

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL
RESOURCES AND BUSINESS REGULATION - MINUTES
February 4, 1983

The meeting was called to order at 8:15 a.m. in Room 132 of the Capital Building, Helena, Montana, by CHAIRMAN MANUEL.

Roll Call: MANUEL, BOYLAN, STOBIE, SMITH, LANE, HEMSTAD
- Present
Absent - NONE
Staff Present - DICK GILBERT, LFA; CAROLYN
DOERING, OBPP; PATTI SCOTT,
SECRETARY.

DEPARTMENT OF COMMERCE - BUSINESS LICENSING AND REGULATION
PROGRAM (Tape #42 Side A-001)

WITNESSES for the Department were GARY BUCHANAN, Director; GARY DELANO, Chief of Weights and Measures Bureau; BILL ROSS, Chief of the Milk Control Bureau; ISABELLE PISTELAK, Administrator for the Business and Professional Licensing Division; and BRIAN McCULLOUGH, Administrator for Centralized Services.

GARY BUCHANAN talked briefly about the recommendations by the Governor's Council on Management. The Council has recommended increasing licensing fees in the Weights and Measures Bureau, and to establish a 50% late penalty charge for overdue weighing device licenses.

WEIGHTS AND MEASURES (Tape #42 Side A-064)

ISSIE PISTELAK began with an overview of the Bureau, and pointed out some differences between OBPP and LFA for this Bureau.

LEGAL STAFF TIME IN CONTRACTED SERVICES (Tape #42 Side A-091)

BRIAN McCULLOUGH explained that the Department had set up a "Legal Division" in which all of the attorneys in the Department were housed together and shared resources, such as Codes, etc. The Legal Division is charging the other Divisions in the Department, to essentially pay for itself. GARY BUCHANAN stated the Legal Division is billing for ACTUAL COSTS. The charge to the Weights and Measures Bureau is estimated at 270 hours at \$37/hour in both FY84 and FY85.

SENATOR SMITH asked why so much time for Legal Services. GARY DELANO explained that this is their best estimated guess. There will be changes in their regulation, which may require hearings.

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GARY DELANO also explained there are changes on the federal level, and because of the new scales, there are some problems between industry and the consumers. An example of a hearing was when gas went over \$1.00. Many of the smaller stations could not afford new pumps, and wanted to set their machines to read at 1/2 price. This necessitated a hearing.

CONTRACTED SERVICES (Tape #42 Side A-484)

The differences between OBPP and LFA in Contracted Services were: \$9,000 in Legal Fees, \$3,000 Data Processing, \$1,000 printing new forms for Data Processing, \$2,000 Audit Fees.

MS. PISTELAK explained it will cost \$3,000 to update the DATA PROCESSING SYSTEM, which has been in place for eight years.

GARY DELANO brought pictures for the Committee to see of the new scales and some of the equipment they would like to purchase.

SENATOR LANE noted that GARY DELANO is very much respected around the state, and over the years has proved himself as an efficient Bureau Chief. The Committee agreed and commented that the state needs more like him.

REPAIR/MAINTENANCE

GARY DELANO explained that because the trucks in the field are always loaded with weighing devices, they go through a lot of tires.

OTHER EXPENSES (Tape #42 Side B-001)

GARY BUCHANAN explained that Centralized Services and the Director's office assess each section for support. These INDIRECT COSTS will be an issue with all of the Divisions. The rate charged by Centralized Services is 13% of each Division's Personal Services.

EQUIPMENT

There is a substantial difference in EQUIPMENT. The Department is requesting \$21,322 FY84 which would include: 1/2 ton pickup \$8,322 (replacement); Liquified Petroleum Gas Converter \$1,000;

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and a 10,000 lb. Test Unit. In FY85 - \$13,410 which includes: Equal Arm Balances - \$2,500; a 25,000 Gallon Stainless Steel Prover = \$5,000; Hoist - \$2,400; Power Plant Generator - \$3,200; and Hand Tools \$400.

GARY DELANO explained that a high priority for him in Equipment is the 10,000 lb. Test Unit referred to earlier, because the scales they must check are so much larger now. He also stated that he had reverted back \$12,000 last biennium in equipment. The FY82 level was \$38,555 (Truck and Trailer were \$34,000) and the FY83 level was \$9,800.

MILK CONTROL BOARD (Tape #42 Side B-224)

MODIFICATION (EXHIBIT A)

The Milk Control Board is requesting \$4,800 for Consultant and Professional Services in FY84 and \$5,088 in FY85. They are requesting \$19,792 in FY84 and \$20,979 FY85 for Legal Fees and Court Costs. The total request of FY84 is \$332,506 and \$334,141 FY85.

BILL ROSS, Chief of the Bureau, stated the Board is anticipating more legal problems this biennium. The Board can make rules. However, when the industry or the public request it, they must hold hearings. These figures are the best estimation the Department can make on anticipated costs. This is an Earmarked Revenue Account.

MODIFICATION (EXHIBIT A)

MILK TESTING PROGRAM (Tape #42 Side B-556)

The Milk Control Bureau is bound by statute to perform the testing of milk. "81-23-105. TESTING OF MILK. (1) For the purpose of determining the value of milk supplied by producers during routine audits of milk processing plants which receive raw milk directly from producers, the department of commerce shall establish a program of testing such raw milk." The Department would contract with the Department of Livestock to perform these audits. The Committee had reviewed this mandate before in the Department of Livestock's budget, and felt it was a wasted effort.

SENATOR BOYLAN MOVED NOT TO FUND THIS MODIFICATION FOR THE MILK TESTING PROGRAM. IT IS THIS COMMITTEE'S INTENT TO

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RELIEVE THE DEPARTMENT OF COMMERCE OF ALL RESPONSIBILITY
FOR THIS PROGRAM. IT IS THIS COMMITTEE'S INTENT TO SEE THAT
THIS LAW IS REPEALED IN THIS SESSION IF POSSIBLE, OR IN THE
NEXT SESSION. MOTION PASSED UNANIMOUSLY.

BUSINESS LICENSING AND REGULATION PROGRAM (Tape #43 Side A-001)

GARY BUCHANAN stated they have projected the payout for the
retirement of ISABELLE PISTELAK in FY85. The Committee
commended MS. PISTELAK for all of her years of service and
the work she has been doing. She will be missed.

LEGAL SERVICES

GARY BUCHANAN reiterated that with the change in charging
for Legal Services, he is trying to be more cost-efficient.
He also will be asking for one more attorney. They have four
on staff now. This is a Revolving Fund.

EXECUTIVE ACTION (Tape #43 Side A-270)

BUSINESS LICENSING AND REGULATION PROGRAM

PERSONAL SERVICES

REPRESENTATIVE STOBIE MOVED TO ADOPT THE OBPP FIGURE AND
LINE ITEM \$13,232 IN FY85 FOR ISSIE PISTELAK'S RETIREMENT.
MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE HEMSTAD noted that when SONNY OMHOLT retires
as State Auditor, there will be seven people retiring with him.
This was all figured into the budget. If it were not granted
now, the Department would have to come in for a Supplemental
in the middle of the year.

OPERATING BUDGET

CONTRACTED SERVICES

REPRESENTATIVE STOBIE MOVED TO APPROVE \$4,500 FY84 AND \$4,700
FY85. MOTION PASSED UNANIMOUSLY.

This gave an estimated 81 hours of legal services. The
Committee was not convinced they would need anymore.

TRAVEL SUPPLIES, COMMUNICATIONS (Tape #43 Side A-441)

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REPRESENTATIVE STOBIE MOVED TO APPROVE \$523 FY84 AND \$624 FY85 IN TRAVEL, AND THE OBPP FIGURES FOR SUPPLIES AND COMMUNICATIONS. MOTION PASSED UNANIMOUSLY.

The Committee agreed it may be necessary for personnel to travel in-state to various POL Board meetings, but no out-of-state travel.

RENT AND UTILITIES

SENATOR SMITH MOVED TO ACCEPT THE OBPP FIGURES FOR RENT AND UTILITIES. MOTION PASSED UNANIMOUSLY.

REPAIR, OTHER EXPENSES, EQUIPMENT

REPRESENTATIVE STOBIE MOVED TO APPROVE THE OBPP FIGURES FOR REPAIR, OTHER EXPENSES AND EQUIPMENT. MOTION PASSED UNANIMOUSLY.

VACANCY SAVINGS

REPRESENTATIVE STOBIE MOVED NOT TO TAKE ANY VACANCY SAVINGS. MOTION PASSED UNANIMOUSLY.

WEIGHTS AND MEASURES BUREAU (Tape #43 Side A-499)

PERSONAL SERVICES

REPRESENTATIVE HEMSTAD MOVED TO APPROVE THE OBPP FIGURES. MOTION PASSED UNANIMOUSLY. This included upgrades for the "Indians" and not the "Chiefs".

OPERATING BUDGET

CONTRACTED SERVICES - SUPPLIES

REPRESENTATIVE STOBIE MOVED TO ACCEPT \$21,100 FY84 and \$19,337 FY85, AND TO ACCEPT THE OBPP FIGURES FOR SUPPLIES. MOTION PASSED UNANIMOUSLY.

The Committee did not feel the Bureau would need as much legal help as they requested.

COMMUNICATIONS, TRAVEL, RENT, UTILITIES

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE LFA FIGURES IN COMMUNICATIONS, TRAVEL, RENT AND UTILITIES. MOTION PASSED UNANIMOUSLY.

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REPAIR/MAINTENANCE

REPRESENTATIVE HEMSTAD MOVED TO ACCEPT THE LFA FIGURES. REPRESENTATIVES HEMSTAD AND STOBIE VOTED YES. CHAIRMAN MANUEL, AND SENATORS LANE AND SMITH VOTED NO. MOTION FAILED.

(Tape #43 Side B-001)

REPRESENTATIVE STOBIE MOVED TO ACCEPT \$14,000 FY84 and \$15,000 FY85. MOTION PASSED UNANIMOUSLY.

There was considerable discussion on how much repair and maintenance would be needed. The Committee considered the testimony from GARY DELANO, and finally decided that MR. DELANO runs a tight program.

OTHER EXPENSES

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE OBPP FIGURES, WITH THE UNDERSTANDING THAT ALL PROGRAMS IN COMMERCE WILL BE ADJUSTED FOR PAYMENT TO CENTRALIZED SERVICES TO MAKE SURE IT IS EQUITABLE. MOTION PASSED UNANIMOUSLY.

EQUIPMENT

SENATOR LANE MOVED TO ACCEPT THE OBPP FIGURES FOR PURCHASE OF THE 1/2 TON PICKUP, THE 10,000 LB. TEST UNIT, AND THE LIQUIFIED PETROLEUM GAS CONVERTER IN FY84; AND THE EQUAL ARM BALANCES, THE HOIST, AND THE POWER PLANT GENERATOR IN FY85. MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE STOBIE MADE A SUBSTITUTE MOTION TO DELETE \$1,000 FROM FY84 AS ALLOWANCE FOR TRADE-IN ON THE PICKUP, SINCE IT IS A REPLACEMENT. MOTION PASSED UNANIMOUSLY.

VACANCY SAVINGS (Weights and Measures)

REPRESENTATIVE STOBIE MOVED NOT TO TAKE VACANCY SAVINGS. MOTION PASSED UNANIMOUSLY.

MILK CONTROL BOARD (Tape #43 Side B-241)

MODIFICATION FOR LEGAL AND CONSULTANT FEES (EXHIBIT A)

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REPRESENTATIVE STOBIE MOVED NOT TO ALLOW THE MODIFICATION.
MOTION PASSED UNANIMOUSLY.

PERSONAL SERVICES

REPRESENTATIVE HEMSTAD MOVED TO APPROVE THE LFA FIGURES FOR
PERSONAL SERVICES. MOTION PASSED UNANIMOUSLY.

OPERATING BUDGET

CONTRACTED SERVICES

REPRESENTATIVE STOBIE MOVED TO APPROVE \$8,000 FY84 AND
\$8,500 FY85 FOR CONTRACTED SERVICES. MOTION PASSED UNANI-
MOUSLY. This gave Milk Control some funds for legal services.

SUPPLIES AND COMMUNICATIONS

REPRESENTATIVE STOBIE MOVED TO APPROVE THE LFA FIGURES.
MOTION PASSED UNANIMOUSLY.

TRAVEL, RENT AND REPAIR

REPRESENTATIVE HEMSTAD MOVED TO APPROVE THE LFA FIGURES
FOR TRAVEL AND REPAIR, AND THE OBPP FIGURES FOR RENT. MOTION
PASSED UNANIMOUSLY.

OTHER EXPENSES AND GOODS PURCHASED FOR RESALE. (Tape #43
Side B-400)

REPRESENTATIVE STOBIE MOVED TO ACCEPT THE OBPP FIGURES.
MOTION PASSED UNANIMOUSLY. Actual expenses for Centralized
Services will be calculated later.

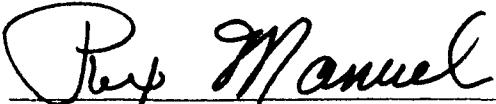
EQUIPMENT

REPRESENTATIVE HEMSTAD MOVED TO APPROVE THE LFA FIGURES.
MOTION PASSED UNANIMOUSLY.

VACANCY SAVINGS

REPRESENTATIVE HEMSTAD MOVED THAT NO VACANCY SAVINGS BE
TAKEN. MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 11:30 a.m.



REX MANUEL, Chairman

VISITOR'S REGISTER

HOUSE Approp Sub. Committee COMMITTEE
on NatRes + Business DATE 1/1

BILL

DATE

SPONSOR

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DEPARTMENT OF COMMERCE



TED SCHWINDEN, GOVERNOR

CAPITOL STATION
1424 9TH AVENUE

STATE OF MONTANA

(406) 449-3494

HELENA, MONTANA 59620-0401

TO: APPROPRIATION SUB-COMMITTEE

FROM: DEPARTMENT OF COMMERCE
ISABELLE PISTELAK, ADMINISTRATOR
DIVISION OF BUSINESS AND PROFESSIONAL LICENSING

RE: APPROPRIATION REQUEST FOR FY84 & 85 FOR THE MILK CONTROL BUREAU - FROG. NO. 37 (EARMARKED REVENUE ACCOUNT)

DATE: JANUARY 5, 1983

During the recapping process of the budget the following were omitted from the budget request, to-wit:

JUSTIFICATION

Code 2102 - CONSULTANT & PROFESSIONAL SERVICES \$4,800

Provide level of expenditure necessary to provide service if needed for Board for expert hearing witness. Consulting and professional services \$40.00 per hour X 120 hours = \$4,800 = FY84

\$4,800 X 1.06 factor = \$5,088 = FY85

Code 2108 - LEGAL FEES & COURT COSTS \$19,792

Provide contingency in case of extra legal activity necessary to enforce the act.

Legal Costs House Staff - 416 hrs. X \$37/hr = \$15,392

Court Reports - Two hearings = 1,210

Hearing Officers - 20 hrs. X \$47/hr = 740

Court Costs = 200

Outside Legal Counsel - 45 hrs. X \$50/hr = 2,250

\$19,792

\$19,792 X 1.06 factor = \$20,979 = FY85

MILK TESTING PROGRAM

The Milk Control Bureau is bound by statute to establish a milk testing program, to-wit:

"81-23-105. TESTING OF MILK. (1) For the purpose of determining the value of milk supplied by producers during routine audits of milk processing plants which receive raw milk directly from producers, the department of commerce shall establish a program of testing such raw milk."

COST JUSTIFICATION

Code 2102 - <u>Contract</u>	Contract testing with Department of Livestock, Milk & Egg Division	\$33,800.
Code 2208 - <u>Laboratory Supplies</u>	Supplies	454.
Code 2713 - <u>Laboratory Equipment Maintenance</u>		
Repairs to machine (Mark III)		1,207.
Maintenance Contract (Mark III)		700.
Code 3116 - <u>Laboratory Equipment</u>		
Cryoscope		4,295.
TOTAL		\$40,456.

We request that the above amounts be included in the total program budget.

	FY84	FY85
DELETE (OPERATIONS)	\$ 86,163	
INSERT (OPERATIONS)	146,916	
DELETE (EQUIPMENT)	1,608	
INSERT (EQUIPMENT)	5,903	
DELETE (OPERATIONS)		\$ 91,011
INSERT (OPERATIONS)		153,239