been reserved for the book value of department vehicles and aircraft.

Warehouse Inventory

The expenses associated with the warehouse include personal services, miscellaneous office supplies, and expenses for the warehouse worker, and inventory purchases needed to replenish existing stock. Revenues are from the sales of inventory items to department employees. The executive anticipates revenues to be approximately \$90,000 per fiscal year over the 2005 biennium. Beginning in fiscal 2002, this program will fund 0.20 FTE.

The 60-day working capital requirement provides sufficient cash to fund on-going operations of this program. The department attempts to ensure that fees are commensurate with costs over time by adjusting the proposed rates for excess income or loss from previous periods. Field projects are billed monthly for the purchases made during the month. Cash balances fluctuate during the year. Cash balances are lowest during the winter when stock is replenished and highest during the summer when temporary and seasonal employees are hired.

A portion of the program fund balance has been reserved for the warehouse inventory. At the end of fiscal 2002, the warehouse inventory was \$128,510.

Rate Explanation

Duplicating Center

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. The rates have remained constant for the past 4 years.

Item	FY 2004	FY 2005
Copies		
1-20	\$0.045	\$0.050
21-100	\$0.030	\$0.035
210-100	\$0.025	\$0.030
101-500	\$0.020	\$0.025
Color - per sheet	\$0.25	\$0.25
Binding		
Collating (per sheet)	\$0.005	\$0.005
Hand Stapling (per set)	\$0.015	\$0.015
Saddle stitch (per set)	\$0.030	\$0.030
Folding (per sheet)	\$0.005	\$0.005
Punching (per sheet)	\$0.001	\$0.001
Cutting (per minute)	\$0.550	\$0.550

Equipment

The rate methodology attempts to determine a cost/mile rate for various classes of vehicles and a cost/hour rate for each class of aircraft. The methodology is to determine previous year expenses, including operating, maintenance, administration and depreciation expenses minus previous year revenue generated from the rates and the annual vehicle auction to establish the net income for a particular class. Next, the life-to-date (LTD) net income or loss on a per-mile (hour) basis is determined. Future year expenses are estimated based on the most current year information plus a 3.0 percent inflationary factor. Using the most current year mileage and the projected expenses, a cost/mile (hour) rate is determined for the future year. This rate is adjusted for any LTD net income or loss. In an attempt to minimize large increases or decreases, rates will not change more than 25.0 percent per year (10.0 percent for aircraft).

In addition, a minimum mileage rate was charged starting in fiscal 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, and thus, does not maintain the class average mileage. By using this method, the overhead costs are recovered and low mileage vehicles are not being subsidized by higher mileage vehicles.

Each year, department employees drive over 5.0 million miles in department owned vehicles. The department currently has a fleet of over 400 vehicles, which are mainly used by enforcement officers, fish and wildlife biologists and parks employees. The department request for vehicle replacement is for 43 vehicles in both fiscal 2004 and fiscal 2005. This is based on replacing vehicles after a minimum of 100,000 miles. Annually, the department auctions these vehicles and replaces them with new vehicles. Historically, the department has replaced 40 to 45 vehicles each year. This replacement schedule does not require a present law adjustment

In an effort to simplify the rate setting process and stabilize any future rate increases, the executive is proposing to reduce the number of vehicle classes from 15 to 6.

Description	FY 2004	FY 2005
Per Mile Rates		
Sedans	\$0.28	\$0.31
Vans	\$0.29	\$0.32
Utilities	\$0.36	\$0.38
Grounds Maintenance	\$0.95	\$1.00
Pickup 1/2 Ton	\$0.35	\$0.36
Pickup 3/4 Ton	\$0.36	\$0.36

Per Hour Rates		
2 Place Single Engine	\$ 56.72	\$ 56.72
Partnavia	\$283.60	\$297.78
Turbine Helicopters	\$345.72	\$345.72

Vehicles would be assessed a minimum overhead charge if not driven a minimum number of miles in addition to the regular rates.

In fiscal 2000, the department underwent an audit that indicated cash flow problems in the vehicle account. This arose from keeping the rates low in an attempt to show that rates were commensurate with costs. During the 2001 session, the department request to increase rates 25.0 percent in fiscal 2002 and 15.0 percent in fiscal 2003 was approved. In fiscal 2001, cash outflows exceeded cash inflows by \$299,000 but in fiscal 2002 cash inflows exceeded cash outflows by \$15,000. In order to recover from previous losses, the executive is requesting a 6 percent rate increase in fiscal 2004 and an additional 3.0 percent rate increase in fiscal 2005.

Warehouse Inventory

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

In order to fund 0.20 FTE for a warehouse worker, the 2001 legislature approved a 14.0 percent fixed overhead rate for fiscal 2002 and fiscal 2003. This was an increase from the 4.0 percent rate charged in the previous biennium. The executive is requesting a 5.0 percent overhead rate for each year of the 2005 biennium. The rate was calculated by estimating the support costs to maintain the warehouse function such as personal services, office supplies and other 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.

Significant Present Law

The Executive Budget includes a request to restore operations budget for aircraft to the previously authorized level. Aircraft operations were under-spent primarily due to the loss of a helicopter. This proposal would be funded with the proposed increase in the equipment enterprise fund

Report on Internal Service and Enterprise Funds, 2005 Biennium									
Fund	Fund Name	Agency #	Agency Name	Program Name					
06503	FWP Warehouse Inventory	52010	Dept. of Fish, Wildlife & Parks	Administration					
				actual FY00	actual FY01	actual FY02	budgeted FY03	budgeted FY04	budgeted FY05
Operating Revenues:									
Fee revenue									
	Revenue from Warehouse sales			-	-	-	92,000	95,000	98,000
	Net Fee Revenue			85,074	95,321	89,193	92,000	95,000	98,000
	Investment Earnings			-	-	-	-	-	-
	Securities Lending Income			-	-	-	-	-	-
	Premiums			-	-	-	-	-	-
	Other Operating Revenues			-	1	-	-	-	-
	Total Operating Revenues			85,074	95,322	89,193	92,000	95,000	98,000
	Intrafund Revenue			-	-	-	-	-	-
	Net Operating Revenues			85,074	95,322	89,193	92,000	95,000	98,000
Operating Expenses:									
	Personal Services			-	-	5,811	6,000	6,240	6,490
	Other Operating Expenses			105,677	83,088	68,753	98,998	100,978	102,998
	Miscellaneous, operating			125	60	(75)	-	-	-
	Miscellaneous, other			-	-	-	-	-	-
	Total Operating Expenses			105,802	83,148	74,489	104,998	107,218	109,488
	Intrafund Expense			-	-	-	-	-	-
	Net Operating Expenses			105,802	83,148	74,489	104,998	107,218	109,488
	Operating Income (Loss)			(20,728)	12,174	14,704	(12,998)	(12,218)	(11,488)
Nonoperating Revenues (Expenses):									
	Gain (Loss) Sale of Fixed Assets			-	-	-	-	-	-
	Federal Indirect Cost Recoveries			-	-	-	-	-	-
	Other Nonoperating Revenues (Expenses)			-	-	-	-	-	-
	Net Nonoperating Revenues (Expenses)			-	-	-	-	-	-
	Income (Loss) Before Operating Transfers			(20,728)	12,174	14,704	(12,998)	(12,218)	(11,488)
	Contributed Capital			85,450	85,450	-	-	-	-
	Operating Transfers In (Note 13)			-	-	-	-	-	-
	Operating Transfers Out (Note 13)			-	-	-	-	-	-
	Retained Earnings/Fund Balances - July 1 - As Restated			129,256	108,528	206,152	220,856	207,858	195,640
	Net Income (Loss)			64,722	97,624	14,704	(12,998)	(12,218)	(11,488)
	Reserved for Inventory			168,492	150,288	128,510	150,000	160,000	170,000
	Unreserved Earnings/Fund Balances - June 30			25,486	55,864	92,346	57,858	35,640	14,152
	60 days of expenses (Total Operating Expenses divided by 6)			17,634	13,858	12,415	17,500	17,870	18,248

Report on Internal Service and Enterprise Funds, 2005 Biennium

Fund	Fund Name	Agency #	Agency Name	Program Name
06501	FWP Office Supply	52010	Dept. of Fish, Wildlife & Parks	Administration

	actual FY00	actual FY01	actual FY02	budgeted FY03	budgeted FY04	budgeted FY05
Operating Revenues:						
Fee revenue						
Duplicating Revenue	-	-	-	78,000	79,000	80,000
Net Fee Revenue	73,958	80,371	76,851	78,000	79,000	80,000
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenues	73,958	80,371	76,851	78,000	79,000	80,000
Intrafund Revenue	-	-	-	-	-	-
Net Operating Revenues	73,958	80,371	76,851	78,000	79,000	80,000
Operating Expenses:						
Personal Services	27,140	26,070	26,158	27,638	27,834	27,777
Other Operating Expenses	33,069	55,493	49,973	55,493	56,603	57,735
Miscellaneous, operating	-	11	50	-	-	-
Miscellaneous, other	-	-	-	-	-	-
Total Operating Expenses	60,209	81,574	76,181	83,131	84,437	85,512
Intrafund Expense	-	-	-	-	-	-
Net Operating Expenses	60,209	81,574	76,181	83,131	84,437	85,512
Operating Income (Loss)	13,749	(1,203)	670	(5,131)	(5,437)	(5,512)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	13,749	(1,203)	670	(5,131)	(5,437)	(5,512)
Contributed Capital	25,000	25,000	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Retained Earnings/Fund Balances - July 1 - As Restated	10,073	23,822	47,619	48,289	43,158	37,721
Net Income (Loss)	38,749	23,797	670	(5,131)	(5,437)	(5,512)
Reserve for Equipment	17,730	15,370	13,000	10,635	8,270	5,990
Reserve for Inventory	16,360	14,610	11,615	13,000	14,500	16,000
Unreserved Earnings/Fund Balances - June 30	14,732	17,639	23,674	19,523	14,951	10,219
60 days of expenses (Total Operating Expenses divided by 6)	10,035	13,596	12,697	13,855	14,073	14,252

Report on Internal Service and Enterprise Funds, 2005 Biennium

Fund	Fund Name	Agency #	Agency Name	Program Name
06502	FWP Equipment	52010	Dept. of Fish, Wildlife & Parks	Administration

	actual FY00	actual FY01	actual FY02	budgeted FY03	budgeted FY04	budgeted FY05
Operating Revenues:						
Fee revenue						
Revenue from vehicle fees	-	-	-	1,744,742	1,866,874	1,922,880
Revenue from aircraft fees	-	-	-	233,049	244,701	256,936
Net Fee Revenue	1,263,939	1,440,344	1,739,119	1,977,791	2,111,575	2,179,816
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	1	17,306	209,470	-	-	-
Total Operating Revenues	1,263,940	1,457,650	1,948,589	1,977,791	2,111,575	2,179,816
Intrafund Revenue	-	-	-	-	-	-
Net Operating Revenues	1,263,940	1,457,650	1,948,589	1,977,791	2,111,575	2,179,816
Operating Expenses:						
Personal Services	57,638	64,049	73,213	69,117	73,031	72,910
Other Operating Expenses	1,552,289	2,113,551	1,655,544	1,827,703	1,942,458	2,029,713
Miscellaneous, operating	11,928	7,623	8,232	-	-	-
Miscellaneous, other	-	-	-	-	-	-
Total Operating Expenses	1,621,855	2,185,223	1,736,989	1,896,820	2,015,489	2,102,623
Intrafund Expense	-	-	-	-	-	-
Net Operating Expenses	1,621,855	2,185,223	1,736,989	1,896,820	2,015,489	2,102,623
Operating Income (Loss)	(357,915)	(727,573)	211,600	80,971	96,086	77,193
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	(95,061)	(185,030)	(192,594)	(180,000)	(160,000)	(140,000)
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	(95,061)	(185,030)	(192,594)	(180,000)	(160,000)	(140,000)
Income (Loss) Before Operating Transfers	(452,976)	(912,603)	19,006	(99,029)	(63,914)	(62,807)
Contributed Capital	2,381,987	2,381,987	-	-	-	-
Operating Transfers In (Note 13)	255,438	222,722	240,356	220,000	220,000	220,000
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Retained Earnings/Fund Balances - July 1 - As Restated	4,435,311	4,264,529	5,956,635	6,215,997	6,336,968	6,493,054
Net Income (Loss)	(197,538)	(689,881)	259,362	120,971	156,086	157,193
Reserved for Equipment	6,538,585	6,082,352	6,337,279	6,357,279	6,402,279	6,432,279
Unreserved Retained Earnings/Fund Balances - June 30	81,175	(125,717)	(121,282)	(20,311)	90,775	217,968
60 days of expenses (Total Operating Expenses divided by 6)	270,309	364,204	289,498	316,137	335,915	350,437

Program Proposed Budget	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	45.43	2.00	0.50	47.93	2.00	0.50	47.93	47.93
Personal Services	1,720,169	236,195	18,240	1,974,604	238,049	18,196	1,976,414	3,951,018
Operating Expenses	4,733,382	1,643,378	543,500	6,920,260	1,591,626	542,000	6,867,008	13,787,268
Equipment	14,422	0	0	14,422	0	0	14,422	28,844
Grants	0	0	0	0	0	0	0	0
Benefits & Claims	5,057	0	0	5,057	0	0	5,057	10,114
Transfers	0	0	60,000	60,000	0	60,000	60,000	120,000
Total Costs	\$6,473,030	\$1,879,573	\$621,740	\$8,974,343	\$1,829,675	\$620,196	\$8,922,901	\$17,897,244
State/Other Special	5,752,988	1,805,238	561,740	8,119,966	1,753,937	560,196	8,067,121	16,187,087
Federal Special	720,042	74,335	60,000	854,377	75,738	60,000	855,780	1,710,157
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$6,473,030	\$1,879,573	\$621,740	\$8,974,343	\$1,829,675	\$620,196	\$8,922,901	\$17,897,244

Program Description

The Field Services Division provides services in five areas.

- o The Landowner Sportsman Relations and Block Management Program: 1) establishes and maintains communications with user and resource-based organizations and individuals; 2) administers the Livestock Loss Reimbursement Program; and 3) administers the Block Management Program, which provides recreational access on private property
- o The Game Damage Program provides assistance to landowners in minimizing impacts of game animals to property and crops
- o The Design and Construction Bureau provides architectural and engineering services for construction and maintenance projects at state parks, state fishing access sites, and wildlife management areas.
- o The Aircraft Unit provides aerial mountain lake surveys and fish planting, wildlife surveys, wildlife capture and marking, and transportation for the department
- o The Land Unit is responsible for the real estate functions of the department, including conservation easements, acquisition and disposal of real estate and real property, and management of all permanent land records

Program Narrative

Field Services Division Major Program Highlights
<ul style="list-style-type: none"> o The executive is seeking funding to help mitigate various wildlife conflicts o Total variable priced, B-10 (outfitter sponsored) licenses have averaged 5,350 and are currently priced at \$975
Major LFD Issues
<ul style="list-style-type: none"> o If a fee, in lieu of a state land use permit, is approved, authority to pay license commission should be reduced Major LFD Issue - 1 goes here

Variable Priced License

HB 195, passed by the 1995 legislature, will terminate March 1, 2006 as amended by SB 338, also passed by the 1995 legislature. SB 338 changed the prior policy of license fees being set only by the legislature. The legislation authorized the Fish, Wildlife and Parks Commission to set fees on an average (over five years) of 5,500 outfitter-sponsored, nonresident big game combination B-10 Licenses, and 2,300 deer combination B-11 Licenses. Figure 1 shows the prices and number of licenses that have been sold under this authorization and is included to track the number of licenses sold over the five-year period.

Figure 1
House Bill 195 (as amended by SB 338)
Variable-priced Licenses*

Fiscal Year	License Year	Licenses Sold	B-10 Price		B-11 Licenses	
			Full License	Without B-7**	Sold	Price
1997-1998	1997	Mar. 1997-Feb. 1998	5,388	\$835		2,365 \$675
1998-1999	1998	Mar. 1998-Feb. 1999	5,372	\$835	\$735	1,973 \$720
1999-2000	1999	Mar. 1999-Feb. 2000	5,405	\$835	\$735	2,112 \$745
2000-2001	2000	Mar. 2000-Feb. 2001	5,609	\$835	\$735	2,304 \$775
2001-2002	2001	Mar. 2001-Feb. 2002	<u>4,974</u>	\$975	\$875	<u>2,300</u> \$850
		Five-year Average	<u>5,350</u>			<u>2,211</u>

* Prices to be set by the FWP Commission so that no more than the following average number over five years is sold:
 1. Outfitter sponsored non-resident big game combination license (B-10) - 5,500
 2. Outfitter sponsored non-resident deer combination license (B-11) - 2,300
 The termination date of the variable-priced licenses was extended by SB 338 to March 1, 2006.

**SB 394 (1997 session) allowed the FWP Commission to separate the B-7 from the B-10 non-resident big game combination license to make a B-7 or B-11 license. This authority terminates October 1, 2001.

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding Table
Field Services Division

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
02334 Market Based Combo Sales	\$ 3,858,448	59.6%	\$ 5,406,662	60.2%	\$ 5,417,738	60.7%
02408 Coal Tax Trust Account	29,085	0.4%	35,954	0.4%	35,954	0.4%
02409 General License	1,822,661	28.2%	2,624,816	29.2%	2,562,439	28.7%
02410 Real Estate Trust Earnings	12,000	0.2%	-	-	-	-
02469 Habitat Trust Interest	30,794	0.5%	52,534	0.6%	50,990	0.6%
03097 Fish(Dj)-Wildlf(Pr) Restor Grnt	452,307	7.0%	466,135	5.2%	466,135	5.2%
03403 Fish & Game	-	-	60,000	0.7%	60,000	0.7%
03404 Overhead	<u>267,735</u>	<u>4.1%</u>	<u>328,242</u>	<u>3.7%</u>	<u>329,645</u>	<u>3.7%</u>
Grand Total	\$ 6,473,030	100.0%	\$ 8,974,343	100.0%	\$ 8,922,901	100.0%

The Field Services Division primary state special funding sources are from a portion of variable-priced hunting license sales and the General License Account. Lesser amounts come from Coal Tax Trust interest and Wildlife Habitat Trust interest. Federal funds consist of Pittman-Robertson (PR), as well as, this division share of the indirect cost assessments on federal grants and non-federal accounts. The proposed rate for fiscal years 2004 and 2005 from non-federal funds is 11.7 percent for operational expenditures and 4.1 percent for capital expenditures. These assessments are handled as a non-budgeted transfer to the General License Account, from which all expenses are paid. The federal overhead rate of 19.1 percent is applied to federal grants, which include Pittman-Robertson funds. The following table details the Field Services Division Funding:

Present Law Adjustments										
	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					281,534					283,476
Vacancy Savings					(80,070)					(80,151)
Inflation/Deflation					2,916					20,695
Fixed Costs					2,357					2,838
Total Statewide Present Law Adjustments					\$206,737					\$226,858
DP 201 - Restore OTO for Block Management Funding (SB285)	2.00	0	802,000	0	802,000	2.00	0	802,000	0	802,000
DP 202 - Block Management Funding	0.00	0	627,000	0	627,000	0.00	0	627,000	0	627,000
DP 203 - Game Damage Restoration	0.00	0	41,000	0	41,000	0.00	0	41,000	0	41,000
DP 204 - Leases	0.00	0	30,185	0	30,185	0.00	0	30,185	0	30,185
DP 205 - Net Client Hunting Use	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 207 - Internal Service Rate Adjustment	0.00	0	24,212	0	24,212	0.00	0	19,193	0	19,193
DP 208 - Taxes	0.00	0	4,609	13,828	18,437	0.00	0	4,609	13,828	18,437
DP 212 - Public Wildlife Interface Biennial	0.00	0	43,752	0	43,752	0.00	0	(21,248)	0	(21,248)
DP 214 - Restore Base Operations	0.00	0	46,250	0	46,250	0.00	0	46,250	0	46,250
Total Other Present Law Adjustments	2.00	\$0	\$1,659,008	\$13,828	\$1,672,836	2.00	\$0	\$1,588,989	\$13,828	\$1,602,817
Grand Total All Present Law Adjustments					\$1,879,573					\$1,829,675

Executive Present Law Adjustments

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

DP 201 - Restore OTO for Block Management Funding (SB285) - The Executive Budget includes authority to expend block management funding generated by the variable priced big game license. The 2001 legislature enacted SB 285, which established \$802,000 of new revenue from the sale of hunting licenses and 2.00 FTE for 10 seasonal block management technicians. The revenue is earmarked to block management and associated private and public land hunting access programs, but did not become available until fiscal 2003.

DP 202 - Block Management Funding - The Executive Budget includes a request to restore block management authority to the level authorized in the 2001 session. In fiscal 2001, the block management program received new funding from earmarked fees. Not all of the budget authority was expended during fiscal 2002 and this base adjustment would annualize authority for the 2005 biennium.

DP 203 - Game Damage Restoration - The Executive Budget includes a request to restore full funding to the Game Damage Program. In the winter of 2001-2002 the game damage budget was not fully expended and this request will restore funding to levels reflective of a more severe winter.

DP 204 - Leases - The Executive Budget includes a request for authority to cover projected increases in leases paid on FWP wildlife management areas, state parks, fishing access sites, and lands owned by other departments.

DP 205 - Net Client Hunting Use - The Executive Budget includes a decision package that would reestablish budget authority in each fiscal year of the 2005 biennium, with which to calculate the impacts of net client hunting use as

required by SB 334 enacted by the 1999 legislature. The department has received only one application for increases in net client hunting by the Board of Outfitters.

DP 207 - Internal Service Rate Adjustment - The Executive Budget includes a request for increased authority for managing a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

DP 208 - Taxes - The Executive Budget is requesting a one-time only adjustment to restore the base budget in order to meet anticipated tax liabilities of \$139,000 per year. Fiscal 2002 expenditures were \$120,483. This is a one-time request to meet anticipated tax liabilities.

DP 212 - Public Wildlife Interface Biennial - The Executive Budget includes a request for a technical adjustment required by the state budget system (MBARS) in order to carry the existing division biennial appropriation for Public Wildlife Interface into fiscal years 2004 and 2005. No change from the previously approved \$65,000 base budget is being requested.

DP 214 - Restore Base Operations - The Executive Budget includes a request to restore base operations for the Field Services Division. During fiscal 2002, several positions were vacant for extended periods, resulting in an under-spending of related operations. The positions have been filled and if approved, this request would fully fund operations.

New Proposals										
Program	FTE	Fiscal 2004				Fiscal 2005				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 206 - Legislative Contract Authority										
02	0.00	0	0	60,000	60,000	0.00	0	0	60,000	60,000
DP 209 - Lands Staff FTE										
02	0.50	0	21,740	0	21,740	0.50	0	20,196	0	20,196
DP 210 - Private Landowner Technical Services										
02	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 211 - Collaborative Elk Management										
02	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 8213 - General Recreation Use of State Lands (Requires Legislation)										
02	0.00	0	460,000	0	460,000	0.00	0	460,000	0	460,000
Total	0.50	\$0	\$561,740	\$60,000	\$621,740	0.50	\$0	\$560,196	\$60,000	\$620,196

New Proposals

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

DP 206 - Legislative Contract Authority - The Executive Budget includes a request for legislative contract authority in the Field Service Division. This funding would be used for cost-sharing projects with federal agencies geared to providing public hunting access.

LFD ISSUE	Please see the agency-wide issue on legislative contract authority.
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DP 209 - Lands Staff FTE - The Executive Budget includes a request for 0.50 FTE to address property management issues associated with the FWP fee title and conservation easements lands program. The department has indicated that it is unable to respond in a timely fashion to department and public inquiries about matters regarding existing FWP land interests. More specifically, the department has not been timely on responses to issues identified in conservation

easement monitoring, requests related to the type of funding used to purchase a site, deed restrictions, locations, and boundaries.

DP 210 - Private Landowner Technical Services - The Executive Budget contains a request for general license authority for a pilot project to provide technical services to private landowners related to wildlife management on their lands. Services would include providing information and services related to managing wildlife and wildlife habitat on private lands, reducing and preventing game damage, developing wildlife-friendly grazing and fencing systems, and developing new techniques and strategies to help private landowners successfully integrate wildlife concerns into their land management decisions.

DP 211 - Collaborative Elk Management - The Executive Budget includes a request to provide general license funding for contracted facilitators and other support for local community-based collaborative efforts to address elk management issues. Elk herds range freely across land owned by both private and public landowners and, in some instances, the management decisions made by individual landowners can have unintended consequences on their neighbors. The department anticipates the funding would support four to six collaborative groups addressing these issues.

DP 8213 - General Recreation Use of State Lands (Requires Legislation) - The Executive Budget includes a request for budget authority to enter into a 10 year memorandum of understanding (MOU) with the Department of Natural Resources and Conservation to compensate the school trust for the value of recreational use of school trust lands by hunters and anglers. The total is an amount equivalent to \$1.25 for every conservation license sold the prior year. This proposal is the result of a request by the Board of Land Commissioners that FWP and DNRC develop an alternative to the current method of compensating the School Trust for general recreational use through the purchase of a general recreational use stamp.

This decision package is contingent upon: 1) Land Board approval; 2) the passage of legislation to eliminate the existing statutory requirement for a general recreational use stamp; and 3) the passage of legislation to raise the \$460,000 of revenue for FWP to compensate the School Trust.

**LFD
ISSUE**

If approved, the legislature may wish to reduce general license authority by \$16,513. This amount represents the amount of commission paid on state land use permits during the 2001 license year. An increase to the conservation license fee does not constitute a new "transaction" eligible for commission under 87-2-903, MCA. (Please see the agency-wide issue on commissions paid to license vendors.)

**LFD
ISSUE**

If this decision package passes and the contingencies do not occur, the legislature may wish to eliminate any appropriation approved for this purpose. If approved, language would need to accompany this decision package describing the contingent nature of the appropriation.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	111.07	0.00	3.00	114.07	0.00	3.00	114.07	114.07
Personal Services	4,696,882	457,086	108,834	5,262,802	465,697	108,728	5,271,307	10,534,109
Operating Expenses	2,239,585	383,368	296,119	2,919,072	434,286	282,863	2,956,734	5,875,806
Equipment	112,837	55,482	22,515	190,834	35,482	66,015	214,334	405,168
Grants	30,000	0	0	30,000	0	0	30,000	60,000
Transfers	0	0	2,700,719	2,700,719	0	2,700,716	2,700,716	5,401,435
Total Costs	\$7,079,304	\$895,936	\$3,128,187	\$11,103,427	\$935,465	\$3,158,322	\$11,173,091	\$22,276,518
State/Other Special	3,355,966	249,042	219,217	3,824,225	266,925	301,750	3,924,641	7,748,866
Federal Special	3,723,338	646,894	2,908,970	7,279,202	668,540	2,856,572	7,248,450	14,527,652
Total Funds	\$7,079,304	\$895,936	\$3,128,187	\$11,103,427	\$935,465	\$3,158,322	\$11,173,091	\$22,276,518

Program Description

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

- o Operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited
- o Regulates angler harvests
- o Monitors fish populations
- o Provides and maintains public access

Program Narrative

Fisheries Division Major Program Highlights
<ul style="list-style-type: none"> o The Fisheries Division is expecting an additional \$1.0 million in federal funding for native species restoration o The executive is seeking to add 3.00 FTE over the biennium <ul style="list-style-type: none"> • 1.00 FTE would be used as a hatchery support manager at Fort Peck • 2.00 FTE would be used among regions to assist fisheries biologists
Major LFD Issues
<ul style="list-style-type: none"> o The executive is seeking funding for the fishing access site assistance program <ul style="list-style-type: none"> • Structured after the Block Management Program • Potential for large growth and a fee increase o The Echo Lake fish plant is not a high level priority due to limited success

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
02148 Paddlefish Roe Account	\$ 24,998	0.4%	\$ 25,000	0.2%	\$ 25,000	0.2%
02409 General License	3,330,968	47.1%	3,699,225	33.3%	3,699,641	33.1%
02942 Warm Water Fish Stamp	-	-	100,000	0.9%	200,000	1.8%
03097 Fish(Dj)-Wldlf(Pr) Restor Grnt	3,492,590	49.3%	4,258,295	38.4%	4,286,667	38.4%
03403 Fish & Game	188,300	2.7%	2,918,563	26.3%	2,919,340	26.1%
03404 Overhead	42,448	0.6%	42,443	0.4%	42,443	0.4%
03408 Cara	-	-	59,901	0.5%	-	-
Grand Total	\$ 7,079,304	100.0%	\$ 11,103,427	100.0%	\$ 11,173,091	100.0%

	Fiscal 2004					Fiscal 2005				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Present Law Adjustments					662,232					671,201
Vacancy Savings					(214,367)					(214,725)
Inflation/Deflation					14,846					36,226
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$462,711					\$492,702
DP 306 - Computer Replacement	0.00	0	12,222	36,667	48,889	0.00	0	13,594	40,781	54,375
DP 307 - Restore OTO for Echo Lake Fish Plant	0.00	0	7,500	22,500	30,000	0.00	0	7,500	22,500	30,000
DP 309 - Internal Service Rate Adjustment	0.00	0	9,659	28,974	38,633	0.00	0	7,672	23,013	30,685
DP 310 - Hatchery Operations	0.00	0	50,000	150,000	200,000	0.00	0	53,000	159,000	212,000
DP 311 - Streamflow Gaging & Murray Springs Hatchery	0.00	0	20,000	11,000	31,000	0.00	0	20,000	11,000	31,000
DP 312 - Native Species Landowner Conservation Program	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 313 - Equipment Replacement	0.00	0	8,870	26,612	35,482	0.00	0	8,870	26,612	35,482
DP 314 - Overtime Adjustment	0.00	0	2,305	6,916	9,221	0.00	0	2,305	6,916	9,221
Total Other Present Law Adjustments	0.00	\$0	\$150,556	\$282,669	\$433,225	0.00	\$0	\$152,941	\$289,822	\$442,763
Grand Total All Present Law Adjustments					\$895,936					\$935,465

Executive Present Law Adjustments

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

DP 306 - Computer Replacement - The Executive Budget contains a request to replace computers. The Fisheries Division has 62 computers that are scheduled for replacement and is asking for one new computer that would be added in the 2005 biennium. The replacement computers are spread throughout the state and are primarily for biologists, hatcheries, and other users in the division. The new computer would be utilized at the Fort Peck Hatchery and would be constructed and operational during the biennium.

DP 307 - Restore OTO for Echo Lake Fish Plant - The Executive Budget contains a request to fund costs associated with stocking rainbow trout in Echo Lake near Kalispell.

**LFD
ISSUE**

The legislature may wish to consider the following:

- Echo Lake has never been included in the department budget request but has been inserted as a one-time-only (OTO) project for approximately \$30,000 each fiscal year since fiscal 1998.
- The purpose of the stocking project is to establish a viable rainbow trout fishery in the Kalispell area.
- The stockings do not appear to have been very successful in establishing a viable rainbow trout fishery. There are problems due to competition with other predatory species (bass and pike) found in the lake.
- There is already a viable mixed species recreational fishery at Echo Lake.
- In 2001, there were approximately 5,400 angler-days of effort expended at Echo Lake of which nearly 90 percent are residents.
- The Echo Lake project is not a high priority for the Fisheries Division because of the minimal success in attaining the management goal of establishing a viable rainbow trout fishery.

Options:

- Approve the funding request
- Approve the decision package with an OTO designation
- Not approve the funding request

DP 309 - Internal Service Rate Adjustment - The Executive Budget includes a request to adjust vehicle travel costs due to inflationary and rate increases for FWP internal fleet of vehicles. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

DP 310 - Hatchery Operations - The Executive Budget contains a request that would increase the hatchery operations budget by \$200,000 in fiscal 2004 and an additional 6.0 percent per year thereafter. According to the executive, the increase would be used for fish food, station utilities, and maintenance at all eight state-owned hatcheries.

**LFD
ISSUE**

Please see related equipment issue in DP 313.

DP 311 - Streamflow Gauging & Murray Springs Hatchery - The Executive Budget contains a request to increase the Murray Springs Hatchery funding for additional program development and maintenance. The federal portion of the requested funding would be fully reimbursed by the Corps of Engineers.

DP 312 - Native Species Landowner Conservation Program - The Executive Budget contains a request for general license account authority that would be used to match federal dollars, generating between \$80,000 and \$160,000 for projects centered on the conservation of native fish. The Wildlife Conservation Restoration Program, State Wildlife Grants, and Landowner Incentive Program are examples of similar federal programs the department participates in. Each of these federal programs requires a non-federal financial match ranging from 25.0 - 50.0 percent.

**LFD
COMMENT**

If the legislature wishes to ensure participation in a federal based native fish conservation program, a restricted designation could be attached to this decision package if passed.

DP 313 - Equipment Replacement - The Executive Budget includes requests in each year of the biennium to fund two hatchery distribution trucks (one truck in each fiscal year) and one replacement fish tank for a total of \$65,000.

The 2001 legislature authorized the use of the equipment budget to pay for Fisheries Division retirement payouts. In fiscal 2002, Fisheries Division used \$8,033 of equipment authority to make retirement payouts. In part, this request would restore the equipment budget by the amount redirected for these payouts.

LFD ISSUE Although this decision package states that equipment would increase by \$35,482 in each year of the biennium and would be used for hatcheries, two other DP's (PL 310 and NP 302) show significant amounts being allocated for equipment at hatcheries. If the legislature wishes to fund all equipment related DP's in the Fisheries Division as proposed, the base would increase by \$77,997 (69.1 percent) in fiscal 2004 and \$101,497 (90.0 percent) in fiscal 2005.

DP 314 - Overtime Adjustment - The Executive Budget contains a request to establish authority for overtime in the Fisheries Division. As a matter of procedure, overtime is removed from the base budget. This request is to continue the overtime budget at the same level as was approved for the 2003 biennium.

LFD ISSUE If this decision package is approved, the legislature may wish to reduce or not approve NP 301. That decision package indicates that additional FTE requested would result in fewer overtime/compensatory hours worked.

New Proposals Program	FTE	Fiscal 2004				Fiscal 2005				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 301 - Fish Tech Support 03	2.00	0	24,250	72,750	97,000	2.00	0	25,500	76,500	102,000
DP 302 - Fort Peck Hatchery Support 03	1.00	0	100,000	0	100,000	1.00	0	200,000	0	200,000
DP 303 - Legislative Contract Authority 03	0.00	0	0	2,701,319	2,701,319	0.00	0	0	2,701,322	2,701,322
DP 304 - Roving Creel Survey 03	0.00	0	25,000	75,000	100,000	0.00	0	26,250	78,750	105,000
DP 305 - Restore OTO for FAS Assistance Program 03	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 308 - WCRP-Prairie Riparian Study OTO 03	0.00	0	19,967	59,901	79,868	0.00	0	0	0	0
Total	3.00	\$0	\$219,217	\$2,908,970	\$3,128,187	3.00	\$0	\$301,750	\$2,856,572	\$3,158,322

New Proposals

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

DP 301 - Fish Tech Support - The Executive Budget proposes to add 2.00 FTE for technical support positions distributed among the regions to assist fisheries biologists. If approved, these positions would review private pond permits, oversee streambed protection and restoration projects, deal with recreation conflicts, and address introductions of aquatic nuisance species. The FTE would be distributed among the regions as projects arise. According to the department, efficiencies would result in fewer compensatory time hours being accumulated.

LFD ISSUE If this decision package is approved, the legislature may wish to reduce or not approve present law adjustment DP 314. That decision package requests additional funding for overtime hours. If the legislature approves NP 301, the additional FTE requested would result in fewer overtime/compensatory hours worked.

DP 302 - Fort Peck Hatchery Support - The Executive Budget contains a request for funding to provide an on-site Fort Peck Hatchery Manager to oversee construction of the site. Hiring goals include ensuring the hatchery meets department standards and familiarizing the manager with all aspects of the hatchery. The executive has indicated that a manager is desired, on-site, during the construction phase in part to coordinate system development, correct unintended design flaws, modify plans, and handle public relations.

**LFD
ISSUE**

Please see related equipment issue in DP 313.

DP 303 - Legislative Contract Authority - The Executive Budget includes a funding request for federally sponsored projects. This request would create spending authority for federally sponsored projects by such agencies as the USDA Forest Service (FS), US Fish and Wildlife Service (FWS), Bonneville Power Administration (BPA), U.S. Army Corps of Engineers (COE), and Bureau of Reclamation (BOR). With the authority, FWP would conduct fisheries investigations and aquatic restoration projects that provide mutual benefits to Montana as well as the federal agencies. In fiscal 2004 and 2005, the division is anticipating an additional \$1 million per year from the "Fisheries Restoration and Irrigation Mitigation Act of 2000" for native fish passage and screening projects funded by the U.S. Fish & Wildlife Service. This request consolidates spending from budget amendments and the Fisheries Irrigation & Restoration Act into the LCA program.

**LFD
ISSUE**

Please see the agency-wide issue on legislative contract authority.

DP 304 - Roving Creel Survey - The Executive Budget contains a request for authority to conduct roving creel surveys. Roving creel surveys are used to evaluate the effectiveness of fishing regulations and to assess the status of fish populations.

**LFD
ISSUE**

During the 2001 legislative session, as part of the alternative pay plan redirection effort, \$18,000 of general license authority for roving creel surveys was removed from the Fisheries Division base. This decision package is requesting that the \$18,000 reduction and an additional \$7,000 be restored. Because the executive requested, and ultimately was granted, a reduction in authority used to conduct roving creel surveys as part of an effort to fund alternative pay plan increases, the legislature may wish to: 1) reduce this decision package by \$18,000 general license account each year of the biennium; 2) eliminate the FTE equivalent of \$18,000 general license dollars.

DP 305 - Restore OTO for FAS Assistance Program - The Executive Budget contains a request to re-establish funding made one-time-only by the 2001 legislature. This request would provide assistance at non-FWP sites that provide public fishing access. Private access is being lost as conflicts prompt owners to exclude the public. Funding would allow regions to contract with an individual who would patrol private sites for litter, conduct minor maintenance, provide lawsuit protection, and make contact with anglers and landowners.

**LFD
ISSUE**

The Fishing Access Site Assistance program was established by 2001 legislature and was funded with one-time-only authority. Modeled after the block management program, this program would provide compensation to landowners who provide angling access opportunities. Compensation would mitigate angler impacts such as litter, noxious weeds, and lawsuits.

It is difficult to measure the effectiveness of this program since it was authorized with one-time-only authority. Through the trial period of the 2003 biennium, the department has signed four contracts to allow fishing access in exchange for approximately \$35,000 of compensation to the participating landowners. According to the department, only anecdotal evidence exists to document an increase in the number of anglers accessing private land as a result of this program.

Still in its early stages of development, the department is in the process of developing rules to govern the program as outlined in the legislation. Additional agreements are expected to be signed before the end of fiscal 2003. If the legislature wishes to continue this program as a permanent program several factors must be considered.

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**LFD
ISSUE
(Cont.)**Growth

The department is requesting decision packages that could result in a substantial amount of growth. Although this program is starting small, the department has indicated that it expects this to be a popular program among landowners and anglers. As this program grows, the legislature might expect to see future funding requests to accommodate growth.

Funding

If this program continues to grow, the legislature might expect to see requests for permanent funding sources. As mentioned above, this program is modeled after the block management program. Over the last several years, this program has grown substantially. More recently, the legislature attached a fee to resident conservation licenses from which the funding will be used to accommodate demand for program participation. If this program were to be as popular as the block management program and the general license account is used as an on-going funding source, a license fee increase may follow.

Direction

This is new program with a limited amount of data upon which conclusions of success could be drawn. If the legislature wants to play a major role in the direction of this program it may wish to direct the department to develop a plan for gathering data that the legislature could use to assist with decision making.

Options

- Do not fund the decision package. This option would limit department growth in a new direction.
- Approve the decision package with restrictions
- Require the department to develop a growth plan that shows program direction, funding, and impacts upon department resources. Report back to the 2005 legislative session with the results
- Restrict spending to this purpose and designate any authority as one-time-only in nature
- Approve the decision package as requested. Program growth and funding alternatives could be addressed in future legislative sessions

DP 308 - WCRP-Prairie Riparian Study OTO - The Executive Budget contains a request to restore a one-time-only authorization from the 2001 session for a Wildlife Conservation Restoration Program. The project objective is to determine the presence and distribution of fish, amphibians, reptiles, birds, and mammals in randomly selected prairie streams and associated riparian/grassland habitats in eastern Montana. Surveys for birds, mammals, fish, amphibians, and reptiles would be conducted at each site. Funding is being requested for fiscal 2004 only and the work would be contracted with Montana State University.

**LFD
COMMENT**

The executive requests that the funding be designated as one-time-only.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	102.63	0.00	2.00	104.63	0.00	2.00	104.63	104.63
Personal Services	4,916,547	324,884	86,218	5,327,649	329,220	86,068	5,331,835	10,659,484
Operating Expenses	1,383,658	96,703	56,071	1,536,432	120,837	56,221	1,560,716	3,097,148
Equipment	51,189	0	0	51,189	0	0	51,189	102,378
Grants	0	40,000	0	40,000	40,000	0	40,000	80,000
Transfers	0	0	18,000	18,000	0	18,000	18,000	36,000
Total Costs	\$6,351,394	\$461,587	\$160,289	\$6,973,270	\$490,057	\$160,289	\$7,001,740	\$13,975,010
State/Other Special	6,105,083	444,191	119,529	6,668,803	469,077	119,529	6,693,689	13,362,492
Federal Special	246,311	17,396	40,760	304,467	20,980	40,760	308,051	612,518
Total Funds	\$6,351,394	\$461,587	\$160,289	\$6,973,270	\$490,057	\$160,289	\$7,001,740	\$13,975,010

Program Description

The Law Enforcement Division is responsible for ensuring compliance with the department laws and regulations for the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other wildlife species. It also enforces laws and regulations relative to lands or waters under the jurisdiction and authority of the department such as parks, fishing access sites, and wildlife management areas, as well as those laws and regulations pertaining to boating, snowmobile, and all-terrain vehicle safety and registration. Other duties include administration of special purpose licenses, overseeing the department licensing agents, and investigating wildlife damage complaints.

Program Narrative

<p>Law Enforcement Division Major Program Highlights</p>
<ul style="list-style-type: none"> ○ An additional warden is being sought for boating, snowmobile, parks, and off-highway enforcement
<p>Major LFD Issues</p>
<ul style="list-style-type: none"> ○ The executive used a federal funding match to upgrade computers and is seeking to replace the match authority ○ The executive is seeking additional funding to give bonus pay increases to designated game wardens

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
02115 Off-Highway Vehicle Fines	\$ 37,949	0.6%	\$ 53,635	0.8%	\$ 54,283	0.8%
02329 Snowmobile Fuel Tax-Enforcemnt	23,254	0.4%	24,000	0.3%	24,000	0.3%
02334 Market Based Combo Sales	270,793	4.3%	298,592	4.3%	300,090	4.3%
02409 General License	5,494,843	86.5%	6,029,775	86.5%	6,033,441	86.2%
02411 State Parks Miscellaneous	68,778	1.1%	90,324	1.3%	90,705	1.3%
02412 Motorboat Fuel Tax	23,069	0.4%	26,602	0.4%	26,729	0.4%
02413 F & G Motorboat Cert Id	129,218	2.0%	79,033	1.1%	96,033	1.4%
02414 Snowmobile Reg	57,179	0.9%	66,842	1.0%	68,408	1.0%
03403 Fish & Game	<u>246,311</u>	<u>3.9%</u>	<u>304,467</u>	<u>4.4%</u>	<u>308,051</u>	<u>4.4%</u>
Grand Total	<u>\$ 6,351,394</u>	<u>100.0%</u>	<u>\$ 6,973,270</u>	<u>100.0%</u>	<u>\$ 7,001,740</u>	<u>100.0%</u>

The Law Enforcement Division is funded primarily with state special revenue, including the General License Account, variable priced non-resident hunting license fees, motorboat certificate fees, motorboat fuel taxes, state parks funds, income from the coal tax trust, and snowmobile and off-highway vehicle registration funds. Federal funds consist primarily of grants from the Coast Guard. Legislative contract authority is funded with money from federal land agencies that may contract with the department for enforcement of block management programs, or for achieving mutual interagency goals.

Present Law Adjustments	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					334,948					339,464
Vacancy Savings					(210,064)					(210,244)
Inflation/Deflation					2,849					37,446
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$127,733					\$166,666
DP 407 - County Water Safety Program										
0.00	0		20,000	20,000	40,000	0.00	0	20,000	20,000	40,000
DP 408 - Warden Overtime Compensation										
0.00	0	194,000	6,000	200,000	200,000	0.00	0	194,000	6,000	200,000
DP 410 - Internal Service Rate Adjustment										
0.00	0	48,074	0	48,074	48,074	0.00	0	37,611	0	37,611
DP 414 - Restore State Boating Program										
0.00	0	0	35,000	35,000	35,000	0.00	0	0	35,000	35,000
DP 415 - Off Highway Vehicle Enforcement										
0.00	0	10,780	0	10,780	10,780	0.00	0	10,780	0	10,780
Total Other Present Law Adjustments	0.00	\$0	\$272,854	\$61,000	\$333,854	0.00	\$0	\$262,391	\$61,000	\$323,391
Grand Total All Present Law Adjustments					\$461,587					\$490,057

Executive Present Law Adjustments

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

DP 407 - County Water Safety Program - The Executive Budget includes a request to fund a program to help counties increase their boating and water safety enforcement efforts through matching federal funds available under the State Recreational Boating Act administered by the U.S. Coast Guard.

DP 408 - Warden Overtime Compensation - The Executive Budget includes a request to fund wardens for work performed during official holidays, for providing emergency responses, and for increased coverage during peak times and seasons.

DP 410 - Internal Service Rate Adjustment - The Executive Budget includes a request to adjust vehicle travel costs resulting from inflation and rate increases for FWP internal fleet of vehicles. The additional funding would help manage a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

DP 414 - Restore State Boating Program - The Executive Budget includes a request to restore the authorized level of federal funding available from the U.S. Coast Guard under the State Recreational Boating Act. This federal funding source requires a 1:1 state match. The division uses state revenue from boat decal (02413) and funding from the general license account (02409) for this match. In fiscal 2002, the enforcement division was not successful in recruiting several water safety officers supported by this matched funding. According to the executive, the department redirected a portion of the general license account match due to reprioritized expenses. This resulted in unspent federal match. This proposal would restore the federal authority to previously authorized levels.

LFD ISSUE Rather than utilize the available authority to obtain federal matching dollars, the executive made a business decision to use the authority to replace field computers with upgraded models and for other unspecified patrol, response, and investigation purposes. The executive re-directed the authority for this program because other services were deemed to be of a higher priority. The legislature may wish to consider not funding this program or funding it at a reduced level.

DP 415 - Off Highway Vehicle Enforcement - The Executive Budget includes a request to restore the fiscal 2002 level of funding supporting off-highway vehicle enforcement. The division funding to enforce Off-Highway Vehicle (OHV) registration enforcement comes from a portion of revenue generated from the sale of registration decals. In fiscal 2002, the enforcement division experienced several factors that affected the full use of this funding source. The factors included vacancies, injury and illness of wardens, as well as vacation and compensatory time reduction requirements during seasons when wardens normally use an OHV.

New Proposals										
Program	FTE	Fiscal 2004				Fiscal 2005				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 401 - Warden Trainee										
04	1.00	0	29,812	7,760	37,572	1.00	0	29,812	7,760	37,572
DP 402 - Boating Parks & Recreation Law Enf Program Manager										
04	1.00	0	45,000	15,000	60,000	1.00	0	45,000	15,000	60,000
DP 405 - FTO/Trainer Compensation										
04	0.00	0	7,500	0	7,500	0.00	0	7,500	0	7,500
DP 409 - Restore OTO for Commercial Licensing										
04	0.00	0	32,000	0	32,000	0.00	0	32,000	0	32,000
DP 413 - Legislative Contract Authority										
04	0.00	0	0	18,000	18,000	0.00	0	0	18,000	18,000
DP 416 - Snowmobile Enforcement										
04	0.00	0	5,217	0	5,217	0.00	0	5,217	0	5,217
Total	2.00	\$0	\$119,529	\$40,760	\$160,289	2.00	\$0	\$119,529	\$40,760	\$160,289

New Proposals

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

DP 401 - Warden Trainee - The Executive Budget includes a request to add the two 0.50 FTE trainee positions created under HB 516 during the 2001 legislature into HB 2. According to the executive the Warden Trainee Program enhances the ability of FWP to recruit and train potential new wardens from Montana universities. This program gives Montana university students an opportunity to receive warden training and obtain work after graduation.

DP 402 - Boating Parks & Recreation Law Enf Program Manager - The Executive Budget includes a request for authority for 1.00 FTE and related operations expenses to administer and manage boating, water safety, parks, snowmobile, and off highway vehicle (OHV) enforcement programs. Responsibilities would include budget development and tracking, grant funding and requests, data gathering, program evaluation, policy recommendations, and legislative issues. The incumbent will coordinate with field staff and other divisions on projects and priorities and actively participate in patrols and training program development relative to areas of responsibility.

DP 405 - FTO/Trainer Compensation - The Executive Budget includes a request to provide bonus compensation to designated wardens for additional duties performed as field training officers, firearms instructors, and use of force instructors. If approved, this proposal would provide compensation for additional duties required of Field Training Officers (FTOs) and other wardens specifically designated to perform specialized duties. FTOs are specially selected and trained wardens used by the division to train and evaluate probationary wardens in a structured field evaluation and training program and to provide recurring training to all wardens to maintain their required peace officer certification.

**LFD
COMMENT**

The bonus compensation paid to FTO officers would be above and beyond any HB 13 pay plan increases that may be approved by the legislature.

DP 409 - Restore OTO for Commercial Licensing - The Executive Budget includes a request to fund contracted services and related department operational costs in the preparation of environmental assessments, environmental impact statements, compliance inspections and administrative costs incurred in commercial wildlife permitting. The funding for this service was initially reduced due to the passage of I-143 and a reduction in the number of projects anticipated for alternative livestock facilities. I-143 was approved by voters in the November 2000 election and placed a moratorium that eliminated the ability to establish new alternative livestock operations or transfer existing operations. This proposal would further reduce the amount.

DP 413 - Legislative Contract Authority - The Executive Budget includes a request for legislative contract authority to meet unanticipated federal expenditures. The department uses this authority, in part, to be able to use federal help in felony investigations.

**LFD
ISSUE**

Please see the agency-wide issue on legislative contract authority.

DP 416 - Snowmobile Enforcement - The Executive Budget includes a request for snowmobile enforcement funding. State law mandates enforcement authority to FWP and the legislature provides funding generated through snowmobile registration and fuel taxes. In fiscal 2002, Montana experienced late snows, resulting in a shortened snowmobile season. Thus, the usual level of spending in the base year did not occur. If approved, this request would restore funding to the level authorized by the 2001 legislature.

Program Proposed Budget	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	98.40	2.75	1.50	102.65	2.75	2.50	103.65	103.65
Personal Services	4,466,882	397,261	58,067	4,922,210	401,573	83,889	4,952,344	9,874,554
Operating Expenses	2,500,972	434,057	100,526	3,035,555	459,381	110,526	3,070,879	6,106,434
Equipment	62,251	20,000	0	82,251	30,000	10,000	102,251	184,502
Capital Outlay	0	0	0	0	0	0	0	0
Grants	135,000	0	0	135,000	0	0	135,000	270,000
Transfers	0	0	550,000	550,000	0	550,000	550,000	1,100,000
Total Costs	\$7,165,105	\$851,318	\$708,593	\$8,725,016	\$890,954	\$754,415	\$8,810,474	\$17,535,490
State/Other Special	3,744,788	485,984	69,648	4,300,420	508,981	81,104	4,334,873	8,635,293
Federal Special	3,420,317	365,334	638,945	4,424,596	381,973	673,311	4,475,601	8,900,197
Total Funds	\$7,165,105	\$851,318	\$708,593	\$8,725,016	\$890,954	\$754,415	\$8,810,474	\$17,535,490

Program Description

The Wildlife Division is responsible for the department statewide Wildlife Management Program, which enhances the use of Montana renewable wild life 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, small game, furbearers, and threatened and endangered species.

Program Narrative

<p>Wildlife Division Major Program Highlights</p> <ul style="list-style-type: none"> ○ As requested, the number of FTE would grow by 5.25 FTE ○ The executive is seeking to mitigate coal bed methane (CBM) impacts with a 1.00 FTE CBM coordinator position ○ Seeking permanent funding for bear and mountain lion research
<p>Major LFD Issues</p> <ul style="list-style-type: none"> ○ The executive is seeking funding for increased printing costs ○ Dollars being requested are high when compared to the same request last session ○ Enhanced internet capabilities could be used to distribute some regulations

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
02061 Nongame Wildlife Account	\$ 348	0.0%	\$ 39,362	0.5%	\$ 39,362	0.4%
02085 Waterfowl Stamp Spec. Rev.	22,305	0.3%	32,305	0.4%	32,305	0.4%
02086 Mountain Sheep Account	45,380	0.6%	85,380	1.0%	85,380	1.0%
02112 Moose Auction	9,069	0.1%	16,250	0.2%	16,250	0.2%
02113 Upland Game Bird Program	77,632	1.1%	93,806	1.1%	93,997	1.1%
02409 General License	3,372,341	47.1%	3,779,508	43.3%	3,810,437	43.2%
02469 Habitat Trust Interest	217,713	3.0%	253,809	2.9%	257,142	2.9%
03097 Fish(Dj)-Wldlf(Pr) Restor Grnt	3,330,502	46.5%	3,834,781	44.0%	3,885,786	44.1%
03403 Fish & Game	-	-	500,000	5.7%	500,000	5.7%
03404 Overhead	89,815	1.3%	89,815	1.0%	89,815	1.0%
Grand Total	\$ 7,165,105	100.0%	\$ 8,725,016	100.0%	\$ 8,810,474	100.0%

The Wildlife Division state special revenue funding consists primarily of hunting and fishing license revenue. Earmarked hunting license fees fund all of the Upland Game Bird Habitat Enhancement Program and the Wildlife Habitat Program operations. Other specialized programs are funded by revenue earned from earmarked hunting license fees such as fees for waterfowl stamps, and the mountain sheep and moose license auctions. Federal funding consists of Pittman-Robertson funds. Legislative contract authority is funded with miscellaneous federal revenue.

Present Law Adjustments	Fiscal 2004					Fiscal 2005				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					492,144					496,855
Vacancy Savings					(198,348)					(198,547)
Inflation/Deflation					8,827					32,477
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$302,623					\$330,785
DP 501 - Internal Service Rate Adjustment	0.00	0	21,404	19,758	41,162	0.00	0	18,115	16,721	34,836
DP 503 - Survey and Inventory Adjustment	0.00	0	20,000	60,000	80,000	0.00	0	22,000	66,000	88,000
DP 504 - Grizzly Bear Conflict Specialist R-3	0.25	0	42,289	4,699	46,988	0.25	0	42,288	4,699	46,987
DP 508 - Restore OTO for Mountain Lion Research	0.50	0	38,847	116,542	155,389	0.50	0	38,840	116,522	155,362
DP 509 - Moose Auction	0.00	0	7,181	0	7,181	0.00	0	7,181	0	7,181
DP 511 - Nongame Wildlife Program	0.00	0	39,000	0	39,000	0.00	0	39,000	0	39,000
DP 512 - Region 1 Wildlife Conflict Specialist	1.00	0	37,265	0	37,265	1.00	0	37,185	0	37,185
DP 513 - Region 4 Wildlife Biologist Reinstatement	1.00	0	25,194	16,796	41,990	1.00	0	25,139	16,759	41,898
DP 514 - Upland Game Bird Habitat adjustment	0.00	0	14,000	0	14,000	0.00	0	14,000	0	14,000
DP 515 - Wildlife Habitat Trust O & M	0.00	0	20,720	0	20,720	0.00	0	20,720	0	20,720
DP 516 - Equipment OTO	0.00	0	20,000	0	20,000	0.00	0	30,000	0	30,000
DP 518 - Printing Costs for Wildlife Regulations	0.00	0	35,000	0	35,000	0.00	0	35,000	0	35,000
DP 519 - Migratory Bird Stamp Implementation	0.00	0	10,000	0	10,000	0.00	0	10,000	0	10,000
Total Other Present Law Adjustments	2.75	\$0	\$330,900	\$217,795	\$548,695	2.75	\$0	\$339,468	\$220,701	\$560,169
Grand Total All Present Law Adjustments					\$851,318					\$890,954

Executive Present Law Adjustments

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

DP 501 - Internal Service Rate Adjustment - The Executive Budget includes a request to adjust vehicle travel costs resulting from inflation and rate increases for FWP internal fleet of vehicles. Fish, Wildlife & Parks manages a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, vehicle rates have been kept low. However, cash flow projections now predict that additional revenue is needed to operate the fleet.

DP 503 - Survey and Inventory Adjustment - The Executive Budget includes a request to fund wildlife survey and inventory activities. The survey and inventory activities include monitoring wildlife species. The results would be used to make recommendations and management plans for hunting seasons. If approved the base adjustment would be used for private aircraft rental used in population monitoring efforts across the state and funded 75.0 percent with federal funds.

**LFD
COMMENT**

During the 2001 legislative session, the executive received \$138,500 for the same purpose.

DP 504 - Grizzly Bear Conflict Specialist R-3 - The Executive Budget includes a request to add 0.25 FTE in Region 3 to create a full-time position dedicated to managing grizzly, black bears, and other wildlife in the Yellowstone ecosystem. In addition, the request seeks to increase the operations funding associated with all conflict specialists positions.

DP 508 - Restore OTO for Mountain Lion Research - The Executive Budget includes a request to fund mountain lion research approved on a one-time basis during the 2001 legislature. If approved this proposal would continue the work started in 1997 and increase FTE by 0.50 to conduct the lion trapping and tract monitoring. Due to the long-term nature of this study, the department is requesting that this funding request be made permanent.

DP 509 - Moose Auction - The Executive Budget includes a request for the additional authority from increasing moose auction receipts. If approved, the additional authority would be used increase moose survey efforts to develop population trends.

DP 511 - Nongame Wildlife Program - The Executive Budget includes a request to increase operations in the non-game account that is consistent with funding availability. This money will be used in operations for survey and inventory of non-game species.

DP 512 - Region 1 Wildlife Conflict Specialist - The department is requesting 1.00 FTE wildlife conflict specialist to replace a contract position in Region 1 and respond to nuisance black bears, mountain lions, and moose in the urban/wild land interface.

DP 513 - Region 4 Wildlife Biologist Reinstatement - The Executive Budget includes a request to add an additional 1.00 FTE wildlife biologist in Great Falls. According to the executive, the workload has increased in upland bird and block management programs.

DP 514 - Upland Game Bird Habitat adjustment - The Executive Budget includes a request to add authority to the upland game bird habitat program. Last session, the legislature moved the bulk of this program into HB 5 to be managed as a capital project. If approved, the funding would be used for administration costs of the program.

DP 515 - Wildlife Habitat Trust O & M - The Executive Budget includes a request to increase annual operating authority at wildlife management areas. If approved, additional funding would be used for maintenance efforts such as fencing, weed control, and monitoring of conservation easements.

DP 516 - Equipment OTO - The Executive Budget includes a request for authority to purchase a weed boom sprayer, flail mower for weed management, game check trailer, and shared backhoe for various projects across several regions.

LFD COMMENT The executive requests that the funding be designated as one-time-only. In addition, if the legislature desires this funding to be spent only on equipment for these purposes, it could designate the authority as restricted.

DP 518 - Printing Costs for Wildlife Regulations - The Executive Budget includes a request to increase authority costs for printing of hunting and trapping regulations due to volume and number. According to the executive, FWP prints approximately 750-800,000 regulation booklets for hunting and trapping each year. These booklets have become a source of information as well as regulation and application. The regulations annually become more costly because of the increased volume of pages as well as per page costs.

LFD ISSUE The 2001 legislature approved a \$20,000 increase in each year of the biennium for increased printing costs. At that time, the executive indicated that the volume of printed materials nearly doubled to over 700,000 copies. This request is for an increase that is a fraction of the last request but with a funding request that is 75.0 percent higher than that granted by the 2001 legislature. In addition to the printing increase last legislative session, the legislature approved nearly \$50,000 of authority each fiscal year to enhance internet functions within the department. As an alternative to increased funding for printing costs, the legislature may wish to require the department to rely on its more advanced internet capabilities to distribute regulations.

DP 519 - Migratory Bird Stamp Implementation - The Executive Budget includes a request to increase authority for operation expenses associated with implementation of the wetland program under the Wetland Legacy Program. Migratory bird stamp revenue increased because of an increase in non-resident fees during the last legislative session. While most of the additional revenue is used in the capital funding portion of the program, increased capital activity creates additional annual operation expense to implement the program. If approved, this authority would off set these increased costs.

New Proposals Program	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 502 - Coal Bed Methane Coordinator 05	1.00	0	13,005	39,016	52,021	1.00	0	13,004	39,011	52,015
DP 505 - Research Weather Relationships with Wildlife 05	0.00	0	1,750	5,250	7,000	1.00	0	13,214	39,642	52,856
DP 507 - Restore OTO for Black Bear Research 05	0.50	0	14,893	44,679	59,572	0.50	0	14,886	44,658	59,544
DP 510 - Bighorn Sheep Auction 05	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 517 - Legislative Contract Authority 05	0.00	0	0	550,000	550,000	0.00	0	0	550,000	550,000
Total	1.50	\$0	\$69,648	\$638,945	\$708,593	2.50	\$0	\$81,104	\$673,311	\$754,415

New Proposals

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

DP 502 - Coal Bed Methane Coordinator - The Executive Budget includes a request to add 1.00 FTE to develop a mitigation plan for coal bed methane development in southeastern Montana in coordination with private industry. An environmental impact statement (EIS) is currently being written for coal bed methane (CBM) development in Southeastern Montana. The Bureau of Land Management and the state will work cooperatively in developing the monitoring. The additional FTE would be the liaison with the CBM industry, federal and state agencies, and the landowners in southeastern Montana.

DP 505 - Research Weather Relationships with Wildlife - The Executive Budget includes a request to develop a research project on the relationships between weather and wildlife populations as a step toward forecasting populations that may help with hunting season decisions.

**LFD
ISSUE**

According to the department, there are not other states that have formally established relationships between wildlife population predictions and the weather.

Options:

- Approve funding as requested
- Approve the funding as requested and eliminate funding for a lower priority project
- Do not approve

DP 507 - Restore OTO for Black Bear Research - The Executive Budget includes a request for authority to conduct an evaluation of black bear management criteria as outlined in the Black Bear EIS and add a 0.50 (Grade 11 field technician to assist in trapping/monitoring) and an additional \$23,250 in operations. Due to the long-term nature of this study, the department is requesting that this funding request be made permanent.

DP 510 - Bighorn Sheep Auction - The Executive Budget includes a request for additional operations funding. If approved, funding would be used for additional transplanting and research.

DP 517 - Legislative Contract Authority - The Executive Budget includes a request for legislative contract authority each fiscal year allowing the division to spend unanticipated federal funds. In the Wildlife Division, LCA is used to perform special surveys for federal agencies via contract. The contracts usually run through the federal fiscal year and most require a report.

**LFD
ISSUE**

Please see the agency-wide issue on legislative contract authority.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	93.55	0.00	3.87	97.42	0.00	3.87	97.42	97.42
Personal Services	3,083,284	275,977	113,509	3,472,770	277,994	113,498	3,474,776	6,947,546
Operating Expenses	1,553,181	83,999	60,731	1,697,911	101,777	60,731	1,715,689	3,413,600
Equipment	391,970	50,909	0	442,879	(282,011)	0	109,959	552,838
Capital Outlay	0	0	0	0	0	0	0	0
Grants	311,541	1,778	0	313,319	1,778	0	313,319	626,638
Transfers	0	0	50,000	50,000	0	50,000	50,000	100,000
Total Costs	\$5,339,976	\$412,663	\$224,240	\$5,976,879	\$99,538	\$224,229	\$5,663,743	\$11,640,622
General Fund	279,253	(23,823)	0	255,430	(22,816)	0	256,437	511,867
State/Other Special	4,831,807	383,031	174,240	5,389,078	68,899	174,229	5,074,935	10,464,013
Federal Special	228,916	53,455	50,000	332,371	53,455	50,000	332,371	664,742
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$5,339,976	\$412,663	\$224,240	\$5,976,879	\$99,538	\$224,229	\$5,663,743	\$11,640,622

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 42 parks, 12 affiliated lands such as rifle ranges and recreation sites managed by local and federal agencies, and 320 fishing access sites. Other programs administered by the division include motorized and non-motorized trail grants, local government recreation grants, and state Capitol Complex grounds maintenance.

Program Narrative

Parks Division	
Major Program Highlights	
<ul style="list-style-type: none"> ○ Parks Division is the only division in the department that uses general fund <ul style="list-style-type: none"> ● \$511,867 over the biennium ○ State Parks Futures II committee suggested alternative funding sources for Parks Division <ul style="list-style-type: none"> ● Park fee increases ● Mill levy ● License plate fees ● Community partnerships ○ The executive is seeking a \$.01 per square foot fee increase for capital grounds maintenance 	
Major LFD Issues	
<ul style="list-style-type: none"> ○ Alternative funding sources could be used to replace general fund 	

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding Table Parks Division						
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
01100 General Fund	\$ 279,253	5.2%	\$ 255,430	4.3%	\$ 256,437	4.5%
02213 Off Highway Vehicle Gas Tax	29,271	0.5%	29,271	0.5%	29,271	0.5%
02239 Off Hwy Vehicle Acct (Parks)	21,682	0.4%	21,682	0.4%	21,682	0.4%
02332 Snowmobile Registration-Parks	68,042	1.3%	69,820	1.2%	69,820	1.2%
02333 Fishing Access Site Maint	118,238	2.2%	122,968	2.1%	122,968	2.2%
02407 Snowmobile Fuel Tax	647,585	12.1%	717,849	12.0%	385,363	6.8%
02408 Coal Tax Trust Account	816,316	15.3%	1,050,339	17.6%	1,050,339	18.5%
02409 General License	846,874	15.9%	1,054,989	17.7%	1,054,978	18.6%
02411 State Parks Miscellaneous	1,213,886	22.7%	1,322,160	22.1%	1,340,514	23.7%
02412 Motorboat Fuel Tax	1,069,913	20.0%	1,000,000	16.7%	1,000,000	17.7%
03097 Fish(Dj)-Wldlf(Pr) Restor Grnt	178,248	3.3%	173,574	2.9%	173,574	3.1%
03403 Fish & Game	-	-	50,000	0.8%	50,000	0.9%
03404 Overhead	<u>50,668</u>	<u>0.9%</u>	<u>108,797</u>	<u>1.8%</u>	<u>108,797</u>	<u>1.9%</u>
Grand Total	<u>\$ 5,339,976</u>	<u>100.0%</u>	<u>\$ 5,976,879</u>	<u>100.0%</u>	<u>\$ 5,663,743</u>	<u>100.0%</u>

- General fund provides a portion of the support and maintenance of parks and historic sites.
- The largest state special revenue source is park fee revenues, followed by motorboat fuel taxes, parks coal tax trust earnings, the General License Account, snowmobile fuel taxes, off-highway vehicle fuel taxes, fishing access maintenance and acquisition fee revenues, snowmobile registration fees and off-highway vehicle registration fees. The department receives the following allocations of gasoline dealers license taxes: 1) nine-tenths of 1.0 percent for maintenance of parks with motorboat use; 2) one-eighth of 1.0 percent for off-highway vehicle safety, repair of off-highway vehicle damage, and facility development; and 3) fifteen-twenty-eights of 1.0 percent for snowmobile safety, facility development, enforcement, and control of noxious weeds. Of total Coal Severance Tax revenue collections, 1.27 percent is deposited into a non-expendable trust, with the interest from this trust allocated for maintenance of state parks and historic sites. The General License Account and earmarked fishing license fees are used to maintain fishing access sites
- Federal sources of funds include Wallop-Breaux, the National Recreational Trails, and the Land and Water Conservation funds, as well as miscellaneous federal revenues
- The department receives 6.5 percent of lodging facility tax collections for maintenance of state park facilities. However, since the money is statutorily appropriated, appropriations are not included in HB 2
- Capitol grounds maintenance is funded via a proprietary account; rate charges are based on the amount of office space occupied in the capitol complex. The legislature does not appropriate these funds, but does approve the rates

	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					415,948					418,051
Vacancy Savings					(139,971)					(140,057)
Inflation/Deflation					7,773					21,818
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$283,750					\$299,812
DP 601 - Restore Snowmobile Grant Authority	0.00	0	1,778	0	1,778	0.00	0	1,778	0	1,778
DP 602 - Snowmobile Equipment Biennial	0.00	0	50,909	0	50,909	0.00	0	(282,011)	0	(282,011)
DP 603 - Land & Water Conservation Fund	0.00	0	0	58,129	58,129	0.00	0	0	58,129	58,129
DP 605 - Internal Service Rate Adjustment	0.00	0	10,500	0	10,500	0.00	0	14,233	0	14,233
DP 606 - Restore Base Operations	0.00	0	4,342	0	4,342	0.00	0	4,342	0	4,342
DP 607 - Community Service	0.00	0	35,000	0	35,000	0.00	0	35,000	0	35,000
DP 7612 - General Fund Reduction	0.00	(31,745)	0	0	(31,745)	0.00	(31,745)	0	0	(31,745)
Total Other Present Law Adjustments	0.00	(\$31,745)	\$102,529	\$58,129	\$128,913	0.00	(\$31,745)	(\$226,658)	\$58,129	(\$200,274)
Grand Total All Present Law Adjustments					\$412,663					\$99,538

Executive Present Law Adjustments

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

DP 601 - Restore Snowmobile Grant Authority - The Executive Budget includes a request to restore grant authority to fund grooming of snowmobile trails that went unspent due to late winter snow.

DP 602 - Snowmobile Equipment Biennial - The Executive Budget includes a request for a biennial appropriation to purchase snowmobile-trail grooming equipment. Funds for this program come from a rebate of fees paid by users on snowmobile fuel. Funds are used to purchase snowmobile trail grooming equipment for local snowmobile clubs. Members of these clubs volunteer their time to groom trail systems all over the state. The department receives fifteen-twenty-eighths of 1.0 percent of total gasoline dealer license tax revenue to "...develop and maintain facilities open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and for the control of noxious weeds." This request would be used to purchase three trail groomers that are typically purchased used.

DP 603 - Land & Water Conservation Fund - The Executive Budget includes a request for federal authority to administer the Land and Water Conservation Fund program that gives grants to state and local communities for recreational improvements. In addition to grants, other work includes coordination with Montana Department of Transportation, site inspections, and planning. Since inception in 1965, approximately \$30 million has been spent improving local recreation in nearly every county in the state. If the state fails to continue to actively manage the LWCF program, Montana would be liable to repay over \$25 million in previously expended federal funds.

DP 605 - Internal Service Rate Adjustment - The Executive Budget includes a request to adjust vehicle travel costs resulting from inflation and rate increases for FWP internal fleet of vehicles. Fish, Wildlife & Parks manages a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles.

DP 606 - Restore Base Operations - The Executive Budget includes a request to restore base operations to fund daily operation costs such as security contracts, custodial contracts, mowing, fence repair, weed control, paying light bills, and the purchase of gas. This money is not an increase above the fiscal 2002 appropriated level. This request represents park operations funding that was not spent in the base year.

DP 607 - Community Service - The Executive Budget includes a request for \$31,400 per year of the biennium to utilize community service programs to assist with park maintenance projects. Montana State Parks uses modified level FTE to supplement current staff members who are supervising Montana Conservation Corps, volunteer groups, and Aspen Youth Alternative crews. Community service crews work on park projects such as toilet cleaning, vandal repair, painting, trail repair, carpentry, weed control and other labor-intensive tasks.

DP 7612 - General Fund Reduction - The Executive Budget includes a request to reduce general fund authority in the Parks Division. General fund authority is used in parks statewide to assist with maintenance and operations of the State Parks program. This request would reduce maintenance activities such as weed control, toilet pumping, and interpretive signing.

LFD ISSUE

The legislature may wish to direct the executive to raise fees as recommended by the State Parks Futures II Committee. Additional fees could be used to replace all of the Parks Division general fund authority and used for maintenance activities.

Background

Governor Martz appointed a nine-member committee to address concerns and changes that have been occurring in the State Parks system over the last several years. This committee was named the State Parks Futures Committee II and is made up of individuals that represent a variety of interests and communities across the state including five members of the legislative body. Among the concerns addressed by this committee was funding. The committee identified six funding principles that could be used as a guide when considering funding options for the state parks system. A summary of these principles follows:

- State parks are a valuable resource with unfulfilled potential for recreation, education, conservation, and economic development
- Without proper stewardship, the quality of the state park resources and visitor experiences will decline
- Park management must be effective. This includes reallocation of resources, programs staffing, and funding
- State parks cannot be self-sufficient and should be supported, in part, by public funds
- Park users should be expected to support the parks and programs they use, yet parks should not be inaccessible to people on low incomes
- When economic conditions allow, funding should be responsibly increased to sustain and improve the park system

Funding Alternatives

The committee identified 14 potential sources of additional funding or funding alternatives and potential revenue amounts that might be generated for use in state parks. These include:

- Entrance fee increases in selected state parks
- Developing community partnerships that might develop private funding sources
- Fee increases for candlelight tours at Lewis & Clark Caverns
- Fee increases for annual park passports
- One-mill level dedicated to state parks (estimated to bring in \$2.2 million annually) or \$4 or \$5 license plate fee (\$3.6 to \$4.5 million).
- Tax on rental cars (an estimate of 4.0 percent would bring \$1.3 million)
- Pilot project to maximize collection of fees through increased staff presence
- Increase motorboat decal fee
- Create a motorboat launching fee
- Create a fee decal for non-motorized boats
- Create a "park trust" to fund all park costs
- Create a land conversion tax that would charge a tax when undeveloped land is developed for any non-agriculture purpose
- Increase the amount of severance taxes on natural gas production such as coal bed methane
- Increase accommodations tax by 4.0 percent and maintain the existing allocation of the revenue by this tax

**LFD
ISSUE
(continued)**

While these funding sources could be used to raise revenue for state parks, they could also be used to replace general fund within the department on a dollar for dollar basis. Many of these proposed funding sources have the potential to raise substantial amounts of revenue for the park system. If the legislature accepts any of these proposals, it may wish to consider replacing \$0.5 million of general fund with new funding sources before using it for other purposes.

Program	FTE	Fiscal 2004				Fiscal 2005				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 604 - Legislative Contract Authority										
06	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 609 - FAS Maintenance and Operations										
06	3.87	0	174,240	0	174,240	3.87	0	174,229	0	174,229
Total	3.87	\$0	\$174,240	\$50,000	\$224,240	3.87	\$0	\$174,229	\$50,000	\$224,229

New Proposals

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

DP 604 - Legislative Contract Authority - The Executive Budget includes a request for LCA authority to be used when FWP enters into partnerships with federal agencies, in order to jointly manage projects and properties where there is a mutual interest.

**LFD
ISSUE**

Please see the agency-wide issue on legislative contract authority.

DP 609 - FAS Maintenance and Operations - The Executive Budget includes a request to fund maintenance efforts at fishing access sites. This request would add 3.87 FTE and related operations funding. Maintenance is typically accomplished by part-time seasonal employees who live on a nearby farm, ranch, or in a small community. This request would add additional maintenance positions across the state to help keep pace with increased visitation, longer recreation seasons, and the aging of the facilities.

**LFD
COMMENT**

During the 2001 legislative session, funding for 2.00 FTE were approved for this purpose. The legislature may wish to consider if growth in this area of the budget is one of its priorities.

Proprietary Rates

Program Description

There are two main proprietary funds within the Parks Division: 1) Capitol Grounds; and 2) the Enterprise Fund.

Capitol Grounds Maintenance

The Parks Division of Montana Fish, Wildlife and Parks is responsible for the state Capitol Complex Grounds Maintenance program.. The department funds the program through the capitol grounds proprietary account. Indirect costs are recovered through assessment of an indirect cost rate on actual program expenditures of the previous period. The total annual cost of the capitol grounds maintenance program is allocated to state agencies based on each agency share of the total square footage of office space on the capitol complex, which is rented from Department of Administration, General Services Division.

Enterprise Fund

23-1-105 (5), MCA, authorizes the Parks Division of Montana Fish, Wildlife and Parks to establish an Enterprise Fund 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.

The fund was established to develop better management practices in parks visitor centers that sell books at parks like Ulm Pishkun, Makoshika, and Chief Plenty Coups as well as parks that sell items such as firewood. Money generated is used to purchase inventory and also to improve visitor services in state parks and FWP.

In fiscal 2002, this fund accounted for the following money: \$15,000 of contributed capital, \$66,008 of earned revenue, \$51,813 of receipts and a balance of funds in the amount of \$29,087.

Revenues and Expenses*Capitol Grounds Maintenance*

There are no changes proposed in the provision of services. An increase of \$0.01 cents per square foot is proposed for the 2005 biennium. On an annual basis, revenues and expenses are reviewed to ensure costs are commensurate with the fees charged agencies. Surplus cash may occur during years when the weather is favorable for maintenance and snow removal. Accumulated cash balances from previous periods are used to calculate rates for future periods. A total of 6.06 FTE are funded in this program.

The 60-day working capital requirement provides sufficient cash to fund on-going operations of the program. On a biennial basis, program costs are reviewed to ensure fees charged to agencies are commensurate with program costs. Each biennium, the account is analyzed to determine if ending cash balances are long or short relative to program working capital requirements. Calculation of rates for future periods can be affected by ending cash balances. Fund balance is reserved for reverted appropriations from the previous period.

Agencies are billed quarterly for grounds maintenance and snow removal. Cash balances fluctuate during the year relative to the season and weather conditions. Generally, cash balances are lowest in the first and last quarter of each fiscal year. This is during the busy summer months of lawn and landscape maintenance and during the start up season in the spring. During years of heavy and or frequent snowfall, cash balances can become low in the second and third quarters.

Enterprise Fund

Revenues are generated by the sales of merchandise at park visitor centers and regional offices. 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 will provide sufficient cash to fund on-going operations of the program. As the program continues to develop, a portion of the fund balance will be reserved for inventory. In the first year of operation the fund cash balances were highest in the winter after the parks season ended and lowest in the spring when stock was replenished.

Rate Explanation*Grounds Maintenance*

Capitol grounds unit of service is the grounds maintenance and snow removal on the capitol complex. The unit price is the total annual revenue of the program divided by the total square footage of rented office space on the capitol complex. Square footage of rented office space on the capitol complex for the 2005 biennium is provided by General Services Division and used in these calculations. The summary of costs billed to agencies and per unit costs for fiscal 1998 - fiscal 2005 are as follows:

	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05
Revenue	\$297,349	\$298,562	\$296,112	\$296,000	\$319,189	\$319,189	\$326,374	\$326,374
Per Sq. Ft.	\$.3446	\$.3446	\$.3446	\$.3446	\$.3696	\$.3696	\$.3796	\$.3796

An increase in the rate of \$0.01 cents for the 2005 biennium is proposed.

Enterprise Fund

The enterprise fund applies a markup rate of no less than 40.0 percent on goods purchased for resale to ensure sufficient revenues to replenish stock.

Report on Internal Service and Enterprise Funds, 2005 Biennium						
Fund	Fund Name	Agency #	Agency Name	Program Name		
06528	Facilities Management	52010	Dept. of Fish, Wildlife, and Parks	Parks		
					Actual FY00	Budgeted FY05
Operating Revenues:						
Fee revenue						
	Net Fee Revenue				296,113	326,374
	Investment Earnings				-	-
	Securities Lending Income				-	-
	Premiums				-	-
	Other Operating Revenues				11	-
	Total Operating Revenues				296,124	326,374
Intrafund Revenue						
	Net Operating Revenues				296,124	326,374
Operating Expenses:						
	Personal Services				144,010	185,665
	Other Operating Expenses				162,775	142,929
	Miscellaneous, operating				-	-
	Miscellaneous, other				-	-
	Total Operating Expenses				306,785	328,594
Intrafund Expense						
	Net Operating Expenses				306,785	328,594
Operating Income (Loss)						
					(10,661)	(2,220)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets						
					-	-
Federal Indirect Cost Recoveries						
					-	-
Other Nonoperating Revenues (Expenses)						
	Net Nonoperating Revenues (Expenses)				-	-
Income (Loss) Before Operating Transfers						
					(10,661)	(2,220)
Contributed Capital*						
					4,587	-
Operating Transfers In (Note 13)						
					-	-
Operating Transfers Out (Note 13)						
					-	-
Retained Earnings/Fund Balances - July 1 - As Restated						
					83,633	50,458
Net Income (Loss)						
					(6,074)	(2,220)
Retained Earnings/Fund Balances - June 30						
					77,559	48,238
60 days of expenses						
	(Total Operating Expenses divided by 6)				51,131	54,766
*Contributed capital was closed into fund balance at FYE01						
Fee/Rate Information for Legislative Action:						
Requested Rates for Internal Service Funds						
		FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
	Grounds Maintenance (per sq. ft.)	0.3446	0.3446	0.3696	0.3696	0.3796

Report on Internal Service and Enterprise Funds, 2005 Biennium											
Fund	Fund Name	Agency #	Agency Name	Program Name							
06068	FWP Visitor Services	52010	Dept. of Fish, Wildlife & Parks	Parks							
				actual FY00	actual FY01	actual FY02	budgeted FY03	budgeted FY04	budgeted FY05		
Operating Revenues:											
Fee revenue											
Net Fee Revenue											
						65,647	66,960	68,299	69,665		
Investment Earnings											
						360	300	300	300		
Securities Lending Income											
						6	6	6	6		
Premiums											
						-	-	-	-		
Other Operating Revenues											
						-	-	-	-		
Total Operating Revenues						66,013	67,266	68,605	69,971		
Intrafund Revenue											
						-	-	-	-		
Net Operating Revenues						-	-	66,013	67,266	68,605	69,971
Operating Expenses:											
Personal Services											
						-	-	-	-		
Other Operating Expenses											
Miscellaneous, operating											
						51,813	58,000	60,320	62,733		
Miscellaneous, other											
						-	-	-	-		
Total Operating Expenses						51,813	58,000	60,320	62,733		
Intrafund Expense											
						-	-	-	-		
Net Operating Expenses						-	-	51,813	58,000	60,320	62,733
Operating Income (Loss)								14,200	9,266	8,285	7,238
Nonoperating Revenues (Expenses):											
Gain (Loss) Sale of Fixed Assets											
						-	-	-	-		
Federal Indirect Cost Recoveries											
						-	-	-	-		
Other Nonoperating Revenues (Expenses)											
Net Nonoperating Revenues (Expenses)						-	-	-	-	-	
Income (Loss) Before Operating Transfers						14,200	9,266	8,285	7,238		
Capital Contribution											
						-	-	-	-		
Operating Transfers In (Note 13)											
						15,000	-	-	-		
Operating Transfers Out (Note 13)											
						-	-	-	-		
Retained Earnings/Fund Balances - July 1 - As Restated						-	29,200	39,512	58,007		
Net Income (Loss)						-	-	<u>29,200</u>	<u>9,266</u>	<u>8,285</u>	<u>7,238</u>
Retained Earnings/Fund Balances - June 30						-	-	29,200	38,466	47,797	65,245
60 days of expenses (Total Operating Expenses divided by 6)											
						-	-	8,636	9,667	10,053	10,455

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	23.55	0.00	0.00	23.55	0.00	0.00	23.55	23.55
Personal Services	1,113,240	85,764	0	1,199,004	87,194	0	1,200,434	2,399,438
Operating Expenses	1,265,351	102,619	(1,979)	1,365,991	92,097	(1,979)	1,355,469	2,721,460
Equipment	9,178	20,000	0	29,178	20,000	0	29,178	58,356
Grants	24,969	60,031	45,172	130,172	(24,969)	(14,828)	(14,828)	115,344
Transfers	0	0	50,000	50,000	0	50,000	50,000	100,000
Total Costs	\$2,412,738	\$268,414	\$93,193	\$2,774,345	\$174,322	\$33,193	\$2,620,253	\$5,394,598
General Fund	2,563	(2,563)	0	0	(2,563)	0	0	0
State/Other Special	1,770,966	167,448	43,193	1,981,607	73,356	(16,807)	1,827,515	3,809,122
Federal Special	639,209	103,529	50,000	792,738	103,529	50,000	792,738	1,585,476
Total Funds	\$2,412,738	\$268,414	\$93,193	\$2,774,345	\$174,322	\$33,193	\$2,620,253	\$5,394,598

Program Description

The Conservation Education Division, through its Helena office and six regional information officers, provides the department primary information and education programs. Its responsibilities include:

- o Distributing public information through news releases, audio-visual materials, brochures and public service announcements;
- o Coordinating youth education programs;
- o Coordinating the production of hunting, fishing and trapping regulations;
- o Coordinating the hunter, bow-hunter, snowmobile, boat and off-highway vehicle education and safety programs; and
- o Providing reception services for the department Helena headquarters.

The program also publishes Montana Outdoors Magazine, produces video documentaries and television public service announcements, as well as a weekly television report, maintains a film/video lending library and operates the department wild animal rehabilitation center.

Program Narrative

Conservation Education Division
Major Program Highlights
<ul style="list-style-type: none"> o Executive spending reductions in printing of off-highway vehicle brochures will be continued o Additional federal funding is available to enhance hunter education programs
Major LFD Issues
<ul style="list-style-type: none"> o Enhanced internet capabilities could be used to mitigate reductions in printing costs

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
01100 General Fund	\$ 2,563	0.1%	\$ -	-	\$ -	-
02328 Ohv Gas Tax - Con Ed	11,086	0.5%	11,528	0.4%	11,528	0.4%
02330 Snowmobile Fuel Tax-Con Ed	56,989	2.4%	59,265	2.1%	59,265	2.3%
02408 Coal Tax Trust Account	40,180	1.7%	47,581	1.7%	47,898	1.8%
02409 General License	1,662,711	68.9%	1,863,233	67.2%	1,708,824	65.2%
03097 Fish(Dj)-Wldlf(Pr) Restor Grmt	555,602	23.0%	657,830	23.7%	657,830	25.1%
03403 Fish & Game	32,619	1.4%	83,923	3.0%	83,923	3.2%
03404 Overhead	4,705	0.2%	4,702	0.2%	4,702	0.2%
03408 Cara	<u>46,283</u>	<u>1.9%</u>	<u>46,283</u>	<u>1.7%</u>	<u>46,283</u>	<u>1.8%</u>
Grand Total	<u>\$ 2,412,738</u>	<u>100.0%</u>	<u>\$ 2,774,345</u>	<u>100.0%</u>	<u>\$ 2,620,253</u>	<u>100.0%</u>

The largest funding source in the Conservation Education Division is revenue from hunting and fishing license fees. Other state special revenue sources include interest earnings from the department Coal Tax Trust, snowmobile and off-highway vehicle fuel taxes, and off-highway vehicle decal fees. Federal funds consist of Pittman-Robertson and Wallop-Breaux funds and grants from the Coast Guard. Legislative contract authority is funded with miscellaneous federal funds at a level of \$200,000 per fiscal year.

	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					110,721					112,214
Vacancy Savings					(48,957)					(49,020)
Inflation/Deflation					10,195					15,122
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$71,959					\$78,316
DP 803 - Video Equipment	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
DP 805 - Shooting Range Grants	0.00	0	70,865	0	70,865	0.00	0	(29,135)	0	(29,135)
DP 806 - Salary Adjustment	0.00	0	24,000	0	24,000	0.00	0	24,000	0	24,000
DP 807 - Federal PR/Section 10	0.00	0	0	80,000	80,000	0.00	0	0	80,000	80,000
DP 808 - Internal Service Rate Adjustment	0.00	0	4,155	0	4,155	0.00	0	3,718	0	3,718
DP 7809 - General Fund Reduction	0.00	(2,565)	0	0	(2,565)	0.00	(2,577)	0	0	(2,577)
Total Other Present Law Adjustments	0.00	(\$2,565)	\$119,020	\$80,000	\$196,455	0.00	(\$2,577)	\$18,583	\$80,000	\$96,006
Grand Total All Present Law Adjustments					\$268,414					\$174,322

Executive Present Law Adjustments

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

DP 803 - Video Equipment - The Executive Budget includes a request for funding to purchase video equipment to replace and update equipment currently used by the department. Weekly two-minute outdoor reports, a quarterly half-hour program produced in conjunction with the Montana Television Network, and free public service announcements are the primary products produced. Over time, equipment has worn out and become obsolete by technological advances in video equipment. This request is to replace existing equipment with digital equipment that is compatible with equipment used

by Montana television stations.

DP 805 - Shooting Range Grants - The Executive Budget includes a request to continue a biennial appropriation to fund a public shooting range grants program. FWP has administered a shooting range grants program for the last 12 years with biennial funding authority varying between \$120,000 and \$150,000. These dollars have been distributed to approximately 75 projects at 45 different locations.

DP 806 - Salary Adjustment - The Executive Budget includes a request for funding to cover anticipated increased personal services expenses associated with regional information officers expected to receive an hourly wage increase due to increased responsibilities. Adjustments will occur after the base budget personal services "snapshot" is taken in 2002.

DP 807 - Federal PR/Section 10 - The Executive budget includes a request for additional federal authority to enhance the state Hunter Education Program. As a result of the passage of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000, additional federal aid funds (Section 10) are available to enhance state hunter education programs. Montana apportionment is \$80,000 annually. Potential projects include the development of a supplemental wildlife and hunting guide for 10,000 hunter education students each year as well as the development of an outdoor-based Hunter Challenge & Skills Program as part of an optional continuing education program for hunters of all ages. The fund is to be used to "enhance" the existing hunter education program and may not be used to replace existing federal appropriations for hunter education.

DP 808 - Internal Service Rate Adjustment - The Executive Budget includes a request for increased funding to manage a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

DP 7809 - General Fund Reduction - The Executive budget includes a request to eliminate general fund authority in the Conservation Education Division. The result would be to continue spending reductions enacted under 17-7-140, MCA, at a higher level by reducing printed material relating to Off-Highway Vehicle (OHV) Safety and Education.

LFD COMMENT	Since the agency does these printings in bulk, some printed material remain in inventory. Therefore, it is unlikely that the public would do without printed safety material. To mitigate the reductions, the agency would contract for slightly smaller printing runs. In addition, the legislature may wish to direct the executive to utilize internet capabilities to distribute regulations.
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New Proposals	Fiscal 2004					Fiscal 2005					
	Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 801 - Legislative Contract Authority											
08	0.00	0	0		50,000	50,000	0.00	0	0	50,000	50,000
DP 804 - Restore OTO for Shooting Range Grants Enhancement											
08	0.00	0	43,193		0	43,193	0.00	0	(16,807)	0	(16,807)
Total	0.00	\$0	\$43,193		\$50,000	\$93,193	0.00	\$0	(\$16,807)	\$50,000	\$33,193

New Proposals

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

DP 801 - Legislative Contract Authority - The Executive Budget includes a request for LCA in each year of the biennium. The executive anticipates receiving dollars from federal agencies for special cooperative efforts. In the past, those projects have consisted of producing migratory bird and other wildlife guides. During this biennium, the executive

anticipates a cooperative effort with the U.S. Forest Service to operate and maintain the Wild Animal Rehabilitation and Education Center at Spring Meadow State Park.

**LFD
ISSUE**

Please see the agency-wide issue on legislative contract authority.

DP 804 - Restore OTO for Shooting Range Grants Enhancement - The Executive Budget includes a request to continue a biennial appropriation of general license dollars in support of a shooting range grant given to the department to supplement their shooting range program.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	50.23	0.00	1.30	51.53	0.00	1.30	51.53	51.53
Personal Services	2,247,360	185,771	845,096	3,278,227	185,085	58,162	2,490,607	5,768,834
Operating Expenses	1,206,499	13,915	1,330,000	2,550,414	9,109	70,000	1,285,608	3,836,022
Equipment	36,738	0	0	36,738	0	0	36,738	73,476
Capital Outlay	0	0	0	0	0	0	0	0
Grants	69,389	0	100,000	169,389	0	0	69,389	238,778
Transfers	0	0	200,000	200,000	0	200,000	200,000	400,000
Total Costs	\$3,559,986	\$199,686	\$2,475,096	\$6,234,768	\$194,194	\$328,162	\$4,082,342	\$10,317,110
State/Other Special	2,660,954	135,876	835,096	3,631,926	126,267	128,162	2,915,383	6,547,309
Federal Special	899,032	63,810	1,640,000	2,602,842	67,927	200,000	1,166,959	3,769,801
Total Funds	\$3,559,986	\$199,686	\$2,475,096	\$6,234,768	\$194,194	\$328,162	\$4,082,342	\$10,317,110

Program Description

The Department Management Division is responsible for:

- 1) Overall department direction regarding policy, planning, program development, guidelines, and budgets;
- 2) serving as a liaison with the Governor's Office and the legislature;
- 3) interaction with the Fish, Wildlife and Parks Commission;
- 4) decision-making for key resource activities affecting the department;
- 5) supervision of the seven divisions that provide program development and staff support;
- 6) supervision of the seven regional offices that are responsible for program implementation;
- 7) legal services for the department; and
- 8) serving as a liaison with Montana Indian tribes and with other state and federal agencies.

Program Narrative

Department Management Division
Major Program Highlights
<ul style="list-style-type: none"> o \$1.2 million in additional federal funding is available to manage species of special concern
Major LFD Issues
<ul style="list-style-type: none"> o Hunting, angling, and wildlife viewing economic contribution study data may be available from other entities

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
02409 General License	\$ 2,660,954	74.7%	\$ 3,578,526	57.4%	\$ 2,915,383	71.4%
02411 State Parks Miscellaneous	-	-	53,400	0.9%	-	-
03097 Fish(Dj)-Wldlf(Pr) Restor Grnt	-	-	240,000	3.8%	-	-
03404 Overhead	899,032	25.3%	1,162,842	18.7%	1,166,959	28.6%
03408 Cara	-	-	<u>1,200,000</u>	<u>19.2%</u>	-	-
Grand Total	<u>\$ 3,559,986</u>	<u>100.0%</u>	<u>\$ 6,234,768</u>	<u>100.0%</u>	<u>\$ 4,082,342</u>	<u>100.0%</u>

The Department Management Division operating budget is funded from the General License Account and a portion of the indirect cost assessments on federal grants and non-federal accounts. The proposed rate for the 2001 biennium for non-federal funds is 11.7 percent for operational expenditures and 4.1 percent for capital expenditures. These assessments are handled as non-budgeted transfers to the general license account, from which expenses are paid. The federal overhead rate of 19.1 percent is applied to federal grants, which include Pittman-Robertson, Wallop-Breaux, Corps of Engineers, and Coast Guard funds. Legislative contract authority is primarily for support staff associated with contracted mitigation activities funded by the federal Bonneville Power Administration.

Present Law Adjustments	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					267,358					266,644
Vacancy Savings					(100,587)					(100,559)
Inflation/Deflation					10,375					14,831
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$177,146					\$180,916
DP 901 - Internal Service Rate Adjustment	0.00	0	2,540	0	2,540	0.00	0	2,104	0	2,104
DP 902 - Printing of Statute Books	0.00	0	1,000	0	1,000	0.00	0	(7,826)	0	(7,826)
DP 904 - Overtime/Comp Time Costs	0.00	0	3,000	0	3,000	0.00	0	3,000	0	3,000
DP 907 - Commission Per Diem	0.00	0	16,000	0	16,000	0.00	0	16,000	0	16,000
Total Other Present Law Adjustments	0.00	\$0	\$22,540	\$0	\$22,540	0.00	\$0	\$13,278	\$0	\$13,278
Grand Total All Present Law Adjustments					\$199,686					\$194,194

Executive Present Law Adjustments

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

DP 901 - Internal Service Rate Adjustment - The Executive Budget includes a request to adjust vehicle travel costs resulting from inflation and rate increases for FWP internal fleet of vehicles. FWP manages a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have been kept low.

DP 902 - Printing of Statute Books - The Executive Budget includes a request to reduce funding by \$7,826 in the second year of the biennium to account for cyclical costs. Following each legislative session, FWP prints statute books to inform

game wardens, other staff, and the public of relevant laws pertaining to FWP. This cost of approximately \$8,826 during the base year is cyclic and therefore is not needed during the second year of the biennium.

DP 904 - Overtime/Comp Time Costs - The Executive Budget includes a request to restore funding for the overtime budget. Clerical and administrative support staff must occasionally work in excess of 40 hours per week to meet critical deadlines. Compensatory time and flexible schedules are utilized to minimize fiscal impact, but U.S. Department of Labor rules for compensatory time payouts require that a certain amount of overtime for these services be paid. If approved, this decision package would provide funding comparable to actual expenses for the coming biennium.

DP 907 - Commission Per Diem - The Executive Budget includes a request to restore personal services authority in order to cover commissioner expenses. The budget system automatically excludes all per diem paid to FWP commissioners. These funds are used to pay expenses for travel, per diem, and other costs associated with meetings of the FWP Commission.

New Proposals Program	Fiscal 2004					Fiscal 2005				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 905 - Restore OTO for Office Maint and Small Equipment 09	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
DP 906 - Legislative Contract Authority 09	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 908 - Restore OTO for River Recreation Coordinator 09	1.00	0	72,169	0	72,169	1.00	0	72,053	0	72,053
DP 909 - Economic Study 09	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
DP 910 - Regional Office Support Staff 09	0.30	0	6,127	0	6,127	0.30	0	6,109	0	6,109
DP 911 - State Wildlife Grant (SWG) Federal Program 09	0.00	0	160,000	1,200,000	1,360,000	0.00	0	0	0	0
DP 913 - FWP Retirement Liability 09	0.00	0	546,800	240,000	786,800	0.00	0	0	0	0
Total	1.30	\$0	\$835,096	\$1,640,000	\$2,475,096	1.30	\$0	\$128,162	\$200,000	\$328,162

New Proposals

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

DP 905 - Restore OTO for Office Maintenance and Small Equipment - The Executive Budget includes a request to restore funding for maintenance and minor office equipment. The 2001 legislature approved a one-time, restricted appropriation for non-capital maintenance and office equipment. This adjustment was requested to address routine building maintenance that does not rise to the level of capital expenditures such as painting, carpet, plumbing repairs; rewiring to support use of computer networks; and for replacement of small office equipment, such as FAX machines, desktop photocopiers, cash registers, computers, and printers.

LFD COMMENT	If approved without a one-time, restricted designation, funding for office maintenance and small equipment would be increased and permanent.
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DP 906 - Legislative Contract Authority - The Executive Budget includes a request to spend federal funds for administrative support. This Division uses LCA funding to provide clerical and administrative support in regional offices where field staff are working on LCA projects.

**LFD
ISSUE**

Please see the agency-wide issue on legislative contract authority.

DP 908 - Restore OTO for River Recreation Coordinator - The Executive Budget includes a request to restore FTE to coordinate and facilitate recreation management plans on the most popular and congested waters in Montana. The 2001 legislature authorized a new program in the Fisheries Division budget for recreation management planning to address user conflicts on popular bodies of water. According to the executive, this function would be best utilized if it were conducted from the Director's Office. If approved, this decision package would provide permanent funding for 1.00 FTE and related operations costs.

DP 909 - Economic Study - The Executive Budget includes a request to provide funding for annual assessment of the value of hunting, fishing, and wildlife related recreation to the Montana economy. The executive collects, analyzes, and reports information on the economic value of hunting and fishing for several purposes, including environmental analyses and environmental impact statements required by the Montana Environmental Protection Act (MEPA). The last comprehensive assessment of economic value of hunting and fishing was completed in 1992. This decision package would provide funding to update this data. If approved, this appropriation would be permanent and would allow annual updates to maintain current information.

**LFD
ISSUE**

The legislature may want to consider the utility of using state resources to prepare this study. Other entities already prepare similar data. For example, using data collected by the U.S. Bureau of Census, and a survey developed with assistance from state agencies and national conservation organizations, the U.S. Fish & Wildlife Service recently produced a report that describes the impacts of hunting, angling, and wildlife viewing in dollars and days. Further, other comparable reports may also exist in the private sector or through university studies.

DP 910 - Regional Office Support Staff - The Executive Budget includes a request to add FTE for regional support staff. Regional offices provide a wide range of public services in person, on the phone, and via electronic media and provide administrative and clerical support to staff in all divisions in the region. If approved, this decision package would provide 0.30 FTE for additional staff in Missoula.

DP 911 - State Wildlife Grant (SWG) Federal Program - The Executive Budget includes a request to provide funding for surveys, monitoring, and conservation of native fish and wildlife species of special concern. Congress appropriated \$1.4 million in federal funds for use by FWP to conserve native fish and wildlife species with funding matched 1:1 or 1:3, depending on the nature of the project. The executive is requesting authority to spend \$.2 million in general license dollars and \$1.2 million in federal funds. The balance of matching funds would come from other non-federal sources.

**LFD
ISSUE**

At the request of the executive, the legislature may wish to designate any appropriation as biennial and one-time-only.

DP 913 - FWP Retirement Liability - The Executive Budget includes a request to provide one-time-only, restricted authority to fund FWP retirement payout liability. During the 2005 biennium at least 59 career FWP employees will be eligible for retirement. Termination payouts for these long-term employees would average over \$20,000 each. This decision package would create a one-time-only, biennial appropriation for a pool of restricted authority that could be used to pay retirement costs and reduce the impact on operations.