

MINUTES OF THE MEETING OF THE APPROPRIATIONS SUBCOMMITTEE ON
NATURAL RESOURCES AND BUSINESS REGULATION
January 21, 1983

The meeting was called to order by CHAIRMAN MANUEL at 8:15 a.m. in Room 132 of the Capitol Building in Helena, Montana, on January 21, 1983. Roll call was taken and all members were present except SENATOR SMITH, who was excused. Also present were DICK GILBERT, LFA; CAROLYN DOERING, OBPP; and PATTI SCOTT, SECRETARY.

DEPARTMENT OF AGRICULTURE BUDGET (Tape #19 Side A-010)
ENVIRONMENTAL MANAGEMENT PROGRAM

MODIFICATION - PESTICIDE PROGRAM ("FEE BILL" - LOSS OF EPA FUNDING)

CHAIRMAN MANUEL reiterated that the Department felt the positions they really needed from the MODIFICATION were the 1.5 Biological Aides (seasonal); the entomologist; and one pesticide inspector. The Department feels they can raise revenues from the increased fees of \$148,000 FY84 and \$148,000 FY85. If they cannot raise the revenues, they will just have to cut down their operating level.

CHAIRMAN MANUEL stated that the General Fund actually should be picking up the loss of EPA monies because through the years EPA has been paying more to the State than Montana could actually justify. The Appropriations Committee in the past has been using EPA funds to decrease the general fund contribution.

REPRESENTATIVE STOBIE MOVED THAT THE COMMITTEE ALLOW ONE MODIFIED POSITION. THE CHAIRMAN CALLED FOR A ROLL CALL VOTE. REPRESENTATIVES STOBIE AND HEMSTAD VOTED YES. SENATORS LANE AND BOYLAN VOTED YES. CHAIRMAN MANUEL VOTED NO.

REPRESENTATIVE STOBIE felt the request was not justified, and use of the General Fund monies was not justified and suggested the monies they could raise (if the "fee bill" goes through) should be used to replace General Fund monies at current level.

REPRESENTATIVE STOBIE felt that under his suggestion, they would get the entomologist, which they want very badly, and that would be enough for the industry and they would pass the fee bill. It is his intent to use the fee money to replace the loss of EPA funds at current level and not use General Fund money.

CHAIRMAN MANUEL asked if the fee bill does not pass, what happens to the current level? REPRESENTATIVE STOBIE said then he would go after the General Fund to keep them at current level.

CAROLYN commented that the fee increase bill was put in with the support of industry to raise the fees because it would expand the pesticide program. If you use those fees to replace General Fund and not for the purpose they intended, they don't feel that fee bill will pass. CAROLYN felt that anything less than 3.5 FTE's would kill the bill. She supports the use of General Fund monies to replace the loss of EPA funding.

(Tape #19 Side A-294)

DICK said an option was to not approve the General Fund replacement of EPA funds and approve the modification, so cuts will have to be made from current level but replaced with new pesticide FTE's.

REPRESENTATIVE HEMSTAD pointed out that the Governor's Council on Management noted that Agriculture had 91 positions authorized last year, and only 81 were filled. It was noted they were counting seasonal employees.

SENATOR BOYLAN MOVED THAT THE ENTOMOLOGIST POSITION BE FUNDED AT CURRENT LEVEL, EITHER BY GENERAL FUND OR EARMARKED FUNDS, AND THAT LANGUAGE BE ADDED TO THE APPROPRIATIONS BILL TO KEEP HIM FUNDED EITHER WAY. THE CHAIRMAN CALLED FOR A ROLL CALL VOTE. REPRESENTATIVES STOBIE AND HEMSTAD VOTED YES. SENATORS LANE AND BOYLAN VOTED YES. CHAIRMAN MANUEL VOTED NO. MOTION PASSED.

EPA REPLACEMENT OF GENERAL FUNDS (Tape #19 Side A-510)

CAROLYN recommends to replace EPA funds with General Funds. CAROLYN also clarified what the Committee is considering, that is to fund current level with General Fund replacement. Part of that General Fund is money already from industry fees (about \$12,000). Those fees would become earmarked, then if the "Fee Bill" passes, those fees would also go to the same earmarked account.

REPRESENTATIVE STOBIE MOVED TO APPROVE THE OBPP FUNDING LEVEL FOR THE ENVIRONMENTAL MANAGEMENT DIVISION AND APPROVE THE REPLACEMENT OF EPA FUNDS. MOTION PASSED UNANIMOUSLY.

(Tape #19 Side B-001)

MODIFICATION (Page 393-394 of Executive Budget)

SENATOR BOYLAN MOVED TO ACCEPT THE MODIFICATION TO THE ENVIRONMENTAL MANAGEMENT DIVISION IN THEIR CHEMICAL ANALYTICAL LABORATORY FOR A CHEMIST AND TO PURCHASE THE HPLC EQUIPMENT AS DESCRIBED ON PAGE 393 OF THE EXECUTIVE BUDGET. MOTION PASSED WITH REPRESENTATIVE HEMSTAD VOTING NO.

FY84 would be \$19,381 of General Fund and \$5,400 of General Fund for FY85. Half the salary for the chemist would come from General Fund and half from Feed and Fertilizer program.

DICK advised the Committee that based on the motion to replace General Fund monies for EPA, this increases the General Fund contribution to the Environmental Management Division by 68%. This does not include the addition of the entomologist or the chemist.

REPRESENTATIVE HEMSTAD MOVED TO CONTINUE WITH 3% VACANCY SAVINGS IN ENVIRONMENTAL MANAGEMENT. MOTION PASSED UNANIMOUSLY.

CENTRALIZED SERVICES (Tape #19 Side B-124)

PERSONAL SERVICES

SENATOR LANE MOVED TO RETAIN THE DEPUTY DIRECTOR POSITION. CHAIRMAN MANUEL CALLED FOR ROLE CALL VOTE. REPRESENTATIVE HEMSTAD VOTED YES. SENATORS BOYLAN AND LANE VOTED YES. CHAIRMAN MANUEL VOTED YES. REPRESENTATIVE STOBIE VOTED NO. MOTION CARRIED.

The Committee felt that the role of the Department in dealing with the public and industry is enough to warrant a Deputy Director.

SENATOR BOYLAN MOVED TO APPROVE THE OBPP BUDGET FOR PERSONAL SERVICES. MOTION PASSED UNANIMOUSLY.

OPERATING BUDGET

REPRESENTATIVE HEMSTAD MOVED TO ACCEPT THE OBPP BUDGET. MOTION PASSED UNANIMOUSLY.

EQUIPMENT

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE OBPP BUDGET. MOTION PASSED UNANIMOUSLY.

FUNDING

SENATOR BOYLAN MOVED TO ACCEPT THE OBPP BUDGET AND GENERAL FUND REPLACEMENT OF EPA FEDERAL DOLLARS. MOTION PASSED WITH REPRESENTATIVE STOBIE VOTING NO.

REPRESENTATIVE STOBIE felt fees collected should go to replace the EPA loss, and not General Fund.

REPRESENTATIVE HEMSTAD MOVED THAT NO VACANCY SAVINGS BE USED IN CENTRALIZED SERVICES. MOTION PASSED WITH REPRESENTATIVE STOBIE VOTING NO.

RURAL DEVELOPMENT (Tape #19 Side B-486)

PERSONAL SERVICES

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE LFA BUDGET. MOTION PASSED UNANIMOUSLY.

OPERATING BUDGET

SENATOR LANE MOVED TO APPROVE THE OPERATING BUDGET AS PROPOSED BY THE OBPP. MOTION PASSED UNANIMOUSLY.

EQUIPMENT

REPRESENTATIVE STOBIE MOVED TO APPROVE \$200 IN EQUIPMENT. MOTION PASSED UNANIMOUSLY.

HAIL INSURANCE PROGRAM (Tape #19 Side B-650)

PERSONAL SERVICES

REPRESENTATIVE STOBIE MOVED TO ADOPT THE LFA BUDGET AND ADD \$285 PER YEAR IN OTHER COMPENSATION. MOTION PASSED UNANIMOUSLY.

OPERATING BUDGET (Tape #20 Side A-100)

REPRESENTATIVE HEMSTAD MOVED TO ACCEPT THE LFA BUDGET WITH THE ADJUSTMENT OF \$1,200 FOR FY84, AND \$2,800 FY85 IN REPAIR AND MAINTENANCE; AND \$6,865 FY84 AND \$7,447 FY85 IN COMMUNICATIONS. MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE HEMSTAD MOVED THAT ALL GENERAL FUND MONIES BE MOVED OUT OF HAIL INSURANCE. MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE HEMSTAD MOVED THERE BE NO VACANCY SAVINGS IN THE HAIL INSURANCE PROGRAM. MOTION PASSED UNANIMOUSLY.

RURAL DEVELOPMENT

REPRESENTATIVE HEMSTAD MOVED THAT THERE BE NO VACANCY SAVINGS IN RURAL DEVELOPMENT. MOTION PASSED UNANIMOUSLY.

CROP AND LIVESTOCK (Tape #20 Side A-215)

REPRESENTATIVE STOBIE MOVED THAT THERE BE NO VACANCY SAVINGS. MOTION PASSED UNANIMOUSLY.

MARKETING AND TRANSPORTATION (Tape #20 Side A-225)

CAROLYN stated there are no Wheat Research and Marketing funds requested. If Wheat Research and Marketing decide they want something, they will have to get a budget amendment.

The Committee directed that DICK check to see what the duties are for the one FTE in this program. CAROLYN did read the duties as dictated by Section 80-11-103. The Committee still wants more detail on this position.

REPRESENTATIVE STOBIE MOVED TO ELIMINATE FUNDING FOR THE TRANSPORTATION UNIT. THE CHAIRMAN CALLED FOR A ROLL CALL VOTE. REPRESENTATIVE STOBIE VOTED YES. REPRESENTATIVE HEMSTAD VOTED YES. SENATOR LANE VOTED NO AND CHAIRMAN MANUEL VOTED NO. MOTION DIED.

SENATOR LANE MOVED TO APPROVE THE OBPP BUDGET FOR MARKETING. MOTION PASSED WITH REPRESENTATIVE HEMSTAD VOTING NO.

(Tape #20 Side B-001)

REPRESENTATIVE STOBIE MOVED THERE BE NO VACANCY SAVINGS. MOTION PASSED WITH REPRESENTATIVE HEMSTAD VOTING NO.

WHEAT RESEARCH AND MARKETING (Tape #20 Side B-013)

PERSONAL SERVICES

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE OBPP BUDGET. MOTION PASSED UNANIMOUSLY.

OPERATING BUDGET

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE OBPP BUDGET. MOTION PASSED UNANIMOUSLY.

EQUIPMENT

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE OBPP BUDGET. MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE STOBIE MOVED THERE BE NO VACANCY SAVINGS IN THE WHEAT RESEARCH AND MARKETING. MOTION PASSED UNANIMOUSLY.

PLANT INDUSTRY (Tape #20 Side B-083)

PERSONAL SERVICES

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE OBPP BUDGET. MOTION PASSED UNANIMOUSLY.

OPERATING BUDGET

REPRESENTATIVE HEMSTAD MOVED TO ACCEPT THE LFA BUDGET EXCEPT FOR THE CONTRACTED SERVICES AND COMMUNICATIONS, FOR WHICH TO ACCEPT THE OBPP. MOTION PASSED UNANIMOUSLY.

The Division is being forced to pick up the Federal Grain Inspection.

EQUIPMENT (Tape #20 Side B-181)

REPRESENTATIVE STOBIE MOVED TO ADOPT THE OBPP BUDGET PROPOSAL IN FY84 AND FY85. REPRESENTATIVE STOBIE VOTED YES, REPRESENTATIVE HEMSTAD, CHAIRMAN MANUEL AND SENATOR LANE VOTED NO. MOTION DIED.

SENATOR LANE MOVED TO ADOPT THE LFA BUDGET PROPOSAL. MOTION PASSED WITH REPRESENTATIVE STOBIE ABSTAINING.

The Committed felt since the van and the vehicles will all have 100,000 miles on them, it will cost more in repairs and maintenance in the long run than to replace them. Also, the motion did not include \$250 for an answering service, since they already have one.

FUNDING LEVEL

REPRESENTATIVE STOBIE MOVED TO APPROVE THE OBPP FUNDING LEVEL. MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE HEMSTAD MOVED THAT THE VACANCY SAVINGS FOR PLANT AND INDUSTRY BE 5%. MOTION PASSED UNANIMOUSLY.

MODIFICATIONS (Page 394 of OBPP Budget) (Tape #20 Side B-394)

MODIFICATIONS to the Plant Industry Division for DATA PROCESSING SYSTEM DEVELOPMENT. The proposed system will provide more efficient processing of new applications and renewals of licenses and registrations, commercial feed and fertilizer reports, grain inspections, and standarization of applications and licenses. The Governor's Council on Management recommended an automated system, as did a needs study recently performed by the Department of Administration (at a cost of \$12,000). They are requesting \$177,269 FY84 to implement, and \$43,651 FY85. REPRESENTATIVE HEMSTAD is hesitant because of all the equipment in government now. DICK stated there is some justification for the system in that it would update all of the files and get the information to the field people in a reasonable amount of time.

REPRESENTATIVE HEMSTAD MOVED TO POSTPONE A RECOMMENDATION ON THE DATA PROCESSING MODIFICATION. MOTION PASSED UNANIMOUSLY.

MODIFICATION to the Plant Industry Division for MEDICATED FEED. The Division is requesting the use of earmarked feed funds to

replace Federal Food and Drug Administration funding used for inspection of medicated feeds. Federal funding has been reduced 30% in FY84 and no funding is expected in FY84-85. Cost-- FY84, \$10,965 and FY85, \$12,077.

SENATOR LANE MOVED TO ACCEPT THE MODIFICATION. MOTION PASSED UNANIMOUSLY.

MODIFICATION for Plant and Industry for Auditors. The Division is asking for two FTE's for grain elevator inspectors. Recent elevator bankruptcy issues have forced the Department to reevaluate its position on bonding requirements for grain merchandiser, warehousemen, and warehouse receipts issued to producers. The Department feels it needs to implement an inspection and examination program on all public warehouses that will enable them to detect and predict financial problems and review surety bond levels to insure coverage is adequate to protect producers holding warehouse receipts for stored grain or sales tickets for grain sold.

DICK clarified that the two positions they want to "trade," that were dropped, were not General Fund. The two positions (auditors) they want to add are General Fund.

CHAIRMAN MANUEL felt that the bonding companies have the primary responsibility in checking. CAROLYN stated the Department does have the authority to pull the licenses. REPRESENTATIVE STOBIE stated that if they really wanted to hide something, they could, even from auditors.

REPRESENTATIVE HEMSTAD MOVED TO POSTPONE ACTION ON THIS MODIFICATION. MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 11:55 a.m.



REX MANUEL, CHAIRMAN

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