

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on January 12, 1993, at 7:30 A.M.

ROLL CALL

Members Present:

Rep. Roger DeBruycker, Chairman (R)
Sen. Cecil Weeding, Vice Chairman(D)
Sen. Gerry Devlin (R)
Sen. Greg Jergeson (D)
Rep. John Johnson (D)
Rep. William Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Roger Lloyd, Legislative Fiscal Analyst
Florine Smith, Office of Budget & Program
Planning
Theda Rossberg, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

**HEARINGS: PUBLIC SERVICE REGULATIONS
DEPARTMENT OF LIVESTOCK
Milk & Egg Program
Disease Control Program
Diagnostic Laboratory Program
Meat Inspection Program**

**EXECUTIVE ACTION: PUBLIC SERVICE REGULATIONS
DEPARTMENT OF LIVESTOCK
Milk & Egg Program
Disease Control Program
Diagnostic Laboratory Program
Meat Inspection Program**

Announcement:

CHAIRMAN DEBRUYCKER announced he had a notice from **REP. ZOOK**, Chairman of the Appropriations Committee that miscellaneous "Cats

and Dogs" appropriation bills will have formal hearings in the subcommittees. The subcommittee secretary is responsible for posting hearing notices. A tie vote tables the bill. A majority vote in the House Appropriations Committee will be necessary to get the tabled bill out of subcommittee. The Chairman will present the subcommittee recommendations on each bill to the full House Appropriations Committee.

The House Appropriations Committee can ask questions of the sponsor and proponents, but there will not be a hearing on the bill in the full House Appropriations Committee. The House Appropriations Committee can transfer the bill back to the subcommittee if there are questions that need to be resolved.

Agency supplemental requests will be considered in subcommittee with recommendations made to the full House Appropriations Committee. REP. ZOOK has sent a letter to all agencies requesting a supplemental asking for alternatives and other information. Agencies are requested to provide this information in writing to the Chairman two days prior to the hearing for a supplemental. LFA staff are available to analyze the agency's purposes.

Roger Lloyd, Legislative Fiscal Analyst, reviewed some language issues the committee requested on the Public Service Commission.
EXHIBIT 1

He said there was a one-time \$5,000 appropriation for master meter inspections. If the PSC needed funds two years from now, they would have to request an additional amount to complete that program. He said he had drafted language for any one-time items the committee may wish to add to any department.

HEARING ON
PUBLIC SERVICE REGULATION, Continued

Executive Budget Modifications: **EXHIBIT 2**
Consultant funds:

Mr. Lloyd said there is a \$50,000 request for least-cost planning and a \$50,000 request for consultants.

SEN. DEVLIN asked whether an FTE was included in the request. Mr. Lloyd replied there wasn't.

EXECUTIVE ACTION
PUBLIC SERVICE REGULATION

Executive Budget Modifications:
Consultant Funds:

Motion/Vote: SEN. JERGESON moved to approve the executive budget

of \$100,000 with language that says, "\$50,000 is a biennial appropriation to be used only for expenditures relating to the review of Least Cost Plans. Motion CARRIED 4-2 with SEN. DEVLIN and REP. DEBRUYCKER voting no.

Local Area Network:

SEN. DEVLIN asked if an interim committee was reviewing the process for purchasing state computers. SEN. JERGESON said he was on that interim committee. He stated the concern was with agencies buying computers without any long range planning on upgrading and change for future years. This appropriation is in line with some of the decisions of that committee. This computer system fits into the computer system for the state. The Department of Administration will be better served with the upgrade of that system.

SEN. DEVLIN asked Mr. Anderson if a bid had been received for this computer. Mr. Anderson replied it was only an estimate.

Mr. Lloyd said of the \$200,000, about \$97,000 will convert the data to the present system; \$63,000 to purchase 28 individual PC'S and \$22,000 to buy software, modems, and maintenance contracts and about \$17,000 for three new laser printers.

REP. WISEMAN stated there are several types of maintenance contracts, and asked if the PSC had considered having a state employee do all of the maintenance. SEN. JERGESON explained the Department of Administration has the responsibility for the computer systems. The maintenance experts review whether to go to a private firm or go in-house.

SEN. WEEDING recounted that the committee had made a decision that the Department of Administration would adopt a network plan. Mr. Lloyd responded that he thought SEN. WEEDING was referring to the data network fees which are \$40 per month, per computer, that the agencies have to pay to ISD, which is a fixed cost in every agency's budget. The full House Appropriations Committee approved that fixed cost.

SEN. WEEDING asked how soon the equipment would become obsolete and it would be necessary to look at other models. Mr. Anderson replied the computer currently being used was purchased in 1983. He stated he was unable to project when the department would have to consider an upgrade.

REP. WISEMAN asked what the PSC could do with \$100,000 or \$50,000. Mr. Chasse explained the program has two parts: 1. replacing the software and hardware; and 2. current equipment does not communicate with the new technology. If only one half of the amount is approved, the choice would need to be made whether to purchase the software or the computer and new software which wouldn't be compatible with the old system.

SEN. DEVLIN inquired if that would include new printers. Mr. Anderson explained the laser printers would only work with the new technology.

SEN. WEEDING asked if the old printers would work with the new computers. Mr. Anderson said yes.

Motion/Vote: SEN. JERGESON moved to approve the executive budget of a \$200,000 biennial appropriation for Local Area Network. Motion CARRIED unanimously.

Data Network Services:

SEN. JERGESON inquired if the Data Network Service would be necessary since the committee had just approved the \$200,000 for LAN. Mr. Anderson explained the network fees are charged regardless of what type of system they have.

Ms. Smith said this is new equipment they purchased in FY 92 and FY 93 and they will have to pay ISD \$40 per month for the six new PSC's which is a fixed cost.

Motion/Vote: SEN. DEVLIN moved to approve the executive budget of \$2,880 for each year of the biennium for Data Network Services. Motion CARRIED unanimously.

Elected Officials Budget Modifications:

Restore 5% Reductions:

Motion/Vote: SEN. DEVLIN moved to allow position 36, Utility Rate Analyst for \$39,337 in FY 94 and \$39,378 in FY 95, since that position has been hired. Motion CARRIED unanimously.

Motion/Vote: SEN. WEEDING moved to reinstate position 26, Utility Rate Analyst for \$36,304 in FY 94 and \$36,350 in FY 95. Motion FAILED 3-3.

Travel:

REP. WISEMAN asked what was currently budgeted for travel expenses. Mr. Lloyd said approximately \$74,000 is budgeted each year in the LFA level for travel. He noted approximately \$71,000 was spend in FY 92.

Tape 1, B.

Madeline Cottrill said there was a \$25,000 biennial appropriation in FY 91 which was not spent; therefore, it was transferred into FY 93. The budget was \$74,000 plus the additional \$25,000.

Mr. Lloyd said it was a biennial appropriation so it could be spent in FY 93 as well.

SEN. DEVLIN inquired as to the amount that was currently in the budget for travel. Ms. Cottrill replied that as of December there was approximately \$39,000, which would include the \$25,000.

She stated there would be a limited amount to travel the state and train new commissioners.

Motion: REP. JOHNSON moved to approve the executive budget of \$25,000 biennial appropriation for travel.

Discussion:

SEN. WEEDING asked where the training sessions are held. Mr. Anderson replied they are held at Michigan State University in August.

SEN. DEVLIN inquired if the PSC purchases airline tickets in advance to receive reduced rates. Ms. Cottrill responded that tickets are purchased at least 14 days in advance.

Vote: Motion FAILED 3-3.

Travel:

Motion/Vote: SEN. DEVLIN moved to approve a \$15,000 biennial appropriation for travel. Motion CARRIED 4-1 with CHAIRMAN DEBRUYCKER voting no.

Pay Increase For Exempt Staff:

Mr. Lloyd explained that \$15,000 was a modification which was approved last session for pay increases for exempt staff. This time the request is for \$30,000 each year of the biennium.

SEN. WEEDING inquired if, since there weren't any pay increases given, the \$15,000 modification would go back into the base. Ms. Cottrill stated that \$15,000 is not in the base.

Motion: SEN. WEEDING moved to approve \$15,000 each year for pay increases for exempt staff.

Discussion:

SEN. DEVLIN stated he would have to vote against the motion since he didn't believe the state employees would get a pay increase.

Vote: Motion CARRIED 4-2 with SEN. DEVLIN and CHAIRMAN DEBRUYCKER voting no.

Public Information Program:

Motion/Vote: REP. JOHNSON moved to approve the executive budget of \$49,813 in FY 94 and \$40,480 in FY 95. Motion FAILED 3-3.

Toll Free Number:

Motion/Vote: SEN. JERGESON moved to approve the executive budget of \$15,689 in FY 94 and \$26,297 in FY 95 for the toll free number. Motion FAILED 3-3.

Mr. Lloyd said the subcommittee may wish to consider language on the master meter operators making that a one-time appropriation.

Master Meter Language:

Motion/Vote: REP. WISEMAN moved to approve the following language for the Master Meter Program: "Item (Public Service Regulation Program) contains \$5,000 in FY 94 and \$5,000 in FY 95 for inspections of natural gas master meter operators. In preparing the 1997 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's Office may not include the expenditures from this item in the current level base." Motion CARRIED unanimously.

Public Service Regulation Department:

Motion/Vote: SEN. WEEDING moved to close the hearings on the Public Service Regulation Department. Motion CARRIED unanimously.

HEARING**DEPARTMENT OF LIVESTOCK****Milk & Egg Program:**

Mr. Lloyd said some of the issues to be heard will run into different programs.

Predator Control:

Fish, Wildlife and Parks funds approximately one-half of this program; there is a budget request for \$110,000 from the Predator Control in the Department of Livestock. There is a discrepancy as to who pays for the services; one-half is paid by Fish, Wildlife and Parks; and one-half is paid by per capita of all owners of livestock. However, only sheep and cattle receive the benefit of predator control.

Rabies Control Program:

This program is funded entirely by Fish, Wildlife & Parks in the amount \$15,000 for administrative purposes. There are four options to be considered: 1) eliminate the program; 2) fund the program with Department of Livestock's state special revenue, 3) transfer the program to the Department of FWP; or 4) continue the present program and funding.

State Special Revenue Funding Switch:

The last two special sessions instigated some funding switches, changing State Special Revenue with General Fund to reduce the General Fund in two programs: 1) Centralized Services; and 2) the Diagnostic Laboratory. The LFA carried forward the funding switches and the executive budget does not.

The Legislative Council responded to a request from the Legislative Fiscal Analyst's Office on use of State Special Revenue to offset other areas in the Department of Livestock's budget such as: 1) Rabies Testing; 2) Milk Testing Fees; 3) Levy funds for Meat and Poultry Inspection; and 4) Meat and Poultry Inspection Fees. Pages C-63 and C-64.

Mr. Lloyd reviewed the budget difference between the LFA and the executive budget. EXHIBIT 3

Ms. Smith said the executive budget accepted the agency's proposal to eliminate 4.0 FTE plus operating expenses for the 5% reduction. The Stephen's Budget recommends the modification to restore the FTE and under the Racicot amendment eliminates any position supported with general fund or a portion of general fund with the understanding that they would be reconsidered if the agency obtain alternative funding. There is \$25,000 of federal funds and with no match there is no point in leaving the \$25,000 in the budget.

Cork Mortensen, Executive Secretary, Board of Livestock, said there is a change in funding proposed for the Milk & Egg Inspection Program to change from general fund to state special revenue. If this proposal is approved, the 4.75 FTE would be put back into the program, .25 FTE in Predator Control Program and .50 FTE in the Meat Inspection Program.

REP. WISEMAN asked if the .25 FTE in Disease Control was eliminated, would the Board of Livestock be able to pick this up somewhere else. John Skufca, Administrator of Centralized Services for the Department of Livestock, replied he moved .25 FTE into the Disease Control Program and .5 FTE into the Meat Inspection Program.

SEN. JERGESON inquired how the public could be assured that milk and eggs were safe to purchase if the legislature eliminated Milk and Egg Inspections.

Dr. George Sheets, Administrator, Milk and Egg Program, Board of Livestock, stated eliminating the inspections would destroy the industry in the state since these products demand strict regulations.

Tape 2, A.

Mr. Mortensen said the proposed legislation would assess the product itself for the funding.

SEN. DEVLIN asked if that legislation was supported by the Department of Livestock. Mr. Mortensen replied it was supported by the Department of Livestock, the dairy industry and the processors. He explained the proposed legislation had been discussed for some time.

SEN. JERGESON reiterated that the dairy producers and the processors would be assessed a fee to pay for this program. He inquired if this would come under the Milk Control Board and if it would be the base for calculating the price of milk. Mr. Mortensen declared the Milk Control Board would become involved, and any fee that would be imposed would impact the price of milk. He said he wasn't certain how it would be calculated, but the fees that were collected would go to the Milk Control Board and the Department of Livestock.

SEN. DEVLIN asked about the milk and eggs which were shipped in from out-of-state. **Dr. Sheets** said eggs are not part of the problem; it is federally funded for about \$24,000 to \$25,000. The out-of-state milk is a finished product and he doesn't believe there are any provisions to collect a user fee on it.

SEN. WEEDING asked if milk coming into the state from North Dakota was federally inspected. **Dr. Sheets** said all states are members of the National Inter-state Milk Shippers. It is a combination of FDA public health service people and industry and state regulatory authorities who meet every two years. All states participate in a cooperative agreement. They make changes in the ordinances and the main document. North Dakota complies with those regulations and inspections.

SEN. DEVLIN asked whether or not the egg producers would also be assessed a fee. **Dr. Sheets** said the egg inspection which is federally funded will continue.

REP. WISEMAN asked whether or not a half gallon of milk coming into the state from North Dakota would be assessed this additional fee. **Dr. Sheets** said he didn't know if the producer would pay the additional fee or if the stores would.

Mr. Mortensen stated the department met with the dairy industry on the 22nd of December and reviewed this proposal. **Mr. Skufca** said the proposal would be funding for three different programs. The initial proposal is to fund the general fund portion of the Milk and Egg Program at the level the LFA shows in the handout. There would be about \$187,000 of general fund money in the Milk and Egg Program and in addition the fee would cover \$85,000 general fund for the Laboratory for the testing of milk products that go to the Diagnostic Laboratory in Bozeman. There would be about an additional \$27,000 to \$28,000 in funding from general fund to state special revenue in Centralized Services. Centralized Services receive a general fund appropriation based on a percentage of funding to other agencies within the department.

Mr. Lloyd explained that the programs which would be affected by this funding switch are: 1) Diagnostic Laboratory - the LFA continues the funding switch from the last special session modification. That funding switch was more than the \$85,000. Therefore, there is more general fund savings than what was proposed; and 2) Centralized Services - The LFA is funded at the same level as the last special session which was zero.

In the past the LFA and the executive budget used a percentage of general funding to fund Centralized Services. The budget in the next biennium is at zero.

SEN. WEEDING asked whether the committee should delay action on this until legislation is acted upon. **Mr. Lloyd** responded they could make a choice whether or not to fund the program. If the

committee decides to fund the program the decision will need to be made whether to fund it with general fund or State Special Revenue. If the decision is to fund it with general fund then language would be needed saying "if the proposed legislation passes, general fund would be replaced with State Special Revenue".

REP. WISEMAN questioned whether the committee could just reconsider if the legislation didn't pass. Mr. Lloyd answered yes, but by the time they know the legislation is not passed it is late in the process. Another option would be to put in an appropriation amount in the proposed legislation if this committee doesn't fund the program in the general appropriations act.

SEN. DEVLIN stated this is for public health and the department has producers paying for public health. He said good milk and eggs are demanded by the public and he believes the public should pay a portion of it.

Mr. Lloyd said perhaps the committee could "accept the LFA level with the exception of the 5% vacancies". They still have the operating budget but the 4.0 FTE have been eliminated. If they want to reinstate this program there would need to be a motion to reinstate those positions.

SEN. WEEDING said it is the intent of the Department to eliminate those 4.0 FTE to cover the 5% reduction. He asked whether or not these were the milk and egg inspectors. Mr. Skufca replied yes.

SEN. WEEDING asked if they would have the flexibility to eliminate other FTE and retain the 4.0 Sanitarians. Mr. Skufca said they could not come up with the 4.0 FTE by choosing them from different programs and still provide the level of services which need to be provided.

SEN. WEEDING asked Dr. Sheets if he had a preference if it was necessary to remove one or more of the FTE. Dr. Sheets said this is a big state and the program cannot run with less than four milk and egg inspectors; four is the absolute minimum that are needed.

EXECUTIVE ACTION
DEPARTMENT OF LIVESTOCK

Milk and Egg Program:

Personal Services:

Item C.

Motion/Vote: SEN. WEEDING moved to restore the 4.0 FTE and instruct Mr. Lloyd to provide language for the funding switch pending legislation to provide special revenue. Motion CARRIED unanimously.

Mr. Lloyd said by restoring the 4.0 FTE the total FTE will be

4.75 because the executive moved the .75 FTE into other divisions and they will show up in those divisions.

Mr. Mortensen said they didn't need the .75 FTE in this program.

Disease Control Program:

Mr. Mortensen gave testimony on this program.

Tape 2, B.

He said the program provides diagnosis and control of animal diseases. The Department of Livestock works with the Department of Health and Environmental Sciences to protect human health from diseases of animals. The Department supervises sanitary standards at markets, processing facilities and rendering plants.

SEN. JERGESON asked what the game farm indemnity payments were.

Mr. Mortensen replied the department pays \$50 and FWP pays \$50 for every animal that has tuberculosis.

Don Ferlicka, Administrator, Animal Health Division, said the law provides that certain diseased animals which are destroyed by order of the Board of Livestock, must be indemnified at the rate of \$50 to \$100 depending upon if they are registered or grade animals. The FWP has offered to match the \$50. Only certain diseases are involved with the destruct orders; some diseases are curable and some recover spontaneously.

SEN. JERGESON asked if there were diseases in domestic livestock that could be ordered destroyed. Mr. Ferlicka said yes, there is brucellosis and tuberculosis in domestic livestock. With the domestic animals there is a large amount of federal indemnity available. For example: if a domestic cow is destroyed because of tuberculosis there is an additional \$750 federal indemnity available to that owner in addition to the \$50 from the Department of Livestock.

CHAIRMAN DEBRUYCKER asked what an Unjustified Expenditure was. Mr. Skufca responded that when Mr. Lloyd did his analysis for the budget he requested information for consultant and contracted services, and dues and training costs were not justified to be part of the base. So, they were lumped together into one amount. The Department requested the committee adopt the executive budget.

SEN. JERGESON said in the Public Services Regulations Department these costs were listed as Minor Differences. There is a Minor Differences category listed here as well. He asked what the difference was from Unjustified Expenditures. Mr. Lloyd said the Unjustified Expenditures are items that are zero based. There wasn't anything carried forward and the Department didn't get the information to him as to what those expenditures were.

Mr. Skufca said the reason for the difference is in the method used by the LFA and the budget office to prepare the budgets. He didn't have time to get that information to Mr. Lloyd.

Mr. Lloyd said with the motion made by SEN. WEEDING in the Milk and Egg Program to restore 4.0 FTE, made a total of 4.75 FTE in that program. He said in the Disease Control Program the LFA does not have the .25 FTE in that program, it is still in the Milk and Egg Program.

Motion/Vote: SEN. WEEDING moved to reconsider the executive budget for the .75 FTE in the Milk and Egg Program. Motion CARRIED unanimously.

Motion/Vote: SEN. WEEDING moved to approve the executive budget level in Item A, for .25 FTE and Item B, for .50 FTE in the Milk and Egg Program. Motion CARRIED unanimously. EXHIBIT 3

Ms. Smith said if the .25 FTE would have remained in the Milk and Egg Program it would have been 100% general fund. However, by transferring that .25 FTE into this program, it now becomes state special revenue.

EXHIBIT 4

Motion/Vote: SEN. JERGESON moved to accept the executive budget level for Items A, \$12,028 for FY 94 and \$12,135 FY 95 and Item B, \$268 for FY 94 and \$265 for FY 95 in Personal Services. Motion CARRIED unanimously.

SEN. JERGESON asked if the committee appropriated \$35,000 in Contracted Veterinarian Services and only \$225 was used, why are they are asking for \$45,000? Mr. Skufca said the \$45,000 is for salary and benefits for one veterinarian at a Grade 19. In 1988 or 1989 the Department reduced its veterinarian staff by one veterinarian, so the Legislature allowed the Department to have contracting authority throughout the state on an as needed basis.

SEN. DEVLIN asked why the Department was requesting \$45,000 this time and the amount was \$35,000 last time. Mr. Skufca said he supposed it was because that was for an FTE and this is for contracted services. He added the department would be willing to accept the \$35,000.

Motion/Vote: SEN. DEVLIN moved to approve the executive budget for \$35,000 for FY 94 and FY 95 for Contracted Veterinarian Services. Motion CARRIED unanimously.

Motion: SEN. JERGESON moved to approve the executive budget for \$6,000 for FY 94 and FY 95 for Data Network Fees.

Discussion:

Mr. Skufca said these are data network fees charged by the Department of Administration to develop a link between the Diagnostic Laboratory in Bozeman and Helena.

Mr. Lloyd said the request for the actual purchase of the hardware is in another program, and the fees are split between the two programs.

Vote: Motion CARRIED unanimously.

One-Time Costs:

Mr. Skufca said the department didn't know if it would be involved with the bison that come out of the park, but if it was there would need to be spending authority to get rid of the entrails.

SEN. DEVLIN asked if the department had a match from FWP. Mr. Skufca said he believed that FWP provided the loader.

Motion/Vote: SEN. WEEDING moved to approve the executive budget for \$1,829 per year for One-Time Costs. Motion CARRIED 5-1 with CHAIRMAN DEBRUYCKER voting no.

Printing:

Mr. Skufca said the LFA made an adjustment on the printing based on a two-year average. He said Mr. Lloyd adjusted the base due to some materials the department purchased in 1992. These were for health certificate forms for large and small animals, newsletters to the Deputy State Veterinarians, etc. There was also a one-time cost for some hide tags. He said the department would be willing to accept the LFA on the printing.

SEN. DEVLIN asked what the current cost was for printing. Mr. Lloyd replied that \$1,600 was the average for FY 90 and FY 91.

SEN. WEEDING asked why the budget was \$7,960 if only \$1,600 was spent. Ms. Smith said the department used the FY 92 base.

Mr. Lloyd said that in FY 92 the expenditures were exceedingly high; was five times the level over FY 90 and FY 91. He used the lower historical amount for printing. Every three years the department must update the forms, so the next two years would be the lower numbers.

Mr. Skufca noted the department spent \$1,600 plus \$7,960 for printing in FY 92.

Unjustified Expenditures:

Mr. Skufca said the department would need between \$700 and \$1,000 for dues and training.

Motion/Vote: SEN. JERGESON moved to approve \$750 per year for dues and training. Motion CARRIED unanimously.

Repair & Maintenance:

Mr. Skufca said the first year the computer is usually under warranty, the \$2,652 for Repairs and Maintenance would be needed for the second year.

Motion/Vote: SEN. DEVLIN moved to approve the executive budget for \$2,652 each year for the repair and maintenance of computers. Motion CARRIED unanimously.

Indemnity Payments:

Motion/Vote: SEN. JERGESON moved to approve the executive budget of \$4,500 each year for Indemnity Payments. Motion CARRIED unanimously.

Budget Modifications:**Bison & Game Farm Inspections:**

SEN. JERGESON asked how much of the \$46,500 is allocated to each of the programs. Mr. Ferlicka said about \$10,000 was for inspection and regulation of game farm animals and \$37,000 for control of bison diseases.

SEN. WEEDING asked if that was an ongoing expense until the law is changed. Mr. Ferlicka said the legislature mandated that the state, the Park Service, and other federal agencies enter into a long-term management plan which will be achieved through the EIS process in FY 94 and FY 95. Until the long-range plan is approved the department is forced to pursue interim plans. The \$37,000 was the department's contribution to the interim plans. There is a plan in force this year and through FY 94 and FY 95 winter for the bison.

Motion/Vote: SEN. DEVLIN moved to approve the executive budget modification of \$46,500 each year for Bison and Game Farm Inspections. Motion CARRIED unanimously.

HEARING**DIAGNOSTIC LABORATORY PROGRAM**

CHAIRMAN DEBRUYCKER said the committee would only consider the Marsh Laboratory Retrofit today. Mr. Lloyd stated the committee would finish the program tomorrow. EXHIBIT 5

Bill Rose, Director of Facilities at Montana State University (MSU), reviewed the Diagnostic Laboratory Program with the subcommittee. He said MSU has been involved in energy retrofit projects for the last 11 years. The Marsh Laboratory is occupied by three entities: Livestock, Agricultural Experiment Station and the Veterinarian Science Program. MSU uses part of the facility for instructional purposes and some of its offices. MSU hires an outside consultant to provide technical assistance for which a grant proposal is submitted. Grants are also received from the Montana Power Company.

In 1986 there were a variety of energy conservation measures that were proposed by the Energy Conservation Consultant from Billings. The estimate at that time was \$155,000. Through the consultant they found that the estimate on the detailed design would be low. The TA'S were updated in 1988 and again in 1989, because of the design changes.

He said Marsh Laboratory is a wreck, the heating, air conditioning and ventilation are in very poor condition. MSU, it is anticipated with the grants, can get some of this maintenance

accomplished. In 1990 an engineer was engaged to look at all of the technical assistance reports, work with staff and come up with a firm estimate as to how to address the problem. The actual detailed estimated cost they came up with was \$264,344. When the project was bid in July of 1991, the actual cost would be about \$300,000. When the project was finished \$330,000 had been spent.

He reviewed the costs with subcommittee. **EXHIBIT 6** He said they used MSU maintenance dollars that year because they wanted to invest in an energy savings project which would save money for the institution, including the livestock board; and improve the operating conditions of the facility for its research purposes. All they anticipate now, is to be reimbursed for those costs so they can do the maintenance projects that were deferred.

The \$17,769 figure is not quite accurate. There were some changes in apportionment and \$16,375 was a more accurate figure. If the Livestock Board is unable to pay the current fiscal year, they are willing to shift that to fiscal year 1998. Therefore, they are requesting \$16,375 per year for five years beginning as soon as possible.

Dr. Larry Stackhouse, Veterinarian Assistant at the Diagnostic Laboratory, said the building was in dire need of some renovation of the heating and ventilation systems. The instruments had to be covered every evening to keep the dust off.

Mr. Skufca said they were presented a bill last summer for \$81,876. They requested a payment in 1993, but the department had not budgeted for that amount and didn't have authority to cover it, so he included it in the request for the next biennium. Due to lack of communication, the department was unaware that the retrofit would cost anything.

SEN. WEEDING asked if that was general fund or State Special Revenue. **Mr. Skufca** said it would be covered by both types of funds. The department spent all of the state special revenue first. Historically, it has been 51% special revenue and 41% general fund.

Ms. Smith asked **Mr. Rose** if he had done any projections on energy savings. **Mr. Rose** replied that the energy savings was about \$8,212, based on an average year's consumption of electricity and natural gas.

Mr. Lloyd said the documents he received from DNRC had projected savings of nearly \$30,000 per year. He apportioned that according to department space and reduced the utilities to reflect the savings. The executive budget carries across the FY 92 actual expenditures which were high because most of the year the energy savings project was not in place.

Mr. Rose said those numbers are based on an average year

projection. He said the testimony the Montana Power Company provided to the Public Service Commission not long ago stated, "the period from January through May of 1992 was the warmest on record in 40 years." They used an average and the LFA used actual expenditures.

Mr. Lloyd said the three-year average would be \$24,000 and the FY 92 actual expenditures were about \$22,500.

HEARING
MEAT INSPECTION PROGRAM

Mr. Mortensen said in the next biennium the department is budgeted for two additional vehicles. They have been using used vehicles turned in from other agencies within the department.

He said they were using very old furniture with the exception of one new desk. The program is funded by 50% general fund and 50% federal funds.

SEN. DEVLIN asked what the Meat Inspection Modification was. Ms. Smith replied the modification is the continuation of the supplemental for the addition of the 2.0 FTE.

Mr. Skufca said Mr. Lloyd backed that calculation out of their current level base for FY 92 because those expenditures were the result of the supplemental being approved, and those amounts are carried forward in the FY 92 base.

EXECUTIVE ACTION
MEAT INSPECTION PROGRAM

Budget EXHIBIT 7

Personal Services:

Motion/Vote: SEN. DEVLIN moved to approve the executive budget of \$12,871 FY 94 and \$12,914 in Personal Services for .50 FTE. Motion CARRIED unanimously.

Laboratory Testing:

Mr. Skufca said the department anticipates sending more meat samples for laboratory testing which accounts for the proposed increase in fees.

SEN. DEVLIN asked Mr. Lloyd what the actual figures were for laboratory testing. Mr. Lloyd said he budgeted at FY 92 actual expenditures which were \$4,700. They took 94 samples at \$50 each which amounted to \$4,700. This program is funded with 50% federal funds and 50% general fund. In FY 92 the department spent \$1,310 for laboratory testing and the budget request was for \$10,000. The difference between the \$10,000 and the \$4,700 is the \$5,300.

Mr. Skufca said if the budget is reduced and the department cannot operate the program a request for a supplemental will be necessary.

Motion/Vote: SEN. DEVLIN moved to approve \$2,650 each year of the biennium for Laboratory Testing and \$3,006 for Contracts each year of the biennium. Motion CARRIED unanimously.

One-Time Costs :

Motion/Vote: SEN. WEEDING moved to approve the executive budget for One-Time Costs of \$693 each year of the biennium. Motion CARRIED unanimously.

Repairs & Maintenance:

Mr. Skufca said the department would accept about one-half of the \$2,484 each year of the biennium for Repairs and Maintenance.

Motion/Vote: SEN. WEEDING moved to approve \$1,242 each year of the biennium for Repairs and Maintenance. Motion CARRIED unanimously.

Unjustified Expenses:

Motion/Vote: SEN. JERGESON moved to approve the executive budget of \$480 for each year of the biennium for dues and training. Motion CARRIED unanimously.

Meat Inspection Supplemental:

Mr. Lloyd said the supplemental request is the result of an emergency declaration in FY 92. They spent \$12,883 in FY 92 in operating expenses to hire one FTE to do some meat inspections. Supplementals are discontinued after the emergency. The department is requesting a supplemental appropriation to cover expenses which were incurred. If the committee approves the supplemental the department will be given the \$12,883 twice.

Mr. Skufca said if the subcommittee approves the Budget Modification it would cover the cost of the Meat Inspection Supplemental.

Motion/Vote: SEN. WEEDING moved to approve the executive budget Modification for the Meat and Poultry Increase of \$60,956 for FY 94 and \$61,024 for FY 95. Motion CARRIED unanimously.

Motion: SEN. JERGESON moved to reinstate position 173, Career Executive Assignment for \$53,584 in FY 94 and \$53,875 in FY 95.

Please Note: this is the position left vacant by Mr. Mortensen when he became Acting Executive Secretary.

SEN. DEVLIN asked what the duties of that position were. Mr. Skufca said he was the Administrator of the Meat Inspection Program.

Mr. Mortensen said he and Dr. Sheets were jointly taking care of the Meat Inspection Program until the Board of Livestock makes a permanent decision as to who will fill that position. They may be able to eliminate the Meat Inspection position, however, more responsibility will have to be placed on the supervisors.

SEN. WISEMAN asked how many meat inspectors does the Executive Secretary supervise. Mr. Skufca replied there are 19.0 FTE.

SEN. JERGESON said if that position isn't reinstated they will have to upgrade the other positions.

SEN. DEVLIN asked what the funding was for the program. Mr. Mortensen said the funding would be 50% federal funds.

Vote: Motion CARRIED unanimously.

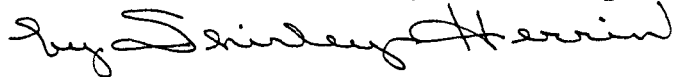
Motion/Vote: SEN. WEEDING moved to adjourn. Motion CARRIED unanimously.

ADJOURNMENT

Adjournment: 12:05 P.M.


ROGER DEBRUYCKER, Chairman


THEDA ROSSBERG, Secretary



DB/tr

HOUSE OF REPRESENTATIVES

NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE

1-12-93

NAME	PRESENT	ABSENT	EXCUSED
REP. ROGER DEBRUYCKER, CHAIRMAN	✓		
SEN. CECIL WEEDING, VICE CHAIRMAN	✓		
SEN. GERRY DEVLIN	✓		
REP. WILLIAM WISEMAN	✓		
REP. JOHN JOHNSON	✓		
SEN. GREG JERGESON	✓		

NATURAL RESOURCES SUBCOMMITTEE

January 12, 1993

EXHIBIT 1
DATE 1-12-93
~~SB~~

Suggested Public Service Regulation House Bill 2 language for separating the "Consultant Funds" budget modification into expert witnesses and least-cost planning:

"Item [Consultant Funds] contains \$..... as a biennial appropriation to be used only for expenditures related to providing expert witnesses to represent the department before federal agencies and \$..... as a biennial appropriation to be used only for expenditures relating to review of least-cost plans submitted by utilities."

The subcommittee may wish to consider the following language which would require the department to present a request to the 1995 legislature to fund any natural gas master meter operator inspections not completed in the 1995 biennium:

"Item [Public Service Regulation Program] contains \$5,000 in fiscal 1994 and \$5,000 in fiscal 1995 for inspections of natural gas master meter operators. In preparing the 1997 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base."

In all agencies' budgets which contain an item which the legislature wishes to fund on a one-time basis, the following language is suggested:

"Item _____ contains \$_____ in fiscal 1994 and \$_____ in fiscal 1995 for _____. In preparing the 1997 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base."

DATE 1-12-93

4201 01 00000

PUBLIC SERVICE REGULATION

Program Summary

Public Service Regulation Prog

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	47.00	47.00	44.00	47.00	(3.00)	44.00	47.00	(3.00)
Personal Services	1,599,153	1,643,327	1,656,044	1,740,942	(84,898)	1,658,836	1,743,804	(84,968)
Operating Expenses	417,473	445,285	454,840	442,510	12,330	442,240	430,151	12,089
Equipment	45,931	39,579	34,583	27,738	6,845	16,114	17,862	(1,748)
Total Costs	\$2,062,558	\$2,128,191	\$2,145,467	\$2,211,190	(\$65,723)	\$2,117,190	\$2,191,817	(\$74,627)
Fund Sources								
General Fund	2,018,499	2,081,711	2,115,740	2,181,463	(65,723)	2,089,022	2,163,649	(74,627)
Federal Revenue Fund	24,679	27,100	29,727	29,727	0	28,168	28,168	0
Proprietary Fund	19,378	19,380	0	0	0	0	0	0
Total Funds	\$2,062,558	\$2,128,191	\$2,145,467	\$2,211,190	(\$65,723)	\$2,117,190	\$2,191,817	(\$74,627)

Page References

LFA Budget Analysis (Vol. II), pages C 1-6
 Stephen's Executive Budget, pages C 1-2

Current Level Differences

RESPONSE TO 5% PERSONAL SERVICES REDUCTION—The executive eliminates 3.00 FTE. These FTE are: .50 FTE secretary, 1.00 FTE utility rate analyst, 1.00 FTE word processor, and .50 FTE compliance specialist.

CONSULTING AND PROFESSIONAL SERVICES—The executive includes amounts above fiscal 1992 actual expenditures for natural gas master meter operators (\$2,500 general fund, \$2,500 federal funds), court reporter fees (LFA includes a 10% increase from fiscal 1992 actual expenditures), and natural gas BTU analysis (LFA at fiscal 1992 actual expenditures).

NRRI DUES—The executive includes (for the first time) payment of National Regulatory Research Institute dues. See page C-4 of the LFA Budget Analysis.

ONE-TIME EXPENSES—The executive considered expenditures for recruiting and telephone hookups to be one-time expenses.

VOICE MAIL—The executive includes funds for the purchase of voice mail.

MINOR DIFFERENCES (NET)

EQUIPMENT—The executive provides additional expenditures for vehicle lightbars; conference and office chairs, desks, and calculators; and Local Area Network (LAN) software. The LAN software appears to be related to the LAN budget modification (See below).

INFLATION DIFFERENCES (Non-voting item)

TOTAL CURRENT LEVEL DIFFERENCES

FUNDING—The department is funded entirely with general fund. A tax is levied on utilities to generate the amount of the agency's appropriation and the revenue is deposited in the general fund. See the LFA Budget Analysis, Vol. II page C-3 for discussion of this tax.

Budget ModificationsExecutive Budget Modifications:

CONSULTANT FUNDS—This modification would provide expert witnesses to represent the department before federal agencies and provide funding to review least-cost plans submitted by utilities. A biennial appropriation is requested. See LFA Vol. II, page C-2.

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

(84,898) (84,968)

5,000
 7,859 7,859

4-1 Dev'th

6,678 6,678

4-1 Dev'th
 5,018 (5,653) (5,653)

0- 2,645 2,460

0- 1,357 1,358

6,367,054 (1,473)

(765) (888)

(65,723) (74,627)

100,000 0

LOCAL AREA NETWORK—This modification would replace the department's ~~present computer system~~ with microcomputers and a local area network. A biennial appropriation is requested. See LFA Vol. II, page C-2. *200,000*

DATA NETWORK SERVICES—This modification would pay for additional network fees associated with computer equipment purchased in the 1993 biennium. See LFA Vol. II, page C-2 and Office Relocation issue on page C-3. *2,880 2,880*

Elected Officials Budget Modifications:

RESTORE 5% REDUCTIONS—This modification would replace the 3.00 FTE removed in the Executive Budget. *84,500 84,600*

TRAVEL—This modification is for a biennial appropriation to fund out-of-state travel for commissioner's training and participation in NARUC. A similar modification was approved by the 1991 Legislature. *25,000 0*

PAY INCREASE FOR EXEMPT STAFF—This modification would provide funding for salary and benefit increases for the department's 10 exempt staff. A similar modification was approved by the 1991 Legislature. *30,000 30,000*

PUBLIC INFORMATION PROGRAM—This modification would provide staff and funding to provide information about the department to the public. See LFA Vol. II, page C-3. *49,813 40,480*

TOLL-FREE NUMBER—This modification would provide staff and funding for a toll-free telephone to receive utility customer's complaints. See LFA Vol. II, Pages C 2-3. *15,689 26,297*

TOTAL MODIFIED LEVEL *507,882 184,257*

EXHIBIT 2DATE 1-12-93

DEPARTMENT OF PUBLIC SERVICE REGULATION

Positions Removed by Joint Committee Action
House Appropriations & Senate Finance and Claims
January 6, 1993

		Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
Position #	Position Description	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
<i>All or Partial General Fund Positions</i>							
36	Utility Rate Analyst	39,337	39,378		1.00	1.00	
50	Utility Rate Analyst	37,494	37,533		1.00	1.00	
5	Administrative Secretary	10,976	10,990	0.50		0.50	
26	Utility Rate Analyst	36,304	36,350	1.00		1.00	
27	Word Processor Operator	19,507	19,531	1.00		1.00	
42	Compliance Specialist	13,427	13,442	0.50		0.50	
Sub-Total		157,045	157,224	3.00	2.00	5.00	0.00
<i>Non-General Fund Positions</i>							
	None					0.00	
Sub-Total		0	0	0.00	0.00	0.00	0.00
TOTAL		157,045	157,224	3.00	2.00	5.00	0.00

01/07/93

C:\DATA\LOTUS\PSR95\FTE_ELIM.WK1

5603 05 00000								
DEPARTMENT OF LIVESTOCK								
Program Summary								
	Current	Current						
	Level	Level	Executive	LFA	Difference	Executive	LFA	Difference
Budget Item	Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995
FTE	4.75	4.75	0.00	4.75	(4.75)	0.00	4.75	(4.75)
Personal Services	153,992	148,214	0	160,334	(160,334)	0	160,963	(160,963)
Operating Expenses	35,056	33,276	0	36,453	(36,453)	0	37,786	(37,786)
Equipment	13,778	15,735	0	14,920	(14,920)	0	15,498	(15,498)
Total Costs	\$202,827	\$197,225	\$0	\$211,707	(\$211,707)	\$0	\$214,247	(\$214,247)
<u>Fund Sources</u>								
General Fund	170,650	163,564	0	186,707	(186,707)	0	189,247	(189,247)
Federal Revenue Fund	32,177	33,661	0	25,000	(25,000)	0	25,000	(25,000)
Total Funds	\$202,827	\$197,225	\$0	\$211,707	(\$211,707)	\$0	\$214,247	(\$214,247)

Page References

LFA Budget Analysis, Vol. II, page C-70.
Executive Budget page C-26.

Current Level Differences

PERSONAL SERVICES

A. The executive transfers 0.25 FTE to the Disease Control Program (position #241 grade 19) for bison and game from animal disease control work.

B. The executive transfers 0.50 FTE to the Meat & Poultry Inspection Program (position #54 grade 10). See LFA Budget Analysis, Vol. II, pages C 59-60 for an analysis of this program's expansion.

C. The executive eliminates the remaining 4.00 FTE in response to the 5% personal services reduction.

OPERATING EXPENSES - The executive eliminates all operating expenses since all the FTE have either been moved or eliminated. The LFA funds the program at fiscal 1992 levels.

EQUIPMENT - The executive eliminates all equipment expenses since all the FTE have either been moved or eliminated. The LFA funds the purchase of two vehicles.

INFLATION (Non-voting item)

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

None

Language

None

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

(2028)	(12135)
(10822)	(12135)
(13546)	(13546)
(35,446)	(35,641)
(14,920)	(15,498)
(1,007)	(2,145)
(211,707)	(214,247)

DEPARTMENT OF LIVESTOCK
Milk and Egg Program

EXHIBIT 3

DATE 1-12-93

Positions Removed by Joint Committee Action
House Appropriations & Senate Finance and Claims
January 6, 1993

		Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
Position #	Position Description	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
52	Sanitarian	32,804	32,997	1.00		1.00	
53	Sanitarian	37,513	37,566	1.00		1.00	
56	Sanitarian	33,129	33,316	1.00		1.00	
59	Sanitarian	31,983	32,028	1.00		1.00	
Sub-Total		135,429	135,907	4.00	0.00	4.00	0.00
Non- General Fund Positions						0.00	
	None					0.00	
Sub-Total		0	0	0.00	0.00	0.00	0.00
TOTAL		135,429	135,907	4.00	0.00	4.00	0.00

Note: Elimination of the 4.00 FTE leaves .75 FTE in the LFA current level (the executive transfers these to other programs).
This program has \$51,373 in fiscal 1994 operating expenses and \$53,284 in fiscal 1995 in the LFA current level.

5603 04 00000

DEPARTMENT OF LIVESTOCK

Program Summary

Disease Control Program

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	10.50	10.50	10.75	10.50	0.25	10.75	10.50	0.25
Personal Services	375,404	380,681	410,799	398,503	12,296	412,133	399,733	12,400
Operating Expenses	75,180	116,439	151,874	82,452	69,422	154,356	84,772	69,584
Equipment	14,854	20,187	15,778	15,778	0	16,393	16,393	0
Benefits and Claims	2,450	0	4,500	0	4,500	4,500	0	4,500
Total Costs	\$467,889	\$517,307	\$582,951	\$496,733	\$86,218	\$587,382	\$500,898	\$86,484
Fund Sources								
State Revenue Fund	467,889	517,307	582,951	496,733	86,218	587,382	500,898	86,484
Total Funds	\$467,889	\$517,307	\$582,951	\$496,733	\$86,218	\$587,382	\$500,898	\$86,484

Page References

LFA Budget Analysis, Vol. II, pages C 68-69.
Executive Budget, page C-25.

Current Level Differences

PERSONAL SERVICES

A. The executive transfers 0.25 FTE from the Milk and Egg Program (position #241 grade 19) to this program for bison and game farm animal disease control.

B. Longevity for position #42 should be increased in the LFA current level.

CONTRACTED VETERINARIAN SERVICES—The executive includes contingency funding for contracting with veterinarian in the event of a disease outbreak. In fiscal 1992, \$35,000 was appropriated but only \$225 was spent.

DATA NETWORK FEES—The executive includes data network fees for an information system link between Helena and the Diagnostic Laboratory in Bozeman. The executive requests equipment funding in the Centralized Services Division to purchase the computers for this system. One-half of total fees are requested in the Diagnostic Laboratory Program.

ONE-TIME COSTS—The LFA removes one-time costs associated with the removal of entrails and game farm animal incineration from the current level.

PRINTING—The LFA includes printing at the average of fiscal 1990 and 1991 actual expenditures.

UNJUSTIFIED EXPENDITURES *Owes + Training - Jergeson passed*

REPAIR & MAINTENANCE—LFA reduces repair and maintenance for computers since funding for computer contract maintenance was increased. *Sen. Deulin Exec passed*

INDEMNITY PAYMENTS—The executive includes funding for game farm indemnity payments. Fiscal 1992 expenditures for these payments are not included in the LFA current level since all indemnity appropriation authority came from a budget amendment. *Jergeson passed*

MINOR DIFFERENCES

INFLATION (Non-voting item)

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

BISON & GAME FARM INSPECTIONS—The executive includes additional funding to continue a budget amendment for contracted services to inspect and regulate game farm animals and control the spread of diseases by bison. See LFA Budget Analysis, Vol. II, page C-60. *Deulin - passed*

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

12,028 12,135

268 265

~~35,000~~ 45,000 ~~35,000~~ 45,000

6,000 6,000

1,828 1,828

~~16,000~~ 7,960 ~~16,000~~ 7,960~~7,350~~ 5,435 ~~7,350~~ 5,435

2,652 2,652

4,500 4,500

(494) (494)

1,041 1,203

86,218 86,484

46,500 46,500

5603 03 00000

DEPARTMENT OF LIVESTOCK
Program Summary

Diagnostic Laboratory Program

SB _____

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	18.00	18.00	17.00	18.00	(1.00)	17.00	18.00	(1.00)
Personal Services	577,418	549,601	583,097	613,555	(30,458)	584,705	615,201	(30,496)
Operating Expenses	212,022	215,530	250,628	224,074	26,554	262,224	233,058	29,166
Equipment	6,584	24,500	60,250	10,250	50,000	82,590	3,000	79,590
Capital Outlay	0	0	17,769	0	17,769	17,769	0	17,769
Total Costs	\$796,025	\$789,631	\$911,744	\$847,879	\$63,865	\$947,288	\$851,259	\$96,029
Fund Sources								
General Fund	277,190	116,123	373,801	126,927	246,874	388,374	127,433	260,941
State Revenue Fund	518,835	673,508	537,943	720,952	(183,009)	558,914	723,826	(164,912)
Total Funds	\$796,025	\$789,631	\$911,744	\$847,879	\$63,865	\$947,288	\$851,259	\$96,029

Page References

LFA Budget Analysis, Vol. II, page C-67.
Executive Budget, page C-24.

Current Level Differences

PERSONAL SERVICES—The executive transfers 1.00 FTE (position #35 grade 14) to the Centralized Services Program for data processing.

Exec. Over	(Under) LFA
Fiscal 1994	Fiscal 1995

DATA NETWORK FEES—The executive includes data network fees for an information system link between Helena and the Diagnostic Laboratory in Bozeman. The executive requests equipment funding in the Centralized Services Division to purchase the computers for this system.

(30,460)	(30,494)
----------	----------

MSU RECHARGES—The LFA includes funding at fiscal 1992 levels. These charges increased 21% from fiscal 1990 to 1991 and 27% from fiscal 1991 to 1992.

6,000	6,000
-------	-------

MSU MICE STORAGE CHARGE—The executive includes a new charge by MSU for storage of mice used in laboratory testing.

1,914	4,019
-------	-------

MSU CHARGE FOR MARSH LABORATORY RETRO-FIT—The executive includes additional funding in capital outlay over the base to fund non-grant costs (including cost over-run) incurred by MSU in the energy retro-fit of the Marsh Laboratory in Bozeman. The project consisted of grants from the U.S. Department of Energy (through DNRC) and Montana Power with MSU paying the difference. MSU plans to bill the department \$17,769 per year for 5 years. Because the legislature was not aware of the cost over-runs, the LFA does not include these charges in the current level.

4,000	4,000
16,375	16,375
17,769	17,769

MARSH LABORATORY ENERGY SAVINGS—The LFA adjusts the base to reflect energy savings realized by the energy retro-fit of the Marsh Laboratory.

8,212	8,212
-------	-------

EQUIPMENT MAINTENANCE—The LFA does not include funds to purchase a new serum chemistry analyzer (see Equipment below) and therefore does not include maintenance for this equipment.

2,750	2,750
-------	-------

MINOR DIFFERENCES

2,705	2,701
-------	-------

INFLATION (Non-voting item)

975	1,482
-----	-------

EQUIPMENT—Historically, the legislature has considered large expenditures for laboratory equipment. The following equipment is not included in the LFA current level:

- A. Serum chemistry analyzer
- B. Charm 11 milk antibiotic test system
- C. Bench-top cryostat
- D. Medical autoclave and preparation—dependent on approval of department's long-range building request

50,000	0
0	9,000
0	15,570
0	55,020

TOTAL CURRENT LEVEL DIFFERENCES

63,865	96,029
--------	--------

FUNDING—The executive is \$246,874 higher in general fund in fiscal 1994 and \$260,941 higher in fiscal 1995 than the LFA. The LFA continues the funding switch enacted by the July special session and replaces general fund with state special revenue. The LFA is \$183,009 higher in state special revenue in fiscal 1994 and \$164,912 higher in fiscal 1995. See the Issues section in the LFA Budget Analysis (pages C 62-64) for further analysis of this funding issue for the department.

DATE 1-12-93

Budget Modifications

DIAGNOSTIC LAB WORKLOAD—The executive proposes an increase of 2.00 FTE and operating expenses for an increase in laboratory workload. The modification also provides \$16,000 for the biennium in maintenance contracts even though no funds are provided in the modification for equipment.

120,000

180,000

Language

None

All parties (i.e., AES, Livestock Board, MSU) have agreed that these numbers are fair and appropriate.

1989-Original design estimate by
 Design III Engineering, Inc. \$264,344.40
 1991-Actual contract costs including
 design and contingency \$329,596.56

Total Project Cost	\$329,596.56	
Less DNRC/DOE Grant	65,783.69	
Less MPC Grant	<u>36,000.00</u>	
	<u>\$227,812.87</u>	= MSU "Capital" Utilized

Payment Schedule

A. MSU portion at 36.73% of Marsh Lab Space		<u>\$83,675</u> - (paid)	
B. AES portion at 27.33% of Marsh Lab Space			
	FY'93 =	\$14,261	to be paid
	FY'94 =	12,000	
	FY'95 =	12,000	
	FY'96 =	12,000	
	FY'97 =	<u>12,000</u>	
		<u>\$62,261</u>	
C. Livestock Board portion at 35.94% of Marsh Lab Space			
	FY'93 =	\$16,376	to be paid
	FY'94 =	16,375	
	FY'95 =	16,375	
	FY'96 =	16,375	
	FY'97 =	<u>16,375</u>	
		<u>\$81,876</u>	

Summary = A. + B. + C. = \$227,812

DATE 1-12-93

5603 10 00000

DEPARTMENT OF LIVESTOCK

Meat Inspection Program

Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	13.00	13.00	13.50	13.00	0.50	13.50	13.00	0.50
Personal Services	392,475	300,492	412,987	400,116	12,871	415,165	402,251	12,914
Operating Expenses	110,091	60,767	139,457	112,299	27,158	143,764	116,171	27,593
Equipment	3,753	0	3,618	3,618	0	1,937	1,937	0
Total Costs	\$506,321	\$361,259	\$556,062	\$516,033	\$40,029	\$560,866	\$520,359	\$40,507
Fund Sources								
General Fund	253,158	179,910	278,031	258,016	20,015	280,433	260,179	20,254
Federal Revenue Fund	253,162	181,349	278,031	258,017	20,014	280,433	260,180	20,253
Total Funds	\$506,321	\$361,259	\$556,062	\$516,033	\$40,029	\$560,866	\$520,359	\$40,507

Page References

LFA Budget Analysis, Vol. II, page C-74
Executive Budget, page C-29

Current Level Differences

PERSONAL SERVICES - The executive transfers 0.50 FTE from the Milk & Egg Program (position #54 grade 10) to this program. See LFA Budget Analysis, page C 59-60 for a discussion on this program's expansion. *Deletion - Passed*

LABORATORY TESTING - The LFA current level is based on federal fiscal year 1992 actual number of samples (94) at \$50 each. *See Deletion Approved 1/2 of Exec - Passed*

CONTRACTS - The LFA level is based on actual expenditures in fiscal 1992 for contracted veterinarian services.

ONE-TIME COSTS - The executive considered telephone changes and repairs to vehicles due to accidents as one-time expenditures. *Wedding Exp Passed*

REPAIRS & MAINTENANCE - The LFA reduces repair and maintenance for computers since funding for computer contract maintenance was increased. *Wedding menu 1/2 Passed*

UNJUSTIFIED EXPENSES - The LFA does not include unjustified expenses for dues and training costs in current level. *Jerseyman Passed*

MEAT INSPECTION SUPPLEMENTAL - The executive includes one-time expenditures from the meat inspection supplemental appropriation.

INFLATION (Non-voting item)

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

MEAT & POULTRY INCREASE - The executive recommends an increase of 2.00 FTE and associated operating expenses. See LFA Budget Analysis page C 59-60 for an analysis of this issue. *Wedding Exp*

Language

None

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

12,871 12,914

26,500 36,500
5,300 3,300

3,006 3,006
6,013 6,013

(693) (693)

1,242 1,242
2,484 2,484

480 480

12,883 12,883

691 1,126

40,029 40,507

60,956 61,024

DEPARTMENT OF LIVESTOCK
Meat and Poultry Inspection Program

EXHIBIT 7
DATE 1-12-93
SB _____

Positions Removed by Joint Committee Action
House Appropriations & Senate Finance and Claims
January 6, 1993

		Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
Position #	Position Description	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
173	Career Executive Assignment	53,584	53,875		1.00	1.00	
	Sub-Total	53,584	53,875	0.00	1.00	1.00	0.00
Non-General Fund Positions						0.00	
	None					0.00	
	Sub-Total	0	0	0.00	0.00	0.00	0.00
TOTAL		53,584	53,875	0.00	1.00	1.00	0.00

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

NATURAL RESOURCES SUBCOMMITTEE

DATE 1-12-93

DEPARTMENT(S) _____

DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
Maureen Parnell	PSC	
Gerry Chase	PSC	
Alvin McCree	PSC	
John Skufca	Livestock	
Larry Staithouse	LIVESTOCK	
G. H. SHEETS	LIVESTOCK	
Don Ferlicka	LVSTK	
Cork Martensen	Livestk.	
LORRAINE DRESSLER	LIVSTK	
JACK SEDGWICK	LVSTK	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT
FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.