

MINUTES OF THE MEETING  
NATURAL RESOURCES SUBCOMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

January 18, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on January 18, 1985 at 8:10 a.m. in Room 132 of the State Capitol.

ROLL CALL: All members were present.

DEPARTMENT OF AGRICULTURE

(Agriculture Development)

Vacancy Savings: Curt Nichols, Principal Analyst (PA), said that the LFA took 4% Vacancy Savings on this program. This is a newly reorganized department. The actual Vacancy Savings was about \$52,000 from their appropriated level. This would be about 20%. Discussion was held on this Vacancy Savings.

Mr. Nichols said about 50% of Vacancy Savings would impact on General Fund.

Representative Spaeth made a motion to exclude Vacancy Savings from this department. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Printing Bulletin: Mr. Nichols said that \$5,000 was left out of the budget for the printing of the bulletin on a biennial basis.

Representative Swift made a motion we allow the \$5,000 for printing the bulletin. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Increased Travel: Discussion was held on the increase in travel.

Representative Spaeth made a motion to disallow the additional \$6,000 for travel. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

Rent: Mr. Nichols said there was an adjustment in square footage of the offices due to a remeasure.

Representative Swift made a motion we accept the supplement to the budget of \$1,160 in FY '86 and \$1,203 in FY '87. Representative Nathe seconded. A Voice vote was taken and the motion carried unanimously.

Miscellaneous: Discussion was held on this.

Representative Swift made a motion to approve the Governor's Budget, an increase of \$4,535 in fiscal 1986 and \$4,712 in fiscal 1987. Senator Lane seconded. A Voice vote was taken. The motion carried with Representative Spaeth voting no.

More discussion was held on this. The Committee decided they wanted to be able to go back and look at the Miscellaneous in the future.

Modified Budget:

Annual Budget: Representative Swift asked if printing an annual bulletin would increase savings and efficiency? Mr. Kelly said this report was not meant to be a marketing tool. Mr. Kelly said they print about 4,000 copies a year and the biggest demand for them is from financial institutions and farm organizations.

Mr. Weiss said the Governor's Budget would like for them to sell the publication and reimburse the General Fund for the cost.

Discussion was held.

Representative Swift made a motion we not publish this bulletin on an annual basis. Senator Smith seconded. A Voice vote was taken and the motion carried with Senator Boylan and Chairman Manuel voting no.

Market Promotion: Discussion was held on this. (17;B;001)

Senator Smith made a motion we take this up when we get to the Commerce budget. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Beginning Farm Loan Program: Mike Murphy, Administrator, Beginning Farm Program, (17;B;280), said they just now got the application forms out to all the lenders in the State and are in the process of getting some applications in. They have no revenue at this point in time. They are looking to revise the Montana Ag Loan Authority Act to allow them to have Moral Obligation Bonding Authority. A moral obligation would give them the ability to issue a bond even though it is not actually guaranteed as far as the purchaser of the bond is concerned by the State. They are selling the bonds directly to the lender. They also have the authority to issue an Aggregate Bond. The moral obligation would also give them the advantage of being able to deal potentially with the PCA's and Federal Land Banks.

These places cannot purchase these bonds right now because of their own farm credit acts. If the Moral Obligation Bonding Authority is approved they feel it would have a significant effect on the sale of bonds. Mr. Murphy (17;B;350) explained these bonds further.

Mr. Murphy said they feel they could about break even by FY '88. This would be without the moral obligation associated with the bond sale.

The Beginning Farm Loan Program owes the State \$180,000 by June 30, 1985. They will not be able to pay this.

Discussion was held on this.

Mr. Murphy said that based on the formula that the Federal Government put together an individual cannot own more than 15% of a median size farm or ranch in the county in which they live.

More discussion was held on Moral Obligation Bonds.

Representative Spaeth made a motion we extend the loan for the Beginning Farm Loan Program and appropriate \$100,000 Proprietary Funds in FY '86 and \$105,000 Proprietary Funds in FY '87. We would extend the loan for two years. Senator Boylan seconded. A Voice vote was taken. The motion passed with Representative Swift and Senator Smith voting no.

#### (Environmental Management)

Curt Nichols explained the major differences in North Dakota's Pesticide program as compared to Montana's.

Enforcement Program: We have 7 full time FTE's to do the enforcement program. North Dakota has 3 full time FTE's and 3 part time FTE's. They do not have a laboratory program or a sampling program in North Dakota. We have 9.5 FTE's in our lab and spend around \$400,000. Mr. Nichols said when North Dakota has an emergency and they take samples they send the samples to the State Lab and are not charged.

Certification: North Dakota has about 1,600 dealers and about 2,000 commercial applicators. Montana has 1,700 commercial applicators and about 600 dealers. The Certification and Training Program is handled by the Extension Service in North Dakota. The Department of Agriculture handles this in Montana with the individual applicator training handled by the Extension Service.

North Dakota funds their Enforcement Program with 85% Federal Funds and 15% State Funds. Total cost is about \$276,000 per year.

Damage cases consume a fair amount of time in Montana. There are about 100 damage cases per year. This takes about 4 FTE. North Dakota does not spend much time on damage cases. They have a damage report. They do not perform investigations.

Discussion was held on these differences.

Senator Smith asked what the 7 FTE's do when we are not doing any spraying? Gary Gingery, Administrator, Environmental Management Division, said around September the people start putting the uncompleted reports together from their investigations. After that they start working with Dealers and Dealer Records and Applicator Records. They look at the Dealer Records to determine if the sales are to certified applicators and if they are not they have a case. This effort usually takes two to three months. In January the people go out and inspect formulation plants and pull in all the samples and document them and some analysis is done. This is an EPA activity and they pay for it. In March they work with applicators and dealers to help them get their license. In April they start inspections. Discussion was held on this.

Senator Smith asked if we can afford the programs we have been given by EPA? Mr. Gingery said that if the laboratory sampling program was eliminated the Field Services Bureau, which is the 7 people in the Enforcement Program, budget of between \$200,000 and \$265,000 a year isn't much compared to North Dakota's \$276,000 for a field operation.

In the laboratory phase of the program, the General Fund for Pesticides is about \$145,000 and about \$63,000 Grants per year. This does not include equipment.

The General Fund in Enforcement is about \$242,000 and \$23,000 in enforcement from EPA Federal money per year.

Discussion was held.

Mr. Weiss (18;A;544) said that in FY '84 they spent \$758,385 worth of General Fund in the total program. Their original budget request for FY '86 is \$852,254 and \$748,578 in FY '87 in the current level. These figures include the \$80,000 for remodeling of the lab.

The Department of Agriculture has 9.51 FTE's in the Technical Services Bureau, 9.5 FTE's in the lab in Bozeman, 7 FTE's in the Enforcement program, and 4.25 FTE's in the Administrative Bureau.

Mr. Gingery explained the Technical Services Bureau.

Representative Nathe asked how much General Fund is used in the Administrative Bureau and the Technical Services Bureau? Mr. Gingery said in the Administrative Bureau it is roughly \$170,000. The Technical Services Bureau has about \$290,000 General Fund and the Manuals Fund for about \$8,550.

Mr. Gingery explained that the Manuals Fund is for training manuals. The Manuals Fund originally started from EPA funds.

Representative Nathe (18;B;91) asked how many of the functions were started with EPA funds and then absorbed by General Fund? Mr. Gingery said all but one of the positions in the Enforcement Bureau were started with EPA Funds. Mr. Gingery said that all the people that are primarily involved in the analysis of pesticides were originally started with EPA funds. A few people in the Technical Services Bureau were also started with EPA funds.

Chairman Manuel asked Mr. Nichols to explain the difference between the LFA and the Governor on the request. Discussion was held.

Mr. Kelly said they put \$267,000 back into the General Fund in 1984. They also put \$19,000 in the General Fund from the Integrated Pest Management Program (IPM). There were monies put in the General Fund from the training program. The final was about \$302,000 put back into the General Fund.

Discussion was held.

Mr. Gingery, (18;B;450) said there are two functions in the Pesticide Enforcement area that are strictly EPA. These are inspection of Formulation Plants and Port of Entry.

Discussion was held on what would happen if General Fund was reduced in this program.

Senator Smith (19;A;038) asked if Mr. Nichols or Mr. Weiss could check out some of the statutory requirements and still carry out obligations before going further on this.

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ADJOURN: Meeting adjourned at 11:35 a.m.

  
Rex Manuel, Chairman



NATURAL RESOURCES SUB COMMITTEE

DATE January 18, 1985

SPONSOR \_\_\_\_\_

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.