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MINUTES OF THE MEETING
AGENCIES II SUBCOMMITTEE

January 11, 1979
8:15 A.M.
Room 343
State Capitol Building

Subject: Livestock Hearing

Tape 1; Side 1, Track 1 (630)

Meeting was called to order by Chairman Rex Manuel. All members were present with the exception of Sen. Boylan, who arrived later in the meeting. Also present were: Dr. James W. Glosser; State Veterinarian and Administrator, Animal Health Division, Cecil C. Greenfield; Chief, Centralized Services Bureau, Department of Livestock, Les Graham; Brands Enforcement Division, Department of Livestock, Bob Robinson; Legislative Fiscal Analyst, James Williams; Budget Office, and Rep. Jack Ramirez.

Chairman Manuel welcomed the visitors to the meeting and asked Mr. Greenfield to begin his presentation with the Central Services.

Central Services (635)

Mr. Greenfield stated that the Department was in basic agreement with the recommendations, but requested the Analyst to explain the differences between recommendations made by the Fiscal Analyst and the Executive Office. Mr. Robinson explained that the differences were due to different inflation factors applied, and in the costs for rent. The Fiscal Analyst applied \$2.13 to \$2.25 per square foot of office space. This compares with \$2.25 and \$2.47 applied by the Executive Office. Both Mr. Robinson and Mr. Williams agreed that their recommendations were basically the same.

Also, the Fiscal Analyst used a lower benefit rate for Personal Services. The Fiscal Analyst applied a one step increase to the old level.

Chairman Manuel asked the department if they had anything to add at this time. Mr. Greenfield stated they had no further quarrels. They would take what they could get and do the best they could from there.

Diagnostic Laboratory (670)

Chairman Manuel asked for comments from the Department on the recommendations submitted for the Diagnostic Laboratory. One concern was expressed that the rates of inflation for lab supplies, in particular glassware, was not adequately provided for. Therefore, Dr. Glosser asked the committee to reconsider the operating expenses because the increases were far greater than those allowed for by inflation rates.

At this point Chairman Manuel made the suggestion that a short review of what

each department is responsible for might be helpful. Dr. Glosser explained that Centralized Services supports the department with budgeting, accounting, and purchasing communications. The Diagnostic Laboratory was primarily responsible for animal health, which includes disease surveillance and control. It is a support arm for field operations in the animal health division. The lab supplies a direct service to the industry and practicing veterinarians.

Bob Robinson raised the question as to whether all brucellosis testing should be attributed to human health. He was not sure that all cases should be attributed human health and felt this was a problem. The Department of Livestock felt that this was a human health problem and Mr. Robinson felt it was not, in view of the fact that the number of cases of undulant fever was quite low.

Chairman Manuel then stated that in the general fund the Executive Office approved \$272,000 in 1980 and \$277,000 in 1981. The Fiscal Analyst recommended \$88,000 in 1980 and \$90,000 in 1981. Dr. Glosser pointed out that the brucellosis program has been in effect for over 40 years. It began by trying to clean up the milk supply in milk sheds and then evolved to the beef cattle industry. As a result, the human brucellosis has shown a dramatic decline. But, to protect the industry against livestock disease, the thrust of animal dollars should be directed to the prevention of these diseases.

Dr. Glosser then handed out a copy of an excerpt from the Report of National Brucellosis Technical Commission (Appendix 2). In this report it was stated that "brucellosis is a severe and debilitating disease in human beings and is a serious disease of cattle, swine, sheep and goats. The Legislature therefore, declares that livestock infected with or exposed to brucellosis are a public nuisance as a threat to other livestock and to human health."

Dr. Glosser also handed out a second sheet, a letter from Martin D. Skinner, State Epidemiologist (Appendix #3). The letter repeated Dr. Glosser's opinion that brucellosis was a public health problem. In conclusion he stated that according to Montana data, the Change-of-Ownership Brucellosis Testing Program has resulted in the steady decline in human brucellosis cases acquired from contact with infected animals.

Chairman Manuel asked if it was not correct that brucellosis in humans is called undulant fever. Dr. Glosser said that this was correct.

Dr. Glosser continued to say that almost always there is a direct correlation with an infected herd in cases in humans. Another aspect is the risk to packing house employees because you cannot detect the disease grossly. This accounts for a 25% higher occurrence in these employees.

In reference to yesterday's meeting, the Analyst asked about Federal regulations to prohibit brucellosis infected cattle from being put in the slaughterhouses. Dr. Glosser stated that there are, and this creates another dilemma between industry needs and the state of Montana's needs. As these regulations are written, infected cattle will not be entering marketing chains. These national regulations are going to continue to get more and more stringent.

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Chairman Manuel asked about mill levies being imposed at the county level in support of the department. The Analyst supplied information here. The department levies are not at the maximum authorized. The department is able to levy mills on sheep and other livestock. Different levies are:

Commission mills has a maximum of 10 and they are at 10 now.

For bounty control they are allowed; 7 1/2 on sheep and are levying 7 1/2, 5 on cattle and other livestock and are levying 4.

Livestock sanitary mills are allowed 15 on the basic mill levy and they are levying 15.

They also have a 5 mill levy discretionary, authorized last year to be used for any purpose and they are only levying 1 of those mills now.

Sen. Smith asked if the lower number of livestock and increase in price was responsible for this. It was agreed that this was true.

Rep. Hurwitz referred here to a statute stating that any time cattle changed hands they must be tested. That currently is not being followed. There is currently a bill being introduced whereby this would be legal. He asked if this would have any influence on what the department is doing on the surveillance of brucellosis. This was not seen to be a serious problem and is currently being covered by an administration rule. The department did not see any need for legislation proposed by Jim Moore. The problem is with cattle which change hands several times privately.

Sen. Smith asked if the policy of back tagging was to assure human health. It was stated that it was a federal requirement to aid in the surveillance of brucellosis. Sen. Smith then asked if the proposed budget created a hardship in the department. Mr. Greenfield stated that it was a question of whether it is fair to pass public health costs to the cattle industry. Rep. Hurwitz expressed the opinion that any expense passed on to the public over and above that to the rancher really was to protect the public.

Chairman Manuel asked that information on the actual cost to the rancher be made available to the subcommittee members.

Disease Control (940)

It was pointed out that \$6,000 should be added to the operating expenses of the board. In view of this additional amount the department felt that they could live with the Legislative Fiscal Analyst's recommendations.

Chairman Manuel asked for information on the monitoring of scabies in the state of Montana. Dr. Glosser stated that 14 states west of the Mississippi are infected. Montana is not infected at this time. Because Montana is an exporting state it is easy to make sure that the animals are dipped properly. He sighted an example where they had just finished dipping 7 herds that had

been exposed in Beaverhead County. Within 48 hours they were able to get the portable dipping vats into the field. Major thrust has been to enforce the ruling. To date this state is still free of scabies.

Chairman Manuel asked Jim Williams to explain the addition of one FTE for surveillance. They felt that the addition of one more man was justified as a protection against the disease coming into the state. This position would hopefully not be a permanent position - depending on the demand.

Milk and Egg (1014)

Mr. Greenfield stated that he did not see any great problem with the recommendations submitted. Dr. Glosser explained that the Milk and Egg Control was responsible for field surveillance of, and sanitary inspection of milk production and distribution facilities. They also monitor the end product to make sure that it is safe and meets federal requirements.

Chairman Manuel asked Mr. Williams about a correction to be made here. He recommended that the committee go along with Mr. Robinson's recommendation.

Inspection Control (1036)

This is the largest program in the department. It is responsible for administration and inspection of some 70,000 recognized brands. It is also in charge of mortgage control. Inspectors are also state peace officers. The department has asked for two additional FTEs. The law states that brands must be re-recorded every 10 years. As a result, every ten years the department will require the addition of two FTEs to handle this additional work load on a temporary basis. The jobs will be terminated when the job is finished, anywhere from 12 to 18 months after January 1980.

Filing mortgages requires a tremendous amount of bookkeeping. The committee should look into the possibility of having this law repealed. The department has been instructed not to get involved in this. Most of the savings will be in overtime payment.

The Analyst pointed out an additional \$20,000 in expenses for communications that will be a one-year expense related to brand recording.

Mr. Greenfield asked that the committee go back to the executive figure for the operating expenses. If there is a large case of any kind the expenses will immediately soar. This program is 100% earmarked revenue. There is no General Fund money involved.

The Analyst asked that the members refer to page 338 in their prepared report for a look at the total amount applied and the total amount spent. Any money not spent is turned back to the earmarked account.

At this time there was a ten minute break.

Predatory Animal Control (1072)

This program is 100% earmarked revenue. There is also an additional appropriation of \$80,000 a year from the Fish and Game in exchange for some assistance in helicopter surveillance. Helicopters are operated at a cost of \$70 per hour, compared a contracted helicopter which costs about \$135 per hour.

Chairman Manuel asked about the practice of hunting coyotes for bounty. This practice is still being used and the pay for a pelt ranges anywhere from \$84 to \$100. This money goes back into a county fund to finance local programs in predator control. This amounted to about \$80,000 last year.

Jim Williams was asked to explain the recommendation for the removal of two biologist positions being used for developing studies for application of pesticides to control rodents. The department did not want to go along with this but if two people were to be taken those were the two they would rather have taken.

The department felt that they could live with the Legislative Fiscal Analyst's recommendations. As a result of the Executive recommendation the state would really not have a rodent control program.

The department did not readily agree to the trade of this program at the expense of the rodent program. The department has already given up 6 employees.

Rep. Hurwitz stated that as a result, people are trying to do something themselves, without technical assistance. It was felt that more research in this area was needed. Montana has successfully stood up to the EPA on the use of strychnine based upon results of studies conducted in this program.

Currently, the department is trying to get a grant from the EPA but have been unsuccessful so far. If an EPA grant does become available they could revert general funds.

Rabies and Rodent Control (1170)

The department is satisfied with the LFA recommendations.

It was decided that there would be no reason for the Department of Livestock to come back tomorrow. Arrangements were made to get information requested to the members of the subcommittee.

It was suggested and all members agreed that it would be beneficial to have the head of State Personnel Division come to the meeting tomorrow to help the members better understand the State Merit System.

There was no further business, the meeting was adjourned.



REX MANUEL, Chairman