

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN RICK RIPLEY**, on February 9, 2005 at
8:00 A.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Rep. Rick Ripley, Chairman (R)
Sen. Ken (Kim) Hansen, Vice Chairman (D)
Sen. Gregory D. Barkus (R)
Sen. Bob Hawks (D)
Rep. John L. Musgrove (D)

Members Excused: Rep. Rosalie (Rosie) Buzzas (D)
Rep. Walter McNutt (R)

Members Absent: None.

Staff Present: Britt Nelson, Committee Secretary
Eileen Rose, OBPP Representative
Barbara Smith, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion
are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 2 2/8/2005
Executive Action:

HEARING ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
CONSERVATION EDUCATION DIVISION

Ron Aasheim, Administrator of the Conservation Education Division, gave a brief overview of the Division and presented a PowerPoint slide show covering the Conservation Education Division.

EXHIBIT(jnh32a01)

He discussed the primary responsibilities of the Division, concentrating on providing information to the public. He discussed the use of print media, internet, television, radio, videos, programs, and displays to inform the public of important matters.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 14.8}

The next topic he addressed was the responsibility for recreational safety.

{Tape: 1; Side: A; Approx. Time Counter: 14.8 - 17.3}

He proceeded to discuss the other activities which the Division was responsible for such as regulations, shooting range grant administration, and the Wildlife Center.

CHAIRMAN RIPLEY asked if Mr. Aasheim felt that they would double the amount of advertising.

Mr. Aasheim explained what had happened. He said that they had given the contractor a larger percentage than they should have. He explained that they would be cutting the costs in half when they renegotiate the advertisement contracts; doubling their profit.

{Tape: 1; Side: A; Approx. Time Counter: 17.3 - 25.4}

Mr. Aasheim continued his presentation, addressing the Division's budget.

{Tape: 1; Side: A; Approx. Time Counter: 25.4 - 26.2}

After giving a brief overview of the Division, Mr. Aasheim began to discuss the Decision Packages (DPs) associated with the Division.

DP 802 -- Shooting Range Grants.

{Tape: 1; Side: A; Approx. Time Counter: 26.2 - 29.5}

DP 804 -- OHV Information and Education.

{Tape: 1; Side: A; Approx. Time Counter: 29.5 - 32.1}

DP 805 -- Snowmobile Information and Education.

{Tape: 1; Side: A; Approx. Time Counter: 32.1 - 33.7}

DP 801 -- The Wildlife Center.

SEN. HAWKS found a discrepancy of \$1,000 in 2006 and \$50,000 in 2007 between the totals Mr. Aasheim presented in his slide and what was in the Legislative Fiscal Division's Budget.

Mr. Aasheim was unsure why there was a discrepancy. He noted that it should be what was contained in the budget.

Eileen Rose interjected that the DP which the Agency submitted during the budget process had the same figures as Mr. Aasheim's presentation. She was unsure as to where the numbers in the budget book had come from.

Barbara Smith replied that the numbers had come out of the computer system.

CHAIRMAN RIPLEY had a question in regards to the Foundation, the previous director and the audit. He wanted to know if the issues surrounding the Executive Director of the Foundation had been corrected.

Director Hagener responded that what they had done was clean up the issue of what constituted an arms-link agreement. The other issue he mentioned was the fact that the Department currently funded a position which was the original position used to start the foundation. The intent was that the Foundation would support their own Executive Director and full-time equivalents (FTE) when they could. He mentioned that they had informed the Audit Committee that they would remove the agency funded Executive Director from the Foundation within five years of the audit. He noted that the Executive Director position is currently being partially funded by the Foundation.

{Tape: 1; Side: A; Approx. Time Counter: 33.7 - 49.1}

Spence Hegstad, Fish, Wildlife and Parks Foundation Executive Director, noted that 20% of his salary would be contained within the budget for this year. He indicated that the amount covered by the Foundation would increase 20% every year for the next five years.

CHAIRMAN RIPLEY indicated that he had thought the issue was supposed to be solved five years from the time of the audit and what he was hearing was that five years from this February was when the issue would be resolved.

Mr. Hegstad agreed that it would be five years from this fiscal year. He noted that the Foundation was also paying for their own rent.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 1.6}

SEN. BARKUS asked who owned the Wildlife Center.

Mr. Aasheim replied that the Foundation was 5.3 acres and was state owned. He commented that the Mikal Kellner Foundation Grant was used to buy the site and then transferred to the Department.

Kelly Kunts, representative of the Mikal Kellner Foundation, asserted that the Foundation was an educational opportunity and a draw to Helena. He urged support for the Wildlife Center.

{Tape: 1; Side: B; Approx. Time Counter: 1.6 - 4.8}

HEARING ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
ADMINISTRATION AND FINANCE DIVISION

Sue Daly, Administrator of the Administrative and Finance Division, provided an overview of the Division by showing a PowerPoint presentation.

EXHIBIT (jnh32a02)

The first topic she discussed was the responsibilities of the Administration and Finance Division.

{Tape: 1; Side: B; Approx. Time Counter: 4.8 - 11.5}

She then discussed some of the Division's accomplishments.

{Tape: 1; Side: B; Approx. Time Counter: 11.5 - 12.7}

The next topic she discussed was the funding sources for the Division.

{Tape: 1; Side: B; Approx. Time Counter: 12.3 - 14.1}

DP 101 -- Sheep Auction.

CHAIRMAN RIPLEY asked if it was \$3,000 higher than the five-year average.

Ms. Daly informed the Committee that the adjustment would provide the Division with \$30,000 to pay a ten-percent commission if the Sheep License were to begin the auction at a \$300,000 level which has only happened once.

SEN. BARKUS wanted to know what would happen if the Committee did not authorize the increase and the auction was sold for \$300,000.

Ms. Rose noted that if the Committee did not approve the package and the Department did not have sufficient State Special Authority which they could use through a budget amendment process, they would not be able to afford the cost.

{Tape: 1; Side: B; Approx. Time Counter: 14.1 - 17.4}

CHAIRMAN RIPLEY asked how many budget amendments the Department had attempted last year.

Ms. Rose commented that the number had been very insignificant compared to their Federal budget requests.

DP 103 -- Seasonal Overtime.

{Tape: 1; Side: B; Approx. Time Counter: 17.4 - 19.8}

DP 104 -- Automated Licensing System (ALS) Transition.

She provided the Committee with a handout concerning ALS.

EXHIBIT (jnh32a03)

CHAIRMAN RIPLEY wanted assurance that the costs would hold true rather than gradually increase until the Department was spending more than they would with the contractors.

Sue Daly assumed that the personal services expenses should remain stable however, the technical aspect is unpredictable, making long-term predictions difficult. She stated that they

would be able to manage the technical changes more efficiently through an in-house operation rather than in a contract environment.

CHAIRMAN RIPLEY followed up by mentioning the award the Department had won for license sales. He felt that there would be difficulty improving on the situation especially hiring 18 new full-time-equivalents (FTE) when the turnover rate has been such a problem.

{Tape: 1; Side: B; Approx. Time Counter: 19.8 - 34}

Ms. Daly agreed with **CHAIRMAN RIPLEY** but claimed that it was a risk that they were going to have to take.

SEN. BARKUS felt that the hardware costs were low. He wondered if that was because the system was already in place.

Ms. Daly replied that the hardware costs were already in the existing budget and that the equipment, with a four-year life, had just been replaced.

SEN. BARKUS inferred that the DP did not call for a massive change in the way things were run, but an addition of a help desk and central processing.

Ms. Daly responded that it had been their plan, with the transition to improve customer service.

Ms. Smith reported that the cost for minor equipment and hardware in fiscal year 2004, was \$143,000. She explained that this amount would remain in the base to allow them to replace the equipment on a four-year cycle.

CHAIRMAN RIPLEY inquired who currently held the contract.

Ms. Daly informed the Committee that the primary contract was with MCI, the telephone corporation based in Sacramento, California, who subcontracts out to other entities.

SEN. HAWKS asked if there was a restructuring of MCI and its services as they went through their reorganization.

Ms. Daly agreed that there had been. She noted that the Department's staff had struggled with the company through their bankruptcy process. Despite the difficult circumstances, the FWP team was able to get ALS up and running.

Director Hagener added that the Department had weekly meetings with MCI when they were going through the bankruptcy process. He expressed that their contract had been strong and there had been questions whether or not MCI would be able to follow through with their end of the bargain. He noted that the reason MCI bid so low on ALS was that they wanted to get into the system. He reiterated that there were difficult times although, in the end, it worked out well for FWP.

SEN. BARKUS wondered if they had ever considered getting any proposals from Montana based services.

Barney Benkelman, Chief of Internet Technology with Fish, Wildlife and Parks, responded that they had considered going out into Montana with proposals and in fact the many various responsibilities within the contract caused them to have to go out with the proposals. He noted that Montana has a Management Information System (MIS) contract which is where many of the existing costs were coming from.

{Tape: 1; Side: B; Approx. Time Counter: 34 - 47}

After responding to the Committee's questions, Ms. Daly continued with the presentation of Decision Packages. She addressed the LFD Issues with DP 104. With this topic, she provided two more handouts depicting the ALS transition time-line in more detail.

[EXHIBIT\(jnh32a04\)](#)

[EXHIBIT\(jnh32a05\)](#)

SEN. HAWKS asked if they expected a cooperative working relationship with MCI during the transition.

Ms. Daly explained that they did have a good relationship with MCI and it was their hope to continue in this manner.

Mr. Benkelman elaborated that the continued cooperation of MCI was a contractual requirement to which they had been committed. He reiterated that they had a good relationship with MCI's Project Manager. He also noted that MCI wanted to show their Montana project as a success.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 4.1}

SEN. BARKUS indicated that the Department was scheduled to initiate the coordination with MCI on February 1, 2005.

Mr. Benkelman reported that within the contract, they had discussed the transition. They felt that it would be necessary to start discussions as soon as possible because it was a very detailed process. He noted that within the contract, MCI was required to provide a transition plan. Currently, they are developing another transition plan with MCI which will compliment the transition plan already in place.

{Tape: 2; Side: A; Approx. Time Counter: 4.1 - 7.2}

CHAIRMAN RIPLEY suggested that the schedule appeared to be very structured. He was curious how realistic the schedule was.

Ms. Daly agreed that it was a tight schedule but reaffirmed that the transition needed to take place and it is a priority for the Department to make sure it is accomplished. She indicated that the schedule was the best estimate of their ideal approach to the transition.

CHAIRMAN RIPLEY asserted that it would be difficult to hire 18 FTE in 52 days when some departments are unable to hire even one FTE in 90 days.

Ms. Daly affirmed that it would be an aggressive schedule but since it was such a priority to the Department and there was an expiration date on the contract of February 2006, they felt that they really needed to make it work in the time frame that they had constructed. She added that when positions are left vacant for a certain amount of time, it is often because of vacancy savings.

Ms. Smith added that when a package comes through with FTE, it already has built in vacancy savings. She indicated that DP 104 had approximately \$33,000 worth of vacancy savings for each year so the overall personnel costs would have been adjusted down by that amount.

{Tape: 2; Side: A; Approx. Time Counter: 7.2 - 11}

SEN. HAWKS commented that Montana graduates in this field would be happy to stay in Montana and work if the word was spread.

CHAIRMAN RIPLEY inquired about the housing for the project and any upgrades that might be needed for the installation of the system.

Ms. Daly responded that they currently leased space in the Steamboat Block Building in downtown Helena. She assumed that the wiring and equipment needed would already be in place.

Mr. Benkelman interjected that the building they had leased already contained the infrastructure for everything that they needed. He also added that seven of the FTE would be in regional offices around the State.

{Tape: 2; Side: A; Approx. Time Counter: 11 - 16.2}

Ms. Daly returned to the LFD Issues with DP 104.

{Tape: 2; Side: A; Approx. Time Counter: 16.2 - 17.1}

DP 105 -- Search and Rescue Transfer.

CHAIRMAN RIPLEY addressed Ms. Smith. He asked her about the comment she had made concerning the excess funds in Search and Rescue Account being transferred to the General License Account. He wanted to know how much was transferred to the General License Account.

Ms. Smith replied that the statute was written so that FWP transfers the funding to the Department of Military Affairs when a request comes in from a local agency. In the current statute, she noted that it would only last for a year although there is legislation trying to change that to two-years. If there was no need for the money at the end of the two-years, the money would transfer not to Department of Military Affairs but to the General Licensing Account.

Ms. Daly added that in the first year they transferred \$40,000 back to the General License Account.

Ms. Smith returned to the topic of ALS, mentioning that the lowest paid FTE would receive \$15.68 per hour and the highest paid would receive \$19.15 per hour.

{Tape: 2; Side: A; Approx. Time Counter: 17.1 - 21.4}

Ms. Daly addressed the last item before the Committee from the Division, the **Administration and Finance Proprietary Rates**.

She handed out a sheet of paper providing the requested rates for internal services funds and fee/rate information.

EXHIBIT (jnh32a06)

{Tape: 2; Side: A; Approx. Time Counter: 21.4 - 28.3}

REP. JENT addressed the Committee concerning HB 337 which is the Game Warden Training Bill. He mentioned that it had passed unanimously from the Fish and Game Committee. He informed the Committee members that the Warden Training Program was not a new program and the bill was reinstating something that had been around for 30 years. He mentioned that half of the field wardens with the Enforcement Division of FWP were graduates of the Program. He reported that the Program allowed two students to be hired as trainees when they were seniors. The two students would then work full-time in the summer and about 20 hours per week through the year, allowing them to get the needed experience and FWP to have employees who were already trained. He related that the last year they had hired six wardens, all of whom had to attend training and only four of them succeeded. He expressed that the costs had been around \$17,000 for each of the trainees. He mentioned this that there would always be a cost to hire and train new employees. He indicated that there was a need to allow Montana graduates a chance to be competitive for the warden jobs by giving them the needed experience to be hired. He indicated that the Fish, Wildlife and Parks Committee members felt that when dealing with the public, someone who has lived in Montana would be more sensitive and better able to deal with the public. He urged support of the bill.

There was some interest expressed in finding a way by which they might be able to stop returning to the Committee with this issue every year. The answer they discovered was to come to the Joint Appropriations Natural Resources and Commerce Subcommittee and ask that they consider putting the Program into the base budget for the Department. He reiterated that the Program gave Montana students a chance to stay and work in the State.

{Tape: 2; Side: A; Approx. Time Counter: 28.3 - 37}

REP. MUSGROVE asked what the fiscal note was on the Program.

REP. JENT replied that the fiscal note was \$45,000, broken down between the two students. The pay would be \$11.50 per hour which would come down to a half-time employee meaning each student would receive around \$24,500. In addition to the base pay, there would be \$4,000 for health insurance, \$5,000 for other benefits and \$12,000 for operations.

SEN. BARKUS wanted to know why the Enforcement Division did not propose the Program in the budget.

Mr. Kropp responded that they had proposed it in the past but it had failed every time.

SEN. BARKUS followed up by asking if the Program would affect the overtime costs of the Division.

Mr. Kropp explained that it did not because they were not permanent employees.

Ms. Smith provided some options dealing with REP. JENT'S bill. She noted that REP. JENT'S bill read for only the next two fiscal years. She suggested that one option would be to amend the bill to make it a statutory appropriation. The issue she mentioned with this decision is that it would not come before HB 2 Appropriations Committee. The second option she provided was to have the Department develop a DP and review it as part of the budget in lieu of REP. JENT'S bill and that would be adding FTE for a specific purpose. The third option she suggested was to have Ms. Daly develop the FTE DP and bring the package to the table for the Joint Appropriations Natural Resources and Commerce Subcommittee to review.

{Tape: 2; Side: A; Approx. Time Counter: 37 - 47.9}

REP. JENT replied that the last time the Committee was faced with a DP it never went through to the floor. He was unsure what would be the best way to take care of the issue.

CHAIRMAN RIPLEY indicated that the DP would have to be addressed at the time when the Committee took executive action on FWP.

SEN. BARKUS inquired of Ms. Smith if REP. JENT could add contingent avoidance language in his bill to void his bill, if the Committee passed a DP covering the same topic.

Ms. Smith believed that it would be possible. She noted that if the Committee wanted to see the long-term use of the money for the two trainee warden positions, the most appropriate place would be to put it in HB 2 so it would be in the base.

REP. JENT indicated that he would wait for further guidance from Ms. Smith about the appropriate course of action dealing with HB 337.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 3.9}

Ed Smith, former House and Senate member, testified that the Warden Program was excellent. He felt that it was a good

introduction for students to learn how to conduct themselves as wardens. He urged support of the Program.

Mr. Hagener addressed the history of the Program and indicated that he was glad that it was being introduced at this time in the DP format.

SEN. BARKUS requested information about gill netting by Department biologists and the affect on the fish populations.

Larry Peterman, Chief of Operations for the Director's Office, informed the Committee that gill netting was a common sampling tool used in still water areas, mainly lakes and reservoirs. The nets themselves are approximately 125 feet long of various sized mesh. If the gill nets are left overnight, they can be a lethal way of sampling. This is done to monitor fish populations in lakes. When they sample they do not devastate the fish population because the gill nets are generally not large enough to do damage. However, if they are working with species of some concern with low population levels, they will lift the net every hour, keeping the mortality rates down.

{Tape: 2; Side: B; Approx. Time Counter: 3.9 - 14.4}

SEN. BARKUS proceeded to comment that Montana Outdoors was a great production. He then asked where it was printed.

Mr. Hagener reported that it was contracted with a firm in Kansas.

CHAIRMAN RIPLEY followed up by asking where the maps and regulations were printed.

Mr. Hagener replied that the last contract that they had was with a Canadian firm.

SEN. HAWKS asserted that there was an award winning printing operation in Livingston that found the cheapest way to do the work through the internet.

Mr. Hagener indicated that they were required to go through the bid process. He noted that many of the smaller brochures were done on their own and the annual publications were printed by a small firm in Kalispell.

SEN. BARKUS responded that he felt agencies needed to look at in-state printing and not at companies that shipped the printing out-of-state.

SEN. HAWKS followed up on **SEN. BARKUS'** comment. He noted that the company in Livingston had an in-store capacity which was limited. He explained that most of the cost in printing had to do with how busy the presses are on a continuous basis. He indicated that they kept their presses maxed out and sent the excess out to maintain business.

{Tape: 2; Side: B; Approx. Time Counter: 14.4 - 19.4}

Ms. Smith addressed the testimony from February 8, which dealt with the potential imbalance in the Warm Water Fish Stamp. She looked at only the Warm Water Fish Stamp, she noted that two things were missing from the handout: 1) no overhead charge from the Department, which would be about 10% per year and 2) an open \$75,000 capital appropriation that has not been funded from the account. She noted that next biennium there would be an imbalance without an increase in revenue. She felt that it was not as drastic as was presented by Trout Unlimited.

EXHIBIT(jnh32a07)

{Tape: 2; Side: B; Approx. Time Counter: 19.4 - 23.2}

ADJOURNMENT

Adjournment: 10:30 A.M.

REP. RICK RIPLEY, Chairman

BRITT NELSON, Secretary

RR/bn

Additional Exhibits:

EXHIBIT ([jnh32aad0.PDF](#))