MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Gary Spaeth, on February 9, 1989, at 8:30 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

Announcements/Discussion: None

List of Proponents and Group they Represent

Les Graham, Department of Livestock
William Quinn, DVM, Department of Livestock
Donald Ferlicka, DVM, Department of Livestock
John Skufca, Department of Livestock
Corky Mortensen, Department of Livestock
Hal Sheets, DVM, Department of Livestock

Department of State Lands

Chairman Spaeth stated that he had been informed by the OBPP that the figures approved at the hearing on February 8 for fire suppression costs were incorrect. The amount approved was $12,900,000 while the actual costs were $260,000 less than that.

MOTION: Senator Jenkins made a motion that the correct figures be inserted into the supplemental appropriations bill.

VOTE: MOTION PASSED. All committee members voted in favor.

Department of Livestock - Diagnostic Lab

Mr. Les Graham stated that this program had been under a great deal of pressure. The workload increased 14% in 1988 and 10% in 1989. The equipment in the lab is getting old and needs to be replaced. A review by the American Association of Veterinary Laboratory Diagnosticians did grant

accreditation to the laboratory but did point out a number of things that the Department is concerned with.

Executive Action:

LFA Analysis - Exhibit 1.

Issue No. 1. Reimbursement to MSU for chemical tests. Mr. Graham said the cost for these tests has increased. This expense would come from state special revenue.

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

VOTE: MOTION PASSED. All members voted yes.

Issue No. 2. MSU increase in utilities. Mr. Graham stated that they do not have any control over this item and costs have gone up.

MOTION: Senator Jenkins 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 was not an expense in 1988. Since that time the laboratory has purchased some desk top PCs and this amount of money is need for maintenance contracts.

MOTION: Representative Iverson made a motion that the executive recommendation be accepted.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 4. Equipment. The executive budget grants $41,900 more for equipment than the three-year average contained in the LFA budget. Dr. William J. Quinn, Administrator of the Diagnostic Lab, described the equipment being requested and explained its use. The equipment the lab now has is over twenty years old and maintenance costs are becoming very high.

MOTION: Representative Swift made a motion that the executive budget be accepted with the language to be written in that the expenses are not to be built into the base.

VOTE: MOTION PASSED. All members present voted yes.

Budget Modification. The budget modification asked for one FTE and $40,568 for the biennium. This would add .50 FTE in clinical pathology and .50 FTE in serology and a microplate reader and washer. This modification would provide for more rapid and cost-effective disease testing procedures on sheep, swine and cattle. Funding is 100% state special revenue.

Mr. Graham stated that this matter had been discussed in depth by the Livestock Board. They felt that there would not be enough revenue available to fund the FTE so the Department asked that a portion of the modification be eliminated. However, they did request that the money in the modification for communications ($5,180), supplies ($4,700) and repair and maintenance ($5,000) for a total of $14,880 per year be left in the modification.

NOTION: Senator Jenkins made a motion that the modification be approved at $14,880 per year.

VOTE: MOTION PASSED. Chairman Spaeth voted no. All others present voted yes.

Meat and Poultry Inspection Program

The Montana Meat and Inspection Act of 1987 provides the authority for this program. By providing a state program under federal standards, it was hoped that more Montana-raised products would make their way into Montana-based processing plants. The legislature located this program in the Department of Livestock and appropriated start-up funds. Expenses in Fiscal 1988 were $20,592. The program was certified by the federal government in June of 1989 and is currently employing 9 FTE. Mr. Graham stated that their instructions from the legislature had been to start the program, report to the Interim Finance Committee and then prepare a budget for presentation to this session of the legislature. A copy of the proposed budget is attached as Exhibit 2. The program would cost $553,399 per year with the funds being 50% general and 50% federal Department of Agriculture funds.

LFA Analysis is attached as Exhibit 3.

Discussion followed. Chairman Spaeth asked if it would be possible to run the program effectively with a reduced budget. Mr. Graham stated that over the long term it would be to an advantage to fund the entire program as requested. He also stated that the state is not legally bound to provide this program but he felt they were morally bound to continue with it. A suggestion was made that perhaps some sort of alternate funding method other than use of general funds could be found.

Chairman Spaeth asked Mr. Schweitzer, Ms. Hamman, and Senator Jenkins to meet with the Department to look into the matter and report back to the committee.

ADJOURNMENT

Adjournment At: 10:15 a.m.

REP. GARY SPAETH, Chairman

GS/dg

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DAILY ROLL CALL

NATURAL RESOURCES SUBCOMMITTEE

DATE Dec. 9, 1989

NAME	PRESENT	ABSENT	EXCUSED
Representative Spaeth	✓		
Senator Devlin	✓		
Representative Kimberley	✓		
Representative Iverson	✓		
Representative Swift	✓		
Senator Jenkins	✓		
Senator Jergeson	✓		

Form CS-30A
Rev. 1985

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK — PROGRAM: DIAGNOSTIC LABORATORY PROGRAM

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	18.00	18.00	0.00	18.00	18.00	0.00
Personal Services	$514,278	$514,278	$ 0	$515,676	$515,676	$ 0
Operating Expenses	195,141	190,671	(4,470)	198,966	192,354	(6,612)
Equipment	24,359	4,036	(20,323)	25,625	4,036	(21,589)
TOTAL EXPENSES	$733,778	$708,985	$(24,793)	$740,267	$712,066	$(28,201)
FUNDING						
General Fund	$305,388	$304,864	$ (524)	$305,388	$306,188	$ 800
State Special Rev	428,390	404,121	(24,269)	434,879	405,878	(29,001)
TOTAL FUNDING	$733,778	$708,985	$(24,793)	$740,267	$712,066	($ 8,201)

EXHIBIT 1
DATE 2-9-89
HB 100

	FTE	General Fund	Gross
1. Reimbursement to MSU for chemical test	0.00	$ -0-	$4,600
2. MSU increase in utilities	0.00	-0-	4,700
3. Computer maintenance	0.00	-0-	2,200
4. Equipment	0.00	-0-	41,900

EXHIBIT 2
DATE 2-9-89
HB 100

DEPARTMENT OF LIVESTOCK
MEAT INSPECTION PROGRAM
PROJECTED BUDGET F.Y. 90 & 91

Personal Services:			
1 grade 16 x 39,617	39,617		
1 grade 19 x 40,537	40,537		
1 grade 14 x 28,112	28,112		
1 grade 14 x 25,621	25,621		
1 grade 11 x 21,430	21,430		
5 grade 11 x 20,754	103,770		
4 grade 11 x 19,642	78,568		
1 grade 10 x 19,826	19,826		
2 grade 13 x 23,459	46,918		
	404,399		
Total F.T.E. 17			
Overtime	10,000		
Total Personal Services	414,399	414,399	
Operations:			
Contracted Services	35,000		
Supplies	24,000		
Communications	5,000		
Travel	40,000		
Rent	23,000		
Repair & Maintenance	5,000		
Other	4,000		
Total Operations	136,000	136,000	
Equipment	3,000	3,000	
Total Program		553,399	
	553,399 x .5 =	276,700	Gen. Fund
		276,699	Fed. Funding

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: MEAT AND POULTRY INSP PROGRAM

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	10.00	9.00	-1.00	10.00	9.00	-1.00
Personal Services	$239,428	$218,405	$(21,023)	$239,706	$218,398	$(21,308)
Operating Expenses	37,868	37,868	0	38,044	38,019	(25)
Equipment	1,504	1,504	0	1,450	1,450	0
TOTAL EXPENSES	$278,800	$257,777	$(21,023)	$279,200	$257,867	$(21,333)
FUNDING						
General Fund	$139,400	$128,888	$(10,512)	$139,600	$128,933	($10,667)
Federal Revenue	139,400	128,889	(10,511)	139,600	128,934	(10,666)
TOTAL FUNDING	$278,800	$257,777	$(21,023)	$279,200	$257,867	($21,333)

	FTE	General Fund	Gross
1. Meat Inspection Position.	1.00	$21,200	$42,400

ISSUES

Please refer to Issue 1, pages C-73 through C-77 of the Budget Analysis.

CSS:pe:doll

EXHIBIT 3
DATE 2-9-89
HB 100

male Copy for committee SB

A Bar S Processing
Box 603
Scobey, MT 59263

Jan. 26, 1989

Dear Representative Gary Stateh:

I am writing in regard to the Montana State Meat Inspection Program. This program has been an asset to our community and to our business. We are now able to make use of the local livestock producers by buying animals, processing them and selling these products locally.

This program helps both the stockmen and us. Without the State Inspection we would have to travel 60 miles in order to pick up inspected meat. After traveling the 120 mile round trip we still would not be able to retail our products.

The State Inspection Program helps Montanan's eat Montana raised meat. Before the program came into effect most of the meat products in this area were bought through IBP or North Dakota. Now we supply the local grocery store with fresh pork and beef which has been raised locally. This has made the local people become more aware of where their meat actually comes from.

The State Meat Inspection has created new jobs in Montana by making use of qualified Veterinarians and lay people. Our local vet has been sent to different plants in the state to be trained for his new job. Now rather than having an inspector travel 100 miles or more he is right in the area and saves the program the travel expense, then the State can send other inspectors up only when needed.

If any problems do arise, they can be taken care of easily without all the red tape that is so common with dealing with the Federal Inspectors.

Sincerely,
Robert Sain
Eileen Sain

Robert & Eileen Sain