



NATURAL RESOURCES INTERIM BUDGET COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Duane Ankney
Janet Ellis
Tom Jacobson
Jeffrey Welborn

HOUSE MEMBERS

Kenneth Holmlund
Jim Keane
Joe Read
Jerry Schillinger

COMMITTEE STAFF

Brent Doig - OBPP Staffer
Alice Hecht - Legislative Fiscal Analyst
Joanne Kauzlarich - Secretary
Robert Miller - Legislative Fiscal Analyst
Gerry Murphy - OBPP Staffer

MINUTES LOG

March 16, 2022
Rm. 422
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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MEMBERS PRESENT:

Rep. Kenneth Holmlund, Chair (R)
Sen. Janet Ellis (D)
Sen. Tom Jacobson (D)
Rep. Joe Read (R)
Rep. Jerry Schillinger (R)
Sen. Jeffrey Welborn (R)

MEMBERS EXCUSED:

Sen. Duane Ankney (R)
Rep. Jim Keane (D)

MEMBERS ABSENT:

STAFF PRESENT:

Brent Doig, OBPP Analyst
Alice Hecht, Fiscal Analyst
Joanne Kauzlarich, Secretary
Robert Miller, Fiscal Analyst
Gerry Murphy, OBPP Analyst

AGENDA ([Attachment 1](#))

VISITORS' LIST ([Attachment 2](#))

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

08:32:00 Rep. Kenneth Holmlund-R called the meeting to order at 8:32 AM. The committee secretary took roll.

Modernization and Risk Analysis, HB 330, LFD Staff

08:33:20 Alice Hecht, Fiscal Analyst II, Legislative Fiscal Division (LFD), presented update on the MARA model.
08:33:25 [Exhibit 1](#)
08:36:19 Rep. Schillinger joined the meeting.
08:41:48 [Exhibit 2](#)
08:48:14 [Exhibit 3](#)
08:50:04 Rob Miller, Senior Fiscal Analyst, LFD, presented MARA Wildfire module details.
08:51:03 [Exhibit 4](#)
08:52:41 Chair Holmlund asked if there were any questions from the committee. There were no questions.

Department of Transportation

08:53:01 Alice Hecht, presented the financial report for Department of Transportation (DOT).
08:53:35 [Exhibit 5](#)
09:01:28 Larry Flynn, Administrator, Department of Transportation (DOT), provided an update for DOT.
09:03:18 Chair Holmlund asked if the committee had any questions.
09:03:27 Sen. Ellis asked Mr. Flynn if he anticipates fiscal match challenges in the future.
09:03:51 Mr. Flynn responded.
09:05:55 Sen. Ellis asked about the future of infrastructure funding.
09:06:37 Mr. Flynn responded.
09:07:20 Sen. Ellis asked if the match is the same.
09:07:28 Mr. Flynn responded.
09:08:35 Sen. Jacobson asked if MARA was also looking into this issue.
09:08:45 Ms. Hecht responded.
09:09:02 Sen. Jacobson asked how far out of balance the funding will be in 5-8 years.
09:09:14 Ms. Hecht redirected the question to Larry Flynn.
09:09:31 Mr. Flynn responded.
09:11:14 Rep. Schillinger asked where the gas tax is allocated.
09:11:35 Mr. Flynn responded.

09:13:04 Sen. Jacobson asked if it is true that 1% of the gas tax goes to distributors and if so, what does that equate to in a dollar figure.

09:13:13 Mr. Flynn responded.

09:13:38 Rep. Schillinger clarified that 2/3 of the gas tax goes to the Department of Transportation.

09:13:45 Mr. Flynn responded.

09:13:55 Sen. Ellis commented that in the report there does not seem to be a summary. She would like one as she found them helpful in the past.

09:14:15 Mr. Miller responded.

09:14:24 Sen. Ellis stated she really appreciated the summary for a quick reference.

09:14:37 Mr. Flynn thanked Sen. Ellis for the comment.

09:14:55 Rep. Read asked about the 2024 renegotiation of the gas tax money that is shared with the tribes and questioned what the state's position will be on this issue.

09:15:22 Mr. Flynn responded.

09:15:45 Rep. Read asked what the percentage amount for the entire state might equate to.

09:15:56 Mr. Flynn responded.

09:16:41 Chair Holmlund asked how the state motor pool will handle the rising cost of fuel.

09:17:04 Mr. Flynn responded.

09:18:32 Chair Holmlund asked if the costs can be changed in the section C committee or if it will require legislative action.

09:18:40 Mr. Flynn responded.

09:19:00 Chair Holmlund asked what the difference is between level 1 and level 2 partnering.

09:19:18 Mr. Flynn responded.

09:20:00 Chair Holmlund asked if they are aware of any positive activity along those lines presently.

09:20:04 Mr. Flynn responded.

Public Comment

09:20:55 No Public Comment

Department of Natural Resources & Conservation

09:22:34 Rob Miller presented the Marijuana Sales Tax Revenue Distribution report and the financial report for Department of Natural Resources and Conservation

09:23:20 [Exhibit 6](#)

09:25:06 [Exhibit 7](#)

09:46:05 Jennifer Patrick, Department of Natural Resources, gave update on St. Mary's working group and the Milk River projects.

09:49:48 Director Amanda Kaster, Department of Natural Resources and Conservation, presented the financial update on ARPA projects, DNRC projects, HB 594, and HB 286

09:55:30 Sonya Germann, Forestry Division Administrator, Department of Natural Resources and Conservation presented the financial update for the forestry division.

09:59:45 Arne Wick, Water Resource Manager, Department of Natural Resources and Conservation, presented the update on Decision Package 2405.

10:05:34 Rep. Read asked Mr. Wick to explain the Governor's Office change in the process for obtaining a water permit.

10:07:02 Mr. Wick responded.

10:08:01 Rep. Read stated that this change in policy has hurt the development of Lake County and needs to be resolved.

10:10:13 Mr. Wick responded.

10:10:52 Chair Holmlund asked if it would require action from the legislature to reverse this law.

10:11:04 Mr. Wick responded.

10:11:09 Chair Holmlund confirmed it would take some work to change it.

10:11:16 Mr. Wick responded.

10:11:35 Chair Holmlund asked what the timeline would be to change this policy.

10:11:40 Mr. Wick responded.

10:12:06 Rep. Read commented that this was not well thought through and caused much disruption in Lake County.

10:13:16 Sen. Ellis asked about the timeline for getting the Lake Elmo project done.

10:13:50 Ms. Kaster redirected to Mark Bostrom.

10:14:05 Mark Bostrom, Administrator, Conservation and Resource Development, Department of Natural Resources and Conservation, responded.

10:14:17 Ms. Kaster responded.

10:14:35 Sen. Ellis asked if the committee could get more information on the well plugging project to track if the program is adequately funded.

10:16:03 Director Kaster responded.

10:16:15 James Halverson, Department of Natural Resources and Conservation, stated he would be happy to provide that data.

10:16:59 Sen. Jacobson asked if the recent hard landing with a helicopter was a DNRC helicopter.

10:17:12 Ms. Kaster responded.

10:17:14 Sen. Jacobson asked what the status is of that helicopter.

10:17:21 Ms. Kaster responded.

10:17:35 Ms. Germann provided more detailed information on the helicopter replacement strategy.

10:18:47 Sen. Jacobson asked if they are planning on rebuilding the damaged helicopter or using a different frame.

10:18:57 Ms. Germann responded.

10:19:11 Sen. Jacobson asked if the new frame was procured from the Department of Defense.

10:19:18 Ms. Germann responded.

10:19:21 Sen. Jacobson asked what the frame cost.

10:19:24 Ms. Germann responded.

10:19:38 Rep. Schillinger asked what the budget is for the new CSKT board.

10:19:50 Mr. Whit responded.

10:20:16 Rep. Schillinger asked who is responsible to manage these funds.

10:20:25 Mr. Whitt responded.
10:20:47 Rep. Schillinger asked about the number of job vacancies in the agency.
10:21:14 Mr. Miller responded.
10:22:07 Sen. Jacobson asked what division the helicopter was from and what agency budgeted for it.
10:22:25 Ms. Kaster responded.
10:22:30 Sen. Jacobson asked how many aircraft the agency has.
10:22:38 Sen. Jacobson asked if all four of the aircraft are through the forestry division.
10:22:41 Ms. Kaster responded.

Public Comment

10:23:11 Clayton Elliott, Montana Trout Unlimited (MTU), stated how appreciative he is to for all the hard work of DNRC.
10:25:35 Chair Holmlund agreed.
10:26:31 Rep. Read agreed and stated he is working on a charging station and he appreciates the departments working together on that project.

Department of Fish, Wildlife, & Parks

10:28:39 Rob Miller presented financial update on Fish, Wildlife, and Parks (FWP).
10:29:28 [Exhibit 8](#)
10:33:22 [Exhibit 9](#)
10:43:11 Director Hank Worsch, Fish, Wildlife, and Parks, presented update on the agency.
10:45:11 Tom Woolf, Bureau Chief, Aquatic Invasive Species (AIS) gave an update on the program and watercraft inspections.
10:46:06 [Exhibit 10](#)
10:50:16 Sen. Ellis asked if North Dakota has a mussel issue and how close the problem is to the Montana border.
10:50:32 Mr. Woolf responded.
10:51:07 Sen. Jacobson asked if AIS is planning on closing many of their inspection stations.
10:51:23 Mr. Woolf responded.
10:51:27 Sen. Jacobson asked how the reduction in inspection stations will impact the cost of operation.
10:51:41 Mr. Woolf responded.
10:52:29 Chair Holmlund asked if the state is seeing a higher prevalence of mussel infected boats.
10:52:56 Mr. Woolf responded.
10:53:31 Chair Holmlund asked if Idaho is using a similar AIS program.
10:53:38 Mr. Woolf responded.
10:53:48 Chair Holmlund asked if there is any indication of the mussels invading the Columbia Basin.
10:53:58 Mr. Woolf responded.
10:54:13 Chair Holmlund asked if their proactive approach helped to prevent mussels from invading the Columbia Basin.

10:54:29 Mr. Woolf responded.

10:54:59 Sen. Ellis asked if the committee can get an update on restoration projects including the progress they have made.

10:56:33 Mr. Warsech responded.

10:57:33 Sen. Ellis asked if the committee can receive information on the FWP reorganization update.

10:59:01 Mr. Warsech responded.

10:59:25 Sen. Ellis confirmed she would like this information.

10:59:42 Mr. Warsech responded.

10:59:51 Sen. Jacobson asked about the apparent vacancies in the positions in the department.

11:00:44 Mr. Warsech responded.

11:01:22 Sen. Jacobson expressed concern about vacancies.

11:02:09 Mr. Warsech responded.

11:02:42 Sen. Jacobson asked if all the aircraft are helicopters or are there fixed wing aircraft as well.

11:02:49 Mr. Warsech responded.

11:02:51 Sen. Jacobson asked they are all under enforcement.

11:02:57 Mr. Warsech responded.

11:03:01 Sen. Jacobson clarified there is no aircraft under Admin.

11:03:03 Mr. Warsech responded.

11:03:13 Sen. Jacobson mentioned they had an Admin pilot listed.

11:03:23 Lena Havron, Chief Financial Officer, Fish, Wildlife, and Parks, responded.

11:03:50 Sen. Jacobson asked if the aircraft are strictly used for enforcement.

11:04:01 Ms. Havron responded.

11:04:21 Sen. Jacobson asked if they are ever used for Admin.

11:04:25 Ms. Havron responded.

11:04:43 Sen. Jacobson asked for an example of what Admin. would use the helicopter for.

11:05:19 Mr. Warsech responded.

11:05:51 Sen. Jacobson asked if a helicopter was used for the snow groomer event in Wise River.

11:06:05 Mr. Warsech responded.

11:06:56 Sen. Jacobson asked if it was cost effective.

11:07:22 Mr. Warsech responded.

11:07:58 Sen. Ellis asked why some of the DP's on the chart do not have a budget yet.

11:08:48 Mr. Warsech responded.

11:09:11 Rob Miller responded.

11:09:19 Sen. Ellis commented she wanted to make sure the budget gets done for those DP's.

11:09:35 Rob Miller responded.

Public Comment

- 11:10:19 Clayton Elliott, Montana Trout Unlimited (MTU), commended Fish, Wildlife, and Parks on their reorganization. He appreciated the discussion.
11:14:25 Rob Miller responded.

Department of Environmental Quality

- 11:15:37 Rob Miller presented the financial report for the Department of Environmental Quality (DEQ).
11:16:19 [Exhibit 11](#)
11:21:57 Director Chris Dorrington, Department of Environmental Quality, continued with financial report for DEQ.
11:25:41 Chair Holmlund stated that he has dealt with asbestos issues since the end of session.
11:26:24 Jenny Chambers, Waste Management & Remediation Division Administrator, Department of Environmental Quality, presented the progress on the asbestos control program.
11:28:39 Sen. Ellis asked why it appears that in the budget modification that air, energy, and mining division no longer have an attorney.
11:29:13 Mr. Dorrington responded.
11:29:53 Chair Holmlund commented how much he appreciates the agencies working together to identify the asbestos violations.
11:30:44 Mr. Dorrington thanked the committee for their hard work.
11:31:06 Sen. Ellis asked if projects are getting lined up for the 1 DP that was passed as it seems not much money has been spent to date.
11:31:43 Ms. Chambers responded.
11:33:03 Sen. Welborn joined the meeting.
11:33:23 Sen. Ellis clarified the financial situation with this DP.
11:33:49 Ms. Chambers responded.

Public Comment

- 11:34:32 Clayton Elliott, MTU, thanked DEQ for their hard work on the ARPA project.

Department of Livestock

- 11:35:32 Rob Miller presented the financial report for Department of Livestock.
11:35:40 [Exhibit 12](#)
11:39:36 Executive Officer Mike Honeycutt, Department of Livestock, presented the update on agency.
11:53:29 Sen. Jacobson asked if they use a helicopter for predator control, and if so, what division pays for it.
11:53:46 Mr. Honeycutt responded.
11:54:22 Sen. Jacobson asked if they use the helicopters for personal transportation across the state.
11:54:36 Mr. Honeycutt responded.
11:55:19 Sen. Jacobson asked if there is a policy in place to fly more in order to keep hourly rates down.
11:55:34 Mr. Honeycutt responded.
11:56:24 Sen. Jacobson asked if the Department of Livestock will be asking the legislature to purchase a second helicopter.

11:56:26 Mr. Honeycutt responded.
11:56:48 Sen. Ellis asked if the federal money they received replaced general fund money.
11:57:37 Mr. Honeycutt responded.
11:58:50 Sen. Ellis asked for a thumbnail update of the diagnostic lab.
11:59:15 Mr. Honeycutt responded.
12:02:44 Chair Holmlund commented.

Public Comment

12:03:18 No public comment

Department of Agriculture

12:03:23 Rob Miller presented the financial report for Department of Agriculture.
[EXHIBIT 13](#)
12:08:02 Deputy Director Zach Coccoli, Department of Agriculture, presented agency progress and challenges.
12:13:36 Sen. Ellis asked if there is a way to measure the effects of the help the agency is giving to farmers.
12:14:22 Mr. Coccoli responded.

Public Comment

12:15:17 No public comment

Section C Committee Discussion

12:15:48 Rob Miller informed the committee of lunch details.
12:16:23 Chair Holmlund asked for suggestions for future meeting topics.
12:16:23 Sen. Ellis asked if the committee is interested in reorganization of FWP.
12:17:44 Chair Holmlund answered affirmatively.
12:17:51 Mr. Miller said he would be happy to help the committee get the information they need.
12:18:28 Chair Holmlund responded.
12:18:46 Sen. Jacobson has some questions about state aircraft utilization. He would like more information.
12:20:11 Mr. Miller responded.
12:20:34 Sen. Jacobson asked for a breakdown of where the administration is going when they are using them.
12:21:01 Mr. Miller responded.
12:21:20 Sen. Jacobson would like to know if any department is using them for any administrative staff.
12:22:10 Mr. Miller responded.
12:22:18 Sen. Welborn agreed that it would be good to look at flight logs to understand how the aircraft is being used.
12:23:20 Chair Holmlund commented.
12:25:45 Rep. Read commented on the price of hay, beef and fertilizer.
12:26:43 Chair Holmlund stated the farmers are starting to change use of fertilizer, using it in a more intelligent way.

12:27:22 Rep. Schillinger agreed that targeted fertilizing is a better use of fertilizer.
12:28:14 Chair Holmlund commented.
12:28:19 Rep. Schillinger commented.
12:28:29 Sen. Welborn commented on progress made on precision irrigating as well.
12:29:11 Rep. Schillinger commented that the smart technology has helped with herbicides as well.
12:29:49 Sen. Welborn stated the Legislature has already begun the process of more proactive agriculture.

ADJOURNMENT

Adjournment: 12:31:39