

**Agency Legislative Budget**

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

| Agency Legislative Budget |                            |                                   |                              |                                  |                                   |                              |                                  |                                   |
|---------------------------|----------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|
| Budget Item               | Base Budget<br>Fiscal 2006 | PL Base Adjustment<br>Fiscal 2008 | New Proposals<br>Fiscal 2008 | Total Leg. Budget<br>Fiscal 2008 | PL Base Adjustment<br>Fiscal 2009 | New Proposals<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 08-09 |
| FTE                       | 659.85                     | 13.25                             | 5.00                         | 678.10                           | 14.25                             | 5.00                         | 679.10                           | 679.10                            |
| Personal Services         | 31,173,981                 | 3,962,696                         | 216,770                      | 35,353,447                       | 4,132,540                         | 215,553                      | 35,522,074                       | 70,875,521                        |
| Operating Expenses        | 24,251,674                 | 3,038,478                         | 2,408,000                    | 29,698,152                       | 2,903,397                         | 2,389,000                    | 29,544,071                       | 59,242,223                        |
| Equipment                 | 773,754                    | 260,500                           | 31,000                       | 1,065,254                        | 238,000                           | 20,000                       | 1,031,754                        | 2,097,008                         |
| Grants                    | 947,419                    | 104,312                           | 0                            | 1,051,731                        | 104,312                           | 0                            | 1,051,731                        | 2,103,462                         |
| Benefits & Claims         | 6,188                      | 0                                 | 0                            | 6,188                            | 0                                 | 0                            | 6,188                            | 12,376                            |
| Transfers                 | 26,463                     | 73,189                            | 0                            | 99,652                           | 73,189                            | 0                            | 99,652                           | 199,304                           |
| <b>Total Costs</b>        | <b>\$57,179,479</b>        | <b>\$7,439,175</b>                | <b>\$2,655,770</b>           | <b>\$67,274,424</b>              | <b>\$7,451,438</b>                | <b>\$2,624,553</b>           | <b>\$67,255,470</b>              | <b>\$134,529,894</b>              |
| General Fund              | 0                          | 0                                 | 690,000                      | 690,000                          | 0                                 | 690,000                      | 690,000                          | 1,380,000                         |
| State/Other Special       | 41,524,440                 | 5,655,236                         | 3,639,251                    | 50,818,927                       | 5,643,567                         | 3,608,034                    | 50,776,041                       | 101,594,968                       |
| Federal Special           | 15,655,039                 | 1,783,939                         | (1,673,481)                  | 15,765,497                       | 1,807,871                         | (1,673,481)                  | 15,789,429                       | 31,554,926                        |
| <b>Total Funds</b>        | <b>\$57,179,479</b>        | <b>\$7,439,175</b>                | <b>\$2,655,770</b>           | <b>\$67,274,424</b>              | <b>\$7,451,438</b>                | <b>\$2,624,553</b>           | <b>\$67,255,470</b>              | <b>\$134,529,894</b>              |

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Legislative Budget Analysis, C-1

**Executive Budget Comparison**

The following table compares the proposed budget for the 2009 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

| Executive Budget Comparison |                            |                                 |                                   |                                       |                                 |                                   |                                       |                                     |
|-----------------------------|----------------------------|---------------------------------|-----------------------------------|---------------------------------------|---------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| Budget Item                 | Base Budget<br>Fiscal 2006 | Executive Budget<br>Fiscal 2008 | Legislative Budget<br>Fiscal 2008 | Leg - Exec. Difference<br>Fiscal 2008 | Executive Budget<br>Fiscal 2009 | Legislative Budget<br>Fiscal 2009 | Leg - Exec. Difference<br>Fiscal 2009 | Biennium Difference<br>Fiscal 08-09 |
| FTE                         | 659.85                     | 679.60                          | 678.10                            | (1.50)                                | 680.60                          | 679.10                            | (1.50)                                |                                     |
| Personal Services           | 31,173,981                 | 35,620,895                      | 35,353,447                        | (267,448)                             | 35,789,595                      | 35,522,074                        | (267,521)                             | (534,969)                           |
| Operating Expenses          | 24,251,674                 | 30,275,878                      | 29,698,152                        | (577,726)                             | 30,165,999                      | 29,544,071                        | (621,928)                             | (1,199,654)                         |
| Equipment                   | 773,754                    | 1,065,254                       | 1,065,254                         | 0                                     | 1,031,754                       | 1,031,754                         | 0                                     | 0                                   |
| Grants                      | 947,419                    | 936,669                         | 1,051,731                         | 115,062                               | 936,669                         | 1,051,731                         | 115,062                               | 230,124                             |
| Benefits & Claims           | 6,188                      | 6,188                           | 6,188                             | 0                                     | 6,188                           | 6,188                             | 0                                     | 0                                   |
| Transfers                   | 26,463                     | 99,652                          | 99,652                            | 0                                     | 99,652                          | 99,652                            | 0                                     | 0                                   |
| <b>Total Costs</b>          | <b>\$57,179,479</b>        | <b>\$68,004,536</b>             | <b>\$67,274,424</b>               | <b>(\$730,112)</b>                    | <b>\$68,029,857</b>             | <b>\$67,255,470</b>               | <b>(\$774,387)</b>                    | <b>(\$1,504,499)</b>                |
| General Fund                | 0                          | 639,032                         | 690,000                           | 50,968                                | 616,612                         | 690,000                           | 73,388                                | 124,356                             |
| State/Other Special         | 41,524,440                 | 50,830,452                      | 50,818,927                        | (11,525)                              | 50,859,469                      | 50,776,041                        | (83,428)                              | (94,953)                            |
| Federal Special             | 15,655,039                 | 16,535,052                      | 15,765,497                        | (769,555)                             | 16,553,776                      | 15,789,429                        | (764,347)                             | (1,533,902)                         |
| <b>Total Funds</b>          | <b>\$57,179,479</b>        | <b>\$68,004,536</b>             | <b>\$67,274,424</b>               | <b>(\$730,112)</b>                    | <b>\$68,029,857</b>             | <b>\$67,255,470</b>               | <b>(\$774,387)</b>                    | <b>(\$1,504,499)</b>                |

The biennial budget contained in this bill is \$1.5 million lower than the executive request.

The bill includes \$124,000 more in general fund as a result of funding warm water fish enhancement activities. State special revenue is lower by \$94,000 due to reductions in fisheries operations and survey and inventory funding.

Federal special revenue differences (\$1.5 million) relates mainly to the non-inclusion of legislative contract authority (LCA) in all divisions, except fisheries. LCA provides open federal authority for federal grants received throughout the biennium without oversight by the Governor’s budget office or the Legislative Fiscal Division.

**Agency Highlights**

| <b>Department of Fish, Wildlife, and Parks<br/>Major Budget Highlights</b>  |
|---|
| <ul style="list-style-type: none"> <li>◆ The largest funding source is the general license account at 56 percent of the budget, totaling \$75.7 million over the biennium</li> <li>◆ Total FTE increase 18.25 FTE to a total of 678.10 FTE in FY 2008 including:                         <ul style="list-style-type: none"> <li>● 2.00 FTE for additional regional investigators and 2.00 FTE for state land wardens within the enforcement division</li> <li>● Fisheries staff, including 1.00 FTE for a fisheries biologist and 0.50 FTE for fisheries technicians.</li> <li>● Wildlife staff of 2.50 FTE for species management</li> <li>● 6.25 FTE for maintenance and operations as well as cultural and historic activities in the Parks program</li> <li>● 3.00 FTE to manage river recreation</li> </ul> </li> <li>◆ Increases to base operations include:                         <ul style="list-style-type: none"> <li>● Authority for increased super tag revenues for block management and enforcement programs</li> <li>● Funding to maintain fish production at the Fort Peck hatchery at 50 percent of capacity</li> <li>● Grants for snowmobile equipment</li> <li>● Support for citizen advisory councils</li> <li>● Authority to continue participation in the state wildlife grant program</li> </ul> </li> <li>◆ General fund one-time only appropriations for the biennium include                         <ul style="list-style-type: none"> <li>● Match for the state wildlife grant program of \$1.0 million</li> <li>● Warm water fish enhancement activities of \$270,000</li> <li>● Study of the Cartersville diversion of \$110,000</li> </ul> </li> </ul> |

**Agency Discussion**

*General License Account*

The department's main source of funding is the general license account (GLA). Fees collected for the privilege of hunting and fishing that are not otherwise earmarked are deposited to the GLA. The amount available for appropriation from the GLA is dependent upon license revenues, interest earned, capital appropriations, and the demand for funds within the department. The biennial budget of \$136 million is funded with \$75.7 million of general license dollars. The health of this fund is central to the operation of the department.

As written, the bill does not result in structural balance of the general license account as expenditures exceed revenues by \$0.2 million in FY08 and \$0.7 million in FY09. Figure 1 illustrates the status of the GLA based on this bill and the proposed pay plan. All capital appropriations have been taken into consideration. The expenditures may not occur in the year the appropriation is made, but the appropriations do obligate cash from the fund. If all appropriation authority is expended, the fund is anticipated to have a \$22.0 million fund balance at the end of FY 2009.

| FWP General License Account -- Estimate Available Fund Balance |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| 2007 Biennium Executive Budget Request                         |                   |                   |                   |                   |
|  | Actual            | Appropriated      | Executive Request |                   |
|  | Fiscal 2006       | Fiscal 2007       | Fiscal 2008       | Fiscal 2009       |
| Beginning Balance  | 26,249,557        | 27,286,382        | 22,822,214        | 22,624,894        |
| License Revenue  | 29,136,277        | 30,040,744        | 33,788,743        | 34,182,815        |
| Other Revenue  | 3,078,027         | 2,413,002         | 4,545,987         | 2,461,523         |
| <b>Total Funds Available</b>                                   | <b>58,463,861</b> | <b>59,740,128</b> | <b>61,156,944</b> | <b>59,269,232</b> |
| Disbursements  |                   |                   |                   |                   |
| Program Expenditures   | 29,541,417        | 31,328,508        | 31,402,079        | 31,493,011        |
| Continuing Capital Costs                                       | 1,909,389         | 4,384,359         | -                 | -                 |
| LRB Projects   | 142,264           | 1,205,047         | 2,000,000         | -                 |
| Proposed Executive Pay Plan                                    |                   |                   | 629,114           | 1,408,246         |
| Budget Proposals (PL & NP)                                     |                   |                   | 4,500,857         | 4,364,894         |
| <b>Total Disbursements</b>                                     | <b>31,593,070</b> | <b>36,917,914</b> | <b>38,532,050</b> | <b>37,266,151</b> |
| Adjustments (Prior Year Revenue)                               | 415,591           | -                 | -                 | -                 |
| <b>Available Ending Balance</b>                                | <b>27,286,382</b> | <b>22,822,214</b> | <b>22,624,894</b> | <b>22,003,081</b> |

**Funding**

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

| Total Agency Funding<br>2009 Biennium Budget |                     |                       |                      |                       |                |
|--|---------------------|-----------------------|----------------------|-----------------------|----------------|
| Agency Program                               | General Fund        | State Spec.           | Fed Spec.            | Grand Total           | Total %        |
| 01 Information Services Division             | \$ -                | \$ 7,462,338          | \$ 319,726           | \$ 7,782,064          | 5.78%          |
| 02 Field Services Division                   | -                   | 18,494,167            | 952,472              | 19,446,639            | 14.46%         |
| 03 Fisheries Division                        | 880,000             | 9,733,712             | 17,971,056           | 28,584,768            | 21.25%         |
| 04 Enforcement Division                      | -                   | 15,916,382            | 796,590              | 16,712,972            | 12.42%         |
| 05 Wildlife Division                         | 500,000             | 9,956,131             | 9,564,775            | 20,020,906            | 14.88%         |
| 06 Parks Division                            | -                   | 15,495,575            | 427,920              | 15,923,495            | 11.84%         |
| 08 Communication And Education Div           | -                   | 5,233,199             | 1,438,860            | 6,672,059             | 4.96%          |
| 09 Management And Finance                    | -                   | 19,303,464            | 83,527               | 19,386,991            | 14.41%         |
| <b>Grand Total</b>                           | <b>\$ 1,380,000</b> | <b>\$ 101,594,968</b> | <b>\$ 31,554,926</b> | <b>\$ 134,529,894</b> | <b>100.00%</b> |

As stated the largest source of state special revenue is the general license account. Other sources of state special revenue includes the variable priced outfitter sponsored license revenue, vehicle registration fees, coal tax trust funds, and gasoline taxes.

**Language**

"If the department receives additional federal special revenue for services comparable to those with general license revenue or is required to adjust personal services expenditures between state and federal accounts, the approving authority shall adjust the state special revenue appropriation and the federal appropriation by like amounts."

**Program Legislative Budget**

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

| Program Legislative Budget |                         |                                |                           |                               |                                |                           |                               |                                |  |
|----------------------------|-------------------------|--------------------------------|---------------------------|-------------------------------|--------------------------------|---------------------------|-------------------------------|--------------------------------|--|
| Budget Item                | Base Budget Fiscal 2006 | PL Base Adjustment Fiscal 2008 | New Proposals Fiscal 2008 | Total Leg. Budget Fiscal 2008 | PL Base Adjustment Fiscal 2009 | New Proposals Fiscal 2009 | Total Leg. Budget Fiscal 2009 | Total Leg. Budget Fiscal 08-09 |  |
| FTE                        | 35.50                   | 0.00                           | 0.00                      | 35.50                         | 0.00                           | 0.00                      | 35.50                         | 35.50                          |  |
| Personal Services          | 1,698,541               | 485,876                        | 0                         | 2,184,417                     | 492,956                        | 0                         | 2,191,497                     | 4,375,914                      |  |
| Operating Expenses         | 1,310,541               | 262,989                        | 0                         | 1,573,530                     | 334,301                        | 0                         | 1,644,842                     | 3,218,372                      |  |
| Equipment                  | 24,500                  | 0                              | 0                         | 24,500                        | 0                              | 0                         | 24,500                        | 49,000                         |  |
| Grants                     | 69,389                  | 0                              | 0                         | 69,389                        | 0                              | 0                         | 69,389                        | 138,778                        |  |
| <b>Total Costs</b>         | <b>\$3,102,971</b>      | <b>\$748,865</b>               | <b>\$0</b>                | <b>\$3,851,836</b>            | <b>\$827,257</b>               | <b>\$0</b>                | <b>\$3,930,228</b>            | <b>\$7,782,064</b>             |  |
| State/Other Special        | 2,535,049               | 1,156,998                      | 0                         | 3,692,047                     | 1,235,242                      | 0                         | 3,770,291                     | 7,462,338                      |  |
| Federal Special            | 567,922                 | (408,133)                      | 0                         | 159,789                       | (407,985)                      | 0                         | 159,937                       | 319,726                        |  |
| <b>Total Funds</b>         | <b>\$3,102,971</b>      | <b>\$748,865</b>               | <b>\$0</b>                | <b>\$3,851,836</b>            | <b>\$827,257</b>               | <b>\$0</b>                | <b>\$3,930,228</b>            | <b>\$7,782,064</b>             |  |

**Page Reference**

Legislative Budget Analysis, C-10

**Funding**

The Information Services Division manages the functionality, training and hardware associated with the automated licensing system (ALS). The division is primarily funded with license fees. The division receives 81 percent of its funding from the general license account. The federal funding is mainly Pittman-Robertson/Wallup-Breaux dollars to provide additional support for the licensing system.

**Present Law Adjustments**

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

|  | -----Fiscal 2008----- |              |                  |                    |                  | -----Fiscal 2009----- |              |                  |                    |                  |
|--|-----------------------|--------------|------------------|--------------------|------------------|-----------------------|--------------|------------------|--------------------|------------------|
|  | FTE                   | General Fund | State Special    | Federal Special    | Total Funds      | FTE                   | General Fund | State Special    | Federal Special    | Total Funds      |
| Personal Services                              |                       |              |                  |                    | 576,891          |                       |              |                  |                    | 584,264          |
| Vacancy Savings                                |                       |              |                  |                    | (91,015)         |                       |              |                  |                    | (91,308)         |
| Inflation/Deflation                            |                       |              |                  |                    | 5,981            |                       |              |                  |                    | 6,364            |
| Fixed Costs                                    |                       |              |                  |                    | 257,507          |                       |              |                  |                    | 328,448          |
| <b>Total Statewide Present Law Adjustments</b> |                       |              |                  |                    | <b>\$749,364</b> |                       |              |                  |                    | <b>\$827,768</b> |
| DP 103 - Information Services Overhead Refund  | 0.00                  | 0            | 179,034          | (179,034)          | 0                | 0.00                  | 0            | 179,034          | (179,034)          | 0                |
| DP 6015 - State Motor Pool Rate Change         | 0.00                  | 0            | (487)            | (12)               | (499)            | 0.00                  | 0            | (498)            | (13)               | (511)            |
| <b>Total Other Present Law Adjustments</b>     | <b>0.00</b>           | <b>\$0</b>   | <b>\$178,547</b> | <b>(\$179,046)</b> | <b>(\$499)</b>   | <b>0.00</b>           | <b>\$0</b>   | <b>\$178,536</b> | <b>(\$179,047)</b> | <b>(\$511)</b>   |
| <b>Grand Total All Present Law Adjustments</b> |                       |              |                  |                    | <b>\$748,865</b> |                       |              |                  |                    | <b>\$827,257</b> |

DP 103 - Information Services Overhead Refund - This bill includes a technical budget adjustment to comply with the department's most recent legislative audit. This allows the department to deposit and expend federal grant revenues for department indirect charges from the general license account.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**Program Legislative Budget**

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

| Program Legislative Budget |                            |                                      |                                 |                                     |                                      |                                 |                                     |                                      |
|----------------------------|----------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Budget Item                | Base Budget<br>Fiscal 2006 | PL Base<br>Adjustment<br>Fiscal 2008 | New<br>Proposals<br>Fiscal 2008 | Total<br>Leg. Budget<br>Fiscal 2008 | PL Base<br>Adjustment<br>Fiscal 2009 | New<br>Proposals<br>Fiscal 2009 | Total<br>Leg. Budget<br>Fiscal 2009 | Total<br>Leg. Budget<br>Fiscal 08-09 |
| FTE                        | 45.80                      | 1.00                                 | 0.00                            | 46.80                               | 1.00                                 | 0.00                            | 46.80                               | 46.80                                |
| Personal Services          | 2,050,511                  | 184,052                              | 0                               | 2,234,563                           | 191,399                              | 0                               | 2,241,910                           | 4,476,473                            |
| Operating Expenses         | 6,522,533                  | 903,996                              | 0                               | 7,426,529                           | 934,450                              | 0                               | 7,456,983                           | 14,883,512                           |
| Equipment                  | 6,458                      | 0                                    | 0                               | 6,458                               | 0                                    | 0                               | 6,458                               | 12,916                               |
| Grants                     | 30,681                     | 0                                    | 0                               | 30,681                              | 0                                    | 0                               | 30,681                              | 61,362                               |
| Benefits & Claims          | 6,188                      | 0                                    | 0                               | 6,188                               | 0                                    | 0                               | 6,188                               | 12,376                               |
| <b>Total Costs</b>         | <b>\$8,616,371</b>         | <b>\$1,088,048</b>                   | <b>\$0</b>                      | <b>\$9,704,419</b>                  | <b>\$1,125,849</b>                   | <b>\$0</b>                      | <b>\$9,742,220</b>                  | <b>\$19,446,639</b>                  |
| State/Other Special        | 7,866,985                  | 1,073,181                            | 290,841                         | 9,231,007                           | 1,105,334                            | 290,841                         | 9,263,160                           | 18,494,167                           |
| Federal Special            | 749,386                    | 14,867                               | (290,841)                       | 473,412                             | 20,515                               | (290,841)                       | 479,060                             | 952,472                              |
| <b>Total Funds</b>         | <b>\$8,616,371</b>         | <b>\$1,088,048</b>                   | <b>\$0</b>                      | <b>\$9,704,419</b>                  | <b>\$1,125,849</b>                   | <b>\$0</b>                      | <b>\$9,742,220</b>                  | <b>\$19,446,639</b>                  |

**Page Reference**

Legislative Budget Analysis, C-12

**Funding**

The Field Services Division’s primary funding source are portions of the variable-rate hunting license sales and the general license account. These sources provide funding for the hunting access enhancement and hunter management program within the block management program. Lesser amounts come from Coal Tax Trust interest and Wildlife Habitat Trust interest. Federal funding consists of Pittman-Robertson funds derived from excise taxes on sporting fire arms and ammunition. This funding requires a minimum match of 25 percent that is provided by license revenues.

The division used to receive a portion of the overhead allocation made on federal and non-federal funds. Due to the findings of the legislative auditor, this funding mechanism requires change. The budget provides additional authority from the general license account, where the allocation revenue will now be deposited.

**Present Law Adjustments**

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

|  | -----Fiscal 2008----- |              |                  |                 |                    | -----Fiscal 2009----- |              |                  |                 |                    |
|--|-----------------------|--------------|------------------|-----------------|--------------------|-----------------------|--------------|------------------|-----------------|--------------------|
|  | FTE                   | General Fund | State Special    | Federal Special | Total Funds        | FTE                   | General Fund | State Special    | Federal Special | Total Funds        |
| Present Law Adjustments                        |                       |              |                  |                 |                    |                       |              |                  |                 |                    |
| Personal Services                              |                       |              |                  |                 | 229,992            |                       |              |                  |                 | 237,598            |
| Vacancy Savings                                |                       |              |                  |                 | (91,219)           |                       |              |                  |                 | (91,523)           |
| Inflation/Deflation                            |                       |              |                  |                 | 111,192            |                       |              |                  |                 | 117,388            |
| Fixed Costs                                    |                       |              |                  |                 | (1,544)            |                       |              |                  |                 | (1,544)            |
| <b>Total Statewide Present Law Adjustments</b> |                       |              |                  |                 | <b>\$248,421</b>   |                       |              |                  |                 | <b>\$261,919</b>   |
| DP 201 - Block Management                      | 0.00                  | 0            | 660,000          | 0               | 660,000            | 0.00                  | 0            | 660,000          | 0               | 660,000            |
| DP 202 - Tax Adjustment                        | 0.00                  | 0            | 69,561           | 14,867          | 84,428             | 0.00                  | 0            | 88,514           | 20,515          | 109,029            |
| DP 203 - Game Damage Elk Herders               | 0.00                  | 0            | 22,247           | 0               | 22,247             | 0.00                  | 0            | 22,247           | 0               | 22,247             |
| DP 206 - Conservation Easement Land Steward    | 1.00                  | 0            | 32,900           | 0               | 32,900             | 1.00                  | 0            | 32,900           | 0               | 32,900             |
| DP 208 - Dam Safety Act Technical Adjustment   | 0.00                  | 0            | 49,434           | 0               | 49,434             | 0.00                  | 0            | 49,434           | 0               | 49,434             |
| DP 6015 - State Motor Pool Rate Change         | 0.00                  | 0            | (9,382)          | 0               | (9,382)            | 0.00                  | 0            | (9,680)          | 0               | (9,680)            |
| <b>Total Other Present Law Adjustments</b>     | <b>1.00</b>           | <b>\$0</b>   | <b>\$824,760</b> | <b>\$14,867</b> | <b>\$839,627</b>   | <b>1.00</b>           | <b>\$0</b>   | <b>\$843,415</b> | <b>\$20,515</b> | <b>\$863,930</b>   |
| <b>Grand Total All Present Law Adjustments</b> |                       |              |                  |                 | <b>\$1,088,048</b> |                       |              |                  |                 | <b>\$1,125,849</b> |

DP 201 - Block Management - This bill includes a base adjustment for the block management program. The 2005 Legislature modified Title 87, Chapter 1, and part 2 to include authority for the department to create an annual lottery for a moose, sheep, goat, deer, and elk super tag and directed the revenues to augment current support of hunter access and block management enforcement.

DP 202 - Tax Adjustment - The bill includes additional budget authority to cover tax liabilities for department lands and continue adjustments based upon the current rate of increase in tax payments for FY 2008 and FY 2009. FY 2006 tax liabilities were \$451,861. This adjustment allows payment of tax liabilities of \$536,289 in FY 2008 and \$560,890 in FY 2009.

DP 203 - Game Damage Elk Herders - This bill includes the restoration of \$22,247 in operations to the game damage program. This amount was transferred to personal services in FY 2006 in an operations plan change to deal with the change in worker compensation laws. Provisions of SB 108, enacted in the 2005 legislative session, changed the requirements for an independent contractor exemption certificate for worker's compensation. FWP had previously utilized independent personal services contracts for these services. The modified FTE are used to herd game animals away from crops and stored hay/grain as a means to mitigate game damage on private property in certain locations during the spring-summer period.

DP 206 - Conservation Easement Land Steward - This bill includes 1.00 FTE and partial funding of \$32,900 each year to ensure the long term stewardship obligation of the department in conservation easements. FWP currently holds over 50 conservation easements, totaling nearly 400,000 acres.

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

Justification: The department assumes long-term stewardship obligations to ensure that the interests held under a conservation easement is properly managed and protected. As conservation easements increase, staff is needed to respond to landowner requests related to managing easement properties.

Goals: Manage habitat in conservation easements in a cooperative manner with landowners to benefit the health and species of plant and wildlife communities.

Performance Criteria:

- o Resolution of all landowner operational change requests will be completed within 60 days of application
- o All FWP held conservation easements will be monitored annually
- o Response to all landowner easement complaints will be made within one week of receipt
- o Department conservation easement records will be updated quarterly
- o All pending landowner operational change requests will be resolved by January 1, 2008 or within 6 months of hiring

Milestones: The conservation land steward will be hired by July 1, 2007.

FTE: One FTE is being requested to complete this work. Stewardship skills typically include experience in range management, ranching, forestry, and a long-term view of land management, legal requirements, and relationship building.

Funding: A portion of the funding for this proposal will be re-directed from division operations (\$21,934 from the general license account), and the remainder of \$32,900 will be funded from the Wildlife Habitat Trust (02469). The trust interest fund is for development and maintenance of real property used for wildlife habitat.

Obstacles: Obtaining a qualified applicant pool could be difficult. To increase the applicant pool, the job announcement will be placed in newsletters of Land Trust organizations. If entry pay level proves to be an obstacle, a strategic pay plan exception will be requested.

Risk: Without this position, FWP relationships with easement landowners could be strained due to the department's delayed response to landowner requests. Wildlife habitat values associated with some easements could be negatively impacted and enforcement and easement-defense actions by FWP for non-compliance of easement terms may result.

DP 208 - Dam Safety Act Technical Adjustment - The bill includes authority to provide coverage and support of a Department of Natural Resources and Conservation (DNRC) part-time engineer and associated operations, which provide dam safety expertise for FWP owned water impoundment projects. A subsequent reduction of general license authority was made in the Water Resources Division of DNRC.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**New Proposals**

| Program                                 | FTE         | Fiscal 2008  |                  |                    |             | Fiscal 2009 |              |               |                  |                    |            |
|---|-------------|--------------|------------------|--------------------|-------------|-------------|--------------|---------------|------------------|--------------------|------------|
|   |             | General Fund | State Special    | Federal Special    | Total Funds | FTE         | General Fund | State Special | Federal Special  | Total Funds        |            |
| DP 209 - Field Services Overhead Refund |             |              |                  |                    |             |             |              |               |                  |                    |            |
| 02                                      | 0.00        | 0            | 290,841          | (290,841)          |             | 0           | 0.00         | 0             | 290,841          | (290,841)          | 0          |
| <b>Total</b>                            | <b>0.00</b> | <b>\$0</b>   | <b>\$290,841</b> | <b>(\$290,841)</b> |             | <b>\$0</b>  | <b>0.00</b>  | <b>\$0</b>    | <b>\$290,841</b> | <b>(\$290,841)</b> | <b>\$0</b> |

DP 209 - Field Services Overhead Refund - This bill includes a technical budget adjustment to comply with the department's most recent legislative audit. If approved, the department would be able to deposit and expend federal grant revenues for department indirect charges from the general license account.

**Program Legislative Budget**

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

| Program Legislative Budget |                            |                                   |                              |                                  |                                   |                              |                                  |                                   |
|----------------------------|----------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|
| Budget Item                | Base Budget<br>Fiscal 2006 | PL Base Adjustment<br>Fiscal 2008 | New Proposals<br>Fiscal 2008 | Total Leg. Budget<br>Fiscal 2008 | PL Base Adjustment<br>Fiscal 2009 | New Proposals<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 08-09 |
| FTE                        | 143.02                     | 1.50                              | 0.00                         | 144.52                           | 2.50                              | 0.00                         | 145.52                           | 145.52                            |
| Personal Services          | 6,619,541                  | 1,253,807                         | 0                            | 7,873,348                        | 1,317,184                         | 0                            | 7,936,725                        | 15,810,073                        |
| Operating Expenses         | 3,801,751                  | 742,397                           | 1,240,000                    | 5,784,148                        | 754,502                           | 1,240,000                    | 5,796,253                        | 11,580,401                        |
| Equipment                  | 289,897                    | 243,000                           | 0                            | 532,897                          | 231,500                           | 0                            | 521,397                          | 1,054,294                         |
| Grants                     | 70,000                     | 0                                 | 0                            | 70,000                           | 0                                 | 0                            | 70,000                           | 140,000                           |
| <b>Total Costs</b>         | <b>\$10,781,189</b>        | <b>\$2,239,204</b>                | <b>\$1,240,000</b>           | <b>\$14,260,393</b>              | <b>\$2,303,186</b>                | <b>\$1,240,000</b>           | <b>\$14,324,375</b>              | <b>\$28,584,768</b>               |
| General Fund               | 0                          | 0                                 | 440,000                      | 440,000                          | 0                                 | 440,000                      | 440,000                          | 880,000                           |
| State/Other Special        | 4,092,689                  | 510,100                           | 240,761                      | 4,843,550                        | 556,712                           | 240,761                      | 4,890,162                        | 9,733,712                         |
| Federal Special            | 6,688,500                  | 1,729,104                         | 559,239                      | 8,976,843                        | 1,746,474                         | 559,239                      | 8,994,213                        | 17,971,056                        |
| <b>Total Funds</b>         | <b>\$10,781,189</b>        | <b>\$2,239,204</b>                | <b>\$1,240,000</b>           | <b>\$14,260,393</b>              | <b>\$2,303,186</b>                | <b>\$1,240,000</b>           | <b>\$14,324,375</b>              | <b>\$28,584,768</b>               |

**Page Reference**

Legislative Budget Analysis, C-14

**Funding**

The division is funded with 64 percent federal revenues, the largest source of which is the Wallup-Breaux program for sport fish restoration. General license dollars contribute 31 percent of the division’s funding and are used for fish restoration and hatchery support. The balance of funding is from the warm water fish stamp earmarked for the operations of the Fort Peck Hatchery, and the state wildlife grant program and the corresponding general fund match.

**Present Law Adjustments**

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

| Present Law Adjustments                               |                       |               |                  |                    |                       |              |                  |                    |                    |
|---|-----------------------|---------------|------------------|--------------------|-----------------------|--------------|------------------|--------------------|--------------------|
| FTE   | -----Fiscal 2008----- |               |                  |                    | -----Fiscal 2009----- |              |                  |                    |                    |
|   | General Fund          | State Special | Federal Special  | Total Funds        | FTE                   | General Fund | State Special    | Federal Special    | Total Funds        |
| Personal Services                                     |                       |               |                  | 1,098,525          |                       |              |                  |                    | 1,126,039          |
| Vacancy Savings                                       |                       |               |                  | (308,723)          |                       |              |                  |                    | (309,820)          |
| Inflation/Deflation                                   |                       |               |                  | 193,156            |                       |              |                  |                    | 207,432            |
| Fixed Costs   |                       |               |                  | (3,853)            |                       |              |                  |                    | (3,853)            |
| <b>Total Statewide Present Law Adjustments</b>        |                       |               |                  | <b>\$979,105</b>   |                       |              |                  |                    | <b>\$1,019,798</b> |
| DP 301 - Fort Peck Base Adjustments                   | 0.00                  | 0             | 97,280           | 97,280             | 0.00                  | 0            | 97,280           | 0                  | 97,280             |
| DP 302 - Fish Management Biologists and Techs         | 1.50                  | 0             | 25,007           | 75,022             | 2.50                  | 0            | 56,115           | 67,731             | 123,846            |
| DP 303 - Operations Cost Adjustment                   | 0.00                  | 0             | 18,750           | 56,250             | 0.00                  | 0            | 18,750           | 56,250             | 75,000             |
| DP 307 - Fisheries Legislative Contract Authority OTO | 0.00                  | 0             | 0                | 1,000,000          | 0.00                  | 0            | 0                | 1,000,000          | 1,000,000          |
| DP 6015 - State Motor Pool Rate Change                | 0.00                  | 0             | (4,978)          | (7,232)            | 0.00                  | 0            | (5,209)          | (7,529)            | (12,738)           |
| <b>Total Other Present Law Adjustments</b>            | <b>1.50</b>           | <b>\$0</b>    | <b>\$136,059</b> | <b>\$1,124,040</b> | <b>2.50</b>           | <b>\$0</b>   | <b>\$166,936</b> | <b>\$1,116,452</b> | <b>\$1,283,388</b> |
| <b>Grand Total All Present Law Adjustments</b>        |                       |               |                  | <b>\$2,239,204</b> |                       |              |                  |                    | <b>\$2,303,186</b> |

DP 301 - Fort Peck Base Adjustments - This bill includes an adjustment for operational expenses were not fully expended during the base year. The base budget for hatchery operations and maintenance provides for operations at about one-half of the hatchery capacity due to revenue issues.

DP 302 - Fish Management Biologists and Techs - The bill includes 1.50 FTE in FY 2008 and 2.50 FTE in FY 2009 for biologists and fish technicians and corresponding operating expenses. The additional FTE would be used to provide better management of the Big Hole, Beaverhead and Ruby Rivers. The additional FTE in FY 2009 is requested to replace a modified FTE funded with one-time only authority from the future fisheries program.

DP 303 - Operations Cost Adjustment - This bill includes operations funding to cover increased costs including:

- o Contract services for stream gauging, fisheries monitoring, and fish health monitoring
- o Hatchery costs including utilities, distribution truck fuel motorboat fuel, and fish food
- o Other costs such as mailing costs for angler surveys and office rent

DP 307 - Fisheries Legislative Contract Authority OTO - The bill includes \$1.0 million per fiscal year in short-term contract authority for projects using federal funding.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**New Proposals**

| New Proposals  |             |                       |                  |                  |                    |                       |                  |                  |                  |                    |  |
|--|-------------|-----------------------|------------------|------------------|--------------------|-----------------------|------------------|------------------|------------------|--------------------|--|
| Program  | FTE         | -----Fiscal 2008----- |                  |                  |                    | -----Fiscal 2009----- |                  |                  |                  |                    |  |
|  |             | General Fund          | State Special    | Federal Special  | Total Funds        | FTE                   | General Fund     | State Special    | Federal Special  | Total Funds        |  |
| DP 306 - Fisheries Statewide Wildlife Grants             |             |                       |                  |                  |                    |                       |                  |                  |                  |                    |  |
| 03   | 0.00        | 250,000               | 200,000          | 600,000          | 1,050,000          | 0.00                  | 250,000          | 200,000          | 600,000          | 1,050,000          |  |
| DP 308 - Fisheries Overhead Refund                       |             |                       |                  |                  |                    |                       |                  |                  |                  |                    |  |
| 03   | 0.00        | 0                     | 40,761           | (40,761)         | 0                  | 0.00                  | 0                | 40,761           | (40,761)         | 0                  |  |
| DP 350 - Warm Water Fisheries Enhancement (Rst/Bien/OTO) |             |                       |                  |                  |                    |                       |                  |                  |                  |                    |  |
| 03   | 0.00        | 135,000               | 0                | 0                | 135,000            | 0.00                  | 135,000          | 0                | 0                | 135,000            |  |
| DP 351 - Cartersville Diversion Study                    |             |                       |                  |                  |                    |                       |                  |                  |                  |                    |  |
| 03   | 0.00        | 55,000                | 0                | 0                | 55,000             | 0.00                  | 55,000           | 0                | 0                | 55,000             |  |
| <b>Total</b>   | <b>0.00</b> | <b>\$440,000</b>      | <b>\$240,761</b> | <b>\$559,239</b> | <b>\$1,240,000</b> | <b>0.00</b>           | <b>\$440,000</b> | <b>\$240,761</b> | <b>\$559,239</b> | <b>\$1,240,000</b> |  |

DP 306 - Fisheries Statewide Wildlife Grants - This bill includes authority to continue FWP participation in the state wildlife grant program. The program provides funds to FWP to conserve native fish and wildlife species as well as reduce the potential for federal listing of species. This decision package requests authority to spend \$1.2 million in federal funds, \$600,000 in general fund and \$400,000 in general license funds during the next biennium. The general fund is conditioned as one-time only.

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

Justification: The state wildlife grant program implements Montana’s Comprehensive Fish and Wildlife Conservation Strategy (CFWCS) to address the conservation needs of those species that FWP has not typically had funding to manage.

Goal: To continue implementation of the Montana Comprehensive Fish and Wildlife Conservation Strategy in order to actively protect and restore species and habitats in need of conservation.

**Performance Criteria:**

- Limit the need to list additional species under the endangered species act (ESA) because better biological data would allow to active protection and restoration of species and habitats in need of conservation
- Successfully restore and/or protect aquatic habitats identified in the plan as in need of conservation
- Collect basic biological data about lesser known species of concern to determine their distribution, status, and habitat needs in order to undertake activities that would preclude the need to list additional species under the ESA

**Milestones:**

- November 2006– Request that FWP staff and partners identify and submit proposed ideas for projects to the Technical Committee
- January 2007– May 2007 - Principle staff incorporates projects into bundles, balance target allocations and seeks approval from steering committee for projects
- June 2007 – Submission of federal aid documentation
- Post June 2007 – Project implementation
- August 2007 – Begin process again with request for proposals

FTE: A combination of existing staff, contracts and modified FTE will complete the work.

Funding: Fifty percent of funding will be provided from federal funding through the State Wildlife Grant Program (SWG) and the required match will be 17 percent from general license revenues, 21 percent general fund, and 12 percent from private sources.

Obstacles: The CFWCS evaluated the needs of over 600 vertebrate species in multiple habitat types across the state. The list of actions needed to conserve all these species and their habitats is extensive.

Risks: The CFWCS identifies the species in greatest conservation need along with their related habitats and communities. By not implementing this plan, it is possible that more species will become threatened and endangered in the future.

DP 308 - Fisheries Overhead Refund - This bill includes a technical budget adjustment to comply with the department's most recent legislative audit. If approved, the department would be able to deposit and expend federal grant revenues for department indirect charges from the general license account.

DP 350 - Warm Water Fisheries Enhancement (Rst/Bien/OTO) - This bill includes \$270,000 of general fund to complete the fish passage around the T&Y irrigation district diversion dam and removal of the S&H diversion dam located on the Tongue River.

DP 351 - Cartersville Diversion Study - This bill includes \$110,000 general fund authority to assess the modification or removal of the Cartersville diversion on the Yellowstone River to address fish passage problems.

**Language**

"During the 2009 biennium, if the department obtains federal funding for the operations of the Fort Peck fish hatchery, it must be used to replace state special revenue approved to fund personal services and operational costs of the hatchery.

Warm Water Fisheries Enhancement is restricted to the following projects:

- (1) Completion of fish passage around T&Y irrigation district diversion dam on the Tongue river
- (2) Removal of S&H diversion dam on the Tongue river."

**Program Legislative Budget**

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

| Program Legislative Budget |                            |                                   |                              |                                  |                                   |                              |                                  |                                   |
|----------------------------|----------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|
| Budget Item                | Base Budget<br>Fiscal 2006 | PL Base Adjustment<br>Fiscal 2008 | New Proposals<br>Fiscal 2008 | Total Leg. Budget<br>Fiscal 2008 | PL Base Adjustment<br>Fiscal 2009 | New Proposals<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 08-09 |
| FTE                        | 108.73                     | 2.00                              | 2.00                         | 112.73                           | 2.00                              | 2.00                         | 112.73                           | 112.73                            |
| Personal Services          | 5,730,967                  | 484,823                           | 86,118                       | 6,301,908                        | 508,053                           | 86,262                       | 6,325,282                        | 12,627,190                        |
| Operating Expenses         | 1,565,863                  | 315,975                           | 43,000                       | 1,924,838                        | 312,953                           | 24,000                       | 1,902,816                        | 3,827,654                         |
| Equipment                  | 82,664                     | 11,000                            | 11,000                       | 104,664                          | 0                                 | 0                            | 82,664                           | 187,328                           |
| Grants                     | 35,400                     | 0                                 | 0                            | 35,400                           | 0                                 | 0                            | 35,400                           | 70,800                            |
| <b>Total Costs</b>         | <b>\$7,414,894</b>         | <b>\$811,798</b>                  | <b>\$140,118</b>             | <b>\$8,366,810</b>               | <b>\$821,006</b>                  | <b>\$110,262</b>             | <b>\$8,346,162</b>               | <b>\$16,712,972</b>               |
| General Fund               | 0                          | 0                                 | 0                            | 0                                | 0                                 | 0                            | 0                                | 0                                 |
| State/Other Special        | 7,112,336                  | 716,525                           | 140,118                      | 7,968,979                        | 724,805                           | 110,262                      | 7,947,403                        | 15,916,382                        |
| Federal Special            | 302,558                    | 95,273                            | 0                            | 397,831                          | 96,201                            | 0                            | 398,759                          | 796,590                           |
| <b>Total Funds</b>         | <b>\$7,414,894</b>         | <b>\$811,798</b>                  | <b>\$140,118</b>             | <b>\$8,366,810</b>               | <b>\$821,006</b>                  | <b>\$110,262</b>             | <b>\$8,346,162</b>               | <b>\$16,712,972</b>               |

**Page Reference**

Legislative Budget Analysis, C-23

**Funding**

The Enforcement Division is funded primarily with general license dollars. Other state special revenue includes variable priced outfitter sponsored license revenues, fuel taxes, off highway vehicle, and snowmobile registration fees. Federal funds are primarily from the US Coast Guard and require a 25 percent match supplied by the general license account. General fund is proposed to provide funding for the Regional Investigator Program.

**Present Law Adjustments**

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

| Present Law Adjustments                                |                       |              |                  |                 |                  |                       |              |                  |                 |                  |
|--|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
|  | -----Fiscal 2008----- |              |                  |                 |                  | -----Fiscal 2009----- |              |                  |                 |                  |
|  | FTE                   | General Fund | State Special    | Federal Special | Total Funds      | FTE                   | General Fund | State Special    | Federal Special | Total Funds      |
| Personal Services                                      |                       |              |                  |                 | 436,092          |                       |              |                  |                 | 460,150          |
| Vacancy Savings  |                       |              |                  |                 | (246,685)        |                       |              |                  |                 | (247,641)        |
| Inflation/Deflation                                    |                       |              |                  |                 | 188,940          |                       |              |                  |                 | 199,168          |
| Fixed Costs  |                       |              |                  |                 | (2,827)          |                       |              |                  |                 | (2,827)          |
| <b>Total Statewide Present Law Adjustments</b>         |                       |              |                  |                 | <b>\$375,520</b> |                       |              |                  |                 | <b>\$408,850</b> |
| DP 402 - Warden Overtime                               | 0.00                  | 0            | 192,000          | 8,000           | 200,000          | 0.00                  | 0            | 192,000          | 8,000           | 200,000          |
| DP 403 - Block Management                              | 0.00                  | 0            | 18,561           | 0               | 18,561           | 0.00                  | 0            | 18,561           | 0               | 18,561           |
| DP 404 - Parks Enforcement                             | 0.00                  | 0            | 6,200            | 0               | 6,200            | 0.00                  | 0            | 6,200            | 0               | 6,200            |
| DP 406 - Board of Outfitters                           | 0.00                  | 0            | 20,000           | 0               | 20,000           | 0.00                  | 0            | 20,000           | 0               | 20,000           |
| DP 407 - Regional Investigators (Requires Legislation) | 2.00                  | 0            | 146,350          | 0               | 146,350          | 2.00                  | 0            | 122,750          | 0               | 122,750          |
| DP 409 - Radio Dispatch                                | 0.00                  | 0            | 31,609           | 0               | 31,609           | 0.00                  | 0            | 31,609           | 0               | 31,609           |
| DP 410 - Off Highway Vehicle                           | 0.00                  | 0            | 30,000           | 0               | 30,000           | 0.00                  | 0            | 30,000           | 0               | 30,000           |
| DP 6015 - State Motor Pool Rate Change                 | 0.00                  | 0            | (15,154)         | (1,288)         | (16,442)         | 0.00                  | 0            | (15,635)         | (1,329)         | (16,964)         |
| <b>Total Other Present Law Adjustments</b>             | <b>2.00</b>           | <b>\$0</b>   | <b>\$429,566</b> | <b>\$6,712</b>  | <b>\$436,278</b> | <b>2.00</b>           | <b>\$0</b>   | <b>\$405,485</b> | <b>\$6,671</b>  | <b>\$412,156</b> |
| <b>Grand Total All Present Law Adjustments</b>         |                       |              |                  |                 | <b>\$811,798</b> |                       |              |                  |                 | <b>\$821,006</b> |

DP 402 - Warden Overtime - The bill includes authority to provide overtime compensation to address staffing needs of the division and meet the terms of MPEA fish and game warden bargaining agreement.

DP 403 - Block Management - The bill includes base adjustments for the enforcement portion of the block management program. The 2005 Legislature modified Title 87, Chapter 1, and part 2 to include authority for the department to create an annual lottery for a moose, sheep, goat, deer, and elk super tag. A portion of the revenue was earmarked for enforcement.

DP 404 - Parks Enforcement - The bill includes a base adjustment to restore operations costs associated with vacant positions in the base year. The vacant positions were due to a retirement cycle.

DP 406 - Board of Outfitters - The bill includes an increase in operational funding each year by an additional \$20,000 to a level of \$60,000 annually for FWP to conduct compliance checks and investigations for outfitters and guides.

DP 407 - Regional Investigators (Requires Legislation) - The bill provides 2.00 FTE for regional investigator positions to address investigative shortfalls by focusing on serious resource abuse and commercialized wildlife crimes.

DP 409 - Radio Dispatch - The bill provides funding to support an additional dispatcher in the Montana Highway Patrol (MHP) dispatch center. The additional dispatcher would provide manpower to handle basic mobile radio services for Montana Game Wardens, including but not limited to dispatch coordination for FWP response, TIP-MONT, and license and violation database query. Use of contracted services would allow for FWP oversight of work and expenditures of general license funds.

DP 410 - Off Highway Vehicle - The bill includes authority for the Off Highway Vehicle (OHV) decal fund to potentially conduct a public review of hunting related use of OHVs. The FWP Commission would need to approve this project.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**New Proposals**

| New Proposals                |             |              |                  |                 |             |                  |              |               |                  |             |                  |
|------------------------------|-------------|--------------|------------------|-----------------|-------------|------------------|--------------|---------------|------------------|-------------|------------------|
| Program                      | FTE         | Fiscal 2008  |                  |                 |             | Fiscal 2009      |              |               |                  |             |                  |
|                              |             | General Fund | State Special    | Federal Special | Total Funds | FTE              | General Fund | State Special | Federal Special  | Total Funds |                  |
| DP 412 - State Lands Wardens |             |              |                  |                 |             |                  |              |               |                  |             |                  |
| 04                           | 2.00        | 0            | 140,118          |                 | 0           | 140,118          | 2.00         | 0             | 110,262          | 0           | 110,262          |
| <b>Total</b>                 | <b>2.00</b> | <b>\$0</b>   | <b>\$140,118</b> |                 | <b>\$0</b>  | <b>\$140,118</b> | <b>2.00</b>  | <b>\$0</b>    | <b>\$110,262</b> | <b>\$0</b>  | <b>\$110,262</b> |

DP 412 - State Lands Wardens - The bill includes 2.00 FTE and \$172,830 in state special revenue authority to enable the department to provide unrestricted enforcement of state trust land recreational use rules. The FTE would provide enforcement in specific problem areas. The funding source is the trust land administration fund and the recreational use fund, both of which receive revenues from the activities associated with state trust lands.

Justification: Violations such as littering, illegal dumping, off-road motor vehicle use, and illegal shooting are committed on state trust lands by persons engaged in activities other than hunting or fishing. The hiring and funding of these wardens would allow DNRC to concentrate enforcement efforts in specific problem areas and to bolster all aspects of enforcement of the rules on a year-round basis without the current restrictions placed on other wardens.

Goal: To minimize damage to the state trust resources, to decrease the amount of funds being expended to remediate damages and to generate additional revenues to the affected trusts through increased license sales, and to improve communication and coordination affecting statewide enforcement efforts with other FWP game wardens.

Performance Criteria: The position descriptions and work plans will establish goals and objectives necessary to enhance enforcement of the state land recreational use rules. DNRC will enter into an MOU with FWP in order to direct the specific duties, priorities, and reporting requirements necessary to establish and maintain accountability for the work performed.

Milestones:

- o Work with DNRC Area and Unit Offices to identify problem areas and/or areas with known concentrated recreational use.
- o Inspect identified sites, prioritize them by degree of damage, extent of use, etc., and develop strategies and timetables for implementing enforcement actions.
- o Work with local courts to inform them of identified problems and plans of action for enforcement in an effort to bolster their support in the prosecution of violators cited under criminal code
- o Meet with other game wardens on a statewide basis to educate them about the rules, problem areas, prosecution options, etc. in order to sustain or improve relationships and to solicit their continued cooperation and assistance in enforcement of the program.
- o Develop and implement program educational strategies, including disbursement and/or presentation of informational material to the public, license agents, and other special use interest groups.

FTE: The hire date would be within 3 months of approval of the FTE.

Funding: This position would be funded by the trust land administration account (02938 fund) and the recreational use account (02241 fund). The recreational use account collects \$1.50 from the sale of each conservation license to reimburse the trusts for the use of state land.

Obstacles: None.

Risk: DNRC would continue to not be able to provide direct enforcement in areas experiencing concentrated use with repeated violations that result in resource damage or which are committed by persons engaged in activities other than hunting and fishing. Such damage ultimately impacts the long-term income generating potential derived from use of the affected tract(s) and requires substantial expenditures for remediation of the damages to resources and other improvements located on the lands.

**Program Legislative Budget**

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

| Program Legislative Budget |                            |                                   |                              |                                  |                                   |                              |                                  |                                   |
|----------------------------|----------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|
| Budget Item                | Base Budget<br>Fiscal 2006 | PL Base Adjustment<br>Fiscal 2008 | New Proposals<br>Fiscal 2008 | Total Leg. Budget<br>Fiscal 2008 | PL Base Adjustment<br>Fiscal 2009 | New Proposals<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 08-09 |
| FTE                        | 101.43                     | 2.50                              | 0.00                         | 103.93                           | 2.50                              | 0.00                         | 103.93                           | 103.93                            |
| Personal Services          | 5,169,939                  | 481,435                           | 0                            | 5,651,374                        | 506,135                           | 0                            | 5,676,074                        | 11,327,448                        |
| Operating Expenses         | 2,677,895                  | 423,708                           | 1,050,000                    | 4,151,603                        | 430,906                           | 1,050,000                    | 4,158,801                        | 8,310,404                         |
| Equipment                  | 55,290                     | 0                                 | 0                            | 55,290                           | 0                                 | 0                            | 55,290                           | 110,580                           |
| Grants                     | 136,237                    | 0                                 | 0                            | 136,237                          | 0                                 | 0                            | 136,237                          | 272,474                           |
| <b>Total Costs</b>         | <b>\$8,039,361</b>         | <b>\$905,143</b>                  | <b>\$1,050,000</b>           | <b>\$9,994,504</b>               | <b>\$937,041</b>                  | <b>\$1,050,000</b>           | <b>\$10,026,402</b>              | <b>\$20,020,906</b>               |
| General Fund               | 0                          | 0                                 | 250,000                      | 250,000                          | 0                                 | 250,000                      | 250,000                          | 500,000                           |
| State/Other Special        | 4,136,295                  | 560,425                           | 273,382                      | 4,970,102                        | 576,352                           | 273,382                      | 4,986,029                        | 9,956,131                         |
| Federal Special            | 3,903,066                  | 344,718                           | 526,618                      | 4,774,402                        | 360,689                           | 526,618                      | 4,790,373                        | 9,564,775                         |
| <b>Total Funds</b>         | <b>\$8,039,361</b>         | <b>\$905,143</b>                  | <b>\$1,050,000</b>           | <b>\$9,994,504</b>               | <b>\$937,041</b>                  | <b>\$1,050,000</b>           | <b>\$10,026,402</b>              | <b>\$20,020,906</b>               |

**Page Reference**

Legislative Budget Analysis, C-29

**Funding**

The Wildlife Division state special revenue consists primarily of hunting and fishing license revenue from the general license account. Earmarked fees support all of the Upland Game Bird Program and the Wildlife Habitat Program operations. Other specialized funding consists of Pittman-Robertson funds that require a 25 percent non-federal match that is typically met with funds from the general license account.

**Present Law Adjustments**

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

|   | -----Fiscal 2008----- |              |                  |                  |                  | -----Fiscal 2009----- |              |                  |                  |                  |
|---|-----------------------|--------------|------------------|------------------|------------------|-----------------------|--------------|------------------|------------------|------------------|
|   | FTE                   | General Fund | State Special    | Federal Special  | Total Funds      | FTE                   | General Fund | State Special    | Federal Special  | Total Funds      |
| Present Law Adjustments                         |                       |              |                  |                  |                  |                       |              |                  |                  |                  |
| Personal Services                               |                       |              |                  |                  | 574,397          |                       |              |                  |                  | 599,738          |
| Vacancy Savings                                 |                       |              |                  |                  | (229,774)        |                       |              |                  |                  | (230,780)        |
| Inflation/Deflation                             |                       |              |                  |                  | 123,963          |                       |              |                  |                  | 131,783          |
| Fixed Costs                                     |                       |              |                  |                  | (2,847)          |                       |              |                  |                  | (2,847)          |
| <b>Total Statewide Present Law Adjustments</b>  |                       |              |                  |                  | <b>\$465,739</b> |                       |              |                  |                  | <b>\$497,894</b> |
| DP 501 - Survey & Inventory Funding             | 1.00                  | 0            | 87,500           | 87,500           | 175,000          | 1.00                  | 0            | 87,500           | 87,500           | 175,000          |
| DP 502 - R1 Wildlife Conflict Specialist        | 1.00                  | 0            | 51,852           | 0                | 51,852           | 1.00                  | 0            | 51,922           | 0                | 51,922           |
| DP 504 - Harvest Survey Automation RST/OTO      | 0.00                  | 0            | 10,000           | 30,000           | 40,000           | 0.00                  | 0            | 10,000           | 30,000           | 40,000           |
| DP 505 - Black Bear Research OTO                | 0.50                  | 0            | 8,620            | 25,859           | 34,479           | 0.50                  | 0            | 8,620            | 25,859           | 34,479           |
| DP 511 - Deer, Elk, Moose, Goat, Sheep Auctions | 0.00                  | 0            | 107,300          | 0                | 107,300          | 0.00                  | 0            | 107,300          | 0                | 107,300          |
| DP 513 - Migratory Bird Fund/Upland Game Bird   | 0.00                  | 0            | 41,100           | 0                | 41,100           | 0.00                  | 0            | 41,100           | 0                | 41,100           |
| DP 6015 - State Motor Pool Rate Change          | 0.00                  | 0            | (5,121)          | (5,206)          | (10,327)         | 0.00                  | 0            | (5,283)          | (5,371)          | (10,654)         |
| <b>Total Other Present Law Adjustments</b>      | <b>2.50</b>           | <b>\$0</b>   | <b>\$301,251</b> | <b>\$138,153</b> | <b>\$439,404</b> | <b>2.50</b>           | <b>\$0</b>   | <b>\$301,159</b> | <b>\$137,988</b> | <b>\$439,147</b> |
| <b>Grand Total All Present Law Adjustments</b>  |                       |              |                  |                  | <b>\$905,143</b> |                       |              |                  |                  | <b>\$937,041</b> |

DP 501 - Survey & Inventory Funding - This bill includes funding for operations and FTE to refine and increase the amount of survey and inventory work completed. The continued 1.00 FTE would provide pilot services to conduct aerial surveys.

DP 502 - R1 Wildlife Conflict Specialist - This bill includes 1.00 FTE for a wildlife conflict specialist in Region 1. This position would focus on responding to nuisance black bears and mountain lions in the urban/wild land interface.

DP 504 - Harvest Survey Automation RST/OTO - The bill includes \$80,000 to enhance the harvest survey program. This program provides data to FWP biologists to be utilized to implement wildlife management strategies. An independent review was conducted in the fall of 2006 to provide the department with options.

DP 505 - Black Bear Research OTO - The bill provides operations funding to complete DNA survey techniques in satellite study areas in Regions 2 and 5, and to complete the final study report for this research project. The research results would be used to develop new management criteria using modern techniques to evaluate harvest rates in various DNA study areas across the state.

DP 511 - Deer, Elk, Moose, Goat, Sheep Auctions - The bill provides increased authority to expend the increased revenues from the elk, goat, moose, mule deer, and sheep auction receipts. Revenue from the auction of the licenses is dedicated to enhanced survey efforts.

DP 513 - Migratory Bird Fund/Upland Game Bird - This bill includes increased appropriation authority of \$82,200 for the wetland and upland game bird programs. The decision package is funded at 83 percent from the waterfowl stamp state special revenue and 17 percent from the upland game bird habitat fund.

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

Justification: The upland game bird enhancement (UGBE) program allows biologists to work with landowners to improve and/or conserve key habitat components that are necessary to upland game birds, including native grouse species.

Goals:

- Increase projects over the next biennium with a balanced approach to native and exotic (i.e., pheasants, partridge, turkeys) game birds
- Improve bookkeeping, project tracking and monitoring and program delivery
- Target sagebrush leasing in the highest priority areas

Performance Criteria:

- Centralize project monitoring with contracted help by August 2007
- Establish promotional and information materials for landowners and prospective cooperators by October 2007
- Update program standards and guidelines to incorporate lessons learned and updated costs by October 2007
- Review project development processes and make improvements to streamline the process by October 2007
- Complete development of project database and enter past project information by January 2008
- Re-evaluate Montana's sagebrush grassland habitats to identify priority areas based on updated monitoring information by August 2007
- As federal matching funds become available, contact owners of priority habitats to solicit interest in sagebrush leasing. Ongoing
- Provide training to new biologists and refreshers for other field staff with incorporated changes. Ongoing

Milestones: FWP will be streamlining application and agreement paperwork to reduce the number of steps needed to establish projects. The target date for streamlining is August 2007. However, if administrative rules need adjusting prior to this, the rule-making process would be initiated by May 2007 with an adjusted target completion date of December 2007.

FTE: Portions of two FWP positions are funded with the administrative fund. They are the Program Coordinator (0.30 FTE) and an administrative support position (0.25 FTE).

Funding: The requested base adjustment is for the earmarked UGBEP administrative fund.

Obstacles:

- Workload - The most significant obstacle for the UGBEP is the workload of field biologists. FWP has relied more on contracted services for some aspects of program delivery and monitoring to help reduce this workload issue or provide new avenues for establishing projects.
- Changing Landscape – In many areas around Montana, high quality upland game bird habitats have drawn interest by recreational buyers (or recreational leases). Substantial opportunities remain for working with landowners through UGBEP, but this emerging trend is likely to continue and at the expense of public hunting opportunities.
- Cost Share and Contract Stipulations – The UGBEP requires a minimum of 25 percent cost shared by outside sources. Whereas this is usually not difficult to achieve, the program requirements (e.g., hunting access, minimum contract length, specific stipulations) in combination with a shared cost by landowners can make establishing projects more difficult.

Risk: Continued UGBEP funding will result in additional acres of enhanced habitats and additional properties open to public upland game bird hunting. If the program were eliminated, there would no longer be any upland game bird contracts with landowners and substantial opportunities for enhancing upland game bird populations and providing access for bird hunters would also be eliminated.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**New Proposals**

| New Proposals                        |             |                  |                  |                  |                    |             |                  |                  |                  |                    |  |
|--------------------------------------|-------------|------------------|------------------|------------------|--------------------|-------------|------------------|------------------|------------------|--------------------|--|
| Program                              | FTE         | Fiscal 2008      |                  |                  |                    | Fiscal 2009 |                  |                  |                  |                    |  |
|                                      |             | General Fund     | State Special    | Federal Special  | Total Funds        | FTE         | General Fund     | State Special    | Federal Special  | Total Funds        |  |
| DP 507 - State Wildlife Grants (SWG) |             |                  |                  |                  |                    |             |                  |                  |                  |                    |  |
| 05                                   | 0.00        | 250,000          | 200,000          | 600,000          | 1,050,000          | 0.00        | 250,000          | 200,000          | 600,000          | 1,050,000          |  |
| DP 514 - Wildlife Overhead Refund    |             |                  |                  |                  |                    |             |                  |                  |                  |                    |  |
| 05                                   | 0.00        | 0                | 73,382           | (73,382)         | 0                  | 0.00        | 0                | 73,382           | (73,382)         | 0                  |  |
| <b>Total</b>                         | <b>0.00</b> | <b>\$250,000</b> | <b>\$273,382</b> | <b>\$526,618</b> | <b>\$1,050,000</b> | <b>0.00</b> | <b>\$250,000</b> | <b>\$273,382</b> | <b>\$526,618</b> | <b>\$1,050,000</b> |  |

DP 507 - State Wildlife Grants (SWG) - The bill includes authority to continue FWP participation in the state wildlife grant program. The program provides funds to FWP to conserve native fish and wildlife species as well as reduce the potential for federal listing of species. This decision package requests authority to spend \$1.2 million in federal funds, \$500,000 in general fund and \$400,000 in general license funds during the next biennium. The general fund is restricted as one-time only.

*The following information is provided so that the legislature can consider various performance management principles when examining this proposal*

Justification: The state wildlife grant program implements Montana’s Comprehensive Fish and Wildlife Conservation Strategy (CFWCS) address the conservation needs of those species that FWP has not typically had funding to manage.

Goal: To continue implementation of the Montana Comprehensive Fish and Wildlife Conservation Strategy in order to actively protect and restore species and habitats in need of conservation.

Performance Criteria:

- o Limit the need to list additional species under the endangered species act (ESA) because we have better biological data allowing us to actively protect and restore species and habitats in need to conservation.
- o We will successfully restore and/or protect aquatic habitats identified in the plan as in need of conservation.
- o Collect basic biological data about lesser known species of concern to determine their distribution, status, and habitat needs so we can undertake activities that would preclude the need to list additional species under the ESA.

Milestones:

- o November 2006– Request that FWP staff and partners identify and submit proposed ideas for projects to the technical committee
- o January 2007– May 2007 - Principle staff incorporates projects into bundles, balance target allocations and seeks approval from steering committee for projects
- o June 2007 – Submission of federal aid documentation
- o Post June 2007 – Project implementation
- o August 2007 – Begin process again with request for proposals

FTE: A combination of existing staff, contracts and modified FTE will complete the work.

Funding: Fifty percent of funding will be provided from federal funding through the State Wildlife Grant Program and the required match will be 17 percent general license revenues, 21 percent general fund, and 12 percent private sources.

Obstacles: The CFWCS evaluated the needs of over 600 vertebrate species in multiple habitat types across the state. The list of actions needed to conserve all these species and habitat is extensive.

Risks: The CFWCS identifies the species in greatest conservation need along with their related habitats and communities. By not implementing this plan, it is possible that more species will become threatened and endangered in the future.

DP 514 - Wildlife Overhead Refund - This bill includes a technical budget adjustment to comply with the department's most recent legislative audit. If approved, the department would be able to deposit and expend federal grant revenues for department indirect charges from the general license account.

**Language**

"Automated Harvest System includes funding for an annual report to the environmental quality council to provide the annual game count as described in 87-1-201(10). If the report is not received by the environmental quality council by June 30, 2008, the remaining appropriation authority is void."

**Program Legislative Budget**

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

| Program Legislative Budget |                            |                                   |                              |                                  |                                   |                              |                                  |                                   |
|----------------------------|----------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|------------------------------|----------------------------------|-----------------------------------|
| Budget Item                | Base Budget<br>Fiscal 2006 | PL Base Adjustment<br>Fiscal 2008 | New Proposals<br>Fiscal 2008 | Total Leg. Budget<br>Fiscal 2008 | PL Base Adjustment<br>Fiscal 2009 | New Proposals<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 2009 | Total Leg. Budget<br>Fiscal 08-09 |
| FTE                        | 101.08                     | 6.25                              | 0.00                         | 107.33                           | 6.25                              | 0.00                         | 107.33                           | 107.33                            |
| Personal Services          | 3,958,323                  | 531,781                           | 0                            | 4,490,104                        | 550,338                           | 0                            | 4,508,661                        | 8,998,765                         |
| Operating Expenses         | 2,482,606                  | 230,926                           | 0                            | 2,713,532                        | 237,096                           | 0                            | 2,719,702                        | 5,433,234                         |
| Equipment                  | 269,224                    | 6,500                             | 0                            | 275,724                          | 6,500                             | 0                            | 275,724                          | 551,448                           |
| Grants                     | 470,024                    | 0                                 | 0                            | 470,024                          | 0                                 | 0                            | 470,024                          | 940,048                           |
| Transfers                  | 0                          | 0                                 | 0                            | 0                                | 0                                 | 0                            | 0                                | 0                                 |
| <b>Total Costs</b>         | <b>\$7,180,177</b>         | <b>\$769,207</b>                  | <b>\$0</b>                   | <b>\$7,949,384</b>               | <b>\$793,934</b>                  | <b>\$0</b>                   | <b>\$7,974,111</b>               | <b>\$15,923,495</b>               |
| State/Other Special        | 6,848,900                  | 769,207                           | 117,317                      | 7,735,424                        | 793,934                           | 117,317                      | 7,760,151                        | 15,495,575                        |
| Federal Special            | 331,277                    | 0                                 | (117,317)                    | 213,960                          | 0                                 | (117,317)                    | 213,960                          | 427,920                           |
| <b>Total Funds</b>         | <b>\$7,180,177</b>         | <b>\$769,207</b>                  | <b>\$0</b>                   | <b>\$7,949,384</b>               | <b>\$793,934</b>                  | <b>\$0</b>                   | <b>\$7,974,111</b>               | <b>\$15,923,495</b>               |

**Page Reference**

Legislative Budget Analysis, C-39

**Funding**

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

The registration fee is allocated as follows:

- o \$3.50 for park operations and maintenance
- o \$0.25 for fishing access site maintenance
- o \$0.25 for support of Virginia City and Nevada City (these funds are transferred to the Heritage Commission)

The fee provides approximately \$2.9 million per year for the state parks system, \$250,000 for fishing access sites, and \$250,000 for Virginia and Nevada City. The revenue source is stable at this time.

The division receives the following allocations of the gasoline dealer’s license taxes:

- o Nine-tenths of one percent for maintenance of parks with motorboat use
- o One-eighth of one percent for off-highway vehicle safety, repair of off-highway vehicle damage, and facility development
- o Fifteen-twenty-eighths of one percent for snowmobile safety, facility development, enforcement and control of noxious weeds

Of the coal severance tax revenues, 1.27 percent is deposited into a non-expendable trust, with the interest from the trust allocated for maintenance at state parks and historic sites.

The general license account and earmarked fishing fees are used to maintain fishing access sites.

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

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

**Present Law Adjustments**

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

| Present Law Adjustments                        |              |               |                 |                  |                       |              |                  |                 |             |                  |
|--|--------------|---------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|-------------|------------------|
| -----Fiscal 2008-----                          |              |               |                 |                  | -----Fiscal 2009----- |              |                  |                 |             |                  |
| FTE  | General Fund | State Special | Federal Special | Total Funds      | FTE                   | General Fund | State Special    | Federal Special | Total Funds |                  |
| Personal Services                              |              |               |                 | 476,679          |                       |              |                  |                 |             | 495,739          |
| Vacancy Savings                                |              |               |                 | (177,400)        |                       |              |                  |                 |             | (178,162)        |
| Inflation/Deflation                            |              |               |                 | 96,869           |                       |              |                  |                 |             | 103,363          |
| Fixed Costs                                    |              |               |                 | (1,722)          |                       |              |                  |                 |             | (1,722)          |
| <b>Total Statewide Present Law Adjustments</b> |              |               |                 | <b>\$394,426</b> |                       |              |                  |                 |             | <b>\$419,218</b> |
| DP 603 - Land & Water Conservation Fund        | 0.00         | 0             | 68,508          | 0                | 68,508                | 0.00         | 0                | 68,508          | 0           | 68,508           |
| DP 604 - Snowmobile Equipment BIEN             | 0.00         | 0             | 6,500           | 0                | 6,500                 | 0.00         | 0                | 6,500           | 0           | 6,500            |
| DP 605 - Community Service                     | 0.00         | 0             | 37,819          | 0                | 37,819                | 0.00         | 0                | 37,819          | 0           | 37,819           |
| DP 606 - FAS Maintenance & Operations          | 3.00         | 0             | 98,547          | 0                | 98,547                | 3.00         | 0                | 98,671          | 0           | 98,671           |
| DP 607 - Parks Operations & Maintenance        | 1.75         | 0             | 95,820          | 0                | 95,820                | 1.75         | 0                | 95,886          | 0           | 95,886           |
| DP 608 - Cultural & Historic Resource Staff    | 1.50         | 0             | 75,614          | 0                | 75,614                | 1.50         | 0                | 75,614          | 0           | 75,614           |
| DP 6015 - State Motor Pool Rate Change         | 0.00         | 0             | (8,027)         | 0                | (8,027)               | 0.00         | 0                | (8,282)         | 0           | (8,282)          |
| <b>Total Other Present Law Adjustments</b>     |              |               |                 | <b>\$0</b>       | <b>\$374,781</b>      | <b>\$0</b>   | <b>\$374,781</b> | <b>6.25</b>     | <b>\$0</b>  | <b>\$374,716</b> |
| <b>Grand Total All Present Law Adjustments</b> |              |               |                 | <b>\$769,207</b> |                       |              |                  |                 |             | <b>\$793,934</b> |

DP 603 - Land & Water Conservation Fund - The bill includes a base adjustment of state special authority to administer the Land and Water Community Grants Program. The land and water conservation fund passes federal monies to local communities through the Parks Division budget to build ball fields, parks, playgrounds and trails.

DP 604 - Snowmobile Equipment BIEN - The bill includes \$6,500 each year of the biennium to increase the base authority to \$370,000 in order to purchase snowmobile trail grooming equipment. Groomers are scheduled for replacement at West Yellowstone, Anaconda, Eureka, and Seeley Lake. These groomers are operated by local snowmobile clubs to maintain winter recreation access to public lands.

DP 605 - Community Service - The bill includes funding to provide supervision to the Montana Conservation Corps, volunteer groups, and Aspen Youth Alternative crews. Volunteer and youth groups are used to complete special projects in place of regular maintenance crews and park staff. These park projects involve cave cleaning at Lewis and Clark Caverns, park cleanup day at Bannack, trail maintenance at Makoshika, and other projects. The executive is requesting the restoration of authority as the expenditures were for modified level FTEs, and were not reflected in the division’s base budget.

DP 606 - FAS Maintenance & Operations - The bill includes funding for 3.00 FTE to maintain and manage fishing access sites (FAS) statewide. The additional support is requested to provide repair and maintenance, site clean-up, litter pickup, vandalism repair, toilet pumping, weed and dust control, road repair, and hazard tree removal.

DP 607 - Parks Operations & Maintenance - This bill includes 1.75 FTE and operations funding to address operations and maintenance issues in state parks. The additional staff would be used to hire entry level park field staff for the Tongue River Reservoir (0.65FTE), Makoshika (0.30 FTE), Smith River Corridor (0.35 FTE) and parks in southwest Montana (0.45 FTE). The request also includes \$28,000 of operational costs.

DP 608 - Cultural & Historic Resource Staff - The bill includes 1.50 FTE to improve management and operations of heritage resources and cultural parks. 1.0 FTE would be used to hire a full time heritage coordinator to help with issues of collection management, curation, archaeological sensitivity, and providing direct support to park field staff. Additionally, a full time summer park ranger (0.50 FTE) would be hired for Rosebud Battlefield State Park to provide more maintenance and protection of this historic site. An additional \$5,000 is for operations support to cover daily expenses associated with these two positions.

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

Justification: To properly manage resources significant to Montana's heritage, expertise in management of historic property is needed.

Goals:

- The heritage resource coordinator will provide support to field level staff managing and caring for archaeological, paleontological, historic and cultural sites in the division.
- The full time summer (May 1 through September 30) ranger will provide staff at Rosebud Battlefield State Park will maintain facilities, assist visitors, protect resources, work with adjacent landowners and implement the management plan.

Performance Criteria: Specific performance criteria have yet to be established for these two positions; however, anticipated performance criteria may include:

Heritage Resource Coordinator:

- Within 3 months of hire date, the heritage resource coordinator will have visited each heritage park and be aware of the significant resources and issues at each respective site.
- Within 4 months of hire, a prioritized list of heritage resource issues will be established by park management along with estimated costs and tools needed to resolve those including items such as planning documents, policies, stabilization, curation, and training needs.
- If not already existent, within 3 months of hire a professional rapport and working relationship will be established with the Montana Historical Society staff and the Heritage Commission staff working in similar capacities.

Rosebud Battlefield Park Ranger

- Within first year of hire, successfully complete ex-officio training.
- Within 3 months of hire, meet and talk with each of the adjacent landowners to the park and understand their concerns.
- Have no workplace related accidents and receive zero complaints about unclean facilities during the summer season.
- Provide interpretive talks to at least 25 groups over the summer season.
- Complete weed mapping for the entire park in the first summer season.
- Understand where and what cultural resources exist at the park within the first season.
- Help implement the management plan as an ongoing task.

Milestones: The seasonal ranger could be recruited and filled by July 15. The heritage resource coordinator position will take longer to recruit and hire. Tentative milestones for this position might include:

April 2007            Allocate new FTE for FY'08.  
 May 2007            Complete position descriptions for new positions and have them classified by Human Resources.  
 August 1 2007        Position recruitment & selection closes.  
 September 2007      Proposed start date.  
 March 2008           Probationary performance review, monitoring of performance criteria.

FTE: The seasonal ranger would directly perform work under supervision of the park manager at Tongue River Reservoir.

The heritage resource coordinator position would be a lead worker who will perform tasks such as policy development and guidance provision. Related work will also be directly completed by field staff, consultants, and contractors including work such as artifact protection, building stabilization, and plan preparation.

Funding: The funding for these positions comes from parks earned revenue, a state special revenue source. This is the correct funding source as it comes from vehicle registration fees for the operation and management of state parks.

Obstacles: There are challenges to each position type being hired as follows:

The heritage resource coordinator may face challenges as they will be initiating a new program focus. This may take longer to achieve than currently estimated. It may also be difficult to recruit someone with the expertise needed.

Hiring entry-level ranger staff for Rosebud battlefield, like many of the division's remote workstations, is difficult. The work requires knowledge of many different areas including maintenance and custodial duties, equipment operation, interpretation, fee collection, regulation compliance, and other tasks. Salary is relatively low in comparison to wages in this area and hours are long. We may address this obstacle by offering a pay exception or by combining this FTE with other FTE in the division to extend the period of work. Seasonal bunkhouse facilities can also be provided to make the job more attractive.

Risks: If this request is not approved, the division will continue to operate in the existing manner with no recognized professional staff and less stewardship to the significant historic resources it manages. Currently, the division could easily be criticized for not caring for Montana's heritage adequately.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**New Proposals**

| Program                        | FTE         | Fiscal 2008  |                  |                    |             | Fiscal 2009 |              |                  |                    |             |
|--------------------------------|-------------|--------------|------------------|--------------------|-------------|-------------|--------------|------------------|--------------------|-------------|
|                                |             | General Fund | State Special    | Federal Special    | Total Funds | FTE         | General Fund | State Special    | Federal Special    | Total Funds |
| DP 610 - Parks Overhead Refund |             |              |                  |                    |             |             |              |                  |                    |             |
| 06                             | 0.00        | 0            | 117,317          | (117,317)          | 0           | 0.00        | 0            | 117,317          | (117,317)          | 0           |
| <b>Total</b>                   | <b>0.00</b> | <b>\$0</b>   | <b>\$117,317</b> | <b>(\$117,317)</b> | <b>\$0</b>  | <b>0.00</b> | <b>\$0</b>   | <b>\$117,317</b> | <b>(\$117,317)</b> | <b>\$0</b>  |

DP 610 - Parks Overhead Refund - The bill includes a technical budget adjustment to comply with the department's most recent legislative audit. The department can deposit and expend federal grant revenues for department indirect charges from the coal tax fund.

**Proprietary Rates****Proprietary Program Description***Enterprise Fund*

23-1-105 (5), MCA, authorizes the Parks Division of Montana Fish, Wildlife and Parks to establish an Enterprise Fund (fund 06068) for the purpose of managing state park visitor services revenue.

The fund is used by the department to provide inventory through purchase, production, or donation and for the sale of educational, commemorative, and interpretive merchandise and other related goods and services at department sites and facilities.

The fund was established primarily to better manage parks visitor centers that sell goods at parks such as Ulm Pishkum, Makoshika and Chief Plenty Coups as well as parks that sell items like firewood. Monies generated go back into the purchase of inventory and the improvement of visitor services in state parks.

In FY 2006 this fund accounted for the following monies: \$98,473 of earned revenue, \$52,755 of expenditures, and a fund balance in the amount of \$193,647.

**Program Legislative Budget**

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

| Program Legislative Budget |                            |                                      |                                 |                                     |                                      |                                 |                                     |                                      |
|----------------------------|----------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Budget Item                | Base Budget<br>Fiscal 2006 | PL Base<br>Adjustment<br>Fiscal 2008 | New<br>Proposals<br>Fiscal 2008 | Total<br>Leg. Budget<br>Fiscal 2008 | PL Base<br>Adjustment<br>Fiscal 2009 | New<br>Proposals<br>Fiscal 2009 | Total<br>Leg. Budget<br>Fiscal 2009 | Total<br>Leg. Budget<br>Fiscal 08-09 |
| FTE                        | 28.55                      | 0.00                                 | 0.00                            | 28.55                               | 0.00                                 | 0.00                            | 28.55                               | 28.55                                |
| Personal Services          | 1,502,995                  | 134,003                              | 0                               | 1,636,998                           | 139,748                              | 0                               | 1,642,743                           | 3,279,741                            |
| Operating Expenses         | 1,407,958                  | 41,471                               | 0                               | 1,449,429                           | 44,931                               | 0                               | 1,452,889                           | 2,902,318                            |
| Equipment                  | 5,000                      | 0                                    | 0                               | 5,000                               | 0                                    | 0                               | 5,000                               | 10,000                               |
| Grants                     | 135,688                    | 104,312                              | 0                               | 240,000                             | 104,312                              | 0                               | 240,000                             | 480,000                              |
| <b>Total Costs</b>         | <b>\$3,051,641</b>         | <b>\$279,786</b>                     | <b>\$0</b>                      | <b>\$3,331,427</b>                  | <b>\$288,991</b>                     | <b>\$0</b>                      | <b>\$3,340,632</b>                  | <b>\$6,672,059</b>                   |
| State/Other Special        | 2,197,805                  | 279,786                              | 134,406                         | 2,611,997                           | 288,991                              | 134,406                         | 2,621,202                           | 5,233,199                            |
| Federal Special            | 853,836                    | 0                                    | (134,406)                       | 719,430                             | 0                                    | (134,406)                       | 719,430                             | 1,438,860                            |
| <b>Total Funds</b>         | <b>\$3,051,641</b>         | <b>\$279,786</b>                     | <b>\$0</b>                      | <b>\$3,331,427</b>                  | <b>\$288,991</b>                     | <b>\$0</b>                      | <b>\$3,340,632</b>                  | <b>\$6,672,059</b>                   |

**Page Reference**

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**Funding**

The largest funding source in the Communication Education Division is the general license account. Other state special revenue sources are interest from the coal tax trust account, and snowmobile and off-highway fuel taxes. Fuel taxes are dedicated revenue sources for snowmobile and off highway vehicle education programs. Federal funds are primarily Pittman-Robertson and Wallop-Breaux funds derived from federal excise taxes on sporting rifles, ammunition, and fishing equipment, and require a 25 percent match in non-federal funds.

**Present Law Adjustments**

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

| Present Law Adjustments                        |                       |                 |                  |                    |                       |             |                 |                  |                    |                  |
|--|-----------------------|-----------------|------------------|--------------------|-----------------------|-------------|-----------------|------------------|--------------------|------------------|
|  | -----Fiscal 2008----- |                 |                  |                    | -----Fiscal 2009----- |             |                 |                  |                    |                  |
|  | FTE                   | General<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds        | FTE         | General<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds   |
| Personal Services                              |                       |                 |                  |                    | 202,212               |             |                 |                  |                    | 208,193          |
| Vacancy Savings                                |                       |                 |                  |                    | (68,209)              |             |                 |                  |                    | (68,445)         |
| Inflation/Deflation                            |                       |                 |                  |                    | 35,456                |             |                 |                  |                    | 38,967           |
| Fixed Costs                                    |                       |                 |                  |                    | (884)                 |             |                 |                  |                    | (884)            |
| <b>Total Statewide Present Law Adjustments</b> |                       |                 |                  |                    | <b>\$168,575</b>      |             |                 |                  |                    | <b>\$177,831</b> |
| DP 802 - Shooting Range Grants (Bien)          | 0.00                  | 0               | 107,808          | 0                  | 107,808               | 0.00        | 0               | 107,808          | 0                  | 107,808          |
| DP 804 - Off Highway Vehicle Education         | 0.00                  | 0               | 5,000            | 0                  | 5,000                 | 0.00        | 0               | 5,000            | 0                  | 5,000            |
| DP 6015 - State Motor Pool Rate Change         | 0.00                  | 0               | (1,597)          | 0                  | (1,597)               | 0.00        | 0               | (1,648)          | 0                  | (1,648)          |
| <b>Total Other Present Law Adjustments</b>     | <b>0.00</b>           | <b>\$0</b>      | <b>\$111,211</b> | <b>\$0</b>         | <b>\$111,211</b>      | <b>0.00</b> | <b>\$0</b>      | <b>\$111,160</b> | <b>\$0</b>         | <b>\$111,160</b> |
| <b>Grand Total All Present Law Adjustments</b> |                       |                 |                  |                    | <b>\$279,786</b>      |             |                 |                  |                    | <b>\$288,991</b> |

DP 802 - Shooting Range Grants (Bien) - FWP has administered a shooting range grants program for the last 18 years. Biennial funding authority has varied between \$120,000 and \$320,000. This bill provides authority to expand the program to \$400,000 for the biennium.

DP 804 - Off Highway Vehicle Education - The bill provides additional funds to increase public information and safety efforts specific to off highway vehicle use, by providing additional maps and materials on ethics, rules, regulations, and safety. It is funded with OHV dealer registration receipts.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**New Proposals**

| New Proposals                     |             |              |                  |                    |             |             |              |                  |                    |             |  |
|-----------------------------------|-------------|--------------|------------------|--------------------|-------------|-------------|--------------|------------------|--------------------|-------------|--|
| Program                           | FTE         | Fiscal 2008  |                  |                    |             | Fiscal 2009 |              |                  |                    |             |  |
|                                   |             | General Fund | State Special    | Federal Special    | Total Funds | FTE         | General Fund | State Special    | Federal Special    | Total Funds |  |
| DP 805 - Com & Ed Overhead Refund |             |              |                  |                    |             |             |              |                  |                    |             |  |
| 08                                | 0.00        | 0            | 134,406          | (134,406)          | 0           | 0.00        | 0            | 134,406          | (134,406)          | 0           |  |
| <b>Total</b>                      | <b>0.00</b> | <b>\$0</b>   | <b>\$134,406</b> | <b>(\$134,406)</b> | <b>\$0</b>  | <b>0.00</b> | <b>\$0</b>   | <b>\$134,406</b> | <b>(\$134,406)</b> | <b>\$0</b>  |  |

DP 805 - Com & Ed Overhead Refund - This bill includes a technical budget adjustment to comply with the department's most recent legislative audit. If approved, the department would be able to deposit and expend federal grant revenues for department indirect charges from the general license account.

**Program Legislative Budget**

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

| Program Legislative Budget |                         |                                |                           |                               |                                |                           |                               |                                |
|----------------------------|-------------------------|--------------------------------|---------------------------|-------------------------------|--------------------------------|---------------------------|-------------------------------|--------------------------------|
| Budget Item                | Base Budget Fiscal 2006 | PL Base Adjustment Fiscal 2008 | New Proposals Fiscal 2008 | Total Leg. Budget Fiscal 2008 | PL Base Adjustment Fiscal 2009 | New Proposals Fiscal 2009 | Total Leg. Budget Fiscal 2009 | Total Leg. Budget Fiscal 08-09 |
| FTE                        | 95.74                   | 0.00                           | 3.00                      | 98.74                         | 0.00                           | 3.00                      | 98.74                         | 98.74                          |
| Personal Services          | 4,443,164               | 406,919                        | 130,652                   | 4,980,735                     | 426,727                        | 129,291                   | 4,999,182                     | 9,979,917                      |
| Operating Expenses         | 4,482,527               | 117,016                        | 75,000                    | 4,674,543                     | (145,742)                      | 75,000                    | 4,411,785                     | 9,086,328                      |
| Equipment                  | 40,721                  | 0                              | 20,000                    | 60,721                        | 0                              | 20,000                    | 60,721                        | 121,442                        |
| Transfers                  | 26,463                  | 73,189                         | 0                         | 99,652                        | 73,189                         | 0                         | 99,652                        | 199,304                        |
| <b>Total Costs</b>         | <b>\$8,992,875</b>      | <b>\$597,124</b>               | <b>\$225,652</b>          | <b>\$9,815,651</b>            | <b>\$354,174</b>               | <b>\$224,291</b>          | <b>\$9,571,340</b>            | <b>\$19,386,991</b>            |
| State/Other Special        | 6,734,381               | 589,014                        | 2,442,426                 | 9,765,821                     | 362,197                        | 2,441,065                 | 9,537,643                     | 19,303,464                     |
| Federal Special            | 2,258,494               | 8,110                          | (2,216,774)               | 49,830                        | (8,023)                        | (2,216,774)               | 33,697                        | 83,527                         |
| <b>Total Funds</b>         | <b>\$8,992,875</b>      | <b>\$597,124</b>               | <b>\$225,652</b>          | <b>\$9,815,651</b>            | <b>\$354,174</b>               | <b>\$224,291</b>          | <b>\$9,571,340</b>            | <b>\$19,386,991</b>            |

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**Funding**

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

The large reduction in federal funds is due to an audit issue where the department was cited for not depositing and expending indirect charges covered by federal grants from the same fund. The appropriate accounting process requires the department to deposit and expend those funds from the general license account rather than the federal overhead account.

**Present Law Adjustments**

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

| Present Law Adjustments                        |              |               |                 |                  |                       |                  |               |                 |                  |                  |                  |
|--|--------------|---------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|------------------|------------------|
| -----Fiscal 2008-----                          |              |               |                 |                  | -----Fiscal 2009----- |                  |               |                 |                  |                  |                  |
| FTE  | General Fund | State Special | Federal Special | Total Funds      | FTE                   | General Fund     | State Special | Federal Special | Total Funds      |                  |                  |
| Personal Services                              |              |               |                 | 592,344          |                       |                  |               |                 |                  | 612,972          |                  |
| Vacancy Savings                                |              |               |                 | (201,425)        |                       |                  |               |                 |                  | (202,245)        |                  |
| Inflation/Deflation                            |              |               |                 | 68,799           |                       |                  |               |                 |                  | 73,308           |                  |
| Fixed Costs                                    |              |               |                 | (156,601)        |                       |                  |               |                 |                  | (262,770)        |                  |
| <b>Total Statewide Present Law Adjustments</b> |              |               |                 | <b>\$303,117</b> |                       |                  |               |                 |                  | <b>\$221,265</b> |                  |
| DP 903 - Citizen Advisory Committees           | 0.00         | 0             | 30,000          | 0                | 30,000                | 0.00             | 0             | 30,000          | 0                | 30,000           |                  |
| DP 904 - Area Offices Rent Increase (RST)      | 0.00         | 0             | 15,000          | 0                | 15,000                | 0.00             | 0             | 15,000          | 0                | 15,000           |                  |
| DP 905 - Search & Rescue Base Adjustment       | 0.00         | 0             | 73,189          | 0                | 73,189                | 0.00             | 0             | 73,189          | 0                | 73,189           |                  |
| DP 906 - Water Adjudication (RST)              | 0.00         | 0             | 161,060         | 0                | 161,060               | 0.00             | 0             | 0               | 0                | 0                |                  |
| DP 907 - Commission Expense Adjustment         | 0.00         | 0             | 16,000          | 0                | 16,000                | 0.00             | 0             | 16,000          | 0                | 16,000           |                  |
| DP 6015 - State Motor Pool Rate Change         | 0.00         | 0             | (1,229)         | (13)             | (1,242)               | 0.00             | 0             | (1,267)         | (13)             | (1,280)          |                  |
| <b>Total Other Present Law Adjustments</b>     |              | <b>0.00</b>   | <b>\$0</b>      | <b>\$294,020</b> | <b>(\$13)</b>         | <b>\$294,007</b> | <b>0.00</b>   | <b>\$0</b>      | <b>\$132,922</b> | <b>(\$13)</b>    | <b>\$132,909</b> |
| <b>Grand Total All Present Law Adjustments</b> |              |               |                 | <b>\$597,124</b> |                       |                  |               |                 |                  | <b>\$354,174</b> |                  |

DP 903 - Citizen Advisory Committees - The bill provides food service and travel for the members of the regional citizen advisory committees (CAC) to attend the meetings. All FWP regions have established CAC to facilitate communication between FWP and a broad cross-section of constituents within each region.

DP 904 - Area Offices Rent Increase (RST) - The bill includes restricted funding to relocate the Lewistown and Havre offices. The Lewistown Area Office is located within the secure perimeter of the Lewistown Airport, which compromises both public access to the office and air traffic safety. The Havre area office lease expires in 2007 and lacks adequate space for staff and public interaction.

DP 905 - Search & Rescue Base Adjustment - The bill provides a base adjustment of \$73,189 each year of the biennium to re-establish authority to transfer cash to the Department of Military Affairs for costs incurred by search and rescue clubs when searching for hunters, anglers, or trappers. The revenue source for these funds is \$0.25 for each conservation license sold.

DP 906 - Water Adjudication (RST) - The bill provides authority to pay water right adjudication fees as the department's share in the cost of completing the adjudication process. This authority is not needed if HB 473 is passed and approved.

DP 907 - Commission Expense Adjustment - The bill provides authority for commission compensation for their travel at a standard per diem rate and an honorarium of \$50 per day for participation in meetings or conducting other commission business.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

**New Proposals**

| New Proposals                                |             |                       |                    |                      |                  |                       |              |                    |                      |                  |
|--|-------------|-----------------------|--------------------|----------------------|------------------|-----------------------|--------------|--------------------|----------------------|------------------|
| Program                                      | FTE         | -----Fiscal 2008----- |                    |                      |                  | -----Fiscal 2009----- |              |                    |                      |                  |
|  |             | General Fund          | State Special      | Federal Special      | Total Funds      | FTE                   | General Fund | State Special      | Federal Special      | Total Funds      |
| DP 909 - Mngmt & Finance Overhead Refund     |             |                       |                    |                      |                  |                       |              |                    |                      |                  |
| 09   | 0.00        | 0                     | 2,216,774          | (2,216,774)          | 0                | 0.00                  | 0            | 2,216,774          | (2,216,774)          | 0                |
| DP 915 - River Recreation Management Program |             |                       |                    |                      |                  |                       |              |                    |                      |                  |
| 09   | 3.00        | 0                     | 225,652            | 0                    | 225,652          | 3.00                  | 0            | 224,291            | 0                    | 224,291          |
| <b>Total</b>                                 | <b>3.00</b> | <b>\$0</b>            | <b>\$2,442,426</b> | <b>(\$2,216,774)</b> | <b>\$225,652</b> | <b>3.00</b>           | <b>\$0</b>   | <b>\$2,441,065</b> | <b>(\$2,216,774)</b> | <b>\$224,291</b> |

DP 909 - Mngmt & Finance Overhead Refund - The bill includes a technical budget adjustment to comply with the department’s most recent legislative audit. This allows the department to deposit and expend federal grant revenues for department indirect charges from the general license account. An extra \$70 in state special revenue authority is included to account for an error made in an amendment in the house appropriations committee.

DP 915 - River Recreation Management Program - This bill includes authority to utilize revenue from the commercial use permit system for river recreation management and the fishing access site program. This includes authorization to use this new source of revenue to establish a river recreation management program in Regions 2, 3, and 4, and improve fishing access sites in these regions.

**Language**

"Office Rent Increase is restricted to increases associated with the relocation of the Lewistown and Havre offices."

**Proprietary Rates**

**Proprietary Program Description**

Duplicating Center

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

**Proprietary Revenues and Expenses**

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

Rates have been historically adjusted based on the need to increase or decrease the cash balances in the account. Prior to requesting new rates, a review of the cash balance is done. At FYE 2006, the cash balance was (\$614).

**Working Capital Discussion**

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.

**Fund Equity and Reserved Fund Balance**

A portion of the program's fund balance has been reserved for the duplicating center's equipment and inventory. At FYE 2006 the book value of the fund's assets were \$42,730 of which \$8,929 was inventory.

**Rate Explanation**

The rate methodology attempts to determine a rate for various duplicating and bindery services that allow 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 approved rates have been increased only to recover anticipated inflationary increases in the raw materials and administrative costs. The rates are shown in section R of this bill.

**Duplicating Services Rates**

| <b>Item</b>             | <b>FY 2008</b> | <b>FY 2009</b> |
|-------------------------|----------------|----------------|
| Copies                  |                |                |
| 1-20                    | \$0.050        | \$0.055        |
| 21-100                  | \$0.035        | \$0.040        |
| 101-1,000               | \$0.030        | \$0.035        |
| 1,001-5,000             | \$0.025        | \$0.030        |
| Color - per sheet       | \$0.250        | \$0.250        |
| 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        |

The department has used a cash balance approach to evaluate resource requirements of proprietary funds. This method is easily manipulated by the timing of purchases of equipment and supplies. If a working capital evaluation is used, the net resources available to operate the center are \$42,731. The sixty day cash requirement is \$14,160. The legislature may wish to retain the current rates for the duplicating center, rather than adopt increased rates. The proposed FY 2008 rates are the same as the current rates, the FY 2009 rate provides a slight rate increase.

**Vehicle Enterprise Fund**

The department's 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. Every month, users are charged for the miles driven (hours flown) during the previous month.

**Revenues, Expenses and Fund Equity**

The objective of the vehicle account is to recover (through rates and annual auction revenues) sufficient funds to cover administrative costs to operate the program (personal services and operations), fuel and repair costs of fleet in addition to being able to replace fleet vehicles at approximately 100,000 miles. A total of 2.56 FTE are funded in this fund. The two largest costs are fuel and repairs. In FY04 the fund spent over \$675,000 on fuel and \$500,000 on repairs. In FY06 the fund spent over \$985,000 on fuel and \$550,000 on repairs. Gasoline expenses have increased an average of 15 percent over the past four years and this rate was used to establish the budget for the next biennium. In FY06 the department drove just over 5.7 million miles in department vehicles. With the approved rates in FY08 and FY09, the program anticipates revenues of \$3.1 million in FY 2008 and \$3.3 in FY 2009.

**Working Capital Discussion**

The department attempts to manage this account so that a 60-day working capital amount of cash is available when the cash balance is at its lowest level. To compensate for a cash flow problem created by increased fuel costs, rates were

increased by 7 percent in FY 2006. The department received an additional rate increase of 25 percent in FY 2008 and 10 percent in FY 2009 for vehicles and 16 percent each year for aircraft.

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 FYE 2006 was (\$58,590). The department anticipates a positive working capital at the end of FY 2009.

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.

#### **Fund Equity and Reserved Fund Balance**

There is no requirement to reserve fund balance. At FYE 06, the vehicle fund had total assets of \$6,665,000 and the book value (original cost less accumulated depreciation) of the fleet was \$6,198,000. The major liability is a \$300,000 loan to ensure a positive cash balance at year-end. A portion of the program's fund balance has been reserved for the book value of department vehicles and aircraft.

#### **Rate Explanation**

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 the previous year's expenses, including operating, maintenance and administration expenses minus the previous year's revenue generated from the rates and the annual vehicle auction to establish the net cash inflow. Future year expenses are estimated based on the most current year's information plus a 3 percent inflationary factor and a 15 percent inflationary factor for fuel. Using the most current year's mileage and the projected expenses, a cost/mile (hour) rate is determined for the future years. The goal is to have a cash balance at fiscal year end equal to 60 days of total operating expenses. Due to the current cash balance and the increased fuel costs, the approved rates increase vehicle rates of 25 percent in FY08 and 10 percent in FY09 and a proposed aircraft rate increase 16 percent each year of the biennium.

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

**Rates****Vehicle and Aircraft Rates  
Fiscal Years 2008 and 2009**

| Description           | FY 2008  | FY 2009  |
|-----------------------|----------|----------|
| Per Mile Rates        |          |          |
| Sedans                | \$0.36   | \$0.38   |
| Vans                  | \$0.40   | \$0.42   |
| Utilities             | \$0.43   | \$0.46   |
| Pickup 1/2 Ton        | \$0.39   | \$0.41   |
| Pickup 3/4 Ton        | \$0.44   | \$0.48   |
| Per Hour Rates        |          |          |
| 2 Place Single Engine | \$ 75.05 | \$ 90.06 |
| Partnavia             | \$357.34 | \$428.80 |
| Turbine Helicopters   | \$417.46 | \$480.08 |

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

**Significant Present Law Adjustments**

Each year, department employees drive over 5.7 million miles in department owned vehicles. The department currently has a fleet of over 450 vehicles, which are mainly used by enforcement officers, fish and wildlife biologists and parks employees. The department's plans for vehicle replacement is for 45 vehicles in both FY08 and FY09. This is based on replacing vehicles after a minimum of 100,000 miles. This replacement schedule does not require a present law adjustment.

**Adjustments to the Base Rate**

During the past four years, fuel expenses have increased an average of 15 percent per year. We anticipate this trend to continue through FY09. In FY06, the fund spent \$933,000 on vehicle fuel and \$55,000 on aircraft fuel. In order to purchase fuel at the projected inflated rates, the rates would provide a base adjustment of \$300,863 in FY08 and \$485,928 in FY09 for vehicle fuel and \$17,810 in FY08 and \$28,766 in FY09 for aircraft fuel.

**Warehouse Inventory**

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

**Revenues and Expenses**

The expenses associated with the warehouse include personal services, miscellaneous office supplies and expenses for the warehouse worker and inventory purchased needed to replenish existing stock. Revenues are the sales of inventory items to department employees. The department anticipates revenues to be constant at around \$90,000 per year for FY08 and FY09. The rates support an increase in FTE for the warehouse from .20 FTE to .50 FTE.

**Working Capital Discussion**

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. Cash balance at FYE 2006 was \$48,500.

**Fund Equity and Reserved Fund Balance**

A portion of the program's fund balance has been reserved for the warehouse inventory. At FYE 2006, the warehouse inventory was approximately \$100,500.

**Rate Explanation**

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. The approved overhead rate is 5 percent for the 2009 biennium. The rate is calculated by estimating the support costs required to maintain the warehouse function such as personal services, office supplies and other miscellaneous office costs. Based on estimated warehouse sales, a fixed overhead percentage is determined that allows the department to recover the warehouse support costs. This rate is also adjusted for any previous over or under collections. The rates are shown in section R of this bill.