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January 12, 2018

To: EQC Members

Fr: Hope Stockwell, research analyst

Re: Analysis of 2017 fiscal notes for legislation proposing to change administration of state parks

At the September EQC meeting, Chairman Vincent asked the EQC to review the fiscal notes from legislation proposing to change the administration of state parks.

Attached are copies from the 2017 session of the fiscal notes for HB 324, which sought to administratively attach the State Parks and Recreation Board to FWP, and HB 454, which sought to administratively attach the board to the Department of Commerce.

I highlighted in yellow salient portions related to the expenses of changing the administrative structure. I also included several notes in red, intended to clarify certain assumptions and technical notes.

We will provide color copies at the EQC meeting. Please let me know if you have any questions in the meantime.

444-9280
hstockwell@mt.gov



Fiscal Note 2019 Biennium

Bill #	HB0324	Title:	Revise laws related to state parks' administration
Primary Sponsor:	Hamlett, Bradley	Status:	As Amended

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

Red lines indicate portions of the fiscal note that did not accurately reflect the bill's language

FISCAL SUMMARY

	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0*	\$0*	\$0*	\$0*
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$54,000)	(\$54,000)	(\$54,000)	(\$54,000)
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: HB 324 administratively attaches the State Parks and Recreation Board to the Department of Fish, Wildlife and Parks (FWP) rather than having the Parks Division under the direction of the Department Director. This will result in additional costs to State Parks ~~and changes to current statute will result in a loss of revenue to the Fishing Access Site program.~~ *As HB 324 has been amended, the Parks Division would need to reduce current program expenditures for FTE, operations, or maintenance by \$1.7 million per year in order to cover their rent and IT expenses. This would result in a reduction in services.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

1. HB 324 administratively attaches the State Parks and Recreation Board to the Department of Fish, Wildlife and Parks. The department would continue to direct and supervise the budgeting, recordkeeping, reporting, and related administrative functions of the board.
2. The department, to prevent diversion (see technical note #1), would develop a cost allocation plan to recover the following costs:

See explanation in Technical Note 1

- a. Administrative costs for budgeting, accounting, human resources, procurement, payroll, record keeping, etc: \$730,000. The Parks Division currently pays these costs through a department overhead rates, so these would not be new costs.
 - b. Office and shop space (based on current rates from the Department of Administration): \$1,683,805. The Parks Division does not currently pay for these costs.
 - c. Direct IT costs: \$81,590. The Parks Division does not currently pay for these costs.
 - d. Net new costs to the administratively attached State Parks and Recreation Board: \$1,765,395 (an inflation factor of 1.5% has been added to FY 2020 and FY 2021).
 - e. These new costs, per amended bill, would be paid with existing HB 2 authority. Therefore, a reduction in other division budget areas would need to occur in order to stay within existing HB 2 authority. Agency personnel will work with the Parks administrator, board, and staff to determine what services will be reduced or eliminated. This reduction will likely require FTE reductions.
3. ~~Striking language in 23-1-105(6), MCA, eliminates the ability of the department to collect fees at Fishing Access Sites (FAS). Based on 2016 collections, revenue lost equals \$54,000 annually (see technical note #3).~~
4. It is assumed that the existing budget and FTE for the Parks Division would translate unchanged to the budget and FTE for the administratively attached State Parks and Recreation Board.

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE		----- unknown -----		
<u>Expenditures:</u>				
FTE or Operating Expenses	(\$1,765,395)	(\$1,765,395)	(\$1,791,876)	(\$1,818,754)
Rent and IT	\$1,765,395	\$1,765,395	\$1,791,876	\$1,818,754
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>(\$0)</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	(\$0)	\$0
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>(\$0)</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$54,000)	(\$54,000)	(\$54,000)	(\$54,000)
TOTAL Revenues	<u>(\$54,000)</u>	<u>(\$54,000)</u>	<u>(\$54,000)</u>	<u>(\$54,000)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$54,000)	(\$54,000)	(\$54,000)	(\$54,000)

Technical Notes:

- 1. The department must maintain control of fish and wildlife funds as defined in 50 CFR 80.10. If a “loss of control” is declared by the U.S. Fish and Wildlife Service (USFWS), the department will be rendered ineligible for participation in the Pittman-Robertson Wildlife Restoration grant program, the Dingle-Johnson Sport Fish Restoration program, and the State Wildlife Grant program. Control is ensured by programs being

Fiscal Note Request – As Amended

General license revenue for all 15 sites, except Brush Lake where D-J funding was used.

under the control of the Department Director. To ensure the department maintains control of fish and wildlife license funds, the department must assess the State Parks and Recreation Board for administrative costs and the use of office/shop space in buildings built and maintained by these funds. These funds cannot be used to support any Parks' related costs. The resulting loss of revenue available to the agency based on USFWS projections would be more than \$28 million.

2. Lands at about 15 state parks were purchased with fish and wildlife funding, primarily as fishing access sites, and later administratively designated as state parks. To comply with federal law, these lands must remain under the control of the fish and wildlife director. The department and the board would be required to resolve the status of these lands. In order to determine the status, appraisal and survey work would need to be completed at an estimated cost of \$1 million, which would be allocated to the state special revenue fund. Failure to do so could result in a "loss of control" determination by the USFWS.
- ~~3. Department authority for assessing camping fees would be removed and reserved for the board only. Department authority is currently found in 23-1-105, MCA. Where camping areas are found on department land, there would be no authority to assess fees.~~
4. HB 324 creates an internal inconsistency. HB 324, Sections 2 and 13 fail to confer the board authority over boats (leaving out part 5 altogether), but it confers the board authority, under Section 30, to the executive director of the board to appoint a boating advisory council to advise the board on the expenditure of funds in the motorboat account administered by the department. The authority would be mixed between the program and the board directing how and where the funds will be spent.
5. HB 324, Section 46 could affect a landowner's limitation on liability for providing recreational opportunities for snowmobiling through an agreement with the department. The department could not contract with landowners for snowmobiling recreation because the limitation on liability would only be extended to agreements with the board.

If the snowmobile program is under the Board's purview, would the department be entering into snowmobiling contracts? If so, bill could be amended.

Policy choice related to boating: HB 454 keeps boating safety and enforcement responsibilities within Fish and Wildlife (Enforcement Division) and keeps the boating facility grant program with the Parks Board. These are functions that the staff for these respective entities perform now.

Sponsor's Initials

Date

Budget Director's Initials

Date



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2019 Biennium

Bill #	HB0454	Title:	Revising the administration of state parks and related recreational programs
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Primary Sponsor:	White, Kerry	Status:	As Introduced
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|---|--|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns | |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached | |

FISCAL SUMMARY

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$868,357	\$881,382	\$894,603
Federal Special Revenue	\$0	\$0	\$0	\$0
Proprietary	\$0	\$1,165,510	\$1,139,245	\$1,156,334
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Proprietary	\$0	\$1,165,510	\$1,139,246	\$1,156,334
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: HB 454 transfers the management of recreational resource programs such as state parks, boating, snowmobiles, off-highway vehicles, and management of the Smith River from the Department of Fish, Wildlife and Parks to the Department of Commerce; administratively attaches the State Parks and Recreation Board to Commerce; renames the Department of Fish Wildlife and Parks the Department of Fish and Wildlife; clarifies Department of Commerce and Parks and Recreation Board powers and duties; authorizes the hiring of an executive director by the board; and provides for a statutory appropriation and rulemaking authority. The net increased costs to the Department of Fish and Wildlife for FY 2019 are estimated to be ~~\$868,357~~ general license funds and 5.67 FTE. The net increased costs to the Department of Commerce for FY 2019 are estimated to be \$1,165,510 proprietary funds and 12.00 FTE. These costs are ongoing.

Actual estimated FTE increase is 19.5 FTE = 13.83 FTE from Assumption 4a and 5.67 FTE from Assumption 10

Actual estimated increased cost is \$1,192,271 to be paid from general license funding. \$868,357 from Assumption 4a + \$323,920 from Assumption 10

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

1. HB 454 transfers the management of state parks, boating, snowmobile, and off-highway vehicles from FWP to the Department of Commerce (DOC).
2. The effective date of the bill is July 1, 2018.
3. The following revenue sources will be moved from FWP to DOC in FY2019

	MCA	FY 2019	FY 2020	FY2021
Motor Vehicle	15-1-122	\$719,295	\$719,295	\$719,295
Coal Tax Trust/Int.	15-35-108	\$1,057,835	\$1,057,835	\$1,057,835
Accommodations Tax	15-65-121	\$2,482,000	\$2,248,000	\$2,482,000
Enterprise Fund	23-1-105	\$256,500	\$256,500	\$256,500
Parks Miscellaneous	Multiple*	\$6,445,406	\$6,445,406	\$6,445,406
Forest Management**	87-1-621	\$0	\$0	\$0
Gasoline Tax	60-3-201	\$2,230,317	\$2,230,317	\$2,230,317
Snowmobile Trail Pass	23-2-646	\$130,000	\$130,000	\$130,000
Non-resident OHV Decal	23-2-814	\$11,460	\$11,460	\$11,460

*23-1-105, 61-3-321, 61-3-512

**No projects are planned therefore no revenue is anticipated

Pursuant to Technical Note 13, general license funding would be used for these expenses.

4. The following Parks related expenditures will be moved from FWP to DOC in FY 2019.

a. The new Department of Fish and Wildlife (DFW) would retain control of the lands purchased with fish and wildlife funding and manage the sites as Fishing Access Sites. Based on the acreage purchased with fish and wildlife funds, DFW will retain 70% of the annual budget for the sites identified. This equates to 13.83 FTE and \$868,351 in operating expenses annually. See Assumption #12 and Technical Note #2.

Sites listed in Technical Note 2.

- b. Amounts are increased by 1.5% for inflation in FY 2020 and FY 2021.
- c. The Capital Projects amount reflects the balance of authority from LRBP appropriations as of 01/31/2017.

	FTE	FY 2019	FY 2020	FY 2021
Parks Operations	69.34	\$7,680,158	\$7,808,386	\$7,938,537
Parks Enforcement		\$323,920	\$328,779	\$333,710
Statutory Appropriation	16.16	\$1,551,677	\$1,574,952	\$1,598,576
Enterprise Fund	1.25	\$272,135	\$276,217	\$280,360
Capital Projects		\$13,140,291		

5. A portion of the Parks operations costs are funded with federal Dingle-Johnson boating access dollars received through grants to FWP from the USFWS. These funds would need to be backfilled with state special revenue as they are only available to the state’s fish & wildlife agency and cannot be transferred to DOC. These funds are \$175,201 in FY 2019, \$177,829 in FY 2020, and \$180,496 in FY 2021.
6. All changes shown below in the table will be transitioned into the budget of the DOC where possible.

Department of Fish, Wildlife, and Parks	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	(92.42)	(92.42)	(92.42)
<u>Expenditures:</u>				
Personal Services	\$0	(\$6,112,000)	(\$6,206,680)	(\$6,302,780)
Operating Expenses	\$0	(\$2,555,982)	(\$2,604,347)	(\$2,653,437)
Equipment	\$0	(\$354,301)	(\$359,616)	(\$365,010)
Grants	\$0	(\$481,687)	(\$488,912)	(\$496,246)
Capital	\$0	(\$13,140,291)	\$0	\$0
TOTAL Expenditures	\$0	(\$22,644,261)	(\$9,659,555)	(\$9,817,473)
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	(\$22,196,925)	(\$9,205,509)	(\$9,356,617)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Enterprise	\$0	(\$272,135)	(\$276,217)	(\$280,360)
TOTAL Funding of Exp.	\$0	(\$22,469,060)	(\$9,481,726)	(\$9,636,977)
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	(\$13,076,313)	(\$13,076,313)	(\$13,076,313)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Enterprise	\$0	(\$256,500)	(\$256,500)	(\$256,500)
TOTAL Revenues	\$0	(\$13,332,813)	(\$13,332,813)	(\$13,332,813)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$9,120,612	(\$3,870,804)	(\$3,719,696)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Enterprise	\$0	\$15,635	\$19,717	\$23,860

Department of Fish and Wildlife (DFW)

7. For FY 2019 only, it is assumed that Parks will still require office and shop space from DFW. Based on current rates from Department of Administration, rent of \$1,683,805 would be charged. See technical note #1 related to control of fish and wildlife funds.
8. FWP currently assesses an overhead rate to Parks funds to recover the Parks portion of the indirect costs for the department. This overhead is non-budgeted. The overhead assessed to Parks partially covers the department’s support functions which include information technology support, computers, database systems, website, and use of the automated license system for the Smith River drawing, snowmobile and OHV decals, and office and shop space in Helena and the regional offices. The department will no longer receive overhead revenue of \$1.1 million from Parks funding sources.
9. Overhead expenditures in the department are not reduced by a like amount because overhead expenditures were not Parks specific. For instance, when a copier needs to be replaced, the expenditure for the copier will

An increase of 3.2% in the overhead rate is estimated. Note: The agency says it would not gain enough capacity in its central services to decrease FTE there.

Fiscal Note Request – As Introduced

be the same regardless of whether Parks is in the department or not. Therefore, it is expected that the overhead rate assessed on the remaining fish and wildlife funds will need to be increased to cover these costs.

10. The new DFW will require 5.67 FTE and \$323,920 from the general license account to make game warden positions in 70 districts throughout the state whole due to the transfer of the parks, snowmobile, and OHV enforcement functions to DOC. There are no warden positions funded solely by Parks' funding.

11. DFW will replace signs at the Helena office, regional offices, area offices, Fishing Access Sites, Wildlife Management Areas and all other properties, as well as those along roadways. The cost to have signs made and installed at the most visible sites is estimated at \$130,000 and would have to be absorbed by existing budgets. All other signs could be replaced through attrition at an estimated cost of \$60,000 annually based on current replacement costs.

12. DFW will replace uniform items over FY 2019 and FY 2020. Costs incurred by the Warehouse proprietary account to replace patches and restock new uniforms and name badges would be passed on to the divisions and be absorbed by existing budgets.

13. As noted in assumption #4, DFW will retain control and management of sites purchased with fish and wildlife funding. General license funding would be used to fund the \$868,351 of operations identified.

14. Due to the above noted assumptions the DFW would, at a minimum, experience \$868,351 of additional costs and require 5.67 FTE. A 1.5% inflation factor is added to FY 2020 and FY 2021.

Department of Fish and Wildlife	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	5.67	5.67	5.67
<u>Expenditures:</u>				
Personal Services	\$0	\$323,920	\$328,779	\$333,710
Operating Expenses	\$0	\$544,437	\$552,604	\$560,893
TOTAL Expenditures	\$0	\$868,357	\$881,382	\$894,603
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue - GLA	\$0	\$868,357	\$881,382	\$894,603
TOTAL Funding of Exp.	\$0	\$868,357	\$881,382	\$894,603
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue - GLA	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue - GLA	\$0	(\$868,357)	(\$881,382)	(\$894,603)

Department of Commerce (DOC)

15. This bill transfers the management of recreational resource programs such as state parks, boating, snowmobiles, off-highway vehicles, and management of the Smith River from the Department of Fish Wildlife and Parks (FWP) to the Parks and Recreation Board and the DOC on July 1, 2018 (FY 2019). It is estimated that approximately 100.00 FTE would be transferred, about a 50% increase in current DOC staffing levels.

16. A new division within the DOC would be created -- the Parks and Recreation Division (Parks Division).

Fiscal Note Request – As Introduced

(continued)

17. HB 454 authorizes the Parks Division to enter into cooperative agreements with the Department of Fish and Wildlife and any other state, city, county, or other governmental unit to carry out the provisions enumerated in the bill. For the purposes of this fiscal note, it is assumed that the Parks Division staff would remain in their current locations, both in Helena and in their remote locations, and the Parks Division would do this by contracting with the Department of Fish and Wildlife and/or the Department of Administration.
18. Additionally, it is further assumed that the Parks Division would contract with the Department of Fish and Wildlife for information technology services for all remotely located staff.
19. The Parks Division uses an online application system for Smith River floating permits. For the purposes of this fiscal note it is also assumed the Parks Division would continue to contract with their current vendor(s) to continue those services.
20. The Parks Division uses an online reservation system for campsites, tipis, cabins, and yurts. For the purposes of this fiscal note, it is assumed the Parks Division would continue to contract with their current vendor(s) to continue those services
- ~~21. It is further assumed that Park Rangers would obtain firearms training from the Montana Law Enforcement Academy and would contract with the Department of Fish and Wildlife and other law enforcement agencies for coordinated and cooperative law enforcement activities.~~
22. The DOC doesn't manage nor have a motor pool. For the purposes of this fiscal note, it is assumed the Parks Division would purchase or lease the vehicles needed for its operations. Vehicles, including law enforcement vehicles, would be purchased through the Department of Administration, or leased from the Department of Transportation motor pool or the Department of Fish and Wildlife.
23. The Parks Division has remote locations that collect cash and incur expenses. For the purposes of this fiscal note, it is assumed that they will continue their current practice with the collection documents and payment requests being remitted to the DOC.
24. Beginning in FY 2018, the Parks Division would modify their financial reporting systems and structure to accurately reflect only that portion of the agency/programs being transferred to the DOC as a separate entity and allow DOC staff access to those financial reports. Fishing access sites would not be included in any FY 2018 financial reporting structure as they are not proposed to be transferred in the bill.
25. The DOC would establish a separate reporting system for the Park's Division, for unemployment, property and casualty, motor vehicle, and liability insurance purposes. Per Montana State Fund staff, the DOC would have to establish a separate internal reporting system for worker's compensation purposes.
26. The DOC would allocate a portion of its fixed costs to the Parks Division when budgeting for the 2021 biennium. Fixed costs are typically those budgeted items allocated to all agencies and are typically billed by the Department of Administration.
27. The addition of the Parks Division would increase the DOC's total FTE by approximately 50% and the addition of 55 state parks and an additional 12 affiliated lands not managed as parks and the other associated duties and responsibilities enumerated in the bill would require an increase in staff needed to administratively support the Parks Division. The Director's Office would require 12.00 FTE to provide accounting and fiscal, budget, human resources, information technology, and legal support to the Parks Division. Personal services costs are estimated at \$928,714 and operating expenses (including one-time-only costs) are estimated at \$236,796 in FY 2019. FY 2020 and FY 2021 personal services and operating expenses are inflated by 1.50%.
28. It is assumed the Parks Division would be charged monthly, for the increased administrative support services provided by the DOC. FY 2019 is estimated at \$97,126 per month. Beginning in the 2021 biennium, the Parks Division would be included in the DOC indirect cost plan when a new indirect cost rate would be calculated.
29. Section 50 of the bill creates a statutory appropriation for payments in lieu of taxes to counties for state park land purchased after May 10, 2009. The DOC is unaware what state parks land this section might be applicable to. State Parks should be consulted as to what parks land this section might be applicable.

Section 53

DOC currently has 19 FTE in central services serving 207 FTE.

Only Fish Creek SP
requires PILT payments at
this time.

30. Section 51 of the bill creates and statutorily appropriates the forest management state special revenue account to address fire mitigation and pine beetle infestation on land the Board administers. The DOC is unable to quantify or accurately estimate the potential fiscal impacts of this section of the bill within the timeframe allowed for the submission of this fiscal note. State Parks should be consulted as to the potential fiscal impacts of this code section.

31. Below is a summary of the net increase to the Department of Commerce.

Department of Commerce	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	104.42	104.42	104.42
<u>Expenditures:</u>				
Personal Services	\$0	\$7,040,714	\$7,149,324	\$7,259,564
Operating Expenses	\$0	\$2,792,778	\$2,800,948	\$2,852,987
Equipment	\$0	\$354,301	(\$359,616)	(\$365,010)
Grants	\$0	\$481,687	(\$488,912)	(\$496,246)
Capital	\$0	\$13,140,291	\$0	\$0
TOTAL Expenditures	\$0	\$23,809,771	\$9,101,744	\$9,251,295
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$22,196,925	\$9,205,509	\$9,356,617
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Enterprise	\$0	\$272,135	\$276,217	\$280,360
Proprietary	\$0	\$1,165,510	\$1,139,246	\$1,156,334
TOTAL Funding of Exp.	\$0	\$23,634,570	\$10,620,972	\$10,793,311
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$13,076,313	\$13,076,313	\$13,076,313
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Enterprise	\$0	\$256,500	\$256,500	\$256,500
Proprietary	\$0	\$1,165,510	\$1,139,246	\$1,156,334
TOTAL Revenues	\$0	\$14,498,323	\$14,472,059	\$14,489,147
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	(\$9,120,612)	\$3,870,804	\$3,719,696
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Enterprise	\$0	(\$15,635)	(\$19,717)	(\$23,860)
Proprietary	\$0	\$0	\$0	\$0

32. 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines. Answer yes or no to each of the following guidelines regarding the statutory appropriation:

General license revenue was used at these state parks, except Brush Lake where federal D-J funding was used.

Technical Notes:

Fish, Wildlife, and Parks

1. The department must maintain control of fish and wildlife funds as defined in 50 CFR 80.10. If a “loss of control” is declared by the U.S. Fish and Wildlife Service (USFWS), the department will be rendered ineligible for participation in the Pittman-Robertson Wildlife Restoration grant program, the Dingle-Johnson Sport Fish Restoration program, and the State Wildlife Grant program. To ensure the department maintains control of fish and wildlife license funds, the department must assess the State Parks and Recreation Board for the use of office/shop space in buildings built and maintained by these funds. These funds cannot be used to support any Parks’ related costs. The resulting loss of revenue available to the agency based on USFWS projections would be more than \$28 million.
2. To comply with federal law, all lands purchased with fish and wildlife funding would have to remain at the new DFW and be removed from the state parks system. This would include all or a portion of the following state parks: Spring Meadow, Beavertail Hill, Giant springs, Logan, Missouri Headwaters, Wayfarers, Smith River, Brush Lake, Lake Elmo, Lone Pine, Prairie Dog Town, West Shore, Finley Point, Lake Mary Ronan, Lost Creek, Sluice Boxes, and several other affiliated lands. DFW would then manage these as fishing access sites, which most were originally acquired as.
3. HB 454 fails to confer the board authority over boats, but it confers the board authority, under Section 67, to the executive director of the board to appoint a boating advisory council to advise the board on the expenditure of funds and attaches the council to the DOC.

Policy choice. See discussion at bottom of next page.

Department of Commerce

4. HB 454 contains numerous concurrent references to DOC rules and rules promulgated by the State Parks and Recreation Board. This creates an issue as to cross jurisdictional priorities between the entities which should be addressed in the bill.
5. Section 23-1-106, MCA, is not included in this bill. This section confers rulemaking authority to the department of commerce and the board regarding property under their control; however, the bill does not give the Department of Commerce control, custody, or jurisdiction over state parks, recreational area, public camping grounds, historic sites, and monuments because these powers were removed from the department in Section 38 of this bill. Additionally, Section 23-1-106, MCA, requires DOC to enforce the provisions of Title 23, Chapter 1, Part 1 (State Parks); requires the director of DOC to employ all necessary personnel for enforcement purposes; and deems DOC a criminal justice agency. This is inconsistent with other sections of Title 23 chapter 1 and chapter 2.
6. Section 23-1-107, MCA, is not included in this bill. This creates an inconsistency because it authorizes the DOC to cooperate with other agencies relating to acquiring, planning, establishing, developing, improving, or maintaining any park, parkway, recreational area, monument, historic site, or archaeological site but the board holds these duties and is not authorized to do so or to enter into cooperative agreements to carry out the provisions of Title 23, chapter 1, part 1.
- ~~7. The bill retains certain limited duties with DOC such as that found in Section 39: use of a fund to serve the recreating public by providing for the obtaining of inventory through purchase, production, or donation and for the sale of merchandise and other related goods and services at DOC sites and facilities. Again, this is inconsistent with power and duties that were removed from DOC in Section 38 of the bill.~~
8. Section 23-1-109, MCA, was not amended in this bill; however, the Department of Fish, Wildlife, and Parks was named in this section. This section should be amended to reflect the name change of the department from fish, wildlife, and parks, to fish and wildlife.
- ~~9. Section 41 grants the board the authority to adopt rules regarding improvement or development of state parks but requires DOC prepare a public report regarding any project that proposes significant changes to park features or use patterns. Again, this is an inconsistency regarding powers and duties of DOC and the board.~~
10. Section 43 allows authorized officers of the board to enforce the laws and rules relating to parks and outdoor recreation. It allows an authorized officer to arrest or exercise other powers of a peace officer in the

Would be resolved by amending 23-1-106, MCA.

Amendment needed to clean up inconsistencies.

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enforcement of Title 23, chapter 1 or rules of the board but fails to mention rules of DOC. Under section 23-1-106, MCA, DOC is authorized to make rules and enforce the provisions of chapter 1. This is an inconsistency regarding powers and duties of DOC and the board.

~~11. Section 56 amends Section 23-2-103, MCA, to apply to the board and not the department, however, the title of the section was not amended; it reads “Compliance with federal act authorized – powers of department.” The department does not have any powers in this section as proposed in HB 454.~~

12. Section 66 requires the board to use the motorboat account to improve, operate, or maintain boating facilities and cover costs associated with the boating advisory council. This is inconsistent with this bill because it fails to confer authority over boats to the board. ← **Policy choice**

13. Section 67 requires the executive director of the state parks and recreation board to appoint a boating advisory council to advise the board on the expenditure of funds in the motorboat account. Additionally, it attaches the boating advisory council to the department of commerce in an advisory capacity only; however, the department does not have any authority over boating. ← **Policy choice**

14. Section 74 designates the board as a criminal justice agency but does not amend the designation conferred in Section 23-1-106, MCA, to the department of commerce as a criminal justice agency. This bill makes both the board and the department of commerce criminal justice agencies.

15. Section 109 contains a reference to FWP but one name reference is not corrected to the department of fish and wildlife. ← **Amendment needed to clean up inconsistencies.**

Would be resolved by amending 23-1-106, MCA.

Red-lined section on this page reflects older draft of bill.

Policy choice related to boating: HB 454 keeps boating safety and enforcement responsibilities within Fish and Wildlife (Enforcement Division) and keeps the boating facility grant program with the Parks Board. These are functions that the staff for these respective entities perform now.

Sponsor’s Initials

Date

Budget Director’s Initials

Date