

**MINUTES**

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

**JOINT SUBCOMMITTEE ON NATURAL RESOURCES**

**Call to Order:** By CHAIRMAN ROGER DEBRUYCKER, on January 13, 1993, at 8:30 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:** DEPARTMENT OF LIVESTOCK  
**EXECUTIVE ACTION:** DEPARTMENT OF LIVESTOCK  
Inspection & Control Program  
Predator Animal Control Program  
Diagnostic Laboratory Program

**HEARING ON  
DEPARTMENT OF LIVESTOCK**

**Inspection & Control Program:**

Roger Lloyd, Legislative Fiscal Analyst reviewed the budget differences with the subcommittee. EXHIBIT 1

He explained he had made a typographical error in Insurance, so \$270 would need to be added to FY 95. He suggested the committee not do anything to that difference and make the adjustment in the Centralized Services Program.

John Skufca, Administrator, Centralized Services, Department of Livestock reviewed the budget with the subcommittee.

Overtime:

He stated the department would be willing to accept the LFA's recommendation on overtime. He noted that the department had historically budgeted about \$100,00 per year for overtime. He said the LFA had allowed an increase for benefits as well.

Consulting & Professional Services:

Mr. Skufca explained if the Brands Division investigator picks up a carcass or a portion of one, the head can be taken to a local veterinarian and the charge is about \$30 to \$35 each. He said the department has a few of those each year and \$753 per year is what we have estimated. He then declared the division would like to request the executive budget.

Brand Re-Record:

He said if the division had a portion of the \$23,852, it would help with operating costs.

SEN. JERGESON asked if there was a balance remaining in the Brand Re-Record. Mr. Skufca said yes, that the net at the end of the two fiscal years was approximately \$2 million and the division is allowed to spend 10% of that per year which amounts to approximately \$218,000. That money is transferred into the operating fund. In the initial re-record year the funds are spent on that process. In subsequent years 10% is used for operating expenses.

SEN. DEVLIN asked whether the \$23,852 was in addition to the 10%. Mr. Skufca said the \$23,852 is the actual expenses for the Re-Record process that was spent in FY 92. If the subcommittee would allow some of that amount it would help the department get through the end of the year. This authority would not be spent on Re-Record activities.

He stated that if the department received half of the \$23,852 it could split it \$6,000 each year for travel and repair and maintenance.

SEN. DEVLIN asked where the money for those expenses was obtained before. Mr. Skufca said the department has to take the expenses out of the operating budget which is where they get squeezed.

REP. JOHNSON asked where is the 10% the department was allowed to take from the re-record each year. Mr. Skufca explained it was not in here, it is part of the revenue.

Mr. Lloyd referred to Page C-62 of the LFA budget book, the second line from the bottom with the double star states "Total of \$2,416,464 collected, net \$233,551 of expenses leaves \$2,182,913,

10% of which \$218,291 can be used in 1991 and each of the succeeding nine years.

Mr. Skufca said at the end of 10 years the balance in Re-Record is zero and you start over and collect for Re-Record again.

SEN. DEVLIN said he believed the department was going to look into a staggered system of Re-Record fees to have some come due in five years, two years, etc. Mr. Skufca said the department has looked into a staggered system but have not come up with a plan to implement it. One method considered was using the alphabet for staggering.

If you re-record a brand today, it will still become due in year 2001 and the cost is still \$50 per re-record. If the brand is transferred to someone else there is another \$50 charge. If you lose it we replace it for \$2.50 and an address change is done for nothing.

#### Clothing:

Mr. Skufca said the department ordered some uniform shirts in FY 92.

Jack Sedgwick, Administrator, Brands Enforcement Division, Department of Livestock, said employees are furnished with outer garments for the winter weather and also shirts and hats. In 1992 the department went with a dressy type of clothing and that is what the \$5,385 is for.

#### Ammunition:

Mr. Skufca said the reason for the Executive Budget request was because the department updated revolvers and the ammunition for them is part of the base. It was necessary to equip the law enforcement officers with shotguns and buy ammunition for them.

#### One-Time Costs:

Mr. Skufca said One-Time Costs does include some telephone costs also, so the department would go with the LFA budget.

#### Rent:

Mr. Skufca said the rent was for a new facility in Billings. The committee provided us with an additional FTE for this district to help with investigations.

Cork Mortensen, Executive Secretary, Board of Livestock, said the department needed the Billings office to do supervisory work. The office is also used for animal health inspection purposes. We need to monitor the overtime and this position will help with that. This person is a trained investigator who works in

coordination with the Helena office. Billings is the concentration of the livestock market in Montana.

**Repair & Maintenance:**

Mr. Skufca said the LFA reduced Repair and Maintenance in one category because they allowed the department spending authority for maintenance contracts for PC's. The department has the majority of the PC's which access the brand information on the mainframe here in Helena.

**Training:**

Mr. Sedgwick said the department was anticipating some retirements in the next biennium and will want to send some of the replacements to the Law Enforcement Academy. There are 20 district stock inspectors that are classified as Peace Officers and the department would like to train them in survival techniques.

SEN. JERGESON asked if the committee didn't approve this how would the department cover that training cost? Mr. Sedgwick replied they would try to keep up with the training with a younger person. Training is mandatory when you put a person into law enforcement. If the department doesn't personnel it would have to recruit from the outside for someone who has had law enforcement training.

Mr. Lloyd said in the LFA base there is \$1,200 for education and training costs each year.

SEN. WEEDING said if you go outside the department for people with a law enforcement background you will have to pay more.

REP. WISEMAN asked when someone retires, how are they replaced. Mr. Skufca said they advertise within the department and the individual would be promoted to the law enforcement ranks. The \$1,200 in the budget will be used for staff training of individuals who have been promoted into supervisory positions. The department would have to pay \$60 to \$85 per day for classes.

**Budget Modifications:**

**Brand Inspectors and Auditor:**

Mr. Lloyd said there is one auditor in the base which was approved by the last legislature.

Mr. Skufca said the department transferred one FTE in from another program in order to reduce the modification request by one FTE.

Tape 1, B.

Mr. Mortensen said the need for the auditor is in 2 areas: 1) market custodial accounts and the use of them that concerns the

Board of Livestock. A number of years ago a market in South Dakota went bankrupt and the livestock producers were out a lot of money. Recently a market closed in northwestern Montana and bankruptcy proceedings were initiated. The department discovered that the producer's money was listed in the proceedings as assets of that market. Those funds belong to producers. We don't know the reason those checks were not picked up, they were left in the custodial account. The Board of Livestock doesn't have a problem. We have the authority to audit those procedures and licenses by our department.

We license livestock dealers and require them to be bonded. Occasionally we have problems or pending problems and the Board may wish to look into them.

SEN. DEVLIN asked if the department has investigated contracting this service. Mr. Mortensen replied not to his knowledge, but it could be considered. The auditor would be traveling and other times working in Centralized Services. He said he didn't know how long it takes to audit these accounts.

SEN. DEVLIN asked when did that auditor left. Mr. Mortensen stated the individual was never hired because the position was kept open for vacancy savings.

Mr. Lloyd stated the subcommittee heard similar justifications for an auditor two years ago and the legislature approved the position.

SEN. WEEDING asked if the two brand inspectors in the modification came in as a budget amendment. Mr. Skufca said that was correct. These are not two new brand inspectors this is to continue those through FY 93 because of the budget amendment.

Ms. Smith said the FTE tape that was used was as of June 30, 1992, so if this position was not on board until July 1, 1992 it would not show up. On June 30th it was a .47 FTE but in July it went to a full position. The SWYSGOOD amendment only took the .47 FTE.

Mr. Skufca said this program is funded with State Special Revenue from Bank Inspection fees, interest income from the investments, and licensing, mortgage fees and reimbursement from surplus property which is sold.

REP. WISEMAN asked how many brand inspectors work for the department. Mr. Skufca replied there are about 50 FTE brand inspectors including law enforcement and market inspectors. The department has 11 FTE in the office for a total of 61 FTE.

SEN. WEEDING asked which one of the Special Revenue accounts took the \$250,000 hit in July 1992. Mr. Skufca said it was divided between the inspection control and the animal health control.

REP. WISEMAN said before cattle can be moved they must have a brand inspector present and asked how many inspectors would be needed if they only worked the sales. Mr. Skufca said there are 630 deputy inspectors who are citizens scattered throughout the state that are not salaried. They inspect cattle for a fee of thirty-five cents per head. We have a total of 682 brand inspectors across the state who are deputy inspectors and state employee inspectors.

SEN. WEEDING stated that the justification for the amendment in July was the drought and so a lot of cattle were moved out of the state. He questioned the justification of this modification. Mr. Skufca replied that the cattle numbers have been increasing each year.

Mr. Sedgwick said in 1985 because of the drought the department laid off a lot of employees. We were pretty slim as far as FTE were concerned. We were hit with two unexpected injuries which put a strain on the whole system and so I took the two full-time employees and put them into four grade A, half-time employees.

REP. WISEMAN asked if the 630 deputy inspectors couldn't pick up some of the slack. Mr. Sedgwick said the 630 deputy inspectors only work 4-6 weeks a year when cattle are shipped. There are areas of expertise that they do not have and most of them are not interested in full-time employment.

SEN. WEEDING asked if the part-time cattle inspectors answer complaints. Mr. Skufca replied they do not. The department has about 20 law enforcement who answer complaints. The department is also trying to handle the game farm inspections.

#### EXECUTIVE ACTION INSPECTION & CONTROL PROGRAM

##### Repairs & Maintenance:

Motion/Vote: SEN. JERGESON moved to approve \$11,915 each year for Repairs and Maintenance. Motion CARRIED unanimously.

##### Training:

SEN. DEVLIN inquired about how much is currently in the training budget. Mr. Lloyd replied that \$1,222 is the actual FY 92 expenditures for training.

Motion/Vote: SEN. DEVLIN moved to approve a total of \$2,000 per year for training. Motion FAILED 3-3.

Motion: SEN. JERGESON moved to reduce the \$6,000 per year request to \$2,000 per year for a total of \$3,222 per year for training.

Discussion:

SEN. DEVLIN asked how much it costs to send a employee to school. Mr. Skufca replied that the cost was about \$1,500 per person, including board and room at the University.

SEN. WEEDING asked how many employees have not had the training. Mr. Skufca said there are about 22 employees that have not had the training. Only the certified employees are allowed to carry arms.

Vote: Motion CARRIED unanimously.

Rent:

Mr Skufca said the \$2,700 for renting the Billings office started July 1st. Mr. Lloyd stated the \$2,700 was the amount of increase over the base of zero.

Motion/Vote: SEN. WEEDING moved to approve the Executive Budget of \$2,700 each year for rent. Motion CARRIED 5-1 with CHAIRMAN DEBRUYCKER voting no.

Budget Modifications:

Brand Inspectors & Auditor:

Mr. Lloyd stated that if the subcommittee doesn't want the additional auditor he would like to be given direction to remove the one 1.0 FTE and the dollars will take care of themselves. He also asked if there are some operating costs in the modification which should be addressed separately.

Mr. Skufca said there are operating expenses for travel and gas; with \$7,229 of the \$80,000 being operating costs which the department would need.

Motion/Vote: SEN. WEEDING moved to approve the modification for two livestock inspectors and the operating costs for a total of \$80,000 each year of the biennium. Motion CARRIED unanimously.

Motion/Vote: SEN. WEEDING moved to close the hearing on Inspection & Control Program. Motion CARRIED unanimously.

Predatory Animal Control Program:

Mr. Lloyd reviewed the budget differences in the Predatory Animal Control Program with the subcommittee. EXHIBIT 2

He said on page C-61 of the budget analysis book it explains this program: "Nearly half of the Predator Control Program is funded by hunting and fishing license revenue granted by the Department of Fish, Wildlife and Parks. From fiscal 1977 through 1993, \$1.45 million of FWP funds have been provided to the Department of Livestock for predator control. The remainder of the program is funded by the per capita livestock tax."

Cattle producers pay about 88% of the program's per capita funding. The sheep producers pay only 5.3% but receive approximately 70% of the services.

Mr. Skufca said the department would prefer the Executive Budget on all items.

**Section 8 of Rangeland Improvement Act:**

He said the department was designated as a Section 8 coordinator to negotiate between federal, BLM, Forest Service and ranchers that have leases.

Mr. Mortensen said Dr. Sheets is our Section 8 Representative designated by the governor's office. Memorandums of understanding have been signed by the Forest Service, BLM and the governor. At present resource management plans are used by the federal agencies to prepare grazing formulas for grazing permittees. In most cases program planning will proceed without incident. If concerns or conflicts develop that process comes into play. The federal agency or the grazing operator can request the governor's representative, Dr. Sheets, be involved in consultation with all concerned parties.

Mr. Skufca said in the last session \$20,000 was appropriated to cover expenses of the Section 8 process. The department has to pay expert witnesses and consultants and spent \$4,626 for court costs and the LFA continued that as the base. The department would like to have the Executive Budget.

**Contracts:**

Mr. Skufca stated that last year the department spent \$68,000 in contracted services mostly in eastern Montana. There was a total of \$100,000 budgeted. In FY 93 the Board authorized an additional \$30,000 of contracted services in the Billings area due primarily to increased numbers of coyotes.

**Helicopter:**

A. Fuel - Mr. Skufca said the department negotiated with the budget office to lower the maintenance request and increase the fuel request. The department does not have access to as much bulk gasoline as in the past. The helicopter pilot anticipates an increase from 500 hours to 600 hours in flying time.

Bob Gilbert, Montana Woolgrowers Association, (MWGA), said this is a very important program for the sheep industry. There has been a tremendous loss of people in the state raising sheep because coyotes have made it unprofitable to stay in business. These are not general funds, but are fees assessed on people represented by MWGA, as well as cattle producers. There is a five-cent per cow assessment for predator control which stockgrowers do not believe is too much. The stockgrowers are

interested in raising more money because of the losses around calving time. At a recent Stockgrowers Association Convention held in Billings with over 900 in attendance, a resolution was passed to raise more money to address the predator issue. The funding is approved by the five member Fish & Game Commission. There is another tax on sheep, a per capita assessment in each county. The sheep producers are assessed fees ranging from thirty-five cents to as high as \$1.00 in some counties. There is also a federal program that puts in between \$700,000 and \$800,000 for the coyote program.

Mr. Gilbert noted there is between \$250,000 and \$350,000 in reserve funds from these fees which the department has been reluctant to discuss with the subcommittee. He stated that he believed the money should be used for more, much needed, contracted services.

Mr. Lloyd said Mr. Gilbert mentioned the federal program as well as the county tax levy. Those revenues are entirely separate from this program. There is no specific tax levy for predator control, it is a per capita tax and the Board decides how that tax is divided up.

A year ago, the department contacted Fish, Wildlife and Parks and have an agreement which states "the Department of Livestock shall consult with FWP concerning predator control on wildlife". The biologists of FWP claim that predators are not a problem with wildlife.

He said in contracts the legislature has historically approved the base of \$68,000 and the Executive is requesting \$100,000 which results in the \$32,000 more per year.

Mr. Gilbert said the LFA said there is no correlation between the federal and the state. That is not correct, the federal takes a look at what the state is going to put into this program. They are going to say if the state doesn't put up 50% they will cut back on their federal funds. There is a formula that the amount the state puts up affects the amount received from the federal government.

Mr. Mortensen said the problem will increase because the coyote pelts are not worth anything. You can only get between \$10 to \$30 for a stretched pelt, so the hunters are not interested.

Mr. Skufca said the department received between \$350 to \$400 at \$50 per license fee from aerial hunters, whereas in the past it used to license about 1,000 to 1500 hunters. The hides won't even pay for the gas now.

The department provides the helicopter and the pilot for the aerial hunters. He stated the department works closely with animal control and use their trappers as the gunners; the pilots must be certified to fly federal employees.

This subcommittee has historically appropriated \$100,000 for contracted services. This year the department is spending an additional \$32,000.

**EXECUTIVE ACTION**  
**PREDATOR ANIMAL CONTROL PROGRAM**

**Section 8 Of Rangeland Improvement Act:**

**Motion/Vote:** SEN. DEVLIN moved to approve the \$15,374 each year for the Section 8 Of Rangeland Improvement Act. Motion CARRIED unanimously.

**Contracts:**

**Motion:** SEN. WEEDING moved to approve \$32,000 each year for Contracts.

**Discussion:**

SEN. DEVLIN said that since there are excess funds, perhaps the committee should look at an increase over the \$32,000. In the last session the money which was collected was not spent for killing coyotes. Because of the special session some of these funds were put into the general fund, we should try to reduce that special revenue account and get more action on the coyote problem.

**Motion/Withdrawn:** SEN. WEEDING withdrew his motion.

**Motion/Vote:** SEN. DEVLIN moved to increase the Executive Budget by \$32,000 each year which would make it \$64,000 each year for Contracts. Motion CARRIED unanimously.

**A - Helicopter Fuel:**

**Motion/Vote:** SEN. JERGESON moved to approve the Executive Budget for \$5,200 each year for helicopter fuel. Motion CARRIED unanimously.

**B - Maintenance:**

**Motion/Vote:** SEN. WEEDING moved to approve the Executive Budget of \$1,597 in FY 94 and \$3,052 in FY 95. Motion CARRIED unanimously.

**Motion/Vote:** SEN. WEEDING moved to close the hearing on the Predatory Animal Control Program. Motion CARRIED unanimously.

**HEARING ON**  
**DIAGNOSTIC LABORATORY PROGRAM**

Mr. Lloyd reviewed the budget differences with the subcommittee.  
EXHIBIT 3

He said there would be energy savings in the Marsh Laboratory and if a three year average is taken, the increase would be \$1,860 above the actual FY 92 base.

Personal Services:

Mr. Skufca stated the department needs the one FTE for data processing and would like to move that FTE to the Centralized Services to be under my supervision. The committee will see this FTE in the Centralized Services Program.

Data Network Fees:

This is the data network link between Helena and the Diagnostic Laboratory in Missoula.

MSU Recharges:

There have been significant increases in MSU's charges. The LFA allowed the FY 92 base and the division added 10% per year. Last year MSU was paid \$13,500 and will be paid \$18,000 by the end of June.

MSU Mice Storage Charge:

Mr. Stackhouse stated mice are used for animal testing at the laboratory. There are very stringent federal laws for storage of laboratory animals. There is a single building on campus for housing these animals; this charge is for room and board.

MSU Charge For Marsh Laboratory Retro-Fit:

Mr. Skufca reminded the committee there was testimony on this program yesterday. It is necessary for the department to pay the costs to retro-fit the building, therefore, the amount in the Executive Budget is being requested.

Marsh Laboratory Energy Savings:

Mr. Skufca said the department would like to have the Executive Budget and hopefully see some savings since the remodeling has been completed.

Equipment Maintenance:

Mr. Skufca said this item is related to the list on the bottom of the budget page. If the subcommittee approves the equipment, a maintenance contract will be needed.

Minor Differences:

Mr. Skufca said these are due to a variety of things such as dues and training costs, etc.

**Equipment:**

**A. Serum chemistry analyzer:** Mr. Stackhouse said this is the main piece of equipment in the laboratory and is constantly breaking down. Parts are unavailable due to age of the machine.

**B. Charm 11 Milk antibiotic test system:** This system will be a requirement by the Food and Drug Administration in 1994 or 1995.

**C. Bench-top cryostat:** This piece of equipment is about 20 years old and is used for testing tissue.

**D. Medical autoclave and preparation:** This item is used to decontaminate equipment, and also for bacteria disposal. The department has two units: one in fairly good shape; and the other one is old and leaks on the floor.

SEN. DEVLIN asked if these are mostly replacement items. Mr. Stackhouse replied yes. He said he couldn't give an exact age, but he had been there for 13 years and the equipment preceded him.

REP. JOHNSON asked if there is also an autoclave in the Long-Range Planning Subcommittee? Ms. Smith replied no, there is not a second piece of equipment in that committee. In Long-Range Planning are plans to do some remodeling in the Laboratory.

**BUDGET MODIFICATION****Diagnostic Lab Workload:**

Mr. Skufca said the modification includes an additional two FTE in FY 94 to handle the increased workload at the Laboratory. There would be an additional 1.50 FTE in FY 95 for a total of 3.50 FTE.

The department has not been able to keep up with increased costs and maintenance. There has been \$11,000 added for contract testing done for the chemical analysis for milk and water samples. He noted there has not had an increase in this area for three years and the plan is to negotiate for an increase in FY 95. There is a request for about \$5,000 for out-of-state travel which includes transportation, meals and lodging. Also, there is \$8,000 per year for equipment maintenance. This modification is funded from State Special Revenue.

**EXECUTIVE ACTION**  
**DIAGNOSTIC LABORATORY PROGRAM**

**Personal Services:**

**Motion/Vote:** SEN. WEEDING moved to accept the Executive Budget on Personal Services for \$30,460 per year. Motion CARRIED unanimously.

Mr. Lloyd said there may be some general fund impact depending upon how this subcommittee wishes to fund this program and the transfer of the one FTE to Centralized Services.

Data Network Fees:

Motion/Vote: SEN. JERGESON moved to approve the Executive Budget on Data Network Fees for \$6,000 each year. Motion CARRIED unanimously.

MSU Recharges:

Motion/Vote: REP. WISEMAN moved to approve the Executive Budget for the MSU Recharges of \$1,914 in FY 94 and \$4,019 in FY 95. Motion CARRIED unanimously.

MSU Mice Storage Charge:

Motion/Vote: REP. JOHNSON moved to approve the Executive Budget for the MSU Mice Storage Charge for \$4,000 each year. Motion CARRIED unanimously.

MSU Charge for Marsh Laboratory Retro-Fit:

Mr. Lloyd said MSU stated it would be satisfied with \$16,376 each year. He stated his recommendation would be for the subcommittee to add some language stipulating "this fee is for a set period of time", so it does not go into the base and carried forward forever. He also said he was not sure if this would be for four or five years.

Mr. Skufca said the department has requested a budget amendment for the laboratory for FY 93 which includes the 1993 payment. If that is not approved the department will have to delay the first two payments until next year. Maybe the language could say "until the total amount is paid". He advised that he and Mr. Lloyd will get together to work out the language.

Motion/Vote: REP. JOHNSON moved to approve \$16,376 for FY 94 and \$16,375 in FY 95 with language stating, "the full amount will be paid in five payments," for the Marsh Laboratory Retrofit. Motion CARRIED unanimously. EXHIBIT 4

Marsh Laboratory Energy Savings:

Motion/Vote: SEN. WEEDING moved to approve the Executive Budget of \$8,212 each year for Marsh Laboratory Energy Savings. Motion CARRIED unanimously.

Equipment Maintenance & Equipment:

SEN. JERGESON asked if the Charm 11 milk antibiotic test system would be general fund, since the Milk and Egg Program is general fund. He also wondered if, a fee system is established to pay for inspections, will this piece of equipment become special

revenue. Mr. Skufca said the Executive Budget was funded at 41% general fund and 59% state special revenue. Due to the special session the LFA made it about 15% general fund and 85% special revenue.

Mr. Lloyd said he would offer some options as to how to fund this program. He said the Executive funds it at 41% general fund. Under the LFA budget it is funded at 15% general fund. However, in the Milk and Egg Program it is entirely general fund. You could put in language saying, "if proposed legislation passes the general fund will be eliminated and special revenue increased by the same amount".

Mr. Skufca noted that if the LFA budget was adopted, \$85,000 of the \$126,000 would be special revenue and a small amount of general fund.

SEN. DEVLIN asked if the department can along without some of the equipment until the next biennium. Mr. Stackhouse said the Serum chemistry analyzer cannot be repaired any more, and doubted if it will last two more years.

The Bench-top cryostat is currently working and hopefully will last until the next biennium.

Mr. Skufca said \$25,000 was budgeted for equipment but due to vacancy savings only \$6,600 was spent.

Please Note: Tape 3, A unwound!

Medical autoclave and preparation:

SEN. WEEDING asked if there was a possibility to dispose of waste at the hospital or somewhere else? Mr. Skufca said it would not be advisable to transport contaminated waste.

Motion: SEN. DEVLIN moved to approve the Executive Budget on all equipment items except the Charm 11 milk antibiotic test system. If the bill to increase fees in the Milk and Egg Program is passed, these fees would be used to fund the Charm 11 milk antibiotic test system.

Discussion: REP. WISEMAN asked if the motion should be to spend the \$129,590 figure. Mr. Lloyd said the motion could be to approve the Executive Budget but if the bill did not pass, the Charm 11 milk antibiotic test system would not be funded.

Motion/Vote: SEN. DEVLIN moved to approve the Executive Budget for \$50,000 in FY 94 and \$79,590 in FY 94 with language stating that, "if legislation passes establishing milk fees, the Charm 11 milk antibiotic test system would be funded with state special revenue". Motion CARRIED unanimously.

Ms. Smith said in the Long-Range Building Program there is

\$47,520 in the budget for equipment and \$7,500 for the air conditioning system.

**Motion/Vote:** SEN. JERGESON moved to approve the Executive Budget of \$2,750 each year for equipment. Motion CARRIED unanimously.

**Funding:**

Mr. Lloyd noted, as stated by the Department, if the legislation passes \$85,000 could be deducted from the Executive Budget.

**Motion/Vote:** SEN. JERGESON moved to approve the Executive Budget for funding with language that says "contingent upon the passage of the milk fees the general fund would be reduced by \$85,000 and special revenue increased by the same amount. Motion CARRIED unanimously.

**Budget Modifications:**

**Diagnostic Lab Workload:**

Mr. Lloyd said the Executive proposes an increase of two FTE in the Diagnostic Laboratory due to the increased work load. He said the difference in the amounts is two FTE for FY 94 and 1.5 FTE for FY 95.

SEN. JERGESON asked what about approving one FTE for the first year and one FTE for the second year. Mr. Skufca said that would be better than nothing.

REP. JOHNSON asked if these positions were funded with state special revenue. Mr. Lloyd replied they are 100% state special revenue funded.

**Motion:** SEN. WEEDING moved to approve the addition of one FTE in FY 94 and one FTE in FY 95 for a total of two FTE and instruct the Fiscal Analyst to adjust the figures accordingly.

**Discussion:** Ms. Smith said the committee would need to clarify the grades and what the duties would be. Mr. Stackhouse replied that one FTE would be a veterinarian and one FTE would be the Laboratory Technician. It would be a grade 8 in FY 94/FY 95, and an additional grade 19 in FY 95.

**Substitute Motion:** SEN WEEDING moved to approve a grade 8 FTE in FY 94 and a grade 19 FTE in FY 95 with operating costs adjusted for the salaries. Motion CARRIED 5-1 with CHAIRMAN DEBRUYCKER voting no.

HOUSE NATURAL RESOURCES SUBCOMMITTEE

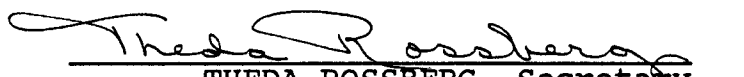
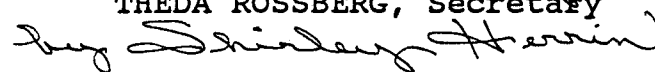
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ADJOURNMENT

Adjournment: 12:00 P.M.

  
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ROGER DEBRUYCKER, Chairman

  
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THEDA ROSSBERG, Secretary  


RD/tr

HOUSE OF REPRESENTATIVES

NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE 1-13-94

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	✓		

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## DEPARTMENT OF LIVESTOCK

## Program Summary

## Inspection &amp; 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	63.21	61.21	61.21	61.21	0.00	61.21	61.21	0.00
Personal Services	1,779,331	1,793,611	1,872,238	1,879,973	(7,735)	1,877,362	1,885,104	(7,742)
Operating Expenses	337,716	333,549	361,700	317,544	44,156	361,247	328,179	33,068
Equipment	87,084	83,319	89,722	89,722	0	87,497	87,497	0
Total Costs	\$2,204,132	\$2,210,479	\$2,323,660	\$2,287,239	\$36,421	\$2,326,106	\$2,300,780	\$25,326
<b>Fund Sources</b>								
State Revenue Fund	2,204,132	2,210,479	2,323,660	2,287,239	36,421	2,326,106	2,300,780	25,326
Total Funds	\$2,204,132	\$2,210,479	\$2,323,660	\$2,287,239	\$36,421	\$2,326,106	\$2,300,780	\$25,326

**Page References**

LFA Budget Analysis, Vol. II, page C-71  
Executive Budget, page C-27

**Current Level Differences**

OVERTIME--The LFA current level includes funding for benefits associated with overtime.

(7,735) (7,742)

CONSULTING AND PROFESSIONAL SERVICES--The LFA current level does not include an increase for livestock autopsies or unjustified amounts in agency's request.

753 753

INSURANCE--Minor adjustments to the LFA current level can be made in the Centralized Services Division to bring the agency up to the level in DoFA schedules. *2708 222*

(67) (132)

BRAND RE-RECORD--The executive includes fiscal 1992 expenditures in the base of brand re-record expenses which are a cyclical expense every 10 years.

23,852 23,852

CLOTHING--The LFA reduces clothing costs in fiscal 1994 because historical expenditures indicate this is an cyclical expense.

5,385 0

AMMUNITION--LFA includes funding for ammunition at fiscal 1992 actual expenditure level.

968 (1,532)

ONE-TIME COSTS--The executive considers telephone changes and repairs to vehicles due to accidents as one-time costs.

(1,530) (1,530)

RENT--The executive includes rent for a new district office in Billings in current level.

2,700 2,700

REPAIR & MAINTENANCE--The LFA reduces repair and maintenance for computers since funding for computer contract maintenance was increased. *weeding passed*  
*Jugson passed*

11,915 11,915  
2,915 2,915

TRAINING--The executive includes increase in the base for law enforcement and survival training. *Jugson passed*

2,000 2,000  
6,000 6,000

MINOR DIFFERENCES *1222 1222*  
*2000*

5 5

INFLATION (Non-voting item) *3222*

175 37

TOTAL CURRENT LEVEL DIFFERENCES

33,421 25,326

**Budget Modifications**

BRAND INSPECTORS & AUDITOR--The executive recommends this modification to hire two additional brand inspectors and one additional auditor. One FTE for an auditor was approved as a budget modification by the 1991 Legislature. *weeding*

80,000 80,000**Language**

5603 08 00000 DEPARTMENT OF LIVESTOCK Program Summary								
Predatory Animal Control Pgm								
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	1.25	1.25	1.25	1.25	0.00	1.25	1.25	0.00
Personal Services	67,493	61,094	60,260	60,260	0	61,373	61,375	(2)
Operating Expenses	281,273	235,211	218,729	164,261	54,468	222,489	166,172	56,317
Equipment	350	0	0	0	0	0	0	0
Total Costs	\$349,117	\$296,305	\$278,989	\$224,521	\$54,468	\$283,862	\$227,547	\$56,315
<u>Fund Sources</u>								
State Revenue Fund	349,117	296,305	278,989	224,521	54,468	283,862	227,547	56,315
Total Funds	\$349,117	\$296,305	\$278,989	\$224,521	\$54,468	\$283,862	\$227,547	\$56,315

Page References

LFA Budget Analysis, Vol. II, page C-72  
Executive Budget, page C-28

Current Level Differences

## PERSONAL SERVICES

SECTION 8 OF RANGELAND IMPROVEMENT ACT—The LFA budgets Section 8 of the 1978 Rangeland Improvement Act (Federal) at fiscal 1992 actual expenditures. The 1991 Legislature approved a \$20,000 per year modification for this item.

CONTRACTS—The executive includes increases above the base to contract with counties and Animal Damage Control for aerial killing of coyotes.

## HELICOPTER

A. Fuel—The LFA bases fuel costs on 22 gallons/hr., 500 hours per year, and \$1.80 per gallon.

B. Maintenance—The LFA bases maintenance on 500 hours per year, \$68/hr. for unscheduled maintenance, five 100 hour inspections taking 70 hours @ \$37.50/hr., and one annual inspection taking 40 hours @ \$37.50/hr.

## MINOR DIFFERENCES

## INFLATION (Non-voting item)

## TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

None

Language

None

Exec. Over(Under) LFA  
Fiscal 1994 Fiscal 1995

(1)

(1)

15,374

15,374

64,000  
32,00064,000  
32,0005,200  
1,5975,200  
3,052

74

217

224

473

54,468

56,315

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
<b>Fund Sources</b>								
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. *Wesley accepted the Exec passed*

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. *Jergeson passed*

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. *Wesley passed*

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

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. *Johnson passed (6 payments)*

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

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.

**MINOR DIFFERENCES****INFLATION (Non-voting item)**

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 *used*
- B. Charm 11 milk antibiotic test system *2 M 9*
- C. Bench-top cryostat
- D. Medical autoclave and preparation—dependent on approval of department's long-range building request

**TOTAL CURRENT LEVEL DIFFERENCES**

Exec. Over(Under) LFA  
Fiscal 1994 Fiscal 1995

(30,460) (30,494)

6,000 6,000

1,914 4,019

4,000 4,000

16,376 16,375  
17,769 17,769

16,376 16,375

8,212 8,212

2,750 2,750

2,705 2,701

975 1,482

50,000 0  
0 9,000  
0 15,570  
0 55,020  
-745,446  
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.

### 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

794  
\$5 per 95  
Total 3.5

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	
	<u>FY'97 =</u>	<u>12,000</u>	
		<u>\$62,261</u>	
C. Livestock Board portion at 35.94% of Marsh Lab Space			
	FY'93 =	\$16,375	to be paid
	FY'94 =	16,375	
	FY'95 =	16,375	
	FY'96 =	16,375	
	<u>FY'97 =</u>	<u>16,375</u>	
		<u>\$81,876</u>	

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

HOUSE OF REPRESENTATIVES  
VISITOR REGISTER

NATURAL RESOURCES SUBCOMMITTEE

DATE 1-13-93

DEPARTMENT(S) \_\_\_\_\_

DIVISION \_\_\_\_\_

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John Skufem	" "	
LORRAINE DRESSLER	" "	
Larry Stackhouse	" "	
Gork Martensen	" "	
Bob Gilbert	MT Woolgrowers	
Dawn Allen	Mont. Livestock Syst.	

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