

MINUTES OF THE MEETING  
NATURAL RESOURCES SUBCOMMITTEE  
50TH LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

The meeting of the Natural Resources Subcommittee was called to order by Chairman Swift on January 7, 1987 at 8:00 a.m. in Room 317 of the State Capitol.

ROLL CALL: All members were present. Also present were Carl Schweitzer, Senior Fiscal Analyst, from the Office of the Legislative Fiscal Analyst (LFA) and Karen Vollstedt, Budget Analyst, from the Office of Budget & Program Planning (OBPP).

Tape 2A:000

DEPARTMENT OF LIVESTOCK: Les Graham, Executive Secretary to the Board of Livestock, introduced members of his staff.

Centralized Services: Mr. Graham said the cost in FY89 to add a personal computer is \$1,700, not \$6,200. The LFA book should be corrected.

Other Corrections: There are other minor corrections to be made in the OBPP book. He will submit a letter to the committee tomorrow showing these corrections.

Cattle Imports: Mr. Graham said through the end of November, 1986 records for a two-year period show the number of cattle leaving Montana is stabilizing. Imports for the last two years are:

<u>Cattle Imported Through November</u>	
1984.....	81,000
1985.....	93,500
1986.....	112,900

These figures are accurate because an import permit is required. Of the 112,900 there appears to be more breeding stock. Sen. Smith asked Mr. Graham to provide a written summary of these figures because it will be important when discussion takes place in the Appropriations and Finance & Claims committees.

Centralized Services: (080)

(Travel): The cut of \$4,000, made by the LFA and OBPP, is for Board of Livestock travel. The Board normally holds six meetings a year. However, if a livestock market has a change-of-ownership hearing, for instance, the Board must

travel to these unexpected meetings. These are costs over which the department has no control. He said he feels the department request for these travel expenses is reasonable.

(Rent-Inflation): The LFA included maintenance costs of the Capitol grounds, the OBPP did not. Karen said OBPP is in agreement with the LFA.

(Repair & Maintenance): Karen said the LFA figures are correct. OBPP added the figures twice.

Chairman Swift left the meeting to present a bill. Vice-chairman Boylan assumed the chair.

(Travel): Mr. Graham said all out-of-state travel is subject to permission by the Board of Livestock unless it is for emergency animal disease control. This contingency for emergency animal disease control is a portion of the \$4,000 stricken by the LFA and OBPP. He said the department request for travel each year is approximately \$24,000. Rep. Manuel suggested this might require a modification to return it to the department budget because it was removed by both the LFA and OBPP.

Diagnostic Laboratory: (313)

(Equipment): Mr. Graham said the LFA reduced the department request by \$2,910 in FY89. This is to purchase a computer to handle the paper flow on specimen testing; however, part of the money will be used to replace a 15-year-old incubator.

As a matter of interest to the committee, Mr. Graham reviewed what the FY88 equipment request will purchase.

(Funding): (365) Funding sources for the laboratory are as follows, as explained by Mr. Graham:

General Fund.....	50%
State-wide mill levy on livestock...	24%
Federal.....	4%
Fees from running specimens.....	22%

He said it appears the LFA used some milk-fee money to replace general fund in the amount of \$25,000. Milk testing equipment was purchased so dairymen could have samples tested at the laboratory rather than send them to Provo, Utah. Money to purchase the equipment was taken

from special revenue in the disease control program and the legislature gave permission to charge fees to replace these funds. He said he thinks it was not the intent of the legislature to use fees charged to dairymen to replace general fund. It is the intent of the Board of Livestock to build enough reserve funds to maintain the testing equipment and support this specific program for dairymen.

Tape 2B:000

Disease Control Program: (047) Mr. Graham said he has no problem with funding of this program.

Milk & Egg Program: (100) Mr. Graham said last session there was a Grade 11 vacancy due to the retirement of an egg inspector. These programs are federally mandated. The vacancy position was reduced by the Board of Livestock from Grade 11 to Grade 8 to provide a secretary.

Mr. Graham said the LFA reduced the total budget for this program by approximately \$2,000 - basically the amount which reverted in FY86. This reduction is not a big issue with the department, he said. Carl said he thought the \$2,000 was for gasoline and that the department asked for an increase, but he used what the department spent in FY86. Mr. Graham said this program has never had any slack.

(Travel): Rep. Manuel asked for clarification on travel. Carl said the department requested a \$1,200 increase due to having a full staff and needing to travel a little more; however, because the position was down-graded from Grade 11 for an egg inspector to a Grade 8 for a secretarial position, the increase was eliminated in the LFA budget. John Skufca, Administrator of Centralized Services, agreed with the LFA budget on this item.

Inspection & Control: (225)

(FTE): Mr. Graham said this is an area of major concern to him. The LFA reduced this program by 5.9 FTE. There were actually 11 positions (some part-time) eliminated, so it amounted to 5.9 FTE. This program is directly related to the number of cattle and types of calls. These are all auction market positions. If cattle numbers increase, and they appear to be increasing, the department will have to respond. He said he resents these positions being eliminated, but resents even more the lack of discussion. He elaborated in some detail. Sen. Smith said he understands the position of the department and

also understands the position of the budget offices. He said he thinks there will be no problem with the committee.

Rep. Manuel (331) asked if the department request is for 68.6 FTE for both fiscal years. Mr. Graham said yes.

(Contracted Services): (428) Rep. Manuel asked for clarification on contracted services. Carl said there were some computer charges by the Department of Administration and he received three or four pieces of information; however, he thinks in this instance the OBPP figures are correct.

(Supplies & Materials) Rep. Manuel asked for clarification on this item. Carl said the department asked for an increase in gasoline, but he used FY86 expenditures in the LFA budget. John Skufca said if cattle numbers come back, more travel will have to be done. He said FY86 was not a good base year.

Predator Control Program: (515) Mr. Graham said four years ago there were 3 pilots and 1 secretary in this program; it was reduced to 2 pilots in FY86 and has been reduced to 1 pilot since then. The department sold all 3 of the old helicopters and purchased 1 used one, which is being used now. Maintenance costs were too high. Coverage of the eastern 1/3 of the state is now under contract to three counties and the U.S. Fish & Wildlife Service. The new used-helicopter covers the western 2/3 of the state. So, maintenance costs were reduced, but contract costs were increased. He said he would like to see OBPP figures used for contracted services.

Tape 4A:000

Beef & Pork Research & Marketing: Mr. Graham said he thinks one of the narratives talks about administrative costs, but this is wrong because the department has never charged the pork producers an administrative fee.

Rabies Control Program: (145)

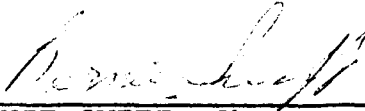
(Funding) Mr. Graham said there was a supplemental which allowed the department to work with the Environmental Protection Agency (EPA) on the use of strychnine. The State Veterinarian and his staff have spent many hours working on this issue. There will be a field hearing in Billings on March 31 dealing with the department request on the use of strychnine for rabies control. It was suggested by the LFA that these monies should come from FW&P

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rather than general fund. He said the legislature will have to make this decision. This program, however, is a public health program because the department only responds upon human exposure.

(FTE): Rep. Manuel (209) asked about the 1.2 FTE in the program in FY87 in the LFA budget. John Skufca said the department, last session, regained reimbursement for supervision by veterinarians. The basis used was approximately 1.2 FTE, but FTEs were never actually established for this program, but carried in the Disease Control Program.

ADJOURNMENT: There being no further business, the meeting adjourned at 10:15 a.m.

  
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BERNIE SWIFT, Chairman

DAILY ROLL CALL

NATURAL RESOURCES

SUBCOMMITTEE

DATE 1/7/87

NAME	PRESENT	ABSENT	EXCUSED
Senator Boylan	X		
Representative Devlin	X		
Representative Manuel	X		
Senator Smith	X		
Representative Spaeth	X		
Senator Story	X		
Representative Swift	X		

VISITORS' REGISTER

*Natural Resources Sub* COMMITTEE

Dept. of Livestock Budget  
 BILL NO. *Hearing*  
 SPONSOR \_\_\_\_\_

DATE 1/7/87

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
DR DON FERLICKH	DEPT OF LIVESTOCK		
Everett Tudor	Dept. of Livestock		
Dr Larry Stackhouse	Dept of Livestock		
Dr. Billy Quinn	DEPT of LIVESTOCK		
Les Graham	" " "		
John Skufca	" "		
Harold V. Hunt	O B P F		
Walter Teigen	Mt. Stodgower Assn		
Buiz G. L. Bert	Mt. Woolgrowers Assn ✓		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.  
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.