

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Gary Spaeth, on February 8, 1989, at  
8:00 a.m.

#### ROLL CALL

Members Present: All members were present

Members Excused: None

Members Absent: None

Staff Present: Carl Schweitzer, LFA; Jane Hamman, OBPP; Donna  
Grace, Committee Secretary

#### HEARING ON SUPPLEMENTAL BUDGET REQUESTS

##### List of Proponents and Group they Represent

A copy of House Bill No. 301, entitled "An Act Appropriating  
Money to various state agencies for FY ending June 30, 1989"  
was provided to committee members. Exhibit 1.

##### Department of Commerce 57:A (001)

The Department of Commerce has requested \$20,000 in connection  
with the McCarty Farms lawsuit. Mr. Bill Fogarty stated  
that they had been appropriated \$190,000 for the biennium  
and that was spent in the first year as well as \$58,000  
which was not directly appropriated to McCarty Farms to try  
to keep from coming back for a supplemental budget request.  
\$12,000 is for expert witnesses to look at the methodology  
used by the ICC in settlement and \$8,000 would be for  
settlement negotiations.

MOTION: Representative Kimberley made a motion to approve the  
supplemental.

VOTE: MOTION PASSED. All present voted in favor.

##### Department of Livestock - Diagnostic Lab (039)

The Department of Livestock has requested additional funds to be  
used in connection with moving the Diagnostic Lab at  
Bozeman.

MOTION: Senator Jergeson made a motion to approve the  
supplemental budget request.

VOTE: MOTION PASSED. All present voted yes.

Department of Livestock - Meat and Poultry Inspection Program

The request for a supplemental budget in the amount of \$39,736 is described in Exhibit 2.

MOTION: Representative Iverson made a motion to approve the supplemental budget.

VOTE: MOTION PASSED. All present voted yes.

Department of Agriculture (268)

This supplemental request was for \$37,287 in general fund money for an environmental impact statement they had to write in relation to the grasshopper infestation outbreak which occurred in numerous counties. A copy of the testimony presented on January 6 is attached, Exhibit 3. The Department has now requested that the amount of the supplemental appropriation to be reduced to \$17,060. Mr. Peck stated that they had worked to keep the costs down to a minimum, utilizing existing staff and since they have reallocated work duties of the staff they have on board, they do not need the originally requested FTE.

MOTION: Senator Jenkins made a motion to approve the amended supplemental budget in the amount of \$17,060.

Senator Jergeson expressed admiration to the department for finding a less expensive way to do something.

VOTE: MOTION PASSED. All present voted in favor of the motion.

HEARING ON DEPARTMENT OF LIVESTOCK

List of Proponents and Groups they Represent

Les Graham, Department of Livestock  
John Skufca, Department of Livestock  
George Eickhorn, Department of Livestock  
Jack Sedgwick, Department of Livestock  
Shirley Clark, Department of Livestock  
E. E. Mortensen, Department of Livestock  
G. H. Sheets, DVM, Department of Livestock  
D. P. Ferlicka, Department of Livestock

Mr. Les Graham, Director of the Department of Livestock, presented an overview of the department's activities. He stated that the philosophy of the Department was that whenever possible if there is a way to revert fund balances, they do it. Mr. Graham also stated that in some instances they would be asking for some emergency language so that they could get help if needed in emergencies.

Executive action:

The LFA Analysis is attached as Exhibit 4.

Centralized Services (475)

Issue No. 1. Insurance. Mr. Skufka stated the figures used for insurance were from the Department of Administration. The executive was \$400 more than the LFA. Mr. Schweitzer said a change was made after he made his initial recommendation.

MOTION: Senator Jergeson made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 2. Capital Maintenance. Mr. Skufka stated that they had received an estimate from FWP for ground maintenance and there is also \$2,400 included for some remodeling for an increase of \$4,700 shown in the executive budget. This would put them back up to their 1988 base figure.

MOTION: Representative Iverson made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 3. Computer Maintenance. Mr. Schweitzer stated that this is new money in the budget because they haven't had computers before. This will also allow them to go on line with the SBAS program.

MOTION: Representative Kimberley made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 4. Equipment. The LFA has put \$3,200 more in the budget than the executive because this was what the department had requested. \$2,200 is for office equipment.

MOTION: 57:B (001) Senator Jenkins made a motion to accept the LFA.

VOTE: MOTION PASSED. All committee members voted yes.

Issue No. 5. Program Funding. The LFA funded the program with 14% general fund and 86% special revenue funds. The executive funded the program with 19% general funds and 81% special revenue funds. The reason the LFA went with 14% was that was the percentage that was used last biennium. The difference is that the executive has \$44,000 more general fund in the budget. Mr. Graham stated that in calculating the funding for centralized services, the percent of general fund to the total funding would be the percent to be used to fund the general fund portion. They did not have the meat

inspection program and therefore they maintained about 14%. When the budget office funded this division for the next biennium, they included the meat inspection portion of the general fund in proportion to the rest of the department and therefore it increased the percent of general fund.

MOTION: Senator Jenkins made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All in favor.

Budget Modification - Accounting Clerk. Mr. Graham stated that the department would like to have the FTE removed from the modification. They would, however, still want the \$16,610 which would be 100 percent federally funded.

MOTION: Senator Jergeson made a motion to approve the modification without the FTE.

VOTE: MOTION PASSED. All in favor.

Inspection and Control Program 57:B (137)

Issue No. 1. Overtime. Mr. Graham said that the Inspection and Control Program was one of the programs which had been cut the most. However, what has happened in this particular program is that there are less employees but they are traveling more and there is more overtime. In some cases employees have been replaced with computer capabilities such as in the auction markets. Mr. Graham said that currently they have people on forced leave because they have reached their maximum, 240 hours, of comp time. After that they must be paid overtime. The livestock community is complaining because they can't reach inspectors when they need them.

Mr. Graham also mentioned that the people working at the auctions are a very low grade level, Grade 8, and are so low paid they are eligible for food stamps.

The LFA has given them what they spent in 1988 for this item and the executive has given them an additional \$23,300.

MOTION: Representative Swift made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 2. Computer - Data Networking for brands and market. The difference between the LFA and the executive is \$32,100, primarily for a data network system for brands and marketing, although there are some other minor items included. As Mr. Graham explained earlier, this computer system allows them to move their employees to other locations.

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MOTION: Senator Jenkins made a motion to accept the executive.

VOTE: MOTION PASSED. All committee members voted in favor of the motion.

Representative Iverson said that he wished to discuss further the people who are working in the auction markets at Grade Level 8. Senator Jergeson asked if the department had tried to get them reclassified to a higher grade level and Mr. Graham replied that they had tried several times. Representative Iverson asked Mr. Graham to bring the committee more information as he would like to contact the Department of Administration on this matter on behalf of the committee. Representative Swift asked that the committee be provided with a copy of the job description.

Issue No. 3. LFA reduction because in fiscal 1988 the department transferred \$21,500 of vacancy savings to operating expenses. Mr. Schweitzer stated that this department was not assessed any vacancy savings during the last biennium and in looking over their budget and how they transferred the money around, they took some money out of personal services which would have appeared to be equal to a 4% vacancy savings and transferred the money into some consulting services, supplies and a number of other items. Since consulting services were zero base and equipment was zero base, Mr. Schweitzer said the amounts they transferred to supplies, travel and other expenses amounted to \$21,500 per year. The LFA took it out of the budget because it appeared they had used the vacancy savings to increase these items and therefore the base was somewhat larger. The executive did not take the amount out so there is a difference of \$41,700.

Mr. Graham said that during the last session they discussed vacancy savings and at that time he advised that he was reorganizing the department. They gave up the spending authority but they withheld some of the money back for other expenses. They needed help to get the networking set up and they used some of the money for that and they also used some for operating expenses because these costs have gone up even though there are less people. Mr. Graham said that he had told the committee during the last session that they would have to do some reorganizing and use some of the money. Mr. Graham also stated that, for the record, they did revert \$24,000 back that they did not use.

MOTION: Representative Swift made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All members voted yes.

Issue No. 4. Equipment. Mr. Schweitzer stated that he had used a three-year average and the executive gave the department

what they requested. The difference is in the second year, \$33,000, most of which is for vehicles. Mr. Graham said they are having a hard time trying to determine ahead of time what the vehicles will be as they are trying to go to a five-year schedule on vehicles. They feel they can maintain them pretty well and they can then be run well over the 100,000 mile mark. In some districts where they are driving a lot of miles the vehicles are not holding up as well. They have, therefore, requested the money but they will not make the purchases if they can get along without them.

MOTION: Senator Jenkins made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted yes.

Budget Modification - Ten-year Brands Rerecord. This budget modification is for \$50,000 in fiscal 1990 for brand-digitizing equipment and new programming which will enable automatic imprinting of brand images on rerecord notices and new certificates. In fiscal 1991 the costs would be \$113,659 for 2.00 FTE temporary administrative assistants and rerecord expenses. The department also is requesting language authority in the general appropriations act that a budget amendment would be considered to meet the emergency requirements if the funds requested in this budget modification are not sufficient to complete the rerecord. Mr. Graham stated that this program is statutorily directed and they don't have any flexibility. There are currently 76,000 recorded brands and marks.

MOTION: Senator Iverson made a motion to approve the modification, including the language.

VOTE: MOTION PASSED. All present voted in favor.

Predatory Animal Control Program 58:A (023)

LFA Analysis - Exhibit 5.

Issue No. 1. Contract with federal and local agencies for predator control. The LFA gave them the amount they expended in 1988, \$68,000 and they have asked for \$100,000 per year. That is a difference of \$64,000 for the biennium. Mr. Graham gave a brief description of how the program is being operated. This program includes one helicopter and one FTE, the pilot, who does his own maintenance work on the plane as he is qualified to do it. The balance of the program is done on a contract basis.

Senator Jenkins stated that he would like to contact the Department of Administration regarding the grade level of the pilot also as it was the feeling of the committee that he should be moved to a higher grade level because of the hazardous flying conditions and the additional amount of

work that he performs for the Department.

MOTION: Senator Jergeson made a motion to accept the executive on Issue No. 1.

VOTE: MOTION PASSED. All present voted yes.

Issues No. 2 and 3. Increased helicopter maintenance and travel to mechanics school. Mr. Graham stated that the helicopter had low hours when purchased on all the parts. They now anticipate that they may have some maintenance as they are up around 2,000 hours. For example, Mr. Graham stated that a rotor blade costs \$24,000. It is also necessary for the pilot/mechanic to attend school in order to keep his A and P license rating current.

MOTION: Senator Jenkins made a motion to approve the executive on 2 and 3.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 4. Including the additional \$20,000 per year from Fish, Wildlife and parks. Mr. Schweitzer stated that this was for information purposes. This is new money that will be added which will grant spending authority of this amount.

MOTION: Senator Jenkins made a motion to grant the additional spending authority of \$20,000 per year.

VOTE: MOTION PASSED. The vote was unanimous in favor of the motion.

Disease Control (200)

LFA Analysis - Exhibit 6.

Mr. Graham stated that the employees in this division have been reduced from 24 down to 10.5. They have four veterinarians including the State Veterinarian and his assistant who work out of Helena. The other two cover the entire state and, in case of a major disease outbreak, the department will contract with local veterinarians on an hourly basis. Dr. Ferlicka presented an overview of the program. He stated that the "hot spot" in the state now is the southern part of Park County where brucellosis-infected buffalo are coming out of Yellowstone Park and they are currently trying to assess what the danger of infection might be.

Issue No. 1. Contract Veterinarians. This issue was described by Dr. Ferlicka. The executive is \$36,900 more than the LFA.

MOTION: Senator Jenkins made a motion to approve the executive recommendation.

VOTE: MOTION PASSED. All members of the committee voted yes.

Mr. Graham stated that they would also like to have language in the appropriations bill which would authorize an emergency budget amendment in the event there should be a disease outbreak.

Ms. Hamman asked how fast they would have to act if the situation should materialize because sometimes the legislative finance committee does not meet for three months and she felt they would have to act more quickly than that. Mr. Graham said they could use their quarantine authority and it would give them some time. In one instance they had up to six months to eliminate an infected herd.

Mr. Schweitzer stated that the executive recommendation would be that if there was a brucellosis or other infectious disease outbreak this would meet the emergency requirement for a budget amendment. What he said he was hearing was that it really wasn't an emergency so the language wasn't needed.

MOTION: Senator Jergeson made a motion that the appropriate language be included in the appropriations bill.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 2. Equipment. Mr. Schweitzer stated that he had given the department the three-year average. Basically what was cut was \$5,000 for computers in one year and an additional vehicle the second year. They have requested \$19,800 additional.

MOTION: Senator Jenkins made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted in favor.

#### Rabies Program (486)

Mr. Schweitzer stated that there were no differences in this program. Dr. Ferlicka explained the program. Mr. Schweitzer stated that there was \$57,000 each year in the budget for rabies control including \$15,000 from the Fish and Game Department and the other \$42,000 is from the general fund.

Mr. Schweitzer said that the program and it's budget was outlined on page C-71 of the LFA's report. Exhibit 7.

MOTION: Senator Jenkins made a motion to approve the budget at the executive level.

VOTE: MOTION PASSED. All present voted yes.

#### Milk and Egg Program (674)



HOUSE SUBCOMMITTEE ON NATURAL RESOURCES

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LFA Analysis - Exhibit 8.

Issue No. 1. Training for new employees. Mr. Schweitzer said the program is financed mainly by general funds and some federal revenue is also available. Employees in this program are all sanitarians who do the milk and egg inspection work and they also do processing plants and dairies. Two employees have retired recently and it will be necessary to recertify other employees. They are asking for an additional \$1,000.

MOTION: Representative Kimberley made a motion to accept the executive.

VOTE: MOTION PASSED. All committee members voted yes.

Issue No. 2. Out of State Travel. Mr. Graham stated that the Board of Livestock must approve all out of state travel. There is request for \$3,500 increase over the 1988 base. Dr. Sheets said that there are certain trips that are required out of state by the USDA and Public Health. It will also be necessary to send some survey officers out of state for training.

MOTION: Senator Jergeson made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 3. Equipment. Mr. Schweitzer recommended the three-year average which would provide funding for one and one-half vehicles. The additional amount, \$5,300, would allow them to purchase two vehicles.

MOTION: Representative Swift made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted in favor of the motion.

Announcements/Discussion: None

ADJOURNMENT

Adjournment At: 11:00 a.m.

  
REP. GARY SPAETH, Chairman

GS/dg

3326.mina

## NATURAL RESOURCES

DATE \_\_\_\_\_

[illegible]

HOUSE BILL NO. 301  
Barclay

1 INTRODUCED BY  
2 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING  
3  
4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO  
6 VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30,  
7 1989; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."  
8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10 NEW SECTION. Section 1. Time limits. The  
11 appropriations contained in this act are intended to provide  
12 only necessary and ordinary expenditures for the year for  
13 which the appropriations are made. The unspent balance of  
14 any appropriation must revert to the fund from which it was  
15 appropriated unless the appropriation is continued by this  
16 act.  
17 NEW SECTION. Section 2. Governor's power to reduce  
18 appropriations. In the event of a shortfall in revenue, the  
19 governor may reduce any appropriation in this act by not  
20 more than 15%.  
21 NEW SECTION. Section 3. Totals not appropriations.  
22 The totals shown in this act are for informational purposes  
23 only and are not appropriations.  
24 NEW SECTION. Section 4. Appropriations. The following  
25 money is appropriated, subject to the terms and conditions

1 of this act:	Agency and Program	FY	Amount	Fund
2	DEPARTMENT OF STATE LANDS			
3	Forestry	1989	\$11,465,224	General Fund
4	DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES			
5	General Assistance	1989	1,157,280	General Fund
6	Medical Assistance	1989	1,359,105	General Fund
7	MONTANA UNIVERSITY SYSTEM			
8	Board of Regents --			
9	Travel	1988	5,000	General Fund
10	Board of Regents --			
11	Travel	1989	7,000	General Fund
12	Out-of-State Tuition	1989	583,762	General Fund
13	Millage Account	1989	544,325	General Fund
14	STATE AUDITOR			
15	Equipment	1989	19,115	General Fund
16	MONTANA STATE LIBRARY			
17	Grounds Maintenance	1989	7,100	General Fund
18	DEPARTMENT OF REVENUE			
19	Child Enforcement	1989	92,315	Federal Special
20	DEPARTMENT OF AGRICULTURE			
21	Environmental Management	1989	17,060	General Fund
22	DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES			
23	Certification			
24	Requirement	1989	247,951	Federal Special

INTRODUCED BILL  
HB 301

DATE 2-8-89  
HB 301

1      Agency and Program      FY      Amount      Fund      1      NEW SECTION. Section 5. Effective date. [This act] is  
 2      DEPARTMENT OF INSTITUTIONS      2      effective on passage and approval.  
 3      Montana      Developmental      3      -End-

4	Center	1989	200,000	General Fund
5	Montana State Hospital	1989	31,076	Proprietary
6	Montana State Prison	1989	181,616	Proprietary
7	DEPARTMENT OF JUSTICE			
8	County Attorney Payroll	1989	25,000	General Fund
9	Law Enforcement Academy	1989	118,000	General Fund
10	MONTANA SUPREME COURT			
11	Operations	1989	11,025	General Fund
12	DEPARTMENT OF LIVESTOCK			
13	Diagnostic Lab	1989	28,449	General Fund
14	Diagnostic Lab	1989	35,196	State Special
15	ELECTED OFFICIALS			
16	Severance Pay	1989	232,260	General Fund
17	Severance Pay	1989	65,683	State Special
18	Severance Pay	1989	46,496	Federal Special
19				
20	STATEWIDE TOTAL			
21	General Fund	1989	\$15,799,926	
22	State Special Revenue	1989	101,049	
23	Proprietary	1989	212,682	
24	Federal Special Revenue	1989	357,487	
25	Total		\$16,471,144	

Total IC  
Total Supplemental Requests

<u>Agency</u>	<u>General Fund</u>	<u>Proprietary</u>	<u>State Special</u>	<u>Federal</u>	<u>Total</u>
<b>Supplementals Included in Executive Budget</b>					
Total	\$15,799,926	\$ 212,692	\$ 101,049	\$ 357,487	\$16,471,154
<b>Supplementals in Addition to the Executive Budget</b>					
Institutions	x 94,669				94,669
State Lands	\ 1,434,776				1,434,776
Livestock	x 19,868			19,868	39,736
Commerce	\ 20,000				20,000
Institutions	\ 75,000				75,000
Public Instruction	\ 297,120				297,120
Secretary of State	x 49,703				49,703
Family Services	x 414,044			306,830	720,874
Subtotal	\$ 2,405,180	\$ 0	\$ 0	\$ 326,698	\$ 2,731,878
Total	\$18,205,106 =====	\$ 212,692 =====	\$ 101,049 =====	\$ 684,185 =====	\$19,203,032 =====

# DEPARTMENT OF LIVESTOCK

EXHIBIT 2  
DATE 2-8-89  
HB 301



STAN STEPHENS, GOVERNOR

CAPITOL STATION

## STATE OF MONTANA

BRANDS ENFORCEMENT DIV. 406-444-2045  
ANIMAL HEALTH DIV. 406-444-2043  
BOARD OF LIVESTOCK - CENTRALIZED SERVICES 406-444-2023

HELENA, MONTANA 59620

February 7, 1989

TO: Representative Gary Spaeth, Chairman  
Natural Resources Sub-Committee

FROM: John Skufca, Administrator *JS*  
Centralized Services Division  
Department of Livestock

RE: Supplemental Request for Meat/Poultry Inspection  
Program for F.Y. 89.

- 1.) The purpose of this supplemental request is to allow the Meat/Poultry Inspection Program to continue to provide inspection services to those establishments requesting state inspection of meat and poultry products. The last legislature approved a State Meat/Poultry Inspection Program administered by this department. Through H.B. 814 appropriation authority was approved to get the program started and in this second year of the program we find that additional authority is needed.
  - a.) 12 F.T.E. are authorized and currently 9 F.T.E. are being used. It is projected that in the near future the other 3 F.T.E. will need to be hired to provide the services requested by the industry. Initial estimates were calculated using a lesser pay grade than was ultimately assigned through classification for meat inspectors and supervisors, thus we anticipate a shortfall in the current personal services budget of \$13,236.
  - b.) Operational expenses are also anticipated to escalate with a full staff and with new supplies being purchased that are unique to the inspection program. Vehicles are being leased in certain areas where it is more cost effective than paying mileage. The federal government will cost share on the lease of vehicles, but not on the purchase therefore, this is the option we have chosen. There is some additional travel due to training of new inspectors. Additional operational authority requested is \$26,500.
- 2.) It will be necessary to amend the current supplemental legislation as it was not possible to calculate the needs of this program for the remainder of F.Y. 89 earlier.
- 3.) If this supplemental is approved additional establishments will be able to be inspected. Also, the number of inspectors employed is at the point that a field supervisor is needed to assist the programs bureau chief and inspectors in the daily activities of this program.

February 7, 1989  
Representative Gary Spaeth  
Page 2

- 4.) As mentioned earlier this is a new program initiated during the current biennium, to maintain the program and continue to provide inspection services as requests are received and approved will necessitate a commitment to the current and future needs of the program. The ultimate level of funding needed by this program is still a question.
- 5.) The federal government, U.S.D.A. - F.S.I.S. matches state funding thus, creating a 50/50 match of state funds to federal funds.

This program is undergoing a continual review and evaluation by the O.B.P.P. AND L.F.A. due to the nature of it's current and future funding needs. The number of establishments being inspected and those requesting inspection is continually changing, but is available upon request at any time.

Total Supplemental Request      =      \$39,736

General Fund Portion	=	\$19,868
Federal Funding	=	\$19,868



GOVERNOR  
STAN STEPHENS

# STATE OF MONTANA DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR  
AGRICULTURE/LIVESTOCK BLDG.  
CAPITOL STATION  
HELENA, MONTANA 59620-0201

EXHIBIT 3  
DATE 2-8-89  
HB 301

TELEPHONE:  
AREA CODE 406  
444-3144

Everett M. Snortland  
~~XXXXXXXXXX~~  
DIRECTOR

1/6/89 8:00 AM  
TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE  
FOR THE APPROPRIATIONS - FINANCE AND CLAIMS  
JOINT SUBCOMMITTEE  
NATURAL RESOURCES

Chairman Spaeth, members of the committee, for the record I am Ralph Peck representing incoming Director Everett Snortland here today.

Grasshopper population outbreaks occurred in numerous counties in Montana in 1985, 1986 and 1987. Boards of County Commissioners from various counties petitioned the Governor to declare an emergency in each of the three years to make state monies available to farmers within these counties through the state emergency and disaster fund. The Governor, based upon these petitions and verifications of grasshopper infestations, declared an emergency each year. On June 15, 1987, the Environmental Quality Council (EQC) raised a question about the applicability of the Montana Environmental Policy Act (MEPA) to this action and whether any type of environmental review was necessary. The Montana Department of Agriculture (MDA) subsequently requested an Attorney General's opinion on this issue.

The Attorney General's opinion issued on February 5, 1988, held:

1. The participation of the State of Montana in a grasshopper spraying program in which the state pays up to one-third of the costs and provides financial management and technical expertise, is a major state action in which compliance with the terms of the Montana Environmental Policy Act is required.
2. While an emergency situation is a legitimate exception to the requirements of MEPA, the Montana Department of Agriculture should, in the future, comply with MEPA before participating in a grasshopper spraying program, if the need for such program is reasonably foreseeable.

In the text of the Attorney General's opinion he further stated that: "It appears that (a) programmatic EIS may be the desirable way for the Department to meet the requirements of MEPA and be able to respond readily when confronted by an immediate need to deter a grasshopper infestation." As a result of this the Montana Department of Agriculture will prepare a Programmatic Environmental Impact Statement (EIS) on the public policy considerations that trigger the emergency designation by the Governor, which permits use of state funds along with funds from counties and producers to minimize grasshopper damage.



The Department of Agriculture respectfully requests reducing our supplemental by \$ 20,221, amending the total required supplemental to \$ 17,060. We have worked to hold costs to a minimum by cross utilizing staff, working to develop the first draft with the requested supplemental FTE resources and existing staff. Due to staff changes and the reallocation of work assignments we have been able to reduce the required personal services for the programmatic EIS from a projected 1.33 to an actual of 0.52.

The Department of Agriculture asks your support for the supplemental request.

EXHIBIT 4  
 DATE 2-8-89  
 HB 100

BUDGET ITEM	LEGISLATIVE ACTION				PROGRAM: CENTRALIZED SERVICES PROGRAM			
	Fiscal 1990		Fiscal 1991		Fiscal 1991		Fiscal 1991	
	Executive	LFA Curr Lvl	Difference	Executive	LFA Curr Lvl	Difference	Executive	LFA Curr Lvl
FTE	8.00	8.00	0.00	8.00	8.00	0.00	8.00	8.00
Personal Services	\$263,238	\$260,780	\$(2,458)	\$263,761	\$261,298	\$(2,463)	\$263,761	\$261,298
Operating Expenses	156,220	152,582	(3,638)	137,500	133,851	(3,649)	137,500	133,851
Equipment	3,935	5,500	1,565	14,725	16,411	1,686	14,725	16,411
TOTAL EXPENSES	\$423,393	\$418,862	\$(4,531)	\$415,986	\$411,560	\$(4,426)	\$415,986	\$411,560
	=====	=====	=====	=====	=====	=====	=====	=====
General Fund	\$ 81,795	\$ 58,640	\$(23,155)	\$ 79,752	\$ 57,618	\$(22,134)	\$ 79,752	\$ 57,618
State Special Rev	341,598	360,222	18,624	336,234	353,942	17,708	336,234	353,942
TOTAL FUNDING	\$423,393	\$418,862	\$(4,531)	\$415,986	\$411,560	\$(4,426)	\$415,986	\$411,560
	=====	=====	=====	=====	=====	=====	=====	=====
FUNDING								
1. Insurance								
2. Capital Maintenance								
3. Computer Maintenance								
4. Equipment								
5. Program Funding								

	FTE	General Fund	Gross
1. Insurance	0.00	\$ 56	\$ 400
2. Capital Maintenance	0.00	658	4,700
3. Computer Maintenance	0.00	308	2,200
4. Equipment	0.00	(448)	(3,200)
5. Program Funding	0.00	44,715	-0-

LFA funded the program 14 percent general fund and 86 percent federal. Executive funded the program 19 percent general fund and 81 percent federal.

#### Budget Modifications

Table A  
Centralized Services Program

<u>Budget Modification</u>	<u>FTE</u>	<u>FY90 Total Funds</u>	<u>FY91 Total Funds</u>
Accounting Clerk - Centralized Services	1.00	\$16,610	\$16,621

Accounting Clerk - Centralized Services Budget Modification - is to meet federal reporting and accounting requirements for new statewide meat inspection services. One FTE accounting clerk is 100 percent federal funded.

AGENCY: DEPARTMENT OF LIVESTOCK

LEGISLATIVE ACTION

PROGRAM: PREDATORY ANIMAL CONTROL PGH

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference	
	Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	Difference	Difference
FTE	1.00	1.00	1.00	1.00	0.00	0.00
Personal Services	\$ 41,972	\$ 41,972	\$ 42,279	\$ 42,279	\$ 0	\$ 0
Operating Expenses	207,231	157,814	208,756	159,340	(49,416)	(49,416)
TOTAL EXPENSES	\$249,203	\$199,786	\$251,035	\$201,619	\$(49,416)	\$(49,416)
	=====	=====	=====	=====	=====	=====
FUNDING						
State Special Rev	\$249,203	\$199,786	\$251,035	\$201,619	\$(49,416)	\$(49,416)
TOTAL FUNDING	\$249,203	\$199,786	\$251,035	\$201,619	\$(49,416)	\$(49,416)
	=====	=====	=====	=====	=====	=====

	FTE	General Fund	Gross
1. Contract with federal and local agencies for predator control.	0.00	\$ -0-	\$64,000
2. Increased helicopter maintenance.	0.00	-0-	33,100
3. Travel to Mechanics School.	0.00	-0-	1,600

4. Including the additional \$20,000/year from Fish, Wildlife, & Parks

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LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: DISEASE CONTROL PROGRAM

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	11.50	11.50	11.50	11.50	0.00
Personal Services	\$369,097	\$361,565	\$369,378	\$361,839	\$ (7,539)
Operating Expenses	97,722	79,492	98,249	79,995	(18,254)
Equipment	17,766	11,946	25,984	11,946	(14,038)
TOTAL EXPENSES	\$484,585	\$453,003	\$493,611	\$453,780	(\$39,831)
	=====	=====	=====	=====	=====
FUNDING					
State Special Rev	\$484,585	\$453,003	\$493,611	\$453,780	(\$39,831)
	=====	=====	=====	=====	=====
TOTAL FUNDING	\$484,585	\$453,003	\$493,611	\$453,780	(\$39,831)
	=====	=====	=====	=====	=====

Disease Control	General		Gross
	FTE	Fund	
1. Contract Veterinarians	0.00	\$ -0-	\$36,900
2. Equipment	0.00	-0-	19,800

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## DEPARTMENT OF LIVESTOCK

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100**Budget**

The fiscal 1988 expenditures were used as the basis for the 1991 biennium. The only change was that insurance costs were reduced \$5,988 in fiscal 1990 and \$4,938 in fiscal 1991, and aircraft maintenance was reduced by \$27,132 per year. The reduction in aircraft maintenance reflects the three-year average of aircraft maintenance costs. The \$1,500 in operating expense increase from fiscal 1990 to fiscal 1991 reflects inflationary increases.

**Funding**

This program is funded by an assessment on livestock based on taxable value and a \$75,000 grant from the Department of Fish, Wildlife, and Parks.

**RABIES AND RODENT CONTROL**

Budget Item	Actual	Appropriated	- - - Current Level - - -		% Change 1989-91 Biennium
	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991	
F.T.E.	0.00	0.00	0.00	0.00	0.00
Operating Expenses	<u>\$57,223</u>	<u>\$60,113</u>	<u>\$56,909</u>	<u>\$56,928</u>	<u>(2.98)</u>
Total Expenditures	<u>\$57,223</u> =====	<u>\$60,113</u> =====	<u>\$56,909</u> =====	<u>\$56,928</u> =====	<u>(2.98)</u> =====
<b>Fund Sources</b>					
General Fund	\$42,222	\$45,113	\$41,909	\$41,928	(4.01)
State Special	<u>15,001</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>(0.00)</u>
Total Funds	<u>\$57,223</u> =====	<u>\$60,113</u> =====	<u>\$56,909</u> =====	<u>\$56,928</u> =====	<u>(2.98)</u> =====

**Program Description**

This program attempts to prevent exposure of domestic animals and humans to rabid animals.

**Budget**

The fiscal 1988 expenditures were used as the basis for the 1991 biennium base.

**Funding**

This program is funded by general fund and a \$15,000 per year grant from the Department of Fish, Wildlife, and Parks.

AGENCY: DEPARTMENT OF LIVESTOCK

LEGISLATIVE ACTION

PROGRAM: MILK AND EGG PROGRAM

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	6.00	6.00	6.00	6.00	0.00
Personal Services	\$172,392	\$172,392	\$172,811	\$172,811	\$ 0
Operating Expenses	24,030	22,443	25,541	22,659	(2,882)
Equipment	21,991	14,100	11,475	14,100	2,625
TOTAL EXPENSES	\$218,413	\$208,935	\$209,827	\$209,570	\$ (257)
	=====	=====	=====	=====	=====
FUNDING					
General Fund	\$188,413	\$178,935	\$179,827	\$179,570	\$(257)
Federal Revenue	30,000	30,000	30,000	30,000	0
TOTAL FUNDING	\$218,413	\$208,935	\$209,827	\$209,570	\$(257)
	=====	=====	=====	=====	=====

Milk and Egg	General		Gross
	FTE	Fund	
1. Training for new employees	0.00	\$1,000	\$1,000
2. Travel out-of-state	0.00	3,500	3,500
3. Equipment	0.00	5,300	5,300