

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	568.52	4.00	19.19	591.71	4.00	19.19	591.71	591.71
Personal Services	21,719,523	1,982,000	674,763	24,376,286	2,131,405	677,885	24,528,813	48,905,099
Operating Expenses	20,005,153	510,588	2,225,114	22,740,855	381,173	2,220,672	22,606,998	45,347,853
Equipment	701,700	15,103	55,000	771,803	(247,897)	40,000	493,803	1,265,606
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,131,185	(429,650)	60,000	761,535	(547,650)	0	583,535	1,345,070
Benefits & Claims	6,641	0	0	6,641	0	0	6,641	13,282
Transfers	0	249,480	2,814,817	3,064,297	249,480	2,814,817	3,064,297	6,128,594
Total Costs	\$43,564,202	\$2,327,521	\$5,829,694	\$51,721,417	\$1,966,511	\$5,753,374	\$51,284,087	\$103,005,504
General Fund	419,466	14,089	0	433,555	14,089	0	433,555	867,110
State/Other Special	31,653,448	3,092,131	637,693	35,383,272	2,657,864	562,855	34,874,167	70,257,439
Federal Special	11,491,288	(778,699)	5,192,001	15,904,590	(705,442)	5,190,519	15,976,365	31,880,955
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$43,564,202	\$2,327,521	\$5,829,694	\$51,721,417	\$1,966,511	\$5,753,374	\$51,284,087	\$103,005,504

Agency Description

The Montana Department of Fish, Wildlife and Parks is responsible for managing Montana's fish, wildlife, and recreational resources and providing outdoor recreational opportunities for Montanans. The department is responsible for a state park system that includes scenic, historical, cultural, and recreational resources. The operational programs are in seven divisions and seven regional field offices. The five-member FWP Commission provides policy direction on resource management, seasons, and use of department lands.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	Present Law Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Biennium Fiscal 00-01	Total Exec. Budget Fiscal 02-03
FTE	572.52	19.19	591.71	572.52	19.19	591.71	0.00	591.71
Personal Services	23,701,523	674,763	24,376,286	23,850,928	677,885	24,528,813	44,534,848	48,905,099
Operating Expenses	20,515,741	2,225,114	22,740,855	20,386,326	2,220,672	22,606,998	38,858,476	45,347,853
Equipment	716,803	55,000	771,803	453,803	40,000	493,803	1,092,585	1,265,606
Capital Outlay	0	0	0	0	0	0	0	0
Grants	701,535	60,000	761,535	583,535	0	583,535	2,508,943	1,345,070
Benefits & Claims	6,641	0	6,641	6,641	0	6,641	10,774	13,282
Transfers	249,480	2,814,817	3,064,297	249,480	2,814,817	3,064,297	0	6,128,594
Total Costs	\$45,891,723	\$5,829,694	\$51,721,417	\$45,530,713	\$5,753,374	\$51,284,087	\$87,005,626	\$103,005,504
General Fund	433,555	0	433,555	433,555	0	433,555	836,514	867,110
State/Other Special	34,745,579	637,693	35,383,272	34,311,312	562,855	34,874,167	64,399,193	70,257,439
Federal Special	10,712,589	5,192,001	15,904,590	10,785,846	5,190,519	15,976,365	21,769,919	31,880,955
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$45,891,723	\$5,829,694	\$51,721,417	\$45,530,713	\$5,753,374	\$51,284,087	\$87,005,626	\$103,005,504

New Proposals

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

New Proposals Program	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 102 - FWP Internet Site										
01	1.00	0	12,023	36,067	48,090	1.00	0	11,528	34,585	46,113
DP 103 - CARA Implementation										
01	1.00	0	0	47,944	47,944	1.00	0	0	48,098	48,098
DP 110 - Legislative Contract Authority										
01	0.00	0	0	75,000	75,000	0.00	0	0	75,000	75,000
DP 205 - Public Land Access Coordinator										
02	1.00	0	53,470	0	53,470	1.00	0	53,470	0	53,470
DP 211 - Legislative Contract Authority										
02	0.00	0	0	60,000	60,000	0.00	0	0	60,000	60,000
DP 301 - Fishing Access Assistance Program										
03	0.00	0	6,250	18,750	25,000	0.00	0	6,250	18,750	25,000
DP 302 - Recreation Conflict Coordination										
03	1.00	0	15,874	37,039	52,913	1.00	0	15,874	37,039	52,913
DP 303 - Statewide Fish Technician Support										
03	3.00	0	32,940	76,860	109,800	3.00	0	32,940	76,860	109,800
DP 306 - Legislative Contract Authority										
03	0.00	0	0	1,851,019	1,851,019	0.00	0	0	1,851,019	1,851,019
DP 410 - Legislative Contract Authority										
04	0.00	0	0	10,000	10,000	0.00	0	0	10,000	10,000
DP 411 - Regional Investigators/CARA										
04	3.00	0	0	197,841	197,841	3.00	0	0	154,171	154,171
DP 501 - Mountain Lion Research										
05	0.50	0	38,992	116,978	155,970	0.50	0	38,992	116,978	155,970
DP 502 - Black Bear Research										
05	0.50	0	14,830	44,490	59,320	0.50	0	14,830	44,490	59,320
DP 508 - Legislative Contract Authority										
05	0.00	0	0	533,798	533,798	0.00	0	0	533,798	533,798
DP 509 - Wolf/Ungulate Monitoring - CARA										
05	1.00	0	31,847	95,543	127,390	1.00	0	31,847	95,543	127,390
DP 510 - Sagegrouse Monitoring - CARA										
05	0.00	0	22,500	67,500	90,000	0.00	0	22,500	67,500	90,000
DP 601 - Park Maintenance and Operations										
06	2.79	0	82,283	0	82,283	2.79	0	82,560	0	82,560
DP 602 - Restore Motorboat Maintenance										
06	0.00	0	11,000	40,000	51,000	0.00	0	11,000	40,000	51,000
DP 603 - Fishing Access Site Maintenance										
06	2.00	0	46,555	0	46,555	2.00	0	46,708	0	46,708
DP 609 - Legislative Contract Authority										
06	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 613 - CARA Implementation - LWCF										
06	0.00	0	0	217,000	217,000	0.00	0	0	217,000	217,000
DP 801 - Spring Meadow Wild Animal Rehabilitation Center										
08	0.40	0	44,893	0	44,893	0.40	0	44,893	0	44,893
DP 802 - Aquatic Ed Program/Family Fishing										
08	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 803 - Remedial/Continuing Hunter Ed										
08	0.50	0	60,000	0	60,000	0.50	0	60,000	0	60,000
DP 804 - Shooting Range Grants Enhancement										
08	0.00	0	60,000	0	60,000	0.00	0	0	0	0
DP 807 - Legislative Contract Authority										
08	0.00	0	0	35,000	35,000	0.00	0	0	35,000	35,000
DP 809 - Youth Magazine/CARA										
08	0.00	0	0	102,000	102,000	0.00	0	0	102,000	102,000
DP 904 - Hunting & Fishing License Research										
09	0.00	0	30,000	0	30,000	0.00	0	15,000	0	15,000
DP 906 - Cadastral Database										
09	0.00	0	9,000	0	9,000	0.00	0	9,000	0	9,000
DP 907 - Legislative Contract Authority										
09	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 908 - Geographic Information Systems										
09	1.50	0	65,236	0	65,236	1.50	0	65,463	0	65,463
DP 910 - Conservation and Reinvestment Act (CARA) Funding										
09	0.00	0	0	1,079,172	1,079,172	0.00	0	0	1,122,688	1,122,688
Total	19.19	\$0	\$637,693	\$5,192,001	\$5,829,694	19.19	\$0	\$562,855	\$5,190,519	\$5,753,374

Agency Issues

Program Expansions

The Executive Budget includes recommendations for significant program expansions through new proposals, which also include requests for FTE, in the 2003 biennium. Table 1 shows this increase and compares it to new proposals since the 1991 biennium.

In examining these new proposals and the magnitude of the overall increase, the legislature may want to consider two issues impacting the entire department and having a bearing on the potential degree of these increases:

- 1) The department is proposing base reductions in order to fund increases for an alternate pay plan implemented during the interim. Several of the new proposals backfill reductions in some of these base adjustments. Moreover, the size of the increases in new proposals do not indicate a reduction in overall spending to fund the pay plan in this or future biennia.
- 2) The department has indicated it will seek an increase in license fees in the 2005 biennium. Many of the new proposals request additional spending authority from the general license account, which derives its revenue from that source. Therefore, a reduction in the number and size of the new proposals could mitigate the need for license fee increases.

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

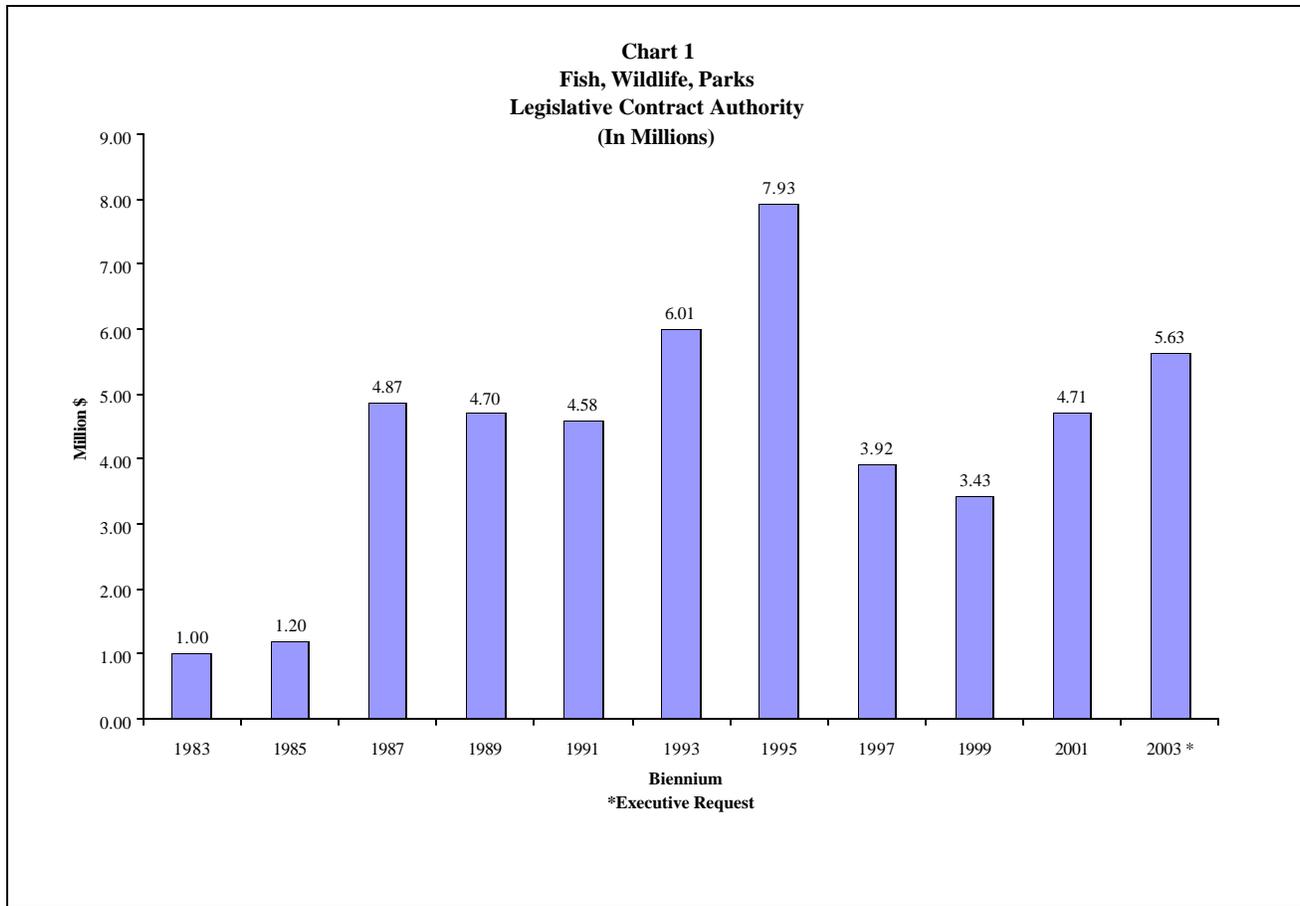
Both the alternate pay plan and the general license account, including account status, are discussed in more detail in this section.

Legislative Contract Authority

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

The more typical post-session process to spend emergent federal money is through a budget amendment. Budget amendments are generally reserved for money the legislature could not reasonably have expected during the legislative session. Through the budget amendment process, the legislature has the opportunity to review the amount and purpose of funding received after the legislative session. Thus, the legislature, on an ongoing basis, is kept apprised of fiscal activity. In contrast, LCA allows the agency to spend federal funding without routine notification. In addition, the agency must request funding in HB 2 for ongoing budget amendments, if the agency is to avoid requesting a budget amendment again in the next biennium.

As shown in Chart 1, from fiscal 1982, when this mechanism was first established, through the 2001 biennium, the department has received \$42.3 million of LCA. Biennial LCA appropriations reached their highest level in the 1995 biennium, but were reduced to \$3.43 million in the 1999 biennium. The executive is requesting \$5.63 million in LCA authority for the 2003 biennium.



**Table 2
Department of Fish, Wildlife and Parks
Legislative Contract Authority, 2003 Biennium
Executive Budget**

Program	Fiscal 2002	Fiscal 2003
	Federal	Federal
Administration & Finance	\$ 75,000	\$ 75,000
Field Services	60,000	60,000
Fisheries	1,851,019	1,851,019
Law Enforcement	10,000	10,000
Wildlife	533,798	533,798
Parks	50,000	50,000
Conservation Education	35,000	35,000
Department Management	200,000	200,000
Total	\$ 2,814,817	\$ 2,814,817

**LFD
ISSUE**

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

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

Thus, if the legislature wants the opportunity to review on-going projects and weigh their merits against other ongoing projects, the legislature may want to consider including the authority in the present law budget, not as LCA.

At minimum, the legislature may want to consider adding additional language requiring the department to include project duration information in their annual report. Other options may include:

- 1) Require that all projects that remain ongoing over a specified period of time be budgeted in HB 2;
- 2) Require that the department provide quarterly updates on the status and amounts spent with LCA; or
- 3) Eliminate LCA.

**LFD
ISSUE**

The legislature usually includes the following language when approving LCA:

"The appropriations for legislative contract authority are subject to the following provisions:

- a) legislative contract authority applies only to federal funds;
- b) expenditures must be reported on state accounting records and kept separate from present law operations. In preparing the 2005 biennium budget for legislative consideration, the office of budget and program planning may not include the expenditures from this item in the present law base; and
- c) a report must be submitted by the department to the legislative fiscal division following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures and FTE for each project."

General License Account

The General License Account is the department's single largest funding source. In fiscal 2000, the general license account supplied 54.1 percent of the department's total funding and 74.4 percent of the department's state special revenue funding. The license fees that provide revenue to the account are set by the legislature.

Table 3 provides details of the fund balance for the 2001 and 2003 biennia. Fiscal years 2000 to 2003 reflect the amount of money that is expected to be available for legislative appropriation after requested new proposals and present law adjustments are taken into account. The large decrease in fiscal 2001 is caused by the removal of \$6.5 million in unspent capital project and carry-forward appropriations. Even though the department will not spend the entire \$6.5 million in fiscal 2001, the money is not available for the 2001 legislature to appropriate. Likewise, the full amount of the \$2.5 million

	Actual		Appropriated		Executive Request	
	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2002	Fiscal 2003
Beginning Balance	\$ 27,606,108	\$ 26,099,890	\$ 18,452,425	\$ 13,662,891		
License Revenue	21,624,953	21,937,260	22,593,379	22,760,211		
Other Revenue	3,057,919	1,548,216	1,319,505	1,012,870		
Total Funds Available	52,288,981	49,585,366	42,365,309	37,435,972		
Disbursements						
Program Expenditures	24,354,310	24,779,150	25,104,886	24,897,764		
Continuing Capital Costs	966,590	3,817,361	-	-		
LRB Projects	659,592	2,400,171	2,463,000	-		
Carry Forward Appropriations	-	136,259	-	-		
Proposed Executive Pay Plan	-	-	601,719	1,187,802		
New Proposals	-	-	532,813	457,698		
Total Disbursements	25,980,492	31,132,941	28,702,418	26,543,264		
Adjustments	(208,599)					
Available Ending Balance	<u>\$ 26,099,890</u>	<u>\$ 18,452,425</u>	<u>\$ 13,662,891</u>	<u>\$ 10,892,708</u>		

capital request from this account is shown in fiscal 2002, even though expenditures will occur in later years. The actual fund balance at a given point in time will be higher. However, the legislature would not be able to appropriate the full amount of the balance because a portion has already been committed to capital projects.

The department has indicated that they will be seeking a license fee increase in the 2003 legislative session. If all capital projects were completed in the next biennium and if all new proposals and present law adjustments were accepted by the 2001 legislature, the balance in the General License Account would be nearly \$11.0 million. Even when expending more than is being brought in from revenue, the department could go for at least two biennia before the balance would approach \$5.7 million. If the legislature decides to limit funding for department expansion, the current fund balance could last even longer.

Fiscal Year	Revenues	Disbursements	Difference	Cummulative
* 2003	\$ 23,773,081	\$ 26,543,264	\$ (2,770,183)	5,668,736
* 2002	23,912,884	28,702,418	(4,789,534)	8,438,919
* 2001	23,485,476	31,132,941	(7,647,465)	13,228,453
2000	24,682,872	25,980,492	(1,297,620)	20,875,918
1999	24,855,232	25,647,061	(791,829)	22,173,538
1998	24,556,436	23,387,660	1,168,776	22,965,367
1997	24,001,499	21,387,625	2,613,874	21,796,591
1996	25,118,865	21,082,910	4,035,955	19,182,717
1995	25,254,777	19,510,966	5,743,811	15,146,762
1994	23,200,161	18,963,554	4,236,607	9,402,951
1993	21,511,108	18,192,128	3,318,980	5,166,344
1992	18,836,165	17,152,135	1,684,030	1,847,364
1991	16,948,445	16,785,111	163,334	163,334

* Based upon estimate available fund balance.

LFD ISSUE	If the legislature wants to postpone or eliminate a license fee increase during the 2003 legislative session, it may not want to consider new proposals that seek to spend from the General License Account. Over the 2003 biennium, the executive is proposing nearly \$1.0 million in new proposals using the General License Account.
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LFD ISSUE As Table 4 shows, from 1991 until 1998, General License Account revenues have exceeded disbursements. These disbursements include both present law adjustments and new proposals. Since some of the growth in expenditures could have been avoided, the legislature may want direct the department to limit expenditures to the amount of ongoing revenues in the general license account.

CARA Funding

The Executive Budget includes requests for \$1.8 million in federal authority and \$54,347 from the General License Account in each year of the biennium for Conservation and Reinvestment Act of 2000 (CARA) activities. CARA proposed federal legislation that would distribute federal Outer Continental Shelf revenues to all 50 states. The purpose of the funding was to provide money to fund fish and wildlife programs, local parks and recreation programs, historic preservation, land restoration, conservation easements, and payments in lieu of taxes to Montana counties.

Since the introduction of CARA legislation and the executive's subsequent budget request, CARA legislation has been killed. Although the legislation does not exist in its introduced form, parts of CARA legislation that could benefit the state are being considered for attachment to other legislation. Although timing, funding levels, and potential use of CARA are unknown at the time of this analysis, the executive is requesting spending authority as "placeholders" in the event that some form of CARA legislation passes and funding is secured. Table 5 summarizes all CARA decision packages.

Table 5
Fish, Wildlife, and Parks
CARA Funding Proposals

Program	DP #	Description	FY 2002	FY 2003
Administration & Finance Division	103	CARA Implementation	\$ 47,944	\$ 48,098
Law Enforcement Division	411	Regional Investigators	197,841	154,171
Wildlife Division	509	Wolf/Ungulate Monitoring	127,390	127,390
Wildlife Division	510	Sagegrouse Monitoring	90,000	90,000
Parks Division	613	CARA Implementation -- LWCF	217,000	217,000
Conservation Education Division	809	Youth Magazine	102,000	102,000
Management Division	910	Conservation and Reinvestment Act -- general	1,097,172	1,122,688
Total Requested			<u>\$ 1,879,347</u>	<u>\$ 1,861,347</u>

LFD ISSUE The legislature has a number of options to consider relative to CARA legislation and potential funding:

- 1) Because of the uncertain nature of CARA funding, the legislature may want to postpone any decision packages to add that funding until it becomes more certain that it can be obtained.
- 2) If the legislature wishes to approve the decision package, they should restrict spending and make any appropriation contingent upon passage of CARA legislation.
- 3) If CARA funding becomes available, the legislature could use any new federal money to the extent possible to reduce the burden on General License Account dollars. Thus, a possible fee increase to be brought before the 2005 legislature could be eliminated or delayed.
- 4) The legislature could use the additional funds to establish new programs within the department.

Alternative Pay Plan

On September 16, 1999, the department adopted alternative classification and pay plan guidelines. The purpose of this pay plan was to develop a plan whereby employees and managers would have access to a mechanism to reward demonstrated competencies and service and to recruit and retain qualified employees.

Citing authority given to establish demonstration projects (2-18-303 (7)(b) MCA), the department established an alternative pay plan. Rather than singling out a particular unit or class of workers for the demonstration project, the entire department was chosen as the demonstration project. Approved by the Department of Administration on April 19, 2000, the department began the first of several steps. As cited in the approval letter, the department made a one-time adjustment to employees' pay.

Depending upon how far employees' pay levels were from market rates, raises ranged from no increase to over 12 percent. These pay increases are now in the department's personal services base. To determine pay amounts, the department surveyed four Western states (ND, SD, WY, ID) to establish a market rate of pay. They cited this as a method similar to that used to determine pay for top government officials. Through a series of meetings, the department developed an alternative pay plan costing \$850,620 (about half of their estimated need) and divided the work force into nine broad bands of pay ranging from \$11,346 to \$112,212 per year. Table 6 shows reductions, by program, proposed to fund the alternative pay plan.

	FY 2002 Total	Percent of Total	FY 2003 Total	Percent of Total	Biennium
Administration & Finance	\$ (50,000.00)	5.9%	\$ (50,000.00)	5.9%	\$ (100,000)
Field Services	(39,185)	4.6%	(39,185)	4.6%	(78,370)
Fisheries	(122,037)	14.3%	(122,037)	14.3%	(244,074)
Law Enforcement	(167,000)	19.6%	(167,000)	19.6%	(334,000)
Wildlife	(151,305)	17.8%	(151,305)	17.8%	(302,610)
Parks	(112,000)	13.2%	(112,000)	13.2%	(224,000)
Conservation Education	(68,000)	8.0%	(68,000)	8.0%	(136,000)
Department Management	<u>(141,093)</u>	<u>16.6%</u>	<u>(141,093)</u>	<u>16.6%</u>	<u>(282,186)</u>
Total	<u>\$ (850,620)</u>	100.0%	<u>\$ (850,620)</u>	100.0%	<u>\$ (1,701,240)</u>
Funding:					
General License -- 02409	\$ (496,170)	58.3%	\$ (496,170)	58.3%	\$ (992,340)
Market Based Combo Sales -- 02334	(9,220.00)	1.1%	(9,220.00)	1.1%	(18,440.00)
Fish (DJ)-Wildlf(PR) Restoration Grant -- 09097	(238,903.00)	28.1%	(238,903.00)	28.1%	(477,806.00)
Habitat Trust Interest -- 02469	(22,827.00)	2.7%	(22,827.00)	2.7%	(45,654.00)
Motor Boat Fuel Tax -- 02412	(38,320.00)	4.5%	(38,320.00)	4.5%	(76,640.00)
Coal Tax Trust Account-- 02408	(7,000.00)	0.8%	(7,000.00)	0.8%	(14,000.00)
Snowmobile Fuel Tax -- 02407	(17,840.00)	2.1%	(17,840.00)	2.1%	(35,680.00)
State Parks Miscellaneous -- 02411	(17,840.00)	2.1%	(17,840.00)	2.1%	(35,680.00)
Snowmobile Fuel Tax -- Con Ed -- 02330	<u>(2,500.00)</u>	<u>0.3%</u>	<u>(2,500.00)</u>	<u>0.3%</u>	<u>(5,000.00)</u>
Total	<u>\$ (850,620)</u>	100.0%	<u>\$ (850,620)</u>	100.0%	<u>\$ (1,701,240)</u>

**LFD
ISSUE**

The analysis reveals several issues with the alternative pay plan:

- 1) The proposal is being presented as cost "neutral."

The department describes the alternative pay plan as cost "neutral." They have stated that personal service costs would increase by \$850,620 and operations would be reduced by the same amount. Thus, appropriation authority is shifted from operations to personal services.

Depending upon the source of authority, this can be neutral. However, using appropriation authority from earmarked state special revenue to fund the alternative pay plan merely shifts the appropriation from the earmarked state special revenue account to personal services. Revenue continues to accumulate in the account. Reducing appropriation authority in an earmarked state special revenue account without reducing the income source may cause the fund balance to grow. Since statute restricts spending to a specific purpose, the legislature could be approached to spend the increasing fund balance in a future legislative session. Ultimately, the "neutral" aspect of the plan disappears when base expenditures grow as a result of spending from earmarked state special revenue funds. Meanwhile, the personal services base has already been increased by \$850,620. Thus, this proposal is not cost "neutral."

- 2) The department is requesting present law and new proposal adjustments similar to proposed reductions. Funding of this pay plan is only cost "neutral" if expenditures are permanently reduced from the base and if they are not replaced. As the legislature examines each of the decision packages, they should keep in mind that in many cases the agency is requesting authority for proposals that are very similar to the proposed reductions. Therefore, if the reductions proposed are truly not necessary, and if the pay plan is to be neutral, the expenses should not be replaced in the department's budget. In this way, the pay plan would be permanently funded via base reductions. If the agency contends it must perform the functions it proposes to cut to fund the pay plan, the pay proposal is not neutral.

- 3) FWP has already starting paying employees based upon the alternative pay plan.

The increase in pay was captured in the personal services "snapshot" used to calculate personal services. Consequently, even without additional increases, over \$1.7 million will be included in the department's base over the biennium unless the base is permanently reduced and funding is not replaced. The legislature should examine the extent to which services would be reduced in future fiscal years to fund continued levels of increased pay.

- 4) The executive's proposed funding of the pay plan contributes to the General License Account revenue to expenditure inequity.

This pay plan, coupled with the requested replacement of many of the reductions that would render it cost neutral, hastens the necessity of an increase in license fees currently contemplated by the department.

Options

- 1) If the legislature wishes to make the alternate pay plan cost neutral:
 - a) Accept the base reductions proposed within the Executive Budget, and do not replace funding in any of the decision packages identified as adding services similar to the service reduced in the base; and/or
 - b) Reduce FTE by the number necessary to fund the pay plan on an on-going basis.

Examine each base reduction and decision package independently to determine worth.

Travel Adjustments

Seven divisions are requesting increases to pay for increased motor pool costs because of inflationary pressures. However, one of the components of the adjusted base is an adjustment for inflation on in-state motor pool costs. Every agency receives an increase due to inflation. One of the components of this rate increase is for the in-state motor pool. FWP also received this increase. Agency requests for other changes to the adjusted base should have been submitted in individual decision packages and designated as increases due to inflation. Table 7 shows the travel adjustments, by division, proposed by the department.

	Fiscal 2002 Total	Percent of Total	Fiscal 2003 Total	Percent of Total	Biennium
Field Services	\$ 28,203	12.9%	\$ 43,253	12.9%	\$ 71,456
Fisheries	37,070	16.9%	56,893	17.0%	93,963
Law Enforcement	65,587	29.9%	101,201	30.2%	166,788
Wildlife	58,165	26.5%	86,858	26.0%	145,023
Parks	21,074	9.6%	32,489	9.7%	53,563
Conservation Education	4,738	2.2%	7,319	2.2%	12,057
Department Management	4,396	2.0%	6,549	2.0%	10,945
Total	<u>\$ 219,233</u>	100.0%	<u>\$ 334,562</u>	100.0%	<u>\$ 553,795</u>

Since the Department already received funding to cover inflationary increases in their motor pool costs, the legislature may want to consider not accepting these decision packages.

Language Recommendations

The following HB 2 language is recommended:

"The appropriations for legislative contract authority are subject to all of the following provisions:

- 1) legislative contract authority applies only to federal funds.
- 2) legislative contract authority expenditures must be reported on the state's accounting system and the records must be separate from present law operations. In preparing the 2005 biennium budget for legislative consideration, the office of budget and program planning may not include the expenditures from this item in the present law base.
- 3) a report must be submitted by the department to the legislative fiscal division following the end of each fiscal year of the biennium. The report must include a list of projects with the related amount of expenditures and FTE for each project."

"The department is to report to the natural resources and commerce appropriations committee on the projects funded with federal Sikes Act money and state match money. The report is to include an analysis of the viability for continuance to the program and a list of projects funded with the money."

"If the department receives additional federal special revenue for services comparable to those with general license revenue, the approving authority shall decrease the state special revenue appropriation by the amount of federal money received and establish the federal funds appropriation. All transfers between fund types must be fully explained and justified on budget documents submitted to the office of budget and program planning."

"Items 8 includes a total of \$138,780 for the 2003 biennium for the Montana natural resources information system. Quarterly payments must be made upon receipt of the bills from the state library up to the total amount appropriated."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	54.82	0.00	2.00	56.82	0.00	2.00	56.82	56.82
Personal Services	1,916,860	338,747	86,534	2,342,141	353,237	86,711	2,356,808	4,698,949
Operating Expenses	5,656,513	(1,032,581)	9,500	4,633,432	(1,085,383)	7,500	4,578,630	9,212,062
Equipment	49,100	(34,100)	0	15,000	(34,100)	0	15,000	30,000
Transfers	0	249,480	75,000	324,480	249,480	75,000	324,480	648,960
Total Costs	\$7,622,473	(\$478,454)	\$171,034	\$7,315,053	(\$516,766)	\$169,211	\$7,274,918	\$14,589,971
State/Other Special	5,598,691	427,752	12,023	6,038,466	399,870	11,528	6,010,089	12,048,555
Federal Special	2,023,782	(906,206)	159,011	1,276,587	(916,636)	157,683	1,264,829	2,541,416
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$7,622,473	(\$478,454)	\$171,034	\$7,315,053	(\$516,766)	\$169,211	\$7,274,918	\$14,589,971

Program Description

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

Funding

The Administration and Finance Division operating budget is funded from the General License Account, with a portion of the indirect cost assessments coming from federal grants and non-federal accounts. The Management and Field Services Divisions are also funded from these same indirect cost assessments. The rate for the 2003 biennium from non-federal funds is 10.7 percent for operational expenditures and 4.6 percent for capital expenditures. These assessments are handled as a non-budgeted transfer to the General License Account, from which all expenses are paid. The federal rate of 16.0 percent is applied to federal grants, which include Pittman-Robertson and Wallop-Breaux funds, Corps of Engineers and U.S. Coast Guard grants. Legislative contract authority is funded with federal funds at \$50,000 each year.

	Actual FY 2000	Percent Of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
Mountain Sheep Account	\$ 9,501		\$ 30,001		\$ 30,001	
Moose Auction	1,100		1,100		1,100	
General License	<u>5,588,090</u>		<u>6,007,365</u>		<u>5,978,988</u>	
Subtotal -- State Special Revenue	5,598,691	73.45%	6,038,466	82.55%	6,010,089	82.61%
Dingle-Johnson/Pittman Robertson	\$ 1,476,874		\$ 633,689		\$ 622,743	
Overhead	546,908		594,954		593,988	
CARA	-		47,944		48,098	
Subtotal -- Federal	\$ 2,023,782	26.55%	\$ 1,276,587	17.45%	\$ 1,264,829	17.39%
Total Funding	<u>\$ 7,622,473</u>	100.00%	<u>\$ 7,315,053</u>	100.00%	<u>\$ 7,274,918</u>	100.00%

Program Issues

The Administration and Finance Division proposes to use a reduction of \$50,000 to fund the alternative pay plan. Reductions would come from personal computer maintenance and support, as shown in table 9.

Table 9
Fish, Wildlife, and Parks -- Administration and Finance Division
Proposed Alternative Pay Plan Funding Contributions

Proposed Redirection	Dollars Contributed	Notes and Clarification
Travel		Reduced out-of-state travel
Postage and Handling		Efficiencies generated from internet usage to distribute information
Personal Computer Maintenance and Support	\$ (50,000)	
Total Redirection	\$ (50,000)	

Note: No individual breakdown given. Total is for all functions.

**LFD
ISSUE**

See agency issue on alternative pay plan funding in the Summary Section of this narrative.

Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					389,926					404,864
Vacancy Savings					(63,150)					(63,598)
Inflation/Deflation					(9,712)					(9,477)
Fixed Costs					225,361					167,244
Total Statewide Present Law Adjustments					\$542,425					\$499,033
DP 101 - Tech Adjustment Change in Accounting Policy	0.00	0	249,480	0	249,480	0.00	0	249,480	0	249,480
DP 104 - Periodic Property Inventory	0.00	0	0	0	0	0.00	0	5,500	0	5,500
DP 105 - Tech Adjustment: Phased-in License Preference	0.00	0	170,333	0	170,333	0.00	0	169,913	0	169,913
DP 106 - Biennial Approp. Adjustment - Computer Replacement	0.00	0	(194,455)	0	(194,455)	0.00	0	(194,455)	0	(194,455)
DP 108 - Commissions for Sale of Hunting License	0.00	0	20,500	0	20,500	0.00	0	20,500	0	20,500
DP 109 - Biennial Approp Adjustment - Automated License Sys	0.00	0	(386,935)	(855,273)	(1,242,208)	0.00	0	(386,935)	(855,273)	(1,242,208)
DP 113 - Smith River Permits	0.00	0	13,500	0	13,500	0.00	0	13,500	0	13,500
DP 114 - Seasonal Overtime	0.00	0	11,971	0	11,971	0.00	0	11,971	0	11,971
DP 115 - Alternative Pay Plan Adjustment	0.00	0	(50,000)	0	(50,000)	0.00	0	(50,000)	0	(50,000)
Total Other Present Law Adjustments	0.00	\$0	(\$165,606)	(\$855,273)	(\$1,020,879)	0.00	\$0	(\$160,526)	(\$855,273)	(\$1,015,799)
Grand Total All Present Law Adjustments					(\$478,454)					(\$516,766)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 101 - Tech Adjustment Change in Accounting Policy - The Executive Budget includes requests for \$249,480 in transfer authority in each of the two years, in order to accommodate a state accounting policy change requiring a legislative appropriation for account transfers. This transfer authority would move cash from the state special revenue account to the proprietary account used for vehicle operations - an amount equal to the difference between the estimated costs of the new vehicles and the original price paid for the vehicles being replaced. Federal regulations prohibit the department from including the replacement value of the vehicles in the rate structure. For the past 10 years, the agency has purchased an average of 42 vehicles per year. In fiscal 1999, the average differential was \$5,940.

DP 104 - Periodic Property Inventory - The Executive Budget includes requests for \$5,500 to conduct a physical inventory in the second year of the biennium. The department is required by state policy to conduct a biennial department-wide physical inventory. The adjustment is requested because the inventory takes place during the second year of the biennium and expenditures are not reflected in the base. During the 1999 inventory, property staff logged over 7,000 miles.

DP 105 - Tech Adjustment: Phased-in License Preference - The Executive Budget includes requests \$170,333 and \$169,913 in fiscal 2002 and 2003, which would restore previous funding levels to the base. The 1999 legislature passed SB 59 authorizing FWP to create a license preference system. The program was not fully implemented during fiscal 2000.

DP 106 - Biennial Appropriation Adjustment - Computer Replacement - This request would allow the department to replace existing desktop computer network equipment and would restore the biennial computer budget to the level of fiscal 2000 and fiscal 2001 funding. During fiscal 2000, \$394,955 of the \$401,000 biennial appropriation was spent to maintain the department's computer network throughout the state. The department is requesting a similar amount for fiscal 2002 and fiscal 2003, on an annual appropriation basis. In accordance with state policy, the request provides for a four-year replacement schedule on networked desktop computers.

DP 108 - Commissions for Sale of Hunting License - The Executive Budget includes requests for \$20,500 in each year of the biennium, in support of hiring a conservation organization to auction a bighorn sheep license. This funding would restore budget authority to fiscal 2000 levels. Accounting standards require the department to record the 10 percent commission earned from the sale of licenses as an expenditure in the state's accounting records. The sheep permit is auctioned annually. The average price paid since the 1986 license year has been \$156,100, but the permit has sold for as much as \$310,000. In the 2000 license year, the winning bid was \$85,500.

DP 109 - Biennial Appropriation Adjustment - Automated License System - If approved, this proposal would convert the biennial Automated Licensing System appropriation into an annual appropriation. The 1997 legislature authorized FWP to replace the manual system - by which 1,500,000 licenses were handwritten - with a new electronic system. License agents will connect to the new system before March 1, 2001. In the 24 months following that date, license drawings and other internal systems will be added.

DP 113 - Smith River Permits - This proposal would centralize the Smith River Permit drawing process. Permit drawings were originally handled in the Great Falls office by existing staff. Demand for the permit has increased, resulting in 4,500 applications. Centralized drawings would assure proper internal controls and accuracy of the draw. This request would not result in any fee increase.

LFD ISSUE	The department plans to incorporate the Smith River drawing process into the Automated License System. Once the drawing is conducted with Automated License System, efficiencies should generate additional savings. The legislature could direct the department to quantify the efficiencies generated and reduce base expenditures accordingly.
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DP 114 - Seasonal Overtime - The Executive Budget includes requests for the funding to maintain current budget levels for overtime, since overtime pay does not carry forward. This adjustment continues the fiscal 2000 spending level into fiscal 2002 and fiscal 2003. Overtime is used in lieu of adding more staff during peak workload periods in the areas of licensing, payroll, fiscal year end, and budget preparation.

DP 115 - Alternative Pay Plan Adjustment - The Executive Budget includes a request for a reduction of \$50,000 to fund the alternative pay plan. In order to meet their part of the redirection efforts, personal computer support and maintenance costs were reduced.

LFD ISSUE If accepted, this proposal would use \$50,000 of general license dollars to fund the alternative pay plan. Please see the agency-wide LFD Issue with regard to the alternative pay plan.

Program	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 102 - FWP Internet Site										
01	1.00	0	12,023	36,067	48,090	1.00	0	11,528	34,585	46,113
DP 103 - CARA Implementation										
01	1.00	0	0	47,944	47,944	1.00	0	0	48,098	48,098
DP 110 - Legislative Contract Authority										
01	0.00	0	0	75,000	75,000	0.00	0	0	75,000	75,000
Total	2.00	\$0	\$12,023	\$159,011	\$171,034	2.00	\$0	\$11,528	\$157,683	\$169,211

New Proposals

DP 102 - FWP Internet Site - This proposal would provide more information to the public through the Internet. The current site would be updated more frequently, better organized, and would include new material requested by the public. Some of the new material includes information on whirling disease, drought, wildfires, and hunter access.

LFD COMMENT The department states that the current staff cannot keep up with demands for more information and updates. If approved, the new FTE would perform substantial upgrades to the Internet as well as create an intranet for internal usage only. The department plans to include license sales, classes for employees, maps, and a combined database within the intranet.

LFD ISSUE The proposal would use funding from the General License Account totaling \$12,023 in fiscal 2002 and \$11,528 in fiscal 2003. That funding could potentially be used to postpone or eliminate the need for a fee increase during the 2003 legislative session. This expenditure supports a function that FWP already has. Their current web site is not fully functional, and yet this proposal would add a myriad of new functions. The legislature may want to consider maintenance of the existing system in preference to developing new functions. The legislature should also be aware that this sort of development could lead to maintenance costs in support of keeping information and equipment current.

DP 103 - CARA Implementation - This proposal would provide for administration of CARA federal funding, interpretation of program requirements, and ensuring project eligibility and compliance with federal rules.

LFD ISSUE Because of the uncertain nature of CARA funding, the legislature may want to eliminate this decision package until it becomes more certain that funding can be obtained. Please see the agency-wide discussion on CARA funding.

DP 110 - Legislative Contract Authority - The Executive Budget includes requests for \$25,000 more legislative contract authority than was authorized last session. The division uses the authority to provide accounting, budgeting, personnel, and word processing support for federal and private contracts.

**LFD
ISSUE**

The legislature may wish to budget these projects in HB 2. Please see the agency-wide issue on legislative contract authority.

Language Recommendations

The following HB 2 language is recommended by the executive:

"Item 1b legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

Proprietary Rates**Program Description****Duplicating Center**

The department's duplicating center provides duplicating and bindery services to the department. This duplicating center has 1.00 FTE and whenever the demand for services becomes too great, the excess is taken to Publications and Graphics. This can occur when a particular job is too large.

Equipment Enterprise Fund

The department's equipment fund provides a fleet of vehicles and aircraft for use by department employees. The revenue users include 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.

The request would fund non-discretionary expenditures to meet scheduled maintenance of FWP aircraft from the Equipment Enterprise Fund. The request includes helicopter repairs to the main rotor transmission, tail rotor transmission, main rotor blade, bleed valve and overhaul of turbine and hot end. The cost is \$113,000 in fiscal 2002 and \$60,000 in fiscal 2003. The Supercub fixed-wing aircraft is scheduled for an engine overhaul in fiscal 2003 at a cost of \$25,000.

Warehouse Inventory

The department's warehouse primarily contains 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*Duplicating Center*

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

Rates have been adjusted based upon the cash balance in the account. Prior to requesting new rates, a review of the cash balance is done. At FYE 2000, the cash balance was \$14,323, a one-day reserve as based on fiscal 2000 expenses.

Working Capital

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

Fund Equity

A portion of the program fund balance has been reserved for the duplicating center equipment and inventory.

Cash Flow

Field projects are billed monthly for purchases made. The workload is fairly consistent so there is little fluctuation in cash balances, with the exception of times when additional inventory is purchased.

Equipment

The objective of the vehicle account is to recover (through rates and annual auction revenues) sufficient funds to cover administrative costs necessary to operate the program (personal services and operations), and to replace fleet vehicles at approximately 100,000 miles. A total of 2.06 FTE are funded from this revenue.

Working Capital

The department manages this account so that a 60-day working capital is available when the cash balance is at its lowest level. During the past biennium, the department has spent down its excess cash balances. The department attempts to ensure that fees are commensurate with costs over time. It does this in two ways. Before rates are proposed for the next biennium, the department considers excess income or loss generated from previous periods. Second, prior to assigning new rates at the beginning of a fiscal year, rates are recalculated based on actual information.

Fund Equity

A portion of the program fund balance has been reserved for the book value (original cost less accumulated depreciation) of department vehicles and aircraft.

Cash Flow

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 hunting season and lowest in the spring after purchasing the new vehicles. Fiscal year-end balances tend to be significantly higher than spring balances.

Warehouse Inventory

The expenses associated with the warehouse include miscellaneous office supplies and expenses relative to funding the warehouse worker and inventory purchased needed to replenish existing stock. There are no FTE funded with this program.

Working Capital

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.

Fund Equity

A portion of the program fund balance has been reserved for the warehouse inventory.

Cash Flow

Field projects are billed monthly for 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.

Rate Explanation

Duplicating Center

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

Duplicating Services Proprietary Account Rates		
	Fiscal 2002	Fiscal 2003
Duplicating		
Number of copies (includes paper)		
1-20	\$0.045	\$0.050
21-100	\$0.030	\$0.035
101-1000	\$0.025	\$0.030
1001-5000	\$0.020	\$0.025
Bindery		
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

Report on Internal Service & Enterprise Funds, 2003 Biennium

Fund Number	Fund Name	Agency Number	Agency Name	Program Name
06501	Duplicating Center	5201	Fish, Wildlife, and Parks	

Fund Balance Information

	FY96	FY97	FY98	FY99	FY00	Estimated FY01	Estimated FY02	Estimated FY03
Beginning Retained Earnings	10,386	16,598	14,566	19,903	10,073	23,842	21,177	15,846
Increases								
Fee Revenue	76,158	63,416	83,186	63,456	73,958	74,000	76,000	76,000
Investment Earnings	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Miscellaneous, operating	-	-	-	-	-	-	-	-
Miscellaneous, other	-	-	-	-	-	-	-	-
Total Increases	76,158	63,416	83,186	63,456	73,958	74,000	76,000	76,000
(Decreases)								
Personal Services	22,806	24,351	25,622	26,669	27,139	28,299	29,148	30,022
Operations	47,140	40,837	49,625	46,617	33,067	48,366	52,183	56,115
Transfers Out	-	-	-	-	-	-	-	-
Miscellaneous, operating	-	-	-	-	-	-	-	-
Miscellaneous, other	-	260	1,916	-	-	-	-	-
Total Decreases	69,946	65,448	77,163	73,286	60,206	76,665	81,331	86,137
Adjustments to Beginning Retained Earnings	-	-	(686)	-	17	-	-	-
Ending Retained Earnings	16,598	14,566	19,903	10,073	23,842	21,177	15,846	5,709
Total Contributed Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total Fund Equity	41,598	39,566	44,903	35,073	48,842	46,177	40,846	30,709
Reserved For Equipment	6,255	5,995	20,335	14,928	18,897	16,531	14,165	11,799
Reserved for Inventory	6,576	8,849	10,371	9,152	16,361	14,000	14,000	14,000
Unreserved Fund Balance	28,767	24,722	14,197	10,993	13,584	15,646	12,681	4,910
60 Days of Expenses (i.e. total of personnel services, operations, and miscellaneous operating divided by 6)	11,658	10,865	12,541	12,214	10,034	12,778	13,555	14,356

Fee/Rate Information for Legislative Action:

Requested Rates for Internal Service Funds

-----Estimated-----

Fixed rate is requested, per service provided. See "Rate Explanation"

Fish, Wildlife & Parks Vehicle and Aircraft Proprietary Rates			
Per Mile Rates		Fiscal 2002	Fiscal 2003
Class	Description		
101	Sedans	\$0.20	\$0.24
303	Suburbans – 4x4	\$0.33	\$0.35
401	Vans ½ Ton	\$0.18	\$0.21
402	Vans ½ Ton Window	\$0.27	\$0.32
501	Pickup ½ Ton 2x4	\$0.33	\$0.34
505	Pickup ¾ Ton 4x4 V8	\$0.20	\$0.22
507	Grounds Maintenance	\$0.75	\$0.85
518	Bronco 4x4	\$0.24	\$0.28
519	Pickup ½ Ton 4x4	\$0.27	\$0.34
520	Pickup ¾ Ton 4x4 HD	\$0.30	\$0.35
521	Pickup ¾ Ton 4x4 HD XC	\$0.35	\$0.38
532	Pickup 1 Ton 4x4	\$0.33	\$0.37
533	Pickup ¾ Ton 4x4 MD	\$0.24	\$0.27
534	Pickup ¾ Ton 4x4 MD XC	\$0.29	\$0.33
535	Pickup ½ Ton 4x4 LD XC	\$0.29	\$0.33
Per Hour Rates			
2001	Two-place Single Engine	\$54.02	\$56.72
2002	Partnavia	\$257.24	\$270.10
2003	Turbine Helicopters	\$313.58	\$329.26

Equipment

The rate methodology attempts to determine a cost/mile rate for various classes of vehicles and a cost/hour rate for each class of aircraft. The methodology used to establish the net income for a particular class includes first determining the previous year's expenses, including operating, maintenance, administration and depreciation expenses, then deducting revenues generated from the rates and the annual vehicle auction. This establishes the net income for a particular class. Next the life to date (LTD) net income or loss on a per mile (hour) basis is determined. Future year expenses are estimated based on current year information plus 4 percent. Using the most current year's mileage and projected expenses, a cost/mile (hour) rate is determined for the future year. This rate is adjusted for any LTD net income or loss. In an attempt to minimize large increases or decreases, rates will not change more than 25 percent per year (10 percent for aircraft).

Report on Internal Service & Enterprise Funds, 2003 Biennium									
Fund Number	Fund Name	Agency Number	Agency Name	Program Name					
06502	Equipment Enterprise Fund	5201	Fish, Wildlife, and Parks						
Fund Balance Information									
		FY96	FY97	FY98	FY99	FY00	Estimated FY01	Estimated FY02	Estimated FY03
Beginning Retained Earnings		4,035,034	4,455,229	4,540,892	3,091,897	4,435,304	4,021,813	3,880,534	3,982,351
Increases									
Fee Revenue		1,443,747	1,582,393	1,520,730	1,273,769	1,169,552	1,403,098	1,705,101	1,935,261
Investment Earnings		-	-	-	-	-	-	-	-
Transfers In		208,810	184,160	-	189,223	255,438	260,000	250,000	250,000
Miscellaneous, operating		2	-	-	-	1	-	-	-
Miscellaneous, other		105,538	-	127,885	25,780	-	-	-	-
Total Increases		1,758,097	1,766,553	1,648,615	1,488,772	1,424,991	1,663,098	1,955,101	2,185,261
(Decreases)									
Personal Services		45,731	55,250	52,474	57,213	57,639	59,368	61,474	61,861
Operations		1,292,171	1,604,166	1,422,134	1,248,880	765,044	1,620,009	1,666,810	1,715,482
Transfers Out		-	1,220	-	-	-	-	-	-
Miscellaneous, operating		-	-	-	-	-	-	-	-
Miscellaneous, other		-	8,394	-	-	208,291	125,000	125,000	125,000
Total Decreases		1,337,902	1,669,030	1,474,608	1,306,093	1,030,974	1,804,377	1,853,284	1,902,343
Adjustments to Beginning Retained Earnings		-	(11,860)	(1,623,002)	1,160,728	(807,508)	-	-	-
Ending Retained Earnings		4,455,229	4,540,892	3,091,897	4,435,304	4,021,813	3,880,534	3,982,351	4,265,269
Total Contributed Capital		394,234	624,234	2,238,923	2,381,987	2,381,987	2,381,987	2,381,987	2,381,987
Total Fund Equity		4,849,463	5,165,126	5,330,820	6,817,291	6,403,800	6,262,521	6,364,338	6,647,256
Reserved for Vehicles		4,184,255	4,272,652	4,725,402	5,594,166	6,538,585	6,688,585	6,838,585	6,988,585
Unreserved Fund Balance		665,208	892,474	605,418	1,223,125	(134,785)	(426,065)	(474,247)	(341,329)
60 Days of Expenses (i.e. total of personnel services, operations, and miscellaneous operating divided by 6)		222,984	276,569	245,768	217,682	137,114	279,896	288,047	296,224
Fee/Rate Information for Legislative Action:									
Requested Rates for Internal Service Funds							-----Estimated-----		
							See "Vehicle and Aircraft Rates" Table		

In order to more fairly charge users, a minimum mileage rate was instigated in fiscal 2000. This amount was set in an attempt to recover overhead costs whether or not a vehicle is driven. A minimum monthly overhead charge would be assessed to each vehicle that does not maintain the class average mileage. By using this method, overhead costs are recovered and low-mileage vehicles are not subsidized by higher-mileage vehicles.

In addition to the regular rates, vehicles will be assessed a minimum overhead charge if not driven a minimum number of miles.

Warehouse Inventory

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

The agency requests a 7 percent fixed overhead rate for fiscal 2002 and fiscal 2003. The rate is calculated by estimating the support costs to run and maintain the warehouse function, and includes office supplies and other miscellaneous office costs. Based on estimated warehouse sales, a fixed overhead percentage is determined that allows the department to recover warehouse support costs. This rate is also adjusted for any previous over- or under- collections. Due to the size of this operation, a simple warehouse overhead rate has been considered logical.

Report on Internal Service & Enterprise Funds, 2003 Biennium								
	Fund Number	Fund Name	Agency Number	Agency Name	Program Name			
	06503	F & G Warehouse Inventory	5201	Fish, Wildlife, and Parks				
Fund Balance Information								
	FY96	FY97	FY98	FY99	FY00	Estimated FY01	Estimated FY02	Estimated FY03
Beginning Retained Earnings	119,446	148,863	139,628	125,693	129,256	92,487	89,519	89,351
Increases								
Fee Revenue	147,632	85,833	70,293	66,263	85,074	86,104	96,300	96,300
Investment Earnings	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Miscellaneous, operating	-	-	-	-	-	-	-	-
Miscellaneous, other	-	-	-	-	-	-	-	-
Total Increases	147,632	85,833	70,293	66,263	85,074	86,104	96,300	96,300
(Decreases)								
Personal Services	2,631	3,703	(216)	-	-	-	-	-
Operations	115,584	91,365	84,444	62,700	109,098	89,072	96,468	96,662
Transfers Out	-	-	-	-	-	-	-	-
Miscellaneous, operating	-	-	-	-	-	-	-	-
Miscellaneous, other	-	-	-	-	-	-	-	-
Total Decreases	118,215	95,068	84,228	62,700	109,098	89,072	96,468	96,662
Adjustments to Beginning Retained Earnings	-	-	-	-	(12,745)	-	-	-
Ending Retained Earnings	148,863	139,628	125,693	129,256	92,487	89,519	89,351	88,989
Total Contributed Capital	85,450	85,450	85,450	85,450	85,450	85,450	85,450	85,450
Total Fund Equity	234,313	225,078	211,143	214,706	177,937	174,969	174,801	174,439
Reserved for Inventory	159,567	175,072	159,667	168,819	168,492	165,000	165,000	165,000
Unreserved Fund Balance	74,746	50,006	51,476	45,887	9,445	9,969	9,801	9,439
60 Days of Expenses (i.e. total of personnel services, operations, and miscellaneous operating divided by 6)	19,703	15,845	14,038	10,450	18,183	14,845	16,078	16,110
Fee/Rate Information for Legislative Action:								
Requested Rates for Internal Service Funds	6%	6%	6%	6%	4%	4%	7%	7%
							-----Estimated-----	

Significant Present Law**Equipment**

Each year, department employees drive over 4,000,000 miles in department owned vehicles. The department currently has a fleet of over 400 vehicles, which are mainly used by enforcement officers, fish and wildlife biologists and parks employees. The department's request for vehicle replacement is for 41 vehicles in both FY 2002 and FY 2003. This is based on replacing vehicles after a minimum of 100,000 miles. This replacement schedule does not require a present law adjustment.

Routine scheduled maintenance is required for department aircraft to be approved for flight. In the upcoming biennium, the Hughes helicopter needs replacement of the main rotor transmission, tail rotor transmission, main rotor blade, bleed valve and overhaul of turbine and hot end. Costs will be \$113,000 in FY 2002 and \$60,000 in FY 2003. The supercub is scheduled for an engine overhaul in FY 2003 at a cost of \$25,000. These aircraft are used principally for wildlife surveys. This maintenance is necessary in order for these aircraft to continue to operate. These costs have been factored into the aircraft rates for FY 2002 and FY 2003. This present law adjustment is in the field service division's request.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	45.31	3.00	1.00	49.31	3.00	1.00	49.31	49.31
Personal Services	1,520,746	285,008	43,380	1,849,134	296,223	43,533	1,860,502	3,709,636
Operating Expenses	3,974,216	1,569,013	10,090	5,553,319	1,547,619	9,937	5,531,772	11,085,091
Equipment	8,500	0	0	8,500	0	0	8,500	17,000
Grants	12,000	0	0	12,000	0	0	12,000	24,000
Benefits & Claims	6,641	0	0	6,641	0	0	6,641	13,282
Transfers	0	0	60,000	60,000	0	60,000	60,000	120,000
Total Costs	\$5,522,103	\$1,854,021	\$113,470	\$7,489,594	\$1,843,842	\$113,470	\$7,479,415	\$14,969,009
State/Other Special	4,843,842	1,804,844	53,470	6,702,156	1,789,865	53,470	6,687,177	13,389,333
Federal Special	678,261	49,177	60,000	787,438	53,977	60,000	792,238	1,579,676
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$5,522,103	\$1,854,021	\$113,470	\$7,489,594	\$1,843,842	\$113,470	\$7,479,415	\$14,969,009

Program Description

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

Funding

The Field Services Division's primary state special funding sources are from a portion of variable-priced hunting license sales and the General License Account. Lesser amounts come from Coal Tax Trust interest and Wildlife Habitat Trust interest. Federal funds consist of Pittman-Robertson (PR) as well as this division's share of the indirect cost assessments on federal grants and non-federal accounts. The proposed rate for fiscal years 2002 and 2003 from non-federal funds is 8.8 percent for operational expenditures and 4.5 percent for capital expenditures. These assessments are handled as a non-budgeted transfer to the General License Account, from which all expenses are paid. The federal overhead rate of 16 percent is applied to federal grants, which include Pittman-Robertson funds.

	Actual FY 2000	Percent of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
Market Based Combo Sales	\$ 2,934,737		\$ 4,527,921		\$ 4,548,187	
Coal Tax Trust Account	37,400		15,198		16,448	
General License	1,844,421		2,126,120		2,088,069	
Habitat Trust Interest	27,284		32,917		34,473	
Subtotal -- State Special Revenue	\$ 4,843,842	87.72%	\$ 6,702,156	89.49%	\$ 6,687,177	89.41%
Dingle-Johnson/Pittman Robertson	\$ 435,316		\$ 459,075		\$ 464,373	
Fish and Game	-		60,000		60,000	
Overhead	242,945		268,363		267,865	
CARA	-		-		-	
Subtotal -- Federal	\$ 678,261	12.28%	\$ 787,438	10.51%	792,238	10.59%
Total Funding	<u>\$ 5,522,103</u>	100.00%	<u>\$ 7,489,594</u>	100.00%	<u>\$ 7,479,415</u>	100.00%

Program Issues

Table 11 describes proposed "redirections" to fund the alternative pay plan.

Proposed Redirection	Dollars Contributed	Notes and Clarification
1 Block Management	\$ (9,220)	
2 Sign Shop	(10,965)	Reductions due to shut-down of sign shop will generate savings
3 Fiscal year end -- sign shop shutdown	(7,000)	Outside contractors will be used to make signs.
4 Contracted Services	(7,000)	General reductions in contracted services
5 Travel	<u>(5,000)</u>	General reductions in travel.
Total Redirection	<u>\$ (39,185)</u>	

Block Management

HB 195, passed by the 1995 legislature, will terminate March 1, 2006 as amended by SB 338, passed by the 1995 legislature. SB 338 changed the prior policy of license fees being set only by the legislature. The legislation authorized the Fish, Wildlife and Parks Commission to set fees on an average (over five years) of 5,500 outfitter-sponsored, nonresident big game combination B-10 Licenses, and 2,300 deer combination B-11 Licenses. Table 12 shows the prices and number of licenses that have been sold under this authorization and is included to track the number of licenses sold over the five-year period. This table will be updated in future budget analyses and fiscal reports.

Table 12
House Bill 195 (as amended by SB 338)
Variable-priced Licenses*

Fiscal Year	License Year		B-10			B-11	
			Licenses Sold	Price Full License	Without B-7**	Licenses Sold	Price
1996-1997	1996	Mar. 1996-Feb. 1997	5,420	\$835		3,085	\$515
1997-1998	1997	Mar. 1997-Feb. 1998	5,388	\$835		2,365	\$675
1998-1999	1998	Mar. 1998-Feb. 1999	5,372	\$835	\$735	1,973	\$720
1999-2000	1999	Mar. 1999-Feb. 2000	5,405	\$835	\$735	2,112	\$745
2000-2001	2000	Mar. 2000-Feb. 2001	-----	-----		-----	-----
		Five-year Average	-----			-----	

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

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

A recent increase in variable priced licenses is expected to generate nearly \$1.0 million in new revenue for the Block Management Program. Although the fee increase is already in place, the department will not have the money from license sales until next fiscal year. Thus, in DP 215, the department is requesting authority to spend money generated from variable priced license sales.

In addition to block management funding derived from the sale of variable priced licenses, the department has proposed a decision package (DP 210) as a placeholder for legislation that would generate approximately \$985,000 in new funding for the Block Management Program. (For additional discussion on block management, please see DP 210 in the New Proposal Section and DP 215 in the Present Law Adjustment Section.)

Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					274,077					285,443
Vacancy Savings					(49,065)					(49,407)
Inflation/Deflation					24,018					37,180
Fixed Costs					7,168					9,075
Total Statewide Present Law Adjustments					\$256,198					\$282,291
DP 201 - Analyze Net Client Hunter Use	0.00	0	15,644	0	15,644	0.00	0	15,644	0	15,644
DP 204 - FWP Land Leases	0.00	0	26,440	0	26,440	0.00	0	26,940	0	26,940
DP 206 - Taxes and Assessments	0.00	0	(3,698)	10,699	7,001	0.00	0	8,182	15,997	24,179
DP 207 - UGB Fees for Increased Block Management	0.00	0	441,913	0	441,913	0.00	0	441,913	0	441,913
DP 208 - Crossing the Barriers	0.00	0	9,720	0	9,720	0.00	0	9,720	0	9,720
DP 209 - Public Wildlife Interface	0.00	0	57,045	0	57,045	0.00	0	(7,955)	0	(7,955)
DP 210 - Private Land/Public Wildlife Council	0.00	0	10,000	0	10,000	0.00	0	10,000	0	10,000
DP 212 - Engineer Intern and Operations	0.00	0	10,000	0	10,000	0.00	0	6,000	0	6,000
DP 213 - Alternative Pay Plan	0.00	0	(39,185)	0	(39,185)	0.00	0	(39,185)	0	(39,185)
DP 214 - Game Damage	0.00	0	31,042	0	31,042	0.00	0	31,042	0	31,042
DP 215 - Block Management Funding	3.00	0	1,000,000	0	1,000,000	3.00	0	1,000,000	0	1,000,000
DP 216 - Travel Adjustment for Field Services	0.00	0	28,203	0	28,203	0.00	0	43,253	0	43,253
Total Other Present Law Adjustments	3.00	\$0	\$1,587,124	\$10,699	\$1,597,823	3.00	\$0	\$1,545,554	\$15,997	\$1,561,551
Grand Total All Present Law Adjustments					\$1,854,021					\$1,843,842

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 201 - Analyze Net Client Hunter Use - This decision package would reestablish \$15,644 of budget authority in each fiscal year of the 2003 biennium, with which to calculate the impacts of net client hunting use as required by SB 334 enacted by the 1999 legislature. The department has not received any applications for increases in net client hunting by the Board of Outfitters. The FTE remain unfilled and no funding has been expended.

DP 204 - FWP Land Leases - The Executive Budget includes a request for \$26,440 in fiscal 2002 and \$26,940 in fiscal 2003 to fund increases in lease rates for approximately 45,000 acres of land that FWP leases from DNRC. DNRC has increased the lease rate for Thompson Falls State Park by \$5,000 per year. DNRC is also increasing rates on School Trust Lands leased by FWP for wildlife management areas and fishing access sites. The \$21,440 base adjustment would increase the FWP leasing budget for DNRC lands from \$38,560 to \$60,000 per annum. Overall, increases are expected to be approximately 50 percent over the biennium.

DP 206 - Taxes and Assessments - This decision package would increase authority to cover increases in taxes and assessments paid on FWP wildlife management areas, state parks, fishing access sites, and other department-owned lands. A final pay-off on a large special improvement district at Lake Elmo in Billings, plus assumptions of 5 percent increases in each year of the biennium, are being requested.

DP 207 - UGB Fees for Increased Block Management - The Executive Budget includes requests for \$441,913 in each year of the biennium to establish spending authority for the Block Management Program to spend revenue generated by Upland Game Bird License sales. The 1999 legislature enacted SB 338, which increased license fees on nonresident upland bird hunters and directed the increase to the Block Management Program. Since revenue from the new fees will not be realized until September 2000, no money could be expended during the base budget year. Revenues would be used to sign up additional landowners in the Block Management Program.

DP 208 - Crossing the Barriers - The Executive Budget includes requests of \$9,720 in each year of the biennium to address requirements of the Americans with Disabilities Act (ADA). The additional funding would be used to pay consultants' fees, who would be hired to ensure that FWP meets ADA requirements in its capital program, to establish and maintain a web page atlas of ADA accessibility levels on FWP sites, conduct training, and to print and distribute information related to hunting licenses for disabled hunters. The current budget is \$1,280.

DP 209 - Public Wildlife Interface - The Executive Budget includes a request for a \$65,000 technical adjustment required by the state budget system (MBARS) in order to carry the division's existing biennial appropriation for Public Wildlife Interface into fiscal years 2002 and 2003. No change from the previously-approved base budget is being requested.

DP 210 - Private Land/Public Wildlife Council - The Executive Budget includes a request for \$10,000 to fund the Governor's Private Land/Public Wildlife Council's anticipated recommendations through increased funding to the Block Management Program. This decision package serves as a placeholder for those recommendations.

LFD ISSUE	The department has indicated that this is a placeholder for legislation that will be introduced in the 2001 legislative session. The proposed legislation would impose a fee before the Resident Conservation License could be used, with additional revenue earmarked for block management. Since this legislation is outside of HB 2, the legislature may wish to postpone any action on this decision package until the legislature has gone through the legislative process. (For a further discussion on block management, see DP 215 in this section.)
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DP 212 - Engineer Intern and Operations - A request for \$16,000 in the 2003 biennium is made for additional funding authority to address engineer staff issues. This decision package would provide \$6,000 per year to hire a summer engineering intern to backfill for military leave taken by two of the Design and Construction Bureau's project managers, who routinely take military leave for part of the summer. The additional \$4,000 in fiscal 2002 would provide funding for a new engineering software package, digital video camera, and scanner.

DP 213 - Alternative Pay Plan - The Executive Budget includes a request for a present law base adjustment of \$39,185 from the division's base budget, with which to fund the department's alternative pay plan.

LFD ISSUE	Please see the agency-wide LFD Issue relative to the alternative pay plan.
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DP 214 - Game Damage - A request of \$31,402 is made in support of a present law base adjustment to restore full funding to the Game Damage Program, needed as a result of the mild winter of 1999-2000.

DP 215 - Block Management Funding - The Executive Budget includes requests for \$1,000,000 in new authority to expend funds generated by the variable priced big game hunters' license. Under 87-1-266, MCA, the FWP Commission is required to set the price for outfitter sponsored, variable priced big game hunting licenses on an annual basis. The price is to be set at a "market" rate, which ensures that an average of 7,800 licenses are sold annually. For the next biennium, these licenses are expected to generate nearly \$1 million in new revenue. Under this proposal, \$948,507 would be spent to improve and expand the B Management Program and to enroll new lands and landowners. An additional three FTE would be added to manage hunting access and patrol block management areas in the field.

LFD ISSUE While fee increases provide more opportunities for landowners to participate in block management and thus provide more opportunities to sportsmen, there seems to be a lack of permanency among enrolled landowners. Agreements with landowners tend to be short-term in nature and do not ensure continued access. Rather than continually expanding the program with short-term commitments, this money might be better used to provide long-term or permanent solutions to access problems.

For example, longer contracts or permanent easements that would allow hunter access could be sought in lieu of one-season commitments. Even if this type of contract cost more in the short run, in the long run, more sportsmen might benefit. This proposal requests almost \$1.0 million in expansions for block management. In addition, the executive plans to include legislation increasing fees to provide more revenue for the program. Given the increases in revenue, the legislature may wish to require the department to report on the status and outcomes of the payments.

DP 216 - Travel Adjustment for Field Services - The Executive Budget includes requests for \$28,203 in fiscal 2002 and \$43,253 in fiscal 2003 for use in managing a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department's fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

LFD ISSUE This proposal would spend funds in the In-state Motor Pool Account (2404). This expenditure account has already been increased for inflation. Thus, this appropriation is not needed. (Please see the agency-wide issue in the summary section.)

New Proposals											
Program	FTE	Fiscal 2002				Fiscal 2003				Total Funds	
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special		
DP 205 - Public Land Access Coordinator 02	1.00	0	53,470	0	53,470	1.00	0	53,470	0	53,470	
DP 211 - Legislative Contract Authority 02	0.00	0	0	60,000	60,000	0.00	0	0	60,000	60,000	
Total	1.00	\$0	\$53,470	\$60,000	\$113,470	1.00	\$0	\$53,470	\$60,000	\$113,470	

New Proposals

DP 205 - Public Land Access Coordinator - This request for \$53,470 in each year in the biennium would be used to fund the Public Land Access Coordinator position established as a one-time appropriation by the 1999 legislature. This proposal would make the FTE permanent. This FTE is responsible for improving hunter access to legally-accessible public lands by identifying areas where legal public access is available but unmarked.

DP 211 - Legislative Contract Authority - The Executive Budget includes requests to accommodate a present law base adjustment that would increase the Field Service Division's LCA from \$30,000 to \$60,000 per year for cost-sharing projects with federal agencies geared to providing public hunting access.

**LFD
ISSUE**

The legislature may wish to budget these projects in HB 2. (Please see the agency-wide issue on legislative contract authority.)

Language Recommendations

The executive is recommending the following HB 2 language:

"Item 2a legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	108.23	0.00	4.00	112.23	0.00	4.00	112.23	112.23
Personal Services	4,207,215	323,129	130,767	4,661,111	352,067	131,218	4,690,500	9,351,611
Operating Expenses	2,285,070	82,973	56,946	2,424,989	90,528	56,495	2,432,093	4,857,082
Equipment	57,225	73,867	0	131,092	108,867	0	166,092	297,184
Capital Outlay	0	0	0	0	0	0	0	0
Grants	21,243	0	0	21,243	0	0	21,243	42,486
Transfers	0	0	1,851,019	1,851,019	0	1,851,019	1,851,019	3,702,038
Total Costs	\$6,570,753	\$479,969	\$2,038,732	\$9,089,454	\$551,462	\$2,038,732	\$9,160,947	\$18,250,401
State/Other Special	3,152,488	155,279	55,064	3,362,831	178,466	55,064	3,386,018	6,748,849
Federal Special	3,418,265	324,690	1,983,668	5,726,623	372,996	1,983,668	5,774,929	11,501,552
Total Funds	\$6,570,753	\$479,969	\$2,038,732	\$9,089,454	\$551,462	\$2,038,732	\$9,160,947	\$18,250,401

Program Description

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

- 1) operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited;
- 2) regulates angler harvests;
- 3) monitors fish populations; and
- 4) provides and maintains adequate public access.

Funding

The Fisheries Division's primary funding source is the General License Account with minor amounts contributed by the sale of paddlefish roe. Federal funds are from Wallop-Breaux funds, Corps of Engineers grants, and overhead contributions collected from other divisions in the department. Legislative contract authority is funded with revenue from miscellaneous federal sources.

	Actual FY 2000	Percent of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
Hard Rock Mining	\$ (2)					
Paddlefish Roe Account	62,000		\$ 25,000		\$ 25,000	
Fishing Access Site Maint			6,250		6,250	
General License	3,090,490		3,331,581		3,354,768	
Subtotal -- State Special Revenue	\$ 3,152,488	47.98%	\$ 3,362,831	37.00%	\$ 3,386,018	36.96%
Dingle-Johnson/Pittman Robertson	3,258,931		3,687,981		3,701,287	
Fish and Game	159,334		2,038,642		2,073,642	
Subtotal -- Federal	3,418,265	52.02%	5,726,623	63.00%	5,774,929	63.04%
Total Funding	<u>\$ 6,570,753</u>	100.00%	<u>\$ 9,089,454</u>	100.00%	<u>\$ 9,160,947</u>	100.00%

**LFD
ISSUE**

Some of the proposed decision packages contain requests for funding for projects that are similar to those being proposed for reductions. For example, DP's 304, 305, 309, and 303 are requesting authority for equipment, surveys, and hatcheries. (See the agency issue on alternative pay plan funding in the summary section.)

Program Issues

Table 14 describes proposed "redirections" to fund the alternative pay plan.

Proposed Redirection	Dollars Contributed	Notes and Clarification
1 Travel	\$ (20,000)	Entire division will reduce travel to minimize expenses
2 Operations and Maintenance base operations	(22,037)	Reduce a variety of items such as small tools and equipment
3 Hatchery Operations	(30,000)	Hatchery maintenance will be deferred
4 Roving Creel	(18,000)	Creel surveys on specific bodies of water will be reduced
5 Whirling Disease	(32,000)	Will not do statewide survey, reduce MSU lab support
Total Redirection	<u>\$ (122,037)</u>	

	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					445,986					475,820
Vacancy Savings					(127,807)					(128,703)
Inflation/Deflation					44,122					60,309
Fixed Costs					4,811					6,356
Total Statewide Present Law Adjustments					\$367,112					\$413,782
DP 304 - Equipment Replacement	0.00	0	19,726	59,178	78,904	0.00	0	19,726	59,178	78,904
DP 305 - Angler Survey Cyclical Adjustments	0.00	0	0	0	0	0.00	0	(9,000)	(21,000)	(30,000)
DP 307 - Alternative Pay Plan Adjustment	0.00	0	(36,612)	(85,425)	(122,037)	0.00	0	(36,612)	(85,425)	(122,037)
DP 308 - Restore Base Budget	0.00	0	20,151	47,019	67,170	0.00	0	20,151	47,019	67,170
DP 309 - Murray Springs Hatchery Adjustment (Reimbursable)	0.00	0	0	46,800	46,800	0.00	0	0	81,800	81,800
DP 310 - Overtime Adjustment	0.00	0	1,485	3,465	4,950	0.00	0	1,485	3,465	4,950
DP 311 - Travel Adjustment for Fisheries	0.00	0	18,535	18,535	37,070	0.00	0	28,446	28,447	56,893
Total Other Present Law Adjustments	0.00	\$0	\$23,285	\$89,572	\$112,857	0.00	\$0	\$24,196	\$113,484	\$137,680
Grand Total All Present Law Adjustments					\$479,969					\$551,462

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 304 - Equipment Replacement - The Executive Budget includes requests for \$78,904 in each year of the 2003 biennium to replace fisheries equipment and hatchery trucks. This request includes equipment that costs over \$5,000 and must be placed in the equipment category due to accounting policies. If approved, this package would fund two hatchery distribution trucks and one replacement fish tank (one truck in each fiscal year) for a total of \$65,000.

**LFD
ISSUE**

The executive is requesting funds that appear to replace base adjustment redirections to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

DP 305 - Angler Survey Cyclical Adjustments - The Executive Budget includes a request for a reduction of \$30,000 in fiscal 2003, in support of creating different budgets for survey mailings that are not evenly split between the fiscal years. The Angler Survey Program budget varies from year to year because the survey is conducted on a fishing license year (March - February) rather than a fiscal- or calendar-year schedule. The bulk of the survey work is done the first year and the analysis the second year of the biennium.

**LFD
ISSUE**

The executive is requesting funds that appear to replace base adjustment redirections to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

DP 307 - Alternative Pay Plan Adjustment - The Executive Budget includes a request for a reduction of \$122,037 to the fisheries budget. This decision package would invoke the redirection of operations dollars to fund the department's alternative pay plan for the Fisheries Program. FWP adopted an alternative pay plan late in FY2000 to pay market rates to FWP employees, and to develop competency-based pay and other special compensation features. Fisheries Division funds were redirected from creel, hatchery, whirling disease, and field operations and equipment.

**LFD
ISSUE**

If accepted, this proposal would reduce base expenditures to fund the alternative pay plan. (Please see agency-wide issue on the alternative pay plan.)

DP 308 - Restore Base Budget - The Executive Budget includes a request for \$67,170 each year of the biennium to restore the operations base budget lost due to an accounting error. An accounting error occurred while processing the fiscal year-end documents. Consequently, the Fisheries Division personal services budget was not fully expended. The accounting error resulted in the unnecessary transfer of an additional \$67,170 from fisheries operations to personal services. This resulted in under-spending the operations budget. This decision package would restore these operations funds to division's base operations budget.

DP 309 - Murray Springs Hatchery Adjustment (Reimbursable) - This request for \$46,800 in fiscal 2002 and \$81,800 in fiscal 2003 would increase the Murray Springs Hatchery funding for additional program development, maintenance, and equipment. Funding would be fully reimbursed by the Corps of Engineers.

**LFD
ISSUE**

The executive is requesting funds that appear to replace base adjustment redirections to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

DP 310 - Overtime Adjustment - This request would restore funding spent in the Fisheries Division on overtime. Personal services overtime expenses in the amount of \$4,950 are requested for each year of the biennium.

DP 311 - Travel Adjustment for Fisheries - The Executive Budget includes requests for \$37,070 in fiscal 2002 and \$56,893 in fiscal 2003 to adjust vehicle travel costs due to inflationary and rate increases for FWP's internal fleet of vehicles. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department's fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

LFD ISSUE This proposal would spend funds in the in-state motor pool account (2404). This expenditure account has already been increased for inflation. Thus, this appropriation is not needed. (Please see the agency-wide issue in the summary section.)

LFD ISSUE The executive is requesting funds that appear to replace base adjustment redirections to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----					
	Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 301 - Fishing Access Assistance Program											
03	0.00	0	6,250	18,750	25,000	0.00	0	6,250	18,750	25,000	
DP 302 - Recreation Conflict Coordination											
03	1.00	0	15,874	37,039	52,913	1.00	0	15,874	37,039	52,913	
DP 303 - Statewide Fish Technician Support											
03	3.00	0	32,940	76,860	109,800	3.00	0	32,940	76,860	109,800	
DP 306 - Legislative Contract Authority											
03	0.00	0	0	1,851,019	1,851,019	0.00	0	0	1,851,019	1,851,019	
Total	4.00	\$0	\$55,064	\$1,983,668	\$2,038,732	4.00	\$0	\$55,064	\$1,983,668	\$2,038,732	

New Proposals

DP 301 - Fishing Access Assistance Program - This request is for \$25,000 in each fiscal year to fund a new program that would provide assistance at non-FWP sites that provide public fishing access. Private access is being lost as conflicts prompt owners to exclude the public. Funding would allow regions to contract with an individual who would patrol private sites for litter, conduct minor maintenance, and make contact with anglers and landowners.

DP 302 - Recreation Conflict Coordination - This new program would carry out recreation management plans in an effort to reduce user conflicts on popular bodies of water. The requests for \$ 52,913 per fiscal year would fund 1.00 FTE at a Grade 15 level, who would coordinate recreation management statewide. This is being proposed as a one-time-only (OTO) expenditure for the 2003 biennium.

LFD ISSUE The executive proposes funding this program from the General License Account. Clearly, some of the individuals involved in water-based recreation conflicts are not hunters or fishermen. The activities of this new proposal may directly benefit individuals who are not contributing to the funding source. For example, a jet-ski/picnic conflict may arise and be resolved with funding supplied by a sportsman.

If it is the legislature's intent to restrict spending of state and federal special revenue to projects that clearly show a direct benefit to the supplier of that income, they may want to explore alternative funding sources such as a "jet-ski fee" or outfitter fees for launching river clients at public access sites before committing to a new program.

DP 303 - Statewide Fish Technician Support - If funded, this request for \$109,800 per fiscal year would assist biologists with their field sampling, data entry, and other standard tasks related to collecting fisheries information. This decision package would fund 3.00 FTE, Grade 11, Fish/Wildlife Technicians and provide for operations support to be used where the most critical shortages exist.

**LFD
ISSUE**

The executive is requesting funds that appear to replace base adjustment redirections to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

DP 306 - Legislative Contract Authority - The Executive Budget includes a request \$1,851,019 per year for spending authority for federally sponsored projects. The LCA spending authority is equivalent to all of the federal contractual obligations incurred by the fisheries division in fiscal 1998. This LCA budget would create spending authority for federally sponsored projects by such agencies as the USDA Forest Service (FS), US Fish and Wildlife Service (FWS), Bonneville Power Administration (BPA), U.S. Army, Corps of Engineers (COE), and Bureau of Reclamation (BOR). FWP conducts fisheries investigations and aquatic restoration projects that provide mutual benefits to Montana as well as the federal agencies.

**LFD
ISSUE**

The legislature may wish to budget these projects in HB 2. (Please see the agency-wide issue on legislative contract authority.)

Language Recommendations

The executive is recommending the following HB 2 language:

"Item 3a legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

"Item 3b is a restricted appropriation for equipment replacement."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	102.43	0.00	3.00	105.43	0.00	3.00	105.43	105.43
Personal Services	4,443,796	278,231	112,941	4,834,968	306,408	114,271	4,864,475	9,699,443
Operating Expenses	1,497,522	226,496	69,900	1,793,918	87,471	39,900	1,624,893	3,418,811
Equipment	126,964	(52,000)	15,000	89,964	(52,000)	0	74,964	164,928
Capital Outlay	0	0	0	0	0	0	0	0
Grants	11,496	0	0	11,496	0	0	11,496	22,992
Transfers	0	0	10,000	10,000	0	10,000	10,000	20,000
Total Costs	\$6,079,778	\$452,727	\$207,841	\$6,740,346	\$341,879	\$164,171	\$6,585,828	\$13,326,174
General Fund	132,693	3,976	0	136,669	3,976	0	136,669	273,338
State/Other Special	5,717,358	399,189	0	6,116,547	285,182	0	6,002,540	12,119,087
Federal Special	229,727	49,562	207,841	487,130	52,721	164,171	446,619	933,749
Total Funds	\$6,079,778	\$452,727	\$207,841	\$6,740,346	\$341,879	\$164,171	\$6,585,828	\$13,326,174

Program Description

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

Funding

The Law Enforcement Division is funded primarily with state special revenue, including the General License Account, variable priced non-resident hunting license fees, motorboat certificate fees, motorboat fuel taxes, state parks funds, income from the coal tax trust, and snowmobile and off-highway vehicle registration funds. General fund finances the portion of law enforcement activities that had been funded with revenue from fines de-earmarked by SB 83 (1995 session). Federal funds consist of grants from the Coast Guard. Legislative contract authority is funded with money from federal land agencies that may contract with the department for enforcement of block management programs, or for achieving mutual interagency goals.

	Actual FY 2000	Percent of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
General Fund	\$ 132,693		\$ 136,669		\$ 136,669	
Subtotal -- General Fund	\$ 132,693	2.18%	\$ 136,669	2.03%	\$ 136,669	2.08%
Off-Highway Vehicle Fines	\$ 41,795		\$ 48,404		\$ 49,342	
Snowmobile Fuel Tax-Enforc.	27,675		23,175		23,699	
Market Based Combo Sales	260,027		267,832		267,832	
General License	5,133,523		5,497,461		5,380,880	
State Parks Miscellaneous	66,197		68,190		68,190	
Motorboat Fuel Tax	22,403		23,084		23,084	
F & G Motorboat Cert ID	116,144		126,200		126,200	
Snowmobile Reg.	49,594		62,201		63,313	
Subtotal -- State Special Revenue	\$ 5,717,358	94.04%	\$ 6,116,547	90.75%	\$ 6,002,540	91.14%
Fish and Game	\$ 229,727		\$ 289,289		\$ 292,448	
CARA	-		197,841		154,171	
Subtotal -- Federal	\$ 229,727	3.78%	\$ 487,130	7.23%	\$ 446,619	6.78%
Total Funding	\$ 6,079,778	100.00%	\$ 6,740,346	100.00%	\$ 6,585,828	100.00%

Program Issues

Table 16 describes proposed "redirections" to fund the alternative pay plan.

Proposed Redirection	Dollars Contributed	Notes and Clarification
1 Reduce Holidays Worked	\$ (43,000)	Cut number of holidays worked to 3 per year per warden
2 Intelligence System/ Criminal Investigations Operations	(17,000)	Software to gather information on suspects -- will not purchase
3 Field Operations	(45,500)	Warden mileage will be reduced by 2,500 miles per warden
4 Equipment	(52,000)	Replacement will be limited to dangerous or unserviceable items
5 Helena Budget	<u>(9,500)</u>	Less of a cushion for travel, employee relocation, and emergencies
Total Redirection	<u>\$ (167,000)</u>	

**LFD
ISSUE**

The executive is requesting funding for decision packages for projects similar to those that are being proposed for reduction. For example, DP's 402, 406, and 412 are requesting money for overtime, criminal investigations, and field operations. (See agency issue on alternative pay plan funding in the summary section.)

	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Present Law Adjustments					210,123					239,171
Vacancy Savings					(128,892)					(129,763)
Inflation/Deflation					58,829					91,933
Fixed Costs					(3,237)					(2,980)
Total Statewide Present Law Adjustments					\$136,823					\$198,361
DP 402 - Warden Overtime Compensation	0.00	14,500	152,500	30,000	197,000	0.00	14,500	152,500	30,000	197,000
DP 404 - Alternative Livestock Environmental Review	0.00	0	157,858	0	157,858	0.00	0	(50,142)	0	(50,142)
DP 406 - Criminal Investigation Section	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 407 - Warden Reserve/Temp Help	0.00	0	14,000	0	14,000	0.00	0	14,000	0	14,000
DP 408 - Regulation Distribution	0.00	0	13,000	0	13,000	0.00	0	13,000	0	13,000
DP 412 - Field Operations Adjustment	0.00	0	14,500	0	14,500	0.00	0	14,500	0	14,500
DP 413 - Alternative Pay Plan Adjustment	0.00	0	(167,000)	0	(167,000)	0.00	0	(167,000)	0	(167,000)
DP 414 - Data Entry Savings/Reduction	0.00	0	(19,041)	0	(19,041)	0.00	0	(19,041)	0	(19,041)
DP 415 - Travel Adjustment for Law Enforcement	0.00	0	65,587	0	65,587	0.00	0	101,201	0	101,201
Total Other Present Law Adjustments	0.00	\$14,500	\$271,404	\$30,000	\$315,904	0.00	\$14,500	\$99,018	\$30,000	\$143,518
Grand Total All Present Law Adjustments					\$452,727					\$341,879

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 402 - Warden Overtime Compensation - The Executive Budget includes requests for \$197,000 in each year of the biennium to fund wardens for work performed during official holidays, for providing emergency responses, and for increased coverage during peak times and seasons.

**LFD
ISSUE**

The executive is requesting funds that appear to replace base adjustment redirections to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

DP 404 - Alternative Livestock Environmental Review - The Executive Budget includes a request to restore a \$208,000 biennial appropriation to fund contracted environmental assessment and environmental impact statements evaluating applications for alternative livestock licenses. This is a technical adjustment required by the MBARS system; the amount of the request is equal to the previously-approved base. The department is required to evaluate new alternative livestock applications and the expansion of existing alternative livestock facilities.

**LFD
ISSUE**

I-143 was affirmed by public vote during the November elections. A moratorium is in place eliminating the ability to establish new alternative livestock operations or transfer existing operations. Therefore, this decision package is not needed. In addition, the legislature should reduce base expenditures by \$50,142 to eliminate base funding.

DP 406 - Criminal Investigation Section - The Executive Budget includes requests for \$40,000 per year of the biennium to restore previous levels of funding to the Criminal Investigation Section for investigations of major criminal violations. The Criminal Investigation Sections provides specialized solutions to the investigation and prosecution of major criminal violations across all program areas. Typical investigations include unlawful commercialization of wildlife, illegal introductions of wildlife and gross willful destruction of wildlife resources.

**LFD
ISSUE**

The executive is requesting funds that appear to replace base adjustment redirections to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

DP 407 - Warden Reserve/Temp Help - The Executive Budget is requesting \$14,000 in funding for each fiscal year, with which to hire temporary assistance for data entry and records maintenance, as well as to hire retired wardens for temporary work performed during peak seasons. Stated goals include better workload management, more timely and accurate information management, improved administration of legislatively-mandated programs, and improved public service.

**LFD
ISSUE**

DP 414 is requesting a reduction in funding for data entry due to efficiencies generated by the automated license system. That would suggest that additional data entry staff is not needed.

DP 408 - Regulation Distribution - The Executive Budget includes a request for \$13,000 to support printing, handling, and mailing of department rules and regulations in sufficient numbers to encourage voluntary compliance, and to provide information needed by customers. This decision package would be used to pay increased printing, shipping, and handling costs. Cost increases are attributable to producing more documents as a result of the recent splitting of big game regulations into two volumes.

DP 412 - Field Operations Adjustment - The Executive Budget includes requests of \$14,500 for each year of the biennium to restore the field operations base budget to previously-authorized levels. The department states that expenditures for field operations were low in the base year due to unusual weather conditions experienced during the

hunting season, and were compounded by the inability to work at full potential due to unresolved contract negotiations. Negotiated contract issues have been resolved and work is expected to continue at full capacity. Additionally, costs including the replacement of unserviceable uniform items, necessary individual safety equipment and personal protective gear are included. Additionally, the number of warden relocations is expected to increase.

LFD ISSUE The executive is requesting funds that appear to replace base adjustment redirections made to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

DP 413 - Alternative Pay Plan Adjustment - The Executive Budget includes proposals to use \$167,000 from the General License Account to fund the Fish, Wildlife & Park's alternative pay plan. The reductions would occur in field operations, central projects that fund training for Field Training Officers, field supplies, equipment and relocation costs.

LFD ISSUE If accepted, this proposal would reduce base expenditures to fund the alternative pay plan. (Please see agency-wide issue on the alternative pay plan.)

DP 414 - Data Entry Savings/Reduction - A reduction of \$19,041 is requested for each fiscal year in order to accommodate savings resulting from data-entry efficiencies. Due to changes in the data entry procedures, the Law Enforcement Division realized a net savings of \$19,041. The new Automated Licensing System would reduce the cost of data entry because licensing agents would input information at the point of sale. FWP would no longer need to pay for a contractor to enter handwritten copies into the computer system.

DP 415 - Travel Adjustment for Law Enforcement - The Executive Budget includes requests for \$65,587 in fiscal 2002 and \$101,201 in fiscal 2003 to adjust vehicle travel costs resulting from inflation and rate increases for FWP's internal fleet of vehicles. The biennial amount of \$166,788 would help manage a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department's fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

LFD ISSUE This proposal would allow the expenditure of funds from the In-state Motor Pool Account (2404). This expenditure account has already been increased for inflation. Thus, this appropriation is not needed. (Please see agency-wide issue in the Summary Section.)

LFD ISSUE The executive is requesting funds that appear to replace base adjustment redirections made to fund the pay plan. (Please see the "alternative pay plan" issue under program issues.)

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----					
	Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 410 - Legislative Contract Authority 04	0.00	0	0	0	10,000	10,000	0.00	0	0	10,000	10,000
DP 411 - Regional Investigators/CARA 04	3.00	0	0	0	197,841	197,841	3.00	0	0	154,171	154,171
Total	3.00	\$0	\$0	\$0	\$207,841	\$207,841	3.00	\$0	\$0	\$164,171	\$164,171

New Proposals

DP 410 - Legislative Contract Authority - The Executive Budget includes requests for \$10,000 in legislative contract authority to meet unanticipated federal expenditures. The department uses this authority, in part, to be able to use federal help in felony investigations.

**LFD
ISSUE**

The legislature may wish to budget these projects in HB 2. (Please see the agency-wide issue on legislative contract authority.)

DP 411 - Regional Investigators/CARA - The Executive Budget includes requests for \$197,841 in fiscal 2002 and \$154,171 in fiscal 2003, with which to create three investigative warden positions. These wardens would provide specialized enforcement services for the management and conservation of endangered, threatened, non-regulated, and non-game fish and wildlife. The wardens would also coordinate enforcement activities throughout the regions not supported under current funding structures. This funding request is contingent on final passage of the Conservation and Reinvestment Act. Of the total request, initial start-up costs of \$45,000 (\$30,000 operations, \$15,000 equipment) would be one-time-only.

**LFD
ISSUE**

Because of the uncertain nature of CARA funding, the legislature may want to eliminate this decision package until it becomes more certain that funding can be obtained. (Please see the agency-wide discussion on CARA funding.)

Language Recommendations

The executive is recommending the following HB 2 language:

"Item 4a legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

"Item 4b contains a biennial appropriation of \$208,000 for game farm environmental assessment/environmental impact statement."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	98.20	0.50	2.00	100.70	0.50	2.00	100.70	100.70
Personal Services	3,908,397	374,290	69,402	4,352,089	402,058	69,627	4,380,082	8,732,171
Operating Expenses	2,508,831	(26,109)	323,278	2,806,000	25,312	323,053	2,857,196	5,663,196
Equipment	64,926	0	40,000	104,926	0	40,000	104,926	209,852
Grants	110,000	25,137	0	135,137	25,137	0	135,137	270,274
Transfers	0	0	533,798	533,798	0	533,798	533,798	1,067,596
Total Costs	\$6,592,154	\$373,318	\$966,478	\$7,931,950	\$452,507	\$966,478	\$8,011,139	\$15,943,089
State/Other Special	3,366,666	262,076	108,169	3,736,911	312,192	108,169	3,787,027	7,523,938
Federal Special	3,225,488	111,242	858,309	4,195,039	140,315	858,309	4,224,112	8,419,151
Total Funds	\$6,592,154	\$373,318	\$966,478	\$7,931,950	\$452,507	\$966,478	\$8,011,139	\$15,943,089

Program Description

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

Funding

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

	Actual FY 2000	Percent of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
Nongame Wildlife	\$ 17,299		\$ 13,350		\$ 13,350	
Waterfowl Stamp Spec. Reve	21,688		22,338		22,338	
Mountain Sheep Account	80,461		45,456		45,456	
Moose Auction	7,119		9,069		9,069	
Upland Game Bird Program	207,528		91,243		91,800	
General License	2,805,621		3,321,699		3,371,258	
Habitat Trust Interest	226,950		233,756		233,756	
Subtotal -- State Special Revenue	\$ 3,366,666	51.07%	\$ 3,736,911	47.11%	\$ 3,787,027	47.27%
Dingle-Johnson/Pittman Robertson	\$ 3,225,488		\$ 3,548,198		\$ 3,577,271	
Fish and Game	-		483,798		483,798	
CARA	-		163,043		163,043	
Subtotal -- Federal	\$ 3,225,488	48.93%	\$ 4,195,039	52.89%	\$ 4,224,112	52.73%
Total Funding	\$ 6,592,154	100.00%	\$ 7,931,950	100.00%	\$ 8,011,139	100.00%

Program Issues

Table 18 describes proposed "redirections" made to fund the alternative pay plan.

Proposed Redirection	Dollars Contributed	Notes and Clarification
1 Base Operations	\$ (51,305)	Reductions in non-game inventories and endangered species work on black-footed ferrets
3 2.25 FTE (Biologist positions)	(100,000)	
Total Redirection	\$ (151,305)	



The executive is requesting funding to conduct wildlife surveys (DP 504). This decision package appears to contain a request for a project that is similar to a proposed reduction. (See the agency-wide issue on alternative pay plan funding in the summary section.)

	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Present Law Adjustments					476,959					505,527
Vacancy Savings					(121,578)					(122,435)
Inflation/Deflation					34,648					54,215
Fixed Costs					9,061					12,279
Total Statewide Present Law Adjustments					\$399,090					\$449,586
DP 503 - Grizzly/Black Bear Conflict Specialist	0.50	0	69,410	0	69,410	0.50	0	69,410	0	69,410
DP 504 - Survey & Inventory Adjustment	0.00	0	34,625	103,875	138,500	0.00	0	34,625	103,875	138,500
DP 505 - Upland Game Bird Habitat	0.00	0	(116,712)	0	(116,712)	0.00	0	(116,712)	0	(116,712)
DP 506 - Watchable Wildlife	0.00	0	(3,949)	0	(3,949)	0.00	0	(3,949)	0	(3,949)
DP 507 - Moose Auction	0.00	0	1,950	0	1,950	0.00	0	1,950	0	1,950
DP 511 - Printing Costs	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
DP 512 - Fixed Cost Adjustment	0.00	0	4,307	0	4,307	0.00	0	4,307	0	4,307
DP 513 - Student Stipend Program	0.00	0	6,284	18,853	25,137	0.00	0	6,284	18,853	25,137
DP 514 - Alternative Pay Plan Adjustment	0.00	0	(22,827)	(128,478)	(151,305)	0.00	0	(22,827)	(128,478)	(151,305)
DP 515 - Big Horn Sheep Auction	0.00	0	(35,000)	0	(35,000)	0.00	0	(35,000)	0	(35,000)
DP 516 - Data Entry Savings/Reduction	0.00	0	(9,069)	(27,206)	(36,275)	0.00	0	(9,069)	(27,206)	(36,275)
DP 517 - Travel Adjustment for Wildlife	0.00	0	27,919	30,246	58,165	0.00	0	41,692	45,166	86,858
Total Other Present Law Adjustments	0.50	\$0	(\$23,062)	(\$2,710)	(\$25,772)	0.50	\$0	(\$9,289)	\$12,210	\$2,921
Grand Total All Present Law Adjustments					\$373,318					\$452,507

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies.

Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 503 - Grizzly/Black Bear Conflict Specialist - The Executive Budget includes requests for \$69,410 per year of the biennium to increase staffing and procure contracted services designed to reduce and resolve grizzly bear/human conflicts within the Northern Continental Divide Ecosystem of Northwest Montana. Areas of emphasis include: 1) responding to grizzly bear conflict situations, 2) implementing aversive conditioning on those bears that become involved in human/bear conflicts, and 3) encouraging rural residents to eliminate grizzly bear attractants. The position is currently funded for six months with state license dollars. This decision package would fund the remaining 0.50 FTE.

DP 504 - Survey & Inventory Adjustment - This proposal requests \$138,500 in operations funding for wildlife survey and inventory activities. The survey and inventory activities include monitoring wildlife species. The results would be used to make recommendations and management plans for hunting seasons.

**LFD
ISSUE**

"Redirection" efforts to fund the alternative pay plan call for reductions in base operations and 2.25 FTE. That suggests that a portion of this additional funding is not needed. (See the agency-wide issue on the alternative pay plan.)

DP 505 - Upland Game Bird Habitat - The Executive Budget includes a request for a decrease of \$116,712 per year of the biennium to discontinue the biennial appropriation for the Upland Game Bird Program and move it into HB5 (the Capitol Projects Bill). No change from the previously approved base is being requested. The Upland Game Bird Funds are specifically earmarked for habitat enhancement and pheasant releases.

DP 506 - Watchable Wildlife - This request would provide for a reduction in authority in order to match available revenues. Revenues from the income tax check off for the Watchable Wildlife Program are declining. Once check-off contributions fall below \$10,000, the check-off program ends. This decision package would reduce authority by \$3,949 in each fiscal year.

**LFD
ISSUE**

The MBARS Fund Balance Report indicates that estimated revenue for the Non-game Wildlife Fund is \$15,850 in fiscal 2002 and \$16,307 in fiscal 2003. The appropriation established in the base year for this fund was \$26,188. Based upon this figure, a reduction in authority of \$10,338 in fiscal 2002 and \$9,881 in fiscal 2003 would be needed to match estimated revenue.

DP 507 - Moose Auction - The Executive Budget includes a request for the additional authority necessary to spend \$1,950 in each fiscal year from increasing moose auction receipts. The authority would be used to increase moose survey efforts.

**LFD
ISSUE**

Receipts from the moose auction for fiscal years 1997, 1998, 1999, and 2000 are \$15,797, \$13,517, \$9,000, and \$11,000 respectively. Revenue estimates for fiscal years 2002 and 2003 are \$11,000 per year. In fiscal year 2000, the department established \$14,266 in appropriation authority and spent \$10,029. Relative to that, there are a couple of issues for the legislature to consider:

- 1) It does not appear that receipts are steadily increasing. In fact, the department estimates that revenue will remain at \$11,000 per year over the next biennium.
- 2) Appropriation authority exceeds spending by \$4,237 in the base year.

The legislature may want to consider adding an appropriation of \$971 to bring base expenditures up to the amount of expected revenues.

DP 511 - Printing Costs - This proposal requests \$20,000 in each fiscal year to pay for increased costs for printing hunting regulations. The total number of regulations printed has nearly doubled, and now comes to more than 700,000 copies. In addition, timing of special season drawings requires the department to print different sets of regulations.

DP 512 - Fixed Cost Adjustment - The Executive Budget includes a requesting for \$4,307 in each fiscal year for recovery of base operations paid out as overtime. Fixed cost expenditures do not carry forward in the base budget. Miscoding resulted in \$4,307 being charged to fixed cost items that should actually have carried forward into the base.

DP 513 - Student Stipend Program - The Executive Budget includes a request for \$25,137 in each fiscal year to restore the grant funding for the Student Stipend Program. The Student Stipend Program allows the department to make short-term investigations of wildlife populations through the university system, using grants and contracts. These project costs were delayed until after fiscal year end. Because of problems with SABHRS, costs were not reflected in the base budget. Restoring the grant funding will allow the department to continue the program.

DP 514 - Alternative Pay Plan Adjustment - Funding reductions were required in order to fund the alternative pay plan within the agency overall budget. This, according to the agency, will result in decreased habitat protection and enhancement.

**LFD
ISSUE**

Please see the agency-wide issue on the alternative pay plan.

**LFD
ISSUE**

Habitat Trust interest is the interest earned on deposits in the Wildlife Habitat Trust Account (87-1-242 MCA, terminates March 1, 2006). Trust income is derived from a portion of certain non-resident hunting and some fishing licenses. Up to 50 percent of the trust account can be deposited directly into the interest account. The interest account money is a state special revenue account earmarked for the development and maintenance of real property used for wildlife habitat acquisition and improvement. If the legislature wants to make the alternative pay plan revenue neutral, they could reduce the source of income into the earmarked account. Thus, a reduction in income would be commensurate with a reduction in spending.

DP 515 - Big Horn Sheep Auction - A reduction of \$35,000 for each fiscal year is requested in order to adjust for declining revenue from the bighorn sheep auction. Averaging \$156,100 since the 1986 license year, the sheep permit auctioned annually has sold for as much as \$310,000. In the 2000 license year, the winning bid was \$85,500. Approval of this decision package request would bring the budget in line with revenue estimates of \$125,000 per year.

DP 516 - Data Entry Savings/Reduction - The Executive Budget includes requests for a reduction of \$36,275 per fiscal year to accommodate savings realized from data entry efficiencies. The new Automated Licensing System will reduce data entry costs because license agents will input information at the point of sale. FWP will no longer need to pay a contractor to enter handwritten copies into the computer system.

DP 517 - Travel Adjustment for Wildlife - The Executive Budget includes requests for \$58,165 in fiscal 2002 and \$86,858 in fiscal 2003 to adjust vehicle travel costs resulting from inflation and rate increases for FWP's internal fleet of vehicles. Fish, Wildlife & Parks manages a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department's fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, vehicle rates have been kept unreasonably low. However, cash flow projections now predict that additional revenue is needed to safely operate our fleet.

LFD ISSUE This proposal would spend funds from the In-state Motor Pool Account (2404). This expenditure account has already been increased for inflation. Thus, this appropriation is not needed. (Please see the agency-wide issue in the summary section.)

Prgm	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 501 - Mountain Lion Research 05	0.50	0	38,992	116,978	155,970	0.50	0	38,992	116,978	155,970
DP 502 - Black Bear Research 05	0.50	0	14,830	44,490	59,320	0.50	0	14,830	44,490	59,320
DP 508 - Legislative Contract Authority 05	0.00	0	0	533,798	533,798	0.00	0	0	533,798	533,798
DP 509 - Wolf/Ungulate Monitoring - CARA 05	1.00	0	31,847	95,543	127,390	1.00	0	31,847	95,543	127,390
DP 510 - Sagegrouse Monitoring - CARA 05	0.00	0	22,500	67,500	90,000	0.00	0	22,500	67,500	90,000
Total	2.00	\$0	\$108,169	\$858,309	\$966,478	2.00	\$0	\$108,169	\$858,309	\$966,478

New Proposals

DP 501 - Mountain Lion Research - The Executive Budget includes request is for the modification and continuation of the Mountain Lion Research Project initiated in 1997. This decision package would continue the \$119,900 funding that supports mountain lion research. The request includes an additional .50 FTE to assist in trapping operations from October through March during each year of the biennium.

DP 502 - Black Bear Research - A request of \$59,320 is being made for each fiscal year, in order to conduct an evaluation of black bear management criteria as outlined in the Black Bear EIS. An environmental impact statement on the management of black bear was completed and the record of decision was issued in 1994. The EIS established a series of management criteria that would be used to monitor population trends and act as safeguards to prevent excessive harvest of black bears. The findings from this 8-10 year project would be used to modify the management criteria and to improve monitoring of black bear populations statewide. The services of a biologist and a portion of the operations costs for this proposal are currently funded. This request is for 1.00 FTE (2 Grade 11, .50 FTE field technicians) who would assist with trapping and monitoring, as well as an additional \$23,250 in operations.

DP 508 - Legislative Contract Authority - The Executive Budget includes requests for appropriation authority in the amount of \$533,798 for each fiscal year, thus allowing the division to spend unanticipated federal funds. In the Wildlife Division, LCA is used to perform special surveys for federal agencies via contract. The contracts usually run through the federal fiscal year and most require a report.

LFD ISSUE The legislature may wish to budget these projects in HB 2. (Please see the agency-wide issue on legislative contract authority.)

DP 509 - Wolf/Ungulate Monitoring - CARA - This proposal requests appropriation authority of \$127,390 in each fiscal year to spend anticipated CARA funding. Approval of this decision package would allow increased monitoring of elk and other ungulates to determine the impact of wolves on recruitment and distribution. The decision package includes funding for a grade 12-research technician (1.00 FTE), \$53,000 in operations and \$40,000 in equipment for each year.

**LFD
ISSUE**

Because of the uncertain nature of CARA funding, the legislature may want to postpone this decision package until it becomes more certain that funding can be obtained. (Please see the agency-wide discussion on CARA funding.)

DP 510 - Sagegrouse Monitoring - CARA - This proposal requests appropriation authority amounting to \$90,000 in each fiscal year to allow the division to spend anticipated CARA funding to inventory game and non-game species associated with the sagebrush/grassland ecosystem. The Biodiversity Legal Foundation recently requested information on the status of sage grouse in Montana. Petitions have been submitted to list sage grouse populations in Washington, Colorado, and Nevada under the Federal Endangered Species Act. The department anticipates Montana's sage grouse population will be petitioned for listing by the end of the year. Approval of this decision package would fund a contract as well as volunteer and/or work-study students to assist the department in surveying the sagebrush habitat. The request includes \$40,000 for travel and \$50,000 for flight time.

**LFD
ISSUE**

Because of the uncertain nature of CARA funding, the legislature may want to eliminate this decision package until it becomes more certain that funding can be obtained. (Please see the agency-wide discussion on CARA funding.)

Language Recommendations

The executive is recommending the following HB 2 language:

"Item 5a legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

"Item 5b is a restricted appropriation for mountain lion research."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	88.52	0.00	4.79	93.31	0.00	4.79	93.31	93.31
Personal Services	2,698,092	244,958	128,838	3,071,888	267,173	129,268	3,094,533	6,166,421
Operating Expenses	1,770,341	(186,211)	268,000	1,852,130	(162,674)	268,000	1,875,667	3,727,797
Equipment	345,893	27,336	0	373,229	(270,664)	0	75,229	448,458
Grants	810,082	(471,423)	0	338,659	(471,423)	0	338,659	677,318
Transfers	0	0	50,000	50,000	0	50,000	50,000	100,000
Total Costs	\$5,624,408	(\$385,340)	\$446,838	\$5,685,906	(\$637,588)	\$447,268	\$5,434,088	\$11,119,994
General Fund	284,076	10,113	0	294,189	10,113	0	294,189	588,378
State/Other Special	4,547,243	177,636	139,838	4,864,717	(74,612)	140,268	4,612,899	9,477,616
Federal Special	793,089	(573,089)	307,000	527,000	(573,089)	307,000	527,000	1,054,000
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$5,624,408	(\$385,340)	\$446,838	\$5,685,906	(\$637,588)	\$447,268	\$5,434,088	\$11,119,994

Program Description

The Parks Division is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, and for providing for their use and enjoyment. The program includes 41 parks, 12 affiliated lands such as rifle ranges and recreation sites managed by local and federal agencies, and 312 fishing access sites. Other programs administered by the division include motorized and non-motorized trails, state Capitol Complex grounds maintenance, and the Montana Conservation Corps.

Funding

General fund provides a portion of the support and maintenance of parks and historic sites.

The largest state special revenue source is motorboat fuel taxes; followed by park fee revenues, parks coal tax trust earnings, the General License Account, snowmobile fuel taxes, off-highway vehicle fuel taxes, fishing access maintenance and acquisition fee revenues, snowmobile registration fees and off-highway vehicle registration fees. The department receives the following allocations of gasoline dealers' license taxes: 1) nine-tenths of one percent for maintenance of parks with motorboat use; 2) one-eighth of one percent for off-highway vehicle safety, repair of off-highway vehicle damage, and facility development; and 3) 15/28 of one percent for snowmobile safety, facility development, enforcement, and control of noxious weeds. Of total Coal Severance Tax revenue collections, 1.27 percent is deposited into a non-expendable trust, with the interest from this trust allocated for maintenance of state parks and historic sites. The General License Account and earmarked fishing license fees are used to maintain fishing access sites.

Federal sources of funds include Wallop-Breaux, the National Recreational Trails, and the Land and Water Conservation funds, as well as miscellaneous federal revenues.

The department receives 6.5 percent of lodging facility tax collections for maintenance of state park facilities. However, since the money is statutorily appropriated, appropriations are not included in HB 2.

Capitol grounds maintenance is funded via a proprietary account; rate charges are based on the amount of office space occupied in the capitol complex. The legislature does not appropriate these funds, but does approve the rates.

Table 19
Fish, Wildlife, and Parks
Parks Division

	Actual FY 2000	Percent of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
General Fund	\$ 284,076		\$ 294,189		\$ 294,189	
Subtotal -- General Fund	\$ 284,076	5.05%	\$ 294,189	5.17%	\$ 294,189	5.41%
Off Highway Vehicle Gas Tax	\$ 123,440		\$ 29,213		\$ 28,679	
Off Hwy Vehicle Acct (Parks)	61,046		14,100		14,852	
Snowmobile Registration-Parks	119,369		71,000		71,000	
Fishing Access Site Maint	112,559		116,929		116,929	
Snowmobile Fuel Tax	624,173		665,687		368,341	
Coal Tax Trust Account	839,212		834,122		866,582	
General License	776,535		835,503		835,656	
State Parks Miscellaneous	866,963		1,226,074		1,237,489	
Motorboat Fuel Tax	<u>1,023,946</u>		<u>1,072,089</u>		<u>1,073,371</u>	
Subtotal -- State Special Revenue	\$ 4,547,243	80.85%	\$ 4,864,717	85.56%	\$ 4,612,899	84.89%
Fish(DJ)-Wildf(PR) Restor Grant	\$ 166,222		\$ 180,000		\$ 180,000	
Parks Federal Revenue	608,220		-		-	
Overhead	18,647		80,000		80,000	
CARA	-		217,000		217,000	
Subtotal -- Federal	\$ 793,089	14.10%	\$ 527,000	9.27%	\$ 527,000	9.70%
Total Funding	<u>\$ 5,624,408</u>	100.00%	<u>\$ 5,685,906</u>	100.00%	<u>\$ 5,434,088</u>	100.00%

Program Issues

The following table describes proposed "redirections" made to fund the alternative pay plan.

Table 20
Fish, Wildlife, and Parks -- Parks Division
Proposed Alternative Pay Plan Funding Contributions

Proposed Redirection	Dollars Contributed	Notes and Clarification
1 Tables and grills	\$ (17,000)	Eliminate a purchase order for these items
2 R-7 utility truck	(5,000)	Reflects a one-time type repair on this truck
3 Inventory	(10,000)	Items for resale -- have requested an enterprise fund
4 Off highway Vehicles field operations	(2,500)	Reduce each district by \$500 per year for OHV classes
Intern funding	(30,000)	Eliminate 15 - 25 student interns that work on park projects
Management and administration budgets	(18,000)	General reductions
5 Travel and postage	(7,500)	Eliminate one issue of the state parks newsletter
6 Operations/ Brochures	<u>(22,000)</u>	Eliminate the annual calendar of parks events
Total Redirection	<u>\$ (112,000)</u>	

LFD ISSUE The executive is proposing decision packages that contain requests for projects similar to those being proposed for reduction. For example, DP 601 calls for intern supervision for interns. As part of alternative pay plan reductions, fewer interns are needed. Thus, this proposal may not be needed. (See agency issue on alternative pay plan funding in the summary section.)

Present Law Adjustments										
	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					326,674					349,575
Vacancy Savings					(81,716)					(82,402)
Inflation/Deflation					20,610					31,831
Fixed Costs					2,582					3,483
Total Statewide Present Law Adjustments					\$268,150					\$302,487
DP 604 - Reduce Trail Grants	0.00	0	0	(596,630)	(596,630)	0.00	0	0	(596,630)	(596,630)
DP 605 - Restore LWCF	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 606 - Snowmobile Equipment	0.00	0	34,336	0	34,336	0.00	0	(263,664)	0	(263,664)
DP 607 - Community Service	0.00	0	31,400	0	31,400	0.00	0	31,400	0	31,400
DP 610 - Restore OHV Grants and Operations	0.00	0	(141,670)	0	(141,670)	0.00	0	(141,670)	0	(141,670)
DP 611 - Accommodations Tax - Statutory	0.00	0	0	0	0	0.00	0	0	0	0
DP 612 - Alternative Pay Plan Adjustment	0.00	0	(92,000)	(20,000)	(112,000)	0.00	0	(92,000)	(20,000)	(112,000)
DP 614 - Restore Base Operations	0.00	0	60,000	0	60,000	0.00	0	60,000	0	60,000
DP 615 - Snowmobile Grants and Operations Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
DP 616 - Capital Grounds Operations	0.00	0	0	0	0	0.00	0	0	0	0
DP 617 - Travel Adjustment for Parks	0.00	0	21,074	0	21,074	0.00	0	32,489	0	32,489
Total Other Present Law Adjustments	0.00	\$0	(\$86,860)	(\$566,630)	(\$653,490)	0.00	\$0	(\$373,445)	(\$566,630)	(\$940,075)
Grand Total All Present Law Adjustments					(\$385,340)					(\$637,588)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 604 - Reduce Trail Grants - The Executive Budget includes a reduction of \$596,630 in recreation trail grants authority in HB 2, with a similar increase to HB 5. Federal money is passed through to communities and user groups for statewide trail construction and improvement grants. Transferring this money to the Long-range Building Program would make grants easier to track and manage. An additional restoration of \$2,000 in operations authority is being requested and would minimize the use of state revenue in program operations.

DP 605 - Restore LWCF - This request would restore \$50,000 of federal authority, allowing the Land and Water Conservation Fund (LWCF) Program to administer the local grants program and to meet federal requirements. The LWCF is a federal program primarily funded by off-shore oil revenues, which are passed to states to allow outdoor recreation improvements for local communities and state parks. This money is awarded as grants to cities and towns statewide.

LFD ISSUE	The LWCF funding is tied to CARA legislation. In the past, the amount and receipt of these funds has been uncertain. That continues to be the situation. Consequently, it is unknown if or when the department will receive the funding. The legislature may want to make this appropriation contingent upon receipt of funding.
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DP 606 - Snowmobile Equipment - The Executive Budget includes a request for a biennial appropriation to purchase snowmobile-trail grooming equipment. Funds for this program come from a rebate of fees paid by users on snowmobile fuel. Funds are used to purchase snowmobile trail grooming equipment for local snowmobile clubs. Members of these clubs volunteer their time to groom trail systems all over the state. The department receives 15/28 of one percent of total gasoline dealer license tax revenue to "develop and maintain facilities open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and for the control of noxious weeds."

DP 607 - Community Service - The Executive Budget includes a request for \$31,400 per year of the biennium to utilize community service programs to assist with park maintenance projects. Montana State Parks uses modified level FTE to supplement current staff members who are supervising Montana Conservation Corps, volunteer groups, and Aspen Youth Alternative crews.

DP 610 - Restore OHV Grants and Operations - The request provides for a reduction of \$141,670 per year, to restore the off-highway vehicle (OHV) grant authority that provides for OHV trails and trail maintenance statewide. Local clubs, communities, counties and federal agencies use these monies to improve OHV use and user behavior. Examples include weed control, weed control education and trail maintenance. Operational dollars requested are used to administer grant and education programs. These funds were left unexpended at the end of FY 2000 to ensure the budget was not overrun.

DP 611 - Accommodations Tax - Statutory - The Executive Budget includes requests of \$54,120 in fiscal 2002 and \$51,482 in fiscal 2003 to fund park maintenance programs statewide, using 6.5 percent of the Lodging Facility Use Tax. Montana State Parks uses money received from the Lodging Facility Use Tax to perform maintenance and operations. In this decision package, an additional 0.45 FTE is requested to provide management for the expanded maintenance and operations at Tongue River Reservoir State Park. This position is currently being funded with modified level FTE. The proposal would make this a permanent position with an eye to attracting and retaining more qualified staff.

DP 612 - Alternative Pay Plan Adjustment - A reduction of \$112,000 per year of the biennium is requested in support of funding the alternative pay plan. This request represents reductions in parks operations that funded the alternative pay plan and will affect such statewide projects including brochure production, student interns, and such regional projects as contracted services, travel, and special projects. The department anticipates a reduction in public service as a result of these redirections.

**LFD
ISSUE**

If accepted, this proposal would remove \$11,000 of general license dollars, \$20,000 of federal dollars, and \$22,827 dollars of state special revenue funds from the base to fund the alternative pay plan. (Please see the agency-wide issue on the alternative pay plan.)

DP 614 - Restore Base Operations - A request for the restoration of \$60,000 in base operations each fiscal year would fund daily operations such as security contracts, custodial contracts, mowing, fence repair, weed control, paying light bills, and the purchase of gas. This money is not an increase above fiscal 2000 appropriated level. This request represents park operations funding that was not spent in the base year.

**LFD
ISSUE**

The agency has not identified the specific circumstances that prevented it from expending the funds in the base year, nor why these circumstances would not exist in the 2003 biennium. Therefore, the legislature may want to consider this decision package contingent upon justification of these circumstances.

**LFD
ISSUE**

"Redirection" efforts to fund the alternative pay plan call for reductions in base operations. That suggests that additional funding is not needed. (See the agency-wide issue on the alternative pay plan.)

DP 615 - Snowmobile Grants and Operations Adjustment - The Executive Budget includes a request to transfer authority between the operations and the equipment categories. The amount under consideration is \$279,250; this would have a net effect of zero. A request is being made to correct a mistake that occurred during year-end procedures. Specifically, expenditures were posted against snowmobile program "operations" (2000 series code) when they should have been met through "grants" authority (6000 series code). This request will allow the program to continue to grant snowmobile decal and fuel monies back to local clubs for grooming and trail maintenance. There is no fiscal impact involved in this decision package.

DP 616 - Capital Grounds Operations - The Executive Budget includes requests for \$82,774 in fiscal 2002 and \$83,073 in fiscal 2003 to fund the Capitol Grounds Summer and Winter Maintenance Program. Montana State Parks is responsible for managing the Capitol Grounds Maintenance Program. This decision package includes a request for 3.34 FTE to bring the total number back to the 5.66 FTE authorized for fiscal years 2000 and 2001. Additionally, an increase of 0.40 FTE is being requested. If approved, the cost of the additional FTE would be recovered through a proposed 2.5-cent increase in square footage rates. This would be the first rate increase in four years.

DP 617 - Travel Adjustment for Parks - The Executive Budget includes requests for \$21,074 in fiscal 2002 and \$32,489 in fiscal 2003 to adjust vehicle travel costs resulting from inflation and rate increases for FWP's internal fleet of vehicles. Fish, Wildlife & Parks manages a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department's fleet and replace existing vehicles.

LFD ISSUE This proposal would spend funds from the In-state Motor Pool Account (2404). This expenditure account has already been increased for inflation. Thus, this appropriation is not needed. (Please see agency-wide issue in the summary section.)

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----				
	Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special
DP 601 - Park Maintenance and Operations 06	2.79	0	82,283	0	82,283	2.79	0	82,560	0	82,560
DP 602 - Restore Motorboat Maintenance 06	0.00	0	11,000	40,000	51,000	0.00	0	11,000	40,000	51,000
DP 603 - Fishing Access Site Maintenance 06	2.00	0	46,555	0	46,555	2.00	0	46,708	0	46,708
DP 609 - Legislative Contract Authority 06	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 613 - CARA Implementation - LWCF 06	0.00	0	0	217,000	217,000	0.00	0	0	217,000	217,000
Total	4.79	\$0	\$139,838	\$307,000	\$446,838	4.79	\$0	\$140,268	\$307,000	\$447,268

New Proposals

DP 601 - Park Maintenance and Operations - The Executive Budget includes requests for \$82,283 in fiscal 2002 and \$82,560 in fiscal 2003 to hire 2.79 FTE for park maintenance and operations improvement. Montana State Parks personnel are experiencing increases in their levels of responsibility. In 1999, the division used 1,504 volunteers (47,326 hours) and 12 interns. Although these people can address some of the labor needs, they require supervision, oversight, and leadership. Montana State Parks has 41 state parks and 15 affiliated lands throughout the state.

LFD ISSUE "Redirection" efforts to fund the alternative pay plan call for reductions in base operations and numbers of interns. Since fewer interns would need fewer supervisors, funding for additional supervision may not be needed.

DP 602 - Restore Motorboat Maintenance - The Executive Budget includes requests for \$51,000 in each fiscal year to restore federal fishing access site maintenance and motorboat authority to the previously-authorized level. This request would continue to provide for routine repair and maintenance to equipment, facilities and grounds. Specifically, this authority is used to fund a number of activities including repair after acts of vandalism, equipment maintenance and repair, pump replacement, and erosion control.

**LFD
ISSUE**

In the 2001 biennium, the motorboat and fishing access site maintenance authority was requested for emergency situations. If it is the legislature's intent to continue to fund these activities as emergency or intermittent projects specific to fishing or motorboat access sites, the appropriation should be restricted and tagged as one-time-only. If it is the legislature's intent to fund these activities as ongoing expenses to be used only for motorboat and fishing access site maintenance, the appropriation could be restricted so the authority cannot be used for any other purpose.

DP 603 - Fishing Access Site Maintenance - The Executive Budget includes requests for \$46,555 in fiscal 2002 and \$46,708 in fiscal 2003 from the General License Account to address increasing maintenance demands at fishing access sites. Maintenance is typically accomplished by part-time seasonal employees who live on a nearby farm, ranch, or in a small community. This request would add additional maintenance positions across the state to help keep pace with increased visitation, longer recreation seasons, and the aging of the facilities.

**LFD
ISSUE**

In 2001 biennium, the motorboat and fishing access site maintenance authority was requested for emergency situations. If it is the legislature's intent to continue to fund these activities as emergency or intermittent projects specific to fishing or motorboat access sites, the appropriation should be restricted and tagged as one time only. If it is the legislature's intent to fund these activities as on-going expenses to be used only for motorboat and fishing access site maintenance, the appropriation could be restricted so the authority cannot be used for any other purpose.

DP 609 - Legislative Contract Authority - The Executive Budget includes a request for \$50,000 in LCA authority to be used when FWP enters into partnerships with federal agencies, in order to jointly manage projects and properties where there is a mutual interest.

**LFD
ISSUE**

The legislature may wish to budget these projects in HB 2. (Please see the agency-wide issue on legislative contract authority.)

DP 613 - CARA Implementation - LWCF - The Executive Budget includes requests for \$217,000 per year of the biennium to administer the Land and Water Conservation Fund Program. This request would authorize a portion of the \$4.0 million in federal dollars received from the passage of the Conservation and Reinvestment Act (CARA) to be used in park operations and to administer the Land and Water Conservation Fund grants portions of CARA.

**LFD
ISSUE**

Because of the uncertain nature of CARA funding, the legislature may want to postpone this decision package until it becomes more certain that funding can be obtained. (Please see agency-wide discussion on CARA funding.)

Language Recommendations

The executive is recommending the following HB 2 language:

"Item 6a legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

"Item 6c is a restricted appropriation for motorboat maintenance."

"Item 6d includes a biennial appropriation of \$298,000 for snowmobile equipment."

Proprietary Rates**Program Description**

The Parks Division of Montana Fish, Wildlife and Parks is responsible for the state Capitol Complex Grounds Maintenance Program.

The department funds the program through the Capitol Grounds Proprietary Account (A/E 06541). Direct costs of the program are accounted for in SABHRS organizations 6391, 6392 and 6393. Indirect costs are charged to the Grounds Maintenance Program and accounted for in SABHRS organization 6399. Indirect costs are recovered through assessment of an indirect cost rate based on actual program expenditures during the previous period.

The total annual cost of the Capitol Grounds Maintenance Program is allocated to state agencies based on each agency's share of the total square footage of office space on the capitol complex, which is rented from Department of Administration, General Services Division.

Revenues and Expenses

There are no changes proposed in the provision of services. An increase of \$0.025 cents per square foot is proposed for the 2003 biennium.

On an annual basis, revenues and expenses are reviewed to ensure that costs are commensurate with fees charged. Surpluses may occur during years when the weather is favorable, and fewer maintenance and snow removal activities are needed. Accumulated cash balances from previous periods are used to calculate rates for future periods. A total of 5.66 FTE are funded in this program.

Working Capital

The 60-day working capital requirement provides sufficient cash to fund ongoing operations of the program.

On a biennial basis, program costs are reviewed to ensure that fees charged to agencies are commensurate with program costs. Each biennium, the account is analyzed to determine if ending cash balances are long or short relative to program working capital requirements. Calculation of rates for future periods can be affected by ending cash balances.

Fund Equity

Fund balance is reserved for reverted appropriations from the previous period.

Cash Flow

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

Rate Explanation

Capitol grounds units of service are based on services provided for grounds maintenance and snow removal within the capitol complex. The unit price is the total annual revenue of the program divided by the total square footage of rented office space within the capitol complex. Square footage for the 2003 biennium is provided by General Services Division and used in these calculations. The summary of costs billed to agencies and the per unit costs for FY 1996 - FY 2003 are as follow:

	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03
Revenue	\$265,338	\$263,768	\$297,349	\$298,562	\$296,112	\$296,000	\$319,189	\$319,189
Per Sq. Ft.	\$.3129	\$.3111	\$.3446	\$.3446	\$.3446	\$.3446	\$.3696	\$.3696

An increase in the rate of \$.025 cents for the 2003 biennium is proposed.

Report on Internal Service & Enterprise Funds, 2003 Biennium

Fund Number	Fund Name	Agency Number	Agency Name	Program Name
06528 / 06541	Rent And Maintenance / Grounds Maintenance	6101	Department of Administration	

Fund Balance Information

	FY96	FY97	FY98	FY99	FY00	Estimated FY01	Estimated FY02	Estimated FY03
Beginning Retained Earnings	570,076	1,193,501	939,754	985,457	856,866	471,636	263,477	300,080
Increases								
Fee Revenue	4,416,982	4,559,982	4,793,200	5,051,207	5,455,290	5,597,097	6,133,074	6,235,764
Investment Earnings	-	-	-	156	-	-	-	-
Transfers In	53,465	21,860	58,800	58,801	44,430	-	-	-
Miscellaneous, operating	4,182	25	-	832	1,131	-	-	-
Miscellaneous, other	-	-	-	-	-	-	-	-
Total Increases	4,474,629	4,581,867	4,852,000	5,110,996	5,500,851	5,597,097	6,133,074	6,235,764
(Decreases)								
Personal Services	776,878	801,358	841,431	906,244	960,708	952,360	1,069,235	1,074,521
Operations	3,071,657	3,778,184	3,586,529	4,242,635	4,479,736	4,852,896	5,027,236	5,083,433
Transfers Out	-	102,088	322,487	92,000	328,047	-	-	-
Miscellaneous, operating	-	50,000	-	-	-	-	-	-
Miscellaneous, other	2,669	1,378	92	33	14,361	-	-	-
Total Decreases	3,851,204	4,733,008	4,750,539	5,240,912	5,782,852	5,805,256	6,096,471	6,157,954
Adjustments to Beginning Retained Earnings	-	(102,606)	(55,758)	1,325	(103,229)	-	-	-
Ending Retained Earnings	1,193,501	939,754	985,457	856,866	471,636	263,477	300,080	377,890
Total Contributed Capital	109,588	5,837	4,587	4,587	4,587	4,587	4,587	4,587
Total Fund Equity	1,303,089	945,591	990,044	861,453	476,223	268,064	304,667	382,477
Unreserved Fund Balance								
60 Days of Expenses (i.e. total of personnel services, operations, and miscellaneous operating divided by 6)	641,423	771,590	737,993	858,147	906,741	967,543	1,016,079	1,026,326

Fee/Rate Information for Legislative Action:

Requested Rates for Internal Service Funds	06528	06541	Rent & Maint. Grounds Maint.	\$4.616/psf	\$4.789/psf	\$5.13/psf	\$5.37/psf	\$5.90/psf	\$6.017/psf	Authority
PSF= Annual per square foot cost				0.3446	0.3446	0.3446	0.3446	0.3696	0.3696	2-17-101 2-17-111 2-17-811

Significant Present Law

Requested within DP 616 are 3.34 FTE to bring the total back to the 5.66 FTE authorized for fiscal years 2000/2001. These positions did not roll forward in the base because they were inadvertently set up at a modified level. Additionally, an increase of 0.40 FTE is being requested. The additional FTE will not create any additional permanent positions, but would add to existing positions in order to improve employee retention and reduce training and recruitment costs. The proposed \$0.25 cent increase in the square footage rates would be the first increase in four years. It would fund the decision package and provide an adequate fund balance.

Program Proposed Budget	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	22.25	0.00	0.90	23.15	0.00	0.90	23.15	23.15
Personal Services	914,519	77,074	37,665	1,029,258	82,764	37,794	1,035,077	2,064,335
Operating Expenses	1,062,429	(52,847)	369,228	1,378,810	(48,014)	369,099	1,383,514	2,762,324
Equipment	8,152	0	0	8,152	0	0	8,152	16,304
Grants	101,364	16,636	60,000	178,000	(101,364)	0	0	178,000
Transfers	0	0	35,000	35,000	0	35,000	35,000	70,000
Total Costs	\$2,086,464	\$40,863	\$501,893	\$2,629,220	(\$66,614)	\$441,893	\$2,461,743	\$5,090,963
General Fund	2,697	0	0	2,697	0	0	2,697	5,394
State/Other Special	1,690,907	34,075	164,893	1,889,875	(73,402)	104,893	1,722,398	3,612,273
Federal Special	392,860	6,788	337,000	736,648	6,788	337,000	736,648	1,473,296
Total Funds	\$2,086,464	\$40,863	\$501,893	\$2,629,220	(\$66,614)	\$441,893	\$2,461,743	\$5,090,963

Program Description

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

- 1) distributing public information through news releases, audio-visual materials, brochures and public service announcements;
- 2) coordinating youth education programs;
- 3) coordinating the production of hunting, fishing and trapping regulations;
- 4) coordinating the hunter, bow-hunter, snowmobile, boat and off-highway vehicle education and safety programs; and
- 5) providing reception services for the department's Helena Headquarters.

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

Funding

The Conservation Education Division's largest funding source is revenue from hunting and fishing license fees. Other state special revenue sources include interest earnings from the department's Coal Tax Trust, snowmobile and off-highway vehicle fuel taxes and off-highway vehicle decal fees. Federal funds consist of Pittman-Robertson and Wallop-Breaux funds and grants from the Coast Guard. Legislative contract authority is funded with miscellaneous federal funds at a level of \$20,000 per fiscal year.

	Actual FY 2000	Percent of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
General Fund	\$ 2,697		\$ 2,697		\$ 2,697	
Subtotal -- General Fund	2,697	0.13%	2,697	0.10%	2,697	0.11%
Off Hwy Vehicle Acct (Con-Ed)	\$ 6,825		\$ -		\$ -	
OHV Gas Tax- Con ED	5,394		12,585		12,585	
Snowmobile Fuel Tax-Con ED	57,459		56,681		56,681	
Coal Tax Trust Account	36,172		37,255		37,255	
General License	1,585,057		1,783,354		1,615,877	
Subtotal -- State Special Revenue	\$ 1,690,907	81.04%	\$ 1,889,875	71.88%	\$ 1,722,398	69.97%
Dingle-Johnson/Pittman Robertson	\$ 361,490		\$ 567,335		\$ 567,335	
Fish and Game	31,370		67,313		67,313	
CARA	-		102,000		102,000	
Subtotal -- Federal	\$ 392,860	18.83%	\$ 736,648	28.02%	\$ 736,648	29.92%
Total Funding	\$ 2,086,464	100.00%	\$ 2,629,220	100.00%	\$ 2,461,743	100.00%

Program Issues

Table 22 describes proposed "redirections" made to fund the alternative pay plan.

Proposed Redirection	Dollars Contributed	Notes and Clarification
1 Equipment	\$ (5,000)	Equipment replacement will be delayed
2 Montana Outdoors Direct Mail	(25,000)	Reductions
3 Native fish promotion	(23,000)	Reductions in promotions
4 Information services	(5,000)	Reductions in promotions on radio, television, and billboards
Out of state travel	(2,500)	Less out of state travel
Printing	(2,500)	Training aids and printing for hunter ed., aquatic ed., OHV,
5 Education training aids	(5,000)	and snowmobile training will be reduced.
Total Reduction	<u>\$ (68,000)</u>	

Present Law Adjustments		-----Fiscal 2002-----				-----Fiscal 2003-----			
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				105,224					111,090
Vacancy Savings				(28,150)					(28,326)
Inflation/Deflation				4,096					6,545
Fixed Costs				5,106					6,909
Total Statewide Present Law Adjustments				\$86,276					\$96,218
DP 805 - Shooting Range Grants									
0.00	0	17,849	0	17,849	0.00	0	(102,151)	0	(102,151)
DP 808 - Alternative Pay Plan Adjustment									
0.00	0	(63,000)	(5,000)	(68,000)	0.00	0	(63,000)	(5,000)	(68,000)
DP 810 - Travel Adjustment for Conservation Ed.									
0.00	0	4,738	0	4,738	0.00	0	7,319	0	7,319
Total Other Present Law Adjustments									
0.00	\$0	(\$40,413)	(\$5,000)	(\$45,413)	0.00	\$0	(\$157,832)	(\$5,000)	(\$162,832)
Grand Total All Present Law Adjustments				\$40,863					(\$66,614)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 805 - Shooting Range Grants - A technical adjustment of \$17,849 in fiscal 2002 and a reduction of \$102,151 in fiscal 2003 are being requested in order to create a biennial appropriation for the Shooting Range Grants Program. Biennial funding authority has varied between \$120,000 and \$150,000. Those dollars have been distributed to approximately 60 communities in over 40 different locations.

DP 808 - Alternative Pay Plan Adjustment - A reduction of \$68,000 is requested for each fiscal year in support of redirection efforts made to fund the Fish, Wildlife & Parks alternative pay plan. The reduction would result in elimination of information efforts targeting programs like the law requiring landowner permission. TIP MONT, regulation changes, and printing of informational brochures on access would all experience reductions. In addition, video equipment replacements used to shoot and show programs, and slide projector replacement would be delayed. Funds for the provision of training aids for hunters and bow hunters, and aquatic education would be reduced.

LFD ISSUE If accepted, this proposal would reduce base expenditures of \$60,500 from the General License Account, in addition to \$5,000 of federal funds, and \$2,500 of snowmobile fuel tax revenue in order to fund the alternative pay plan. (Please see the agency-wide issue on the alternative pay plan.)

DP 810 - Travel Adjustment for Conservation Education - The Executive Budget includes requests for \$4,738 in fiscal 2002 and \$7,319 in fiscal 2003 to manage a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department's fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have remained low.

LFD ISSUE This proposal would spend funds from the In-state Motor Pool Account (2404). This expenditure account has already been increase for inflation. Thus, this appropriation is not needed. (Please see agency-wide issue in the summary section.)

New Proposals											
Program	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----					
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds	
DP 801 - Spring Meadow Wild Animal Rehabilitation Center											
08	0.40	0	44,893	0	44,893	0.40	0	44,893	0	44,893	
DP 802 - Aquatic Ed Program/Family Fishing											
08	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000	
DP 803 - Remedial/Continuing Hunter Ed											
08	0.50	0	60,000	0	60,000	0.50	0	60,000	0	60,000	
DP 804 - Shooting Range Grants Enhancement											
08	0.00	0	60,000	0	60,000	0.00	0	0	0	0	
DP 807 - Legislative Contract Authority											
08	0.00	0	0	35,000	35,000	0.00	0	0	35,000	35,000	
DP 809 - Youth Magazine/CARA											
08	0.00	0	0	102,000	102,000	0.00	0	0	102,000	102,000	
Total	0.90	\$0	\$164,893	\$337,000	\$501,893	0.90	\$0	\$104,893	\$337,000	\$441,893	

New Proposals

DP 801 - Spring Meadow Wild Animal Rehabilitation Center - The Executive Budget includes requests for \$44,893 in each fiscal year to fund the operation and maintenance of a wild animal rehabilitation center approved by the 1995 Legislature. The 1995 legislature approved Phase I of a three-phased project with the intent of improving the shelter and associated educational opportunities. That approval included authority to spend \$825,000. In 1999, the Mikal Kellner Foundation for Animals completed private fund raising efforts adequate to purchase 5.3 acres of land located on the south end of FWP's Spring Meadow Lake State Park in Helena. The MKFA has agreed to trade that property to FWP for use in developing an improved rehabilitation center. In turn, MKFA can sell the property received from FWP. The revenue generated from the sale will be used to develop the relocated animal rehabilitation and educational center on the 5.3 acres at Spring Meadow and to complete Phase I of the project. This request would provide funding for 0.40 FTE and operations at the relocated shelter.

**LFD
COMMENT**

The 1995 legislature appropriated \$600,000 state special revenue and \$25,000 federal special revenue to fund the relocation of the animal shelter from its existing location to the Spring Meadow Complex. HB 5 language stated:

"It is not the intent of the subcommittee to encumber any future legislature with regard to additional phases of the project. The project approved in [this act] is to be a stand alone project."

The department estimates that Phase I will be completed in the spring of 2002. A move from the present location to the new shelter location will be made at that time. Additional capital funding will not be requested during the 2001 legislative session. Prior funding has been spent on consulting fees specific to creating a master plan for the new rehabilitation center.

DP 802 - Aquatic Ed Program/Family Fishing - The Executive Budget includes requests for \$200,000 in each fiscal year from federal funds in order to continue an enhanced aquatic education program approved by the 1999 legislature as a one-time only expenditure.

**LFD
ISSUE**

If legislative intent is to fund this program, the legislature may want to restrict spending and/or designate the expenditures as one-time-only.

DP 803 - Remedial/Continuing Hunter Education - The Executive Budget includes requests for \$60,000 of general license dollars per fiscal year to continue the implementation phase of remedial and continuing hunter education courses approved by the 1999 session. The 1999 legislature, through SB 381, directed FWP to create a remedial hunter education course that would be attended by violators of certain hunting regulations. In addition, the department was given the authority to create a continuing hunter education course. Responsibilities of the department include developing the curriculum, providing materials, training instructors and providing instruction for both courses.

**LFD
COMMENT**

The 1999 legislature directed the department to report back to the Fifty-seventh Legislature on the status of this program. This report should contain information regarding penalties for taking trophy wildlife illegally and the current stage of development of the remedial hunter education program.

DP 804 - Shooting Range Grants Enhancement - The Executive Budget includes requests for the continuation of a \$60,000 biennial appropriation of general license dollars in support of a shooting range grant given to the department to supplement their shooting range program. The original appropriation was given to the department through language in HB 389. That legislation terminates July 1, 2004.

**LFD
ISSUE**

If it is the legislature's intent to continue funding this program, an appropriation given should be designated as one-time-only (OTO). An OTO designation will ensure that expenditures will not be included in the program's base.

DP 807 - Legislative Contract Authority - The Executive Budget includes requests for \$35,000 of LCA for each year of the biennium so that they will be able to spend federal funding. FWP anticipates receiving dollars from federal agencies for special cooperative efforts. In the past, those projects have consisted of producing migratory bird and other wildlife guides.

**LFD
ISSUE**

The legislature may wish to budget these projects in HB 2. (Please see the agency-wide issue on legislative contract authority.)

DP 809 - Youth Magazine/CARA - The Executive Budget includes requests for \$102,000 in each fiscal year to utilize Conservation and Reinvestment Act (CARA) funding to replace and supplement license dollars currently used to provide a conservation magazine for youth in Montana schools. The department, with legislative approval, began providing youth magazines to Montana schools in 1993. Today FWP is a part of a cooperative public/private partnership that continues to provide Montana's fourth grade classrooms with five issues per school year. If this decision package were approved, funding would be used to add another grade-level of students eligible to receive the magazine.

**LFD
ISSUE**

Because of the uncertain nature of CARA funding, the legislature may want to postpone this decision package until it becomes more certain that funding can be obtained. (Please see agency-wide discussion on CARA funding.)

Language Recommendations

The executive is recommending the following HB 2 language:

"Item 7a legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

"Item 7b is a restricted appropriation for aquatic education program/family fishing."

"Item 7c is a biennial appropriation of \$120,000 for shooting range grants."

"Item 7d is a biennial appropriation of \$60,000 for shooting range grants enhancement."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	48.76	0.50	1.50	50.76	0.50	1.50	50.76	50.76
Personal Services	2,109,898	60,563	65,236	2,235,697	71,475	65,463	2,246,836	4,482,533
Operating Expenses	1,250,231	(70,146)	1,118,172	2,298,257	(73,686)	1,146,688	2,323,233	4,621,490
Equipment	40,940	0	0	40,940	0	0	40,940	81,880
Grants	65,000	0	0	65,000	0	0	65,000	130,000
Transfers	0	0	200,000	200,000	0	200,000	200,000	400,000
Total Costs	\$3,466,069	(\$9,583)	\$1,383,408	\$4,839,894	(\$2,211)	\$1,412,151	\$4,876,009	\$9,715,903
State/Other Special	2,736,253	(168,720)	104,236	2,671,769	(159,697)	89,463	2,666,019	5,337,788
Federal Special	729,816	159,137	1,279,172	2,168,125	157,486	1,322,688	2,209,990	4,378,115
Total Funds	\$3,466,069	(\$9,583)	\$1,383,408	\$4,839,894	(\$2,211)	\$1,412,151	\$4,876,009	\$9,715,903

Program Description

The Department Management Division is responsible for:

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

Funding

The Department Management Division operating budget is funded from the General License Account and a portion of the indirect cost assessments on federal grants and non-federal accounts. The proposed rate for the 2001 biennium for non-federal funds is 10.7 percent for operational expenditures and 4.6 percent for capital expenditures. These assessments are handled as non-budgeted transfers to the general license account, from which expenses are paid. The federal overhead rate of 16.0 percent is applied to federal grants, which include Pittman-Robertson, Wallop-Breaux, Corps of Engineers, and Coast Guard funds. Legislative contract authority is primarily for support staff associated with contracted mitigation activities funded by the federal Bonneville Power Administration.

	Actual FY 2000	Percent of Total	Executive Request FY 2002	Percent of Total	Executive Request FY 2003	Percent of Total
General License	\$ 2,736,253		\$ 2,671,769		\$ 2,666,019	
Subtotal -- State Special Revenue	\$ 2,736,253	78.94%	\$ 2,671,769	55.20%	\$ 2,666,019	54.68%
Overhead	\$ 729,816		\$ 1,088,953		\$ 1,087,302	
Subtotal -- Federal	\$ 729,816	21.06%	\$ 2,168,125	44.80%	\$ 2,209,990	45.32%
Total Funding	\$ 3,466,069	100.00%	\$ 4,839,894	100.00%	\$ 4,876,009	100.00%

Program Issues

The following table describes proposed "redirections" made to fund the alternative pay plan.

Proposed Redirection	Dollars Contributed	Notes and Clarification
1 .30 FTE elimination	\$ (9,700)	Eliminate position
2 Eliminate Wildlife Extention Management	(30,000)	Terminated contract savings
3 .34 FTE elimination	(5,900)	Eliminate position
4 Regional repair and maintenance	(88,375)	Regional repair and maintenance will be postponed
Interagency support	(2,000)	Reductions in interagency projects
5 Special projects	(5,118)	Reductions in travel by Directors office staff
Total Redirection	<u>\$ (141,093)</u>	



The executive is proposing decision packages that contain funding requests for projects that are similar to those being proposed for reductions. For example, DP 901 would reduce office maintenance and repairs while DP903 proposes a reduction in FTE. (See the agency issue on alternative pay plan funding in the summary section.)

Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					88,563					99,772
Vacancy Savings					(60,113)					(60,449)
Inflation/Deflation					11,315					11,920
Fixed Costs					10,846					13,548
Total Statewide Present Law Adjustments					\$50,611					\$64,791
DP 901 - Office Maintenance & Small Equipment	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 902 - Statute Printing Book Costs	0.00	0	0	0	0	0.00	0	(9,000)	0	(9,000)
DP 903 - Billings Public Service Support	0.50	0	14,113	0	14,113	0.50	0	14,152	0	14,152
DP 905 - NRIS Funding Increase	0.00	0	19,390	0	19,390	0.00	0	19,390	0	19,390
DP 909 - Alternative Pay Plan Adjustment	0.00	0	(141,093)	0	(141,093)	0.00	0	(141,093)	0	(141,093)
DP 911 - Commission Per Diem	0.00	0	0	13,000	13,000	0.00	0	0	13,000	13,000
DP 913 - Travel Adjustment for Department Management.	0.00	0	4,396	0	4,396	0.00	0	6,549	0	6,549
DP 914 - Overtime for Department Management	0.00	0	5,000	0	5,000	0.00	0	5,000	0	5,000
Total Other Present Law Adjustments	0.50	\$0	(\$73,194)	\$13,000	(\$60,194)	0.50	\$0	(\$80,002)	\$13,000	(\$67,002)
Grand Total All Present Law Adjustments					(\$9,583)					(\$2,211)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 901 - Office Maintenance & Small Equipment - The Executive Budget includes requests for \$25,000 in each fiscal year to increase funding for non-capital maintenance and office equipment. Over the past four years, fixed costs including utilities, janitorial services, and telephone charges at FWP's seven regional headquarters, have increased. Consequently, routine building maintenance that does not rise to the level of capital expenditures has been delayed. Included in the delays have been such projects as painting, roofing, replacing tables and chairs in public meeting rooms, rewiring to support use of computer networks, and replacing windows. In addition, replacement of small office equipment, such as FAX machines, desktop photocopiers, cash registers, computers and printers has been delayed.

**LFD
ISSUE**

"Redirection" efforts to fund the alternative pay plan call for reductions in regional repair and maintenance. That suggests that additional funding is not needed. (Please see the agency-wide issue on the alternative pay plan.)

DP 902 - Statute Printing Book Costs - The Executive Budget includes a request to reduce funding by \$9,000 in the second year of the biennium to account for cyclical costs. Following each legislative session, FWP prints statute books to inform game wardens, other staff, and the public of relevant laws pertaining to FWP. This cost of approximately \$9,000 during the base year is cyclic and therefore is not needed during the second year of the biennium.

DP 903 - Billings Public Service Support - The Executive Budget includes requests for \$14,113 in fiscal 2002 and \$14,152 in fiscal 2003 to add 0.50 FTE for support staff to enhance public service in the Billings regional office. This decision package would be used to hire front-line support staff to answer phones, open mail, and provide customer service to the hundreds of thousands of visitors each year who visit the regional office seeking information.

**LFD
ISSUE**

"Redirection" efforts to fund the alternative pay plan call for reductions in FTE. That suggests that additional funding is not needed. (Please see the agency-wide issue on the alternative pay plan.)

DP 905 - NRIS Funding Increase - The Executive Budget includes requests for \$19,390 per fiscal year to increase FWP's contribution to NRIS core funding. FWP is identified as a "primary data source agency" for the Natural Resource Information System (NRIS); FWP has contributed funding to NRIS since 1985. NRIS has proposed restructuring that would allow it to move away from reliance on contracts, with a commensurate expansion of core funding from the general fund, RIT, and adding user agencies. In addition, contributions from agencies were re-evaluated based on use of NRIS resources and services. Based on that analysis, FWP's biennial assessment increased to \$138,779 for the 2003 biennium.

**LFD
COMMENT**

NRIS is located within the State Library Program. Questions are being raised relative to funding for this program. Decisions made regarding NRIS funding may impact this decision package. Therefore, decisions on this decision package should be coordinated with actions taken on that budget. (For further discussion, see the Montana State Library in the Education Section of Volume 4.)

DP 909 - Alternative Pay Plan Adjustment - The Executive Budget includes a request for a reduction of \$141,093 per fiscal year to fund an alternative pay plan. In an effort to find internal funding for the plan, the department redirected funds from operations to personal services. In Department Management, redirected funding came from termination (by mutual agreement) of a contract with MSU for fish and wildlife extension, reduced spending on cooperative interagency projects and management planning, and reduced travel among the director's office staff.

LFD ISSUE If accepted, this proposal would reduce base expenditures by \$141,093 from the General License Account to fund the alternative pay plan. (Please see the agency-wide issue on the alternative pay plan.)

DP 911 - Commission Per Diem - The Executive Budget includes requests for \$13,000 per fiscal year to restore personal services authority in order to cover commissioners' expenses. The budget system excluded all per diem paid to FWP Commissioners. An adjustment is needed to restore this budget. These funds are used to pay expenses for travel, per diem, and other costs associated with meetings of the FWP Commission.

DP 913 - Travel Adjustment for Department Management - The Executive Budget includes requests for \$4,396 in fiscal 2002 and \$6,549 in fiscal 2003 to adjust vehicle travel costs resulting from inflation and rate increases for FWP's internal fleet of vehicles. Fish, Wildlife & Parks manages a fleet of vehicles and aircraft for department use. Program staff who drive department vehicles are assessed a fee for the miles they drive. The revenue generated from the vehicle rates is used to maintain the department's fleet and replace existing vehicles as needed. In order to comply with the legislative audit recommendations to keep rates commensurate with costs and spend down existing cash balances, the vehicle rates have been kept unreasonably low. .

LFD ISSUE If approved, this proposal would spend funds from the In-state Motor Pool Account (2404). This expenditure account has already been increased for inflation. Thus, this appropriation is not needed. (Please see agency-wide issue on travel adjustments in the summary section.)

DP 914 - Overtime for Department Management - The Executive Budget includes requests for \$5,000 per fiscal year in order to increase overtime budgets as a result of recent changes in the Department of Labor rules for comp time payouts. As a result of those rulings, the department anticipates a change in its use of comp-time resulting in an increase of overtime costs. In fiscal 2000 the department spent \$1,174.

LFD COMMENT Overtime would be used to compensate non-exempt employees who exceed comp-time accumulation limits.

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----					
	Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 904 - Hunting & Fishing License Research											
09	0.00	0	30,000	0	30,000	0.00	0	15,000	0	15,000	
DP 906 - Cadastral Database											
09	0.00	0	9,000	0	9,000	0.00	0	9,000	0	9,000	
DP 907 - Legislative Contract Authority											
09	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000	
DP 908 - Geographic Information Systems											
09	1.50	0	65,236	0	65,236	1.50	0	65,463	0	65,463	
DP 910 - Conservation and Reinvestment Act (CARA) Funding											
09	0.00	0	0	1,079,172	1,079,172	0.00	0	0	1,122,688	1,122,688	
Total	1.50	\$0	\$104,236	\$1,279,172	\$1,383,408	1.50	\$0	\$89,463	\$1,322,688	\$1,412,151	

New Proposals

DP 904 - Hunting & Fishing License Research - The Executive Budget includes requests for \$30,000 in fiscal 2002 and \$15,000 in fiscal 2003 to conduct market research in order to determine whether sportsmen would pay higher fees for hunting and fishing licenses. FWP's last general license fee increase was approved by the 1991 legislature. The department indicates that they need to increase fees in 2003 or significantly reduce program funding and modify agency structure within the next biennium. The proposed budget would fund a survey in fiscal 2002 that would be used to

gather demographics and perceptions on the quality of hunting or angling experiences. This information would be the basis for a mail survey in fiscal 2003 that presents license structure and fee information to sportsmen. The questionnaire would then ask hunters and anglers about their willingness and ability to pay for increases and/or changes in the license structure/fees.

**LFD
COMMENT**

If funded, the legislature may want to direct the department to clearly state their intent of raising license fees on any survey instrument that is sent to sportsmen for information-gathering purposes.

**LFD
ISSUE**

The legislature may want to direct the department to examine internal funding, future funding, and restructuring so that license increases could be deferred or eliminated. Some examples include:

- 3) Alternative pay plan efforts suggest that there is federal and state funding within the department that is available for other uses;
- 4) Redirection efforts for the alternative pay plan suggest that there are services and functions within the department that are not needed and are being eliminated; and
- 5) Potential future funding sources such as CARA or similar legislation might be available to supplement existing federal funding and general license dollars.

DP 906 - Cadastral Database - The Executive Budget includes requests for 9,000 per fiscal year to continue FWP's contribution to funding the cadastral database. The 1999 legislature appropriated funds for a number of departments, including FWP, on a one-time-only basis to support creation of the Cadastral Database in order to standardize and simplify access to land ownership records. Development of the database is continuing; once complete, the database will require maintenance.

**LFD
COMMENT**

FWP will be responsible for on-going maintenance costs for throughout the life of this database. The department cannot estimate the amount of the maintenance costs.

**LFD
ISSUE**

The executive recommends restricting the appropriation for this purpose. Because of its one time nature, the appropriation should also be designated OTO.

DP 907 - Legislative Contract Authority - The Executive Budget includes requests for \$200,000 of authority in order to spend federal funds for administrative support. Department Management uses LCA funding to provide clerical and administrative support in regional offices where field staff are working on LCA projects. During the past biennium, the department created 5.00 FTE per annum; costs have approached \$150,000.

**LFD
ISSUE**

The legislature may wish to budget these projects in HB 2. (Please see the agency-wide issue on legislative contract authority.)

DP 908 - Geographic Information Systems - The Executive Budget includes requests for \$65,236 in fiscal 2002 and \$65,463 in fiscal 2003 to provide coordination, training, and support for the Geographic Information System (GIS). During the 2001 biennium, the department established a defined program within FWP to support the use of GIS. This required the creation of 1.50 modified level FTE to provide the following: 0.30 FTE to provide program coordination; 0.60 FTE to provide training and technical support to field staff using GIS on desktop computer systems; and 0.60 FTE to provide maintenance of FWP-centralized data layers and to produce more complex analyses and reports than can be generated by field staff. This decision package would provide the funding necessary to continue with this program.

DP 910 - Conservation and Reinvestment Act (CARA) Funding - The Executive Budget includes requests for \$1,079,172 in fiscal 2002 and \$1,122,688 in fiscal 2003 to utilize Conservation and Reinvestment Act (CARA) funding for a wide range of projects. If approved, these federal funds could be used to expand efforts in the following areas: state involvement in fisheries restoration to prevent listing under the Endangered Species Act (ESA); recovery of and de-listing threatened and endangered species; reducing conflicts with grizzly bears; conservation of non-game species in need of management; implementation of statewide bird conservation plans developed under the Partners in Flight Program; and development of educational materials.

**LFD
ISSUE**

Because of the uncertain nature of CARA funding, the legislature may want to postpone this decision package until it becomes more certain that funding can be obtained. (Please see agency-wide discussion on CARA funding.)

Language Recommendations

The executive is recommending the following HB 2 language:

"Item 8a legislative contract authority (LCA) is subject to all LCA provisions stated in the agency's language. LCA is restricted and a one-time-only item in HB 2 and must be requested as a new proposal to be continued into the 2003 biennium. LCA applies only to federal funds."

"Item 8b is a restricted appropriation for cadastral database."