

MINUTES FOR MEETING
NATURAL RESOURCES SUBCOMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 10, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Rex Manuel on January 10, 1985 at 8:05 A.M. in Room 132 of the State Capitol Building.

ROLL CALL: All members were present. See Visitors' Register.

Curt Nichols, LFA, went over the Livestock Department budget analysis.

DEPARTMENT OF LIVESTOCK: Les Graham (5; A; 205) said that the first thing he wanted to talk about was the request for an additional FTE (Full Time Employee). One position was deleted from the Department through the last year so they would have the same FTE level even with the request for an additional FTE. Any changes in this program, with the exception of the additional sanitarian requested, in terms of FTE's are because they shifted them from one program to another with the reorganization. See Exhibit "H".

CENTRALIZED SERVICES: Mr. Graham said that they had a problem with the blinds falling off the walls and after discussing this with the Department of Administration they didn't get anything done on this problem so they went and bought their own thermal stock mini-blinds. These blinds cost \$9,800. Senator Smith asked if the Department of Administration refused to do anything about the blinds? Mr. Graham replied that they just didn't react on this particular issue. There is a reduction of one half FTE in Centralized Services as the result of reorganization.

DIAGNOSTIC LAB: Mr. Graham said the Diagnostic Lab will show a reduction of FTE's from the 1984 base of .8 as a result of reorganization in the Department. The things that effect this budget that are difficult to assess are all the different types of equipment. The number of suppliers for the equipment is limited and their costs can vary.

Mr. Graham said they feel they should have some milk testing equipment. He then introduced Dr. Bill Quinn, Administrator of the Lab. Dr. Quinn (4; A; 403) explained the milk testing machines.

Mr. Graham explained that 50% of the funding for milk testing comes from the General Fund and 50% of the funding comes from the Animal Health Funds.

DISEASE CONTROL: Mr. Graham said that one FTE was removed as a result of reorganization. The only changes in this program are in data processing.

MILK AND EGG PROGRAM: Mr. Graham said that they have requested one additional sanitarian. Mr. Tudor said that all samples they collect in their inspections go to the Diagnostic Lab. Representative Nathe asked if there was any duplication between the Diagnostic Lab and the inspections of the people from the Milk and Egg program? Mr. Graham said there were not because this is all field work and the Diagnostic Lab does strictly laboratory sample work.

Mr. Graham said that for all the records they have to keep that a computer should be purchased to save time. Chairman Manuel asked if a computer would help the Field Inspectors? Mr. Graham said the inspectors keep a set of log books with them and the Department feels that they can minimize the things that the inspectors have to keep and maybe they can do their reporting on a shorter form and get it in and receive a print out back. This would enable the inspectors to do what they are hired to do instead of having to spend their time on bookwork.

INSPECTION AND CONTROL: Mr. Graham said there is a complete set of brand records at the main office. At every brand office in the State of Montana there is an exact duplicate of each brand all done by hand on a 3 x 5 card. They borrowed a terminal from the Department of Administration and took it to Missoula. The Brand Inspectors used this entirely to do their books. What the Department would like to do is to put terminals in some of the markets to allow the Inspectors to brand inspect cattle and do the things they are supposed to be doing instead of spending approximately one third of their time keeping their records updated.

Representative Nathe (5; B; 161) asked how many financial institutions use this service? Mr. Graham said he did not remember the exact number but there are from 12,000 to 14,000 securities filed with the Department at any one time. Representative Nathe asked if they charge for this service? Mr. Graham said that the bank pays \$15 per filing and they can maintain it for a five year period. Mr. Graham said that the \$15 fee is probably not covering their costs right now. Representative Nathe asked where that money goes? Mr. Graham said that it goes back into the earmarked revenue fund.

BEEF AND PORK MARKETING RESEARCH: Mr. Graham said that both programs pick up the tab when they ask the Department for help that is not required in their job.

PREDATORY ANIMAL CONTROL PROGRAM: The reduction in the FTE was due to reorganization. The Board of Livestock is looking into acquiring a different helicopter. Right now they have three and are thinking of going to two, but have one be a better machine to cover more area and do a better job. They would be deleting an FTE and would be using that money to balance it out and get fewer people to do more work.

RABIES: See Exhibit "H".

OUT OF STATE TRAVEL: Mr. Graham said that if there are any meetings that some of the agency people feel they should attend they must go before the Board. The Board of Livestock in the Department is the only one that can approve out of state travel. Mr. Graham can authorize out of state travel if he checks with the Board. See Exhibit "H".

VEHICLES AND EQUIPMENT: Mr. Graham said the vehicles are on a replacement schedule of 80,000 - 100,000 miles. These vehicles are used on back roads and do heavy work. Chairman Manuel asked if where the LFA has reduced the request by 50%, is that just in the inspection? Mr. Graham said that in most of the programs they took about half of the vehicles.

Senator Lane (5; B; 437) asked to go back to out of state travel. Senator Lane said that there are no brand laws in some other states. If some cattle move out of Montana Les has to go there if somebody thinks there are some mixed up cattle or something wrong.

Mr. Graham said that they maintain fund balances approximately one fourth to one third of the budget at the end of any given year in the Predator Program, in Disease Control, and Inspection and Control and about 20% in the Diagnostic Lab and others because they have to ~~operate~~ the program from July 1 to approximately the middle of November out of that fund balance. They have to go to November 'til the tax monies start coming in. They try to revert as much money as they can into these funds. The more money they revert back the less pressure it puts on the mill levies and the tax on the livestock people. The brands were rerecorded in 1981. All of that money goes into earmarked funds and by state statute they can only spend 10% of that money a year over the next decade.

Senator Smith (5; B; 517) asked if cattle were removed from the tax roles how it would affect the Departments budget? Mr. Graham said the mill levie would have to be assessed. In effect it could wipe out the entire Department.

DATA PROCESSING: Mr. Graham said what they are trying to do is to get the records that they have and the information they have not only with brand inspection and security agreements, but testing of cattle at the labs and testing of cattle at Disease Control and the importation of cattle that come in under the import laws on vaccination, then assemble this into information that they can use for the benefit of the whole Department and for the benefit of those people who need it like the veterinarians in the field, etc.. The Department feels if they can get all that information into one program they can do more reorganization in the Department and get more efficient operations.

Chairman Manuel (6; A; 28) asked if the Department is asking for one more FTE? Mr. Nichols said they are asking for a new FTE and they are eliminating an FTE. The FTE level will be the same. This will have to come in as a modified.

Mr. Graham said he assumed the Administrative role of the entire Department and in the process they reduced one of the veterinarians and combined the duties of three veterinarians to two. This reorganization took about \$70,000 a year of administrative costs out of the Department. Mr. Graham said that this would save the Department money because a grade 23 position was reduced to about a grade 14.

EXECUTIVE ACTION: LIVESTOCK

CENTRALIZED SERVICES: Mr. Nichols said the two main issues in centralized services are whether to purchase the mini blinds and whether we want the General Fund to pay 15% or 18%.

Senator Smith said he feels that it is in the lease agreement that the Department of Administration must take care of the state buildings that it is not the responsibility of the Department of Livestock to pay for the blinds. Senator Smith said we should find out what is in the contract for rent.

Senator Smith made a motion to accept the current level budget.

Discussion was held on the budget.

VACANCY SAVINGS: Discussion was held on Vacancy Savings. (6; A; 383).

Representative Spaeth made a motion we exclude Vacancy Savings in the budget. Representative Swift seconded. Chairman Manuel called for the vote. Carried unanimously.

Chairman Manuel asked Mr. Nichols to talk about the inflation factor before getting into the other budgets. Mr. Nichols said there is a general inflation factor of four, four and one half and five percent. Discussion followed.

Ron Weiss explained the Base Adjustment Factor. (6; A; 667).

DIAGNOSTIC LABORATORY: (6; B; 140) Vacancy Savings will cost the General Fund about \$20,000 per biennium. Mr. Graham said that last year in the Diagnostic Lab they reverted \$26,000. As a Department they reverted around \$200,000. The \$26,000 was reverted back to the General Fund. They must spend earmarked revenue first. They reverted approximately \$10,000 back to General Fund from Centralized Services last year.

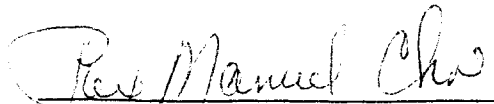
Representative Spaeth made a motion to exclude Vacancy Savings in the Diagnostic Laboratory budget. Senator Lane seconded. Chairman Manuel called for a vote. Motion carried unanimously.

INSPECTION AND CONTROL PROGRAM: This is all a special fund.

Senator Smith made a motion to take no Vacancy Savings in this budget. Senator Lane seconded. This money reverts back into the earmarked account. Mr. Graham said they reverted approximately \$140,000 last year out of the budget. A conservative figure would be \$125,000. Chairman Manuel called for a vote. Motion carried unanimously.

COMPUTER TERMINALS: Discussion was held on the terminals. Mr. Graham (6; B; 342) said it is their hope to reduce the overtime costs by not having the inspectors working on records after sales, on weekends, etc.. Representative Swift made a motion to reduce the budget by 50%, which would be \$31,157 instead of \$62,314 for the beinnium, and to try the terminals for one year. Representative Nathe seconded the motion. Chairman Manuel called for the vote. Motion carried unanimously.

Meeting adjourned at 11:10 A.M.



REX MANUEL, Chairman

NATURAL RESOURCES SUBCOMMITTEE

Date January 10, 1935

[illegible]

MONTANA DEPARTMENT OF LIVESTOCK



CAPITOL STATION

STATE OF MONTANA

(406) 449-2043

HELENA, MONTANA 59620

January 8, 1985

TO: Representative Rex Manuel, Chairman
Natural Resources Sub-Committee on Appropriations

FROM: Montana Board of Livestock
Les Graham, Executive Secretary

RE: Budget Facts

1.) Vacancy Savings Percentages - FTE Reductions

During the past years the Department has reduced FTE's by a total of 25. None of these positions were cut as a result of the Governor's Budget, Legislative Fiscal Office, or the Legislature.

These reductions were made internally and represent approximately 20% of our total FTE's.

We feel strongly that to take vacancy savings from a budget request already trimmed would not allow us to continue to do a service to the industry we work for.

2.) Rabies Program

Through the years the Department has not charged FTE time nor travel and per diem costs to the Rabies Program by supervisors.

Those supervisory FTE's (District Veterinarians) charged with maintaining this program are paid 100% from earmarked funds derived from Disease Control mill levy monies.

Our records show that approximately the equal of one FTE is needed to sustain the program. District Veterinarians are paid at a grade 19. Salary, expenses, benefits amount to approximately \$45,000 per year.

At the current time, we pay our rabies agents \$4.38 per hour. We have had repeated requests to raise this hourly amount. Should we feel it necessary to do so, this fund would be even more limited.

2.) Rabies Program (continued)

Because the Department has taken the position we have, we feel that to make big cuts on our general fund appropriation in other programs is not called for.

3.) Out-of-State Travel

Out-of-State travel always draws attention. The Board of Livestock reviews each and every trip and will not allow those that are felt to be unneeded.

We feel the committee should consider the fact that the Board is very cautious about granting out-of-state travel.

See attached memo.

4.) Vehicle & Equipment

The Department has all vehicles on a replacement schedule of approximately 80,000 - 100,000 miles. The LFA office has reduced vehicle requests by 50%.

The Department is a field orientated Department. Our inspectors are of value only by their mobility. Their duties require travel. Our field staff do not have offices, but work from their homes.

5.) Data Processing

The Department requested monies for development of a solid Data Processing program.

This has been considered for a number of years and the Board of Livestock felt it necessary, at this time, to begin this program.

6.) Fund Balances

Department records show that we revert funds from various programs at the close of each fiscal year. We feel it our duty to be as conservative as possible, and still serve our public duty.

Monies reverted to earmarked accounts are used to offset levies being assessed on livestock in our State. The more we revert, the more the fund balances stay up and the fewer levies we assess.

6.) Fund Balances (continued)

Monies reverted to earmarked accounts do not go back to the general fund.

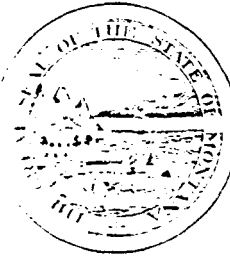
When reversions are made in a split funded program, those reverted are always general fund. Such as in Program 03 (Diagnostic Laboratory Division).

7.) Specific Program Notes - Legislative Fiscal Analyst Budget

Program 01 - Centralized Services:

General fund should be at 18% not 15%. Pork and beef marketing and research funds should not be included when calculating program 01 funding. These are pass-through monies and are not used for Department purposes.

DEPARTMENT OF LIVESTOCK



TED SCHWINDEN, GOVERNOR

CAPITOL STATION

STATE OF MONTANA

BRANDS ENFORCEMENT DIV. 406-444-2045
ANIMAL HEALTH DIV. 406-444-2043

HELENA, MONTANA 59620

March 23, 1984

TO: Governor Schwinden
FROM: *Les* Les Graham, Executive Secretary
To the Board of Livestock
RE: Out-of-State Travel

The Department of Livestock has managed to cut out-of-state travel costs from \$15,686.71 in FY '81 to \$15,168.90 in FY '83. We feel this is an accomplishment given the fact that travel costs have risen during this time.

cc: Cecil Greenfield - Centralized Services
Board of Livestock

