

MINUTES

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

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By **CHAIRMAN ROGER DEBRUYCKER**, on January 19, 1993, at 8:00 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:

Hearing: CENTRAL MANAGEMENT DIVISION

Executive Action: DEPARTMENT OF AGRICULTURE
CENTRAL MANAGEMENT DIVISION

EXECUTIVE ACTION
DEPARTMENT OF AGRICULTURE

Plant Industry Division: EXHIBIT 1

Personal Services:

Motion: SEN. JERGESON moved to approve the Executive Budget for Personal Service for \$6,901 in FY 94 and (\$7) FY 95.

SEN. DEVLIN asked what is the source of those funds. Will Kissinger, Administrator of the Plant Industry Division, said Personal Services is a special revenue account.

Vote: Motion CARRIED unanimously.

Contracted and Professional Services:

SEN. DEVLIN asked if there is a bill in to increase the fees for potato inspections and the mint research. Mr. Kissinger replied there is a bill introduced to make the produce industry self-funded. There already is a special revenue account for the mint research which is self-funded.

Motion: REP. JOHNSON moved to approve the Executive Budget for
A. Potato Inspection for \$720 each year of the biennium and
B. Mint Research for \$8,945 for FY 94 and \$15,070 for FY 95.

Discussion: SEN. DEVLIN said maybe we should have some language in there that says if it is covered by the fees they will fall out of the budget. Roger Lloyd, Legislative Fiscal Analyst replied that the committee will have similar requests for other items, perhaps you could handle them with language stating "one-time only".

SEN. DEVLIN asked how much money is in the mint research. Mr. Kissinger replied there is a cash reserve of about \$10,000.

Mr. Lloyd suggested that the subcommittee could approve the language to apply to all the items. EXHIBIT 1, Page 2

SEN. DEVLIN asked if there is \$10,000 in the mint account plus whatever fees comes in; what is it going to look like with \$15,070 in the second year? Is it correct that in the second year \$14,000 would have to be raised to pay off the \$15,070. Mr. Kissinger said there are two other contracts involved: The Mint Research Council Contract and MSU has an experiment station for Agriculture Research Contract. Revenue also comes in from an acreage assessment.

Sen. Devlin asked how much it brings in each year. Dennis Christianson, Department of Agriculture, responded that the department has predicted the mint acreage would increase by 600 acres in the next two years. The mint industry will have a bill asking that fees be reduced because it is projected more revenues will be raised than are being requested in this budget.

Vote: Motion CARRIED 5-1 with SEN. DEVLIN voting no.

Laboratory Testing:

Motion/Vote: REP. WISEMAN moved to approve the Executive Budget of \$275 for both years of the biennium for Laboratory Testing.
Motion CARRIED 5-1 with SEN. DEVLIN voting no.

Travel:

Mr. Kissinger said the Travel combines both the general fund and special revenue accounts. The request for in-state and out-of-state travel will be covered under these bills if they pass and there will not be any general fund.

Motion: SEN. DEVLIN moved to reduce the travel by the amount that is general fund.

Discussion: Mr. Kissinger stated if travel is reduced, the amount will come out of the potato industry. The potato fees are paid into the general fund and taken back out for travel which is the reason it shows up as general fund.

Mr. Lloyd said if the general fund was taken out of the increase for travel the amount remaining would be \$3,756 in the first year and \$2,140 the second year.

SEN. WEEDING asked how to differentiate between the potato and non-potato account. He also asked if the \$3,756 was over and above what is deposited into the general fund. Mr. Kissinger said travel will get a corresponding increase from the increase in inspection fees. Until the bill passes it goes back into the general fund which would actually be a wash.

SEN. DEVLIN asked what the out-of-state travel is for. Mr. Kissinger said the out-of-state travel is for feed and fertilizer inspection and also anhydrous ammonia training for supervisors which is held in Iowa.

Motion Withdrawn: SEN. DEVLIN withdrew his motion.

SEN. DEVLIN asked how much is being spent on in-state and out-of-state travel now. Mr. Lloyd said currently for out-of-state in 1992 the expenditures in the LFA budget were \$2,800 the first year and \$2,800 in the second year. In the Executive Budget there was approximately \$8,000 each year. For in-state the 1992 expenditures were \$15,000 each year and the Executive Budget was about \$17,500 and in the second year a few hundred dollars more.

Motion/Vote: SEN. JERGESON moved to approve the Executive Budget of \$9,097 for FY 94 and \$7,465 for FY 95 for Travel. Motion CARRIED 4-2 with CHAIRMAN DEBRUYCKER and SEN. DEVLIN voting no.

Minor Differences:

Motion/Vote: REP. JOHNSON moved to approve the Executive Budget of \$375 in FY 94 and \$860 in FY 95 for Minor Differences. Motion CARRIED 4-2 with CHAIRMAN DEBRUYCKER and SEN. DEVLIN voting no.

Equipment:

Motion/Vote: SEN. WEEDING moved to approve the Executive Budget for Item A, cellular telephones for \$800 in FY 94 and \$600 in FY 95. Motion CARRIED 4-2 with SEN. DEVLIN and REP. WISEMAN voting no.

Motion/Vote: SEN. JERGESON moved to approve the Executive Budget for Item B, Novell Computers for \$3,100 in FY 94 and \$600 in FY 95 and also, Item C, Office Equipment for \$3,190 in FY 94 and \$551 in FY 95. Motion CARRIED unanimously.

EXECUTIVE BUDGET MODIFICATIONS:

Additional Potato Inspection:

Mr. Lloyd said there was some testimony that there would need to be some additional administrator costs to be assessed and if the department is not able to contract for services they would like two FTE in place of contracted services. The cost would be greater than this figure.

Leo Giacometto, Administrator, Department of Agriculture, said that would be self-funded. The language that was discussed early about an amendment that says if the revenue does not come in from the fees, it will not be spent. All of these industries realize they are not going to get any general fund. The department supports the amendment that the industries have to become self-supporting.

Motion/Vote: SEN. WEEDING moved to approve the Additional Potato Inspections modification for \$40,736 for each year of the biennium. Motion CARRIED unanimously.

Liquidation Contingency Fund:

SEN. JERGESON asked is this related to grain elevators going out of business. Mr. Kissinger replied that is correct.

Motion/Vote: SEN. JERGESON moved to approve the Executive Budget for \$20,000 biennial appropriation in FY 94 for Liquidation Contingency Fund modification. Motion CARRIED unanimously.

Agricultural Inspectors Reclassification:

SEN. DEVLIN asked how the department justifies FTE upgrades. Sandra Kuchenbrod, Administrator, Centralized Services, said the Department of Administration does evaluations based on market analysis.

SEN. DEVLIN said they first consider in-state inspectors and then go to other states, is that right. Ms. Kuchenbrod replied yes.

SEN. WEEDING asked if this general fund related back to the fee increases. Mr. Kissinger said if the amendment is adopted this would be self-supporting.

Motion/Vote: SEN. WEEDING moved to approve the Executive Budget for \$23,906 each year of the biennium for Agricultural Inspectors Reclassification modification. Motion CARRIED 5-1 with CHAIRMAN DEBRUYCKER voting no.

ADDITIONAL EXECUTIVE BUDGET MODIFICATIONS:

Insect Surveys:

Motion/Vote: SEN. JERGESON moved to approve the Executive Budget for \$10,350 each year of the biennium for the Insect Surveys modification. Motion CARRIED unanimously.

Language and Other Issues:

Mr. Lloyd said the language addresses three items which show up in the bill: the general appropriation and two of the modifications the subcommittee just passed. **EXHIBIT 1, Page 2**

Motion/Vote: SEN. WEEDING moved to approve the language as follows: "If proposed legislation increasing fees is enacted (bills No. HB 564, HB 193, HB 167 and SB 98), general fund in items Plant Industry Division, Additional Potato Inspections, and Agriculture Inspectors Reclassification is eliminated and state special revenue increased by the same amounts." Motion **CARRIED** unanimously.

Tape 1, A

One FTE, Regulatory Program Manager:

Mr. Giacometto said all of these programs will be self-funded if the bill passes. This FTE would also be self-funded out of the special revenue account.

Motion: SEN. WEEDING moved to restore FTE no. 1101 for Regulatory Program Manager with the language.

Discussion: REP. JOHNSON said there are five bills here, if four of them fail and one passes would the department hire one-fifth of a Bureau Chief. Mr. Giacometto said the department would have to somehow pay only \$30,000 for that FTE.

Vote: Motion **FAILED** 3-3.

Motion Vote: SEN. WEEDING moved to close the Plant Industry Division. Motion **CARRIED** unanimously.

**HEARING ON
CENTRAL MANAGEMENT DIVISION**

VICE-CHAIRMAN, SEN. WEEDING Presiding

Mr. Lloyd reviewed the budget differences with the subcommittee. **EXHIBIT 2** He said a motion was made in the Grain Laboratory that indirects which were assessed in that program, affect this division. The effect of that motion increases general fund in this program by \$9,180 the first year and \$9,209 the second year with a corresponding decrease in special revenue. The Grain Laboratory will not have to pay those amounts in indirect charges.

Funding, Item A - is no longer applicable since the excess funds that were available under the LFA level were spent when we visited the Agricultural and Biological Science Division.

Item C - has been discussed before but no action has been taken on indirect costs. Perhaps language is needed to address the federal indirect costs which, if they do become available, can be

used to off-set general fund in this program.

Ms. Kuchenbrod gave testimony on the Central Management Division. EXHIBIT 3 She reviewed the Current Base Funding with the members. EXHIBIT 3-A. She also reviewed the Proposed Base Funding in Central Management Division. EXHIBIT 3-B

Insurance:

Ms. Kuchenbrod stated Insurance Costs were underestimated so the department will need the \$190 and \$343.

Novell System:

Ms. Kuchenbrod said they understood they would have to pay \$150 per hour if there was a computer problem. We found out that the Department of Administration will provide this support and it is \$150 per problem not per hour. Therefore, we would like to reduce the request to \$650 each year.

Weed Seed Free Agronomic Crop Study:

Out-Of-State Travel:

Ms. Kuchenbrod said she would like to address these two items together. The FY 92 base for out-of-state travel did not include a commercial airline ticket which was purchased by using a frequent flyer ticket. EXHIBIT 3, Page 3

Contingency:

Ms. Kuchenbrod noted the department budgeted for \$5,000 but only expended about \$2,500 in FY 92. This is just spending authority.

Minor Differences:

Ms. Kuchenbrod stated this was for some carpet replacements. See EXHIBIT 3, Page 3

Equipment: EXHIBIT 3, Page 4

Item A - this request is for two printers and a secretarial chair.

Item B - this is for software for the Novel System. The cost is based on 60% of original cost of \$4,600 which amounts to \$2,760 each year. Upgrades are anticipated to occur once a year.

Funding:

Ms. Kuchenbrod stated Items A & B are no longer applicable.

Item C - the current indirect costs for federal grants is 21.56%, however, it fluctuates from 19.56% to 24.43%.

Since the budget is based on 100% funding of positions, perhaps language would be appropriate to the effect that "any federal indirect costs received by the department, over the amount of \$39,828 in FY 94 and \$39,978 in FY 95, general fund would be decreased by a like amount".

Executive Budget Modifications:**CMD Federal Position:**

Ms. Kuchenbrod said the department has requested a FTE for an accounting technician to assist with SBAS, which would be federally funded.

SEN. JERGESON asked what happens if the federal government decides not to fund this position. Ms. Kuchenbrod said this position is currently hired and if the funds are not received the position would be terminated. We are guaranteed through the end of 1993.

Purchasing Supply Clerk:

Ms. Kuchenbrod said three employees are currently assuming the responsibilities of this vacant position.

SEN. DEVLIN asked how long this position has been vacant. Ms. Kuchenbrod replied it has been vacant since April. The department had the funds for 1992 but not for 1993.

SEN. JERGESON asked when those employees take on additional responsibilities, are you adding up additional comp-time and sick leave. Ms. Kuchenbrod said at this point we are not. One of the persons who is helping is the accounting technician.

SEN. JERGESON asked what the federal government thinks about one of their employees doing another job. Ms. Kuchenbrod replied that everything we do is attributed to federal grants. Currently we don't have a choice.

SEN. WEEDING asked when the department received the budget amendment. Ms. Kuchenbrod said it was late in FY 92. She said the Executive Budget and LFA Budget do not recommend the request for overtime for \$1,376 per year. However, because of the Fair Labor Standards Act it was necessary to reclassify the systems analyst and have estimated he will have about 80 hours of overtime. To date, this position has consumed about \$500 in overtime.

SEN. DEVLIN asked what is the fund source. Ms. Kuchenbrod said about 44% is general fund. EXHIBIT 3, A Proposed Base Funding, EXHIBIT 3, B

EXECUTIVE ACTION
CENTRAL MANAGEMENT DIVISION**Novel System:**

SEN. JERGESON moved to approve \$600 each year for the Novel System. Motion CARRIED unanimously.

Weed Seed Free Agronomic Crop Study:**Out-Of-State Travel:**

Motion: SEN. JERGESON moved to approve the Executive Budget for

\$1,500 each year for Weed Seed, and \$1,511 each year for travel.

Discussion: SEN. DEVLIN said he would like to take separate motions on those two items.

Motion/Vote: SEN. JERGESON moved to approve the Executive Budget of \$1,511 each year for Weed Seed Free Agronomic Crop Study. Motion CARRIED 5-1 with REP. JOHNSON voting no.

SEN. JERGESON stated he believed the committee had approved the Executive for out-of-state travel in the Department of Livestock and believed it is appropriate to do the same thing for the Department of Agriculture.

Tape 2, A.

Motion: SEN. JERGESON moved to approve \$2,300 each year for out-of-state-travel.

Discussion: SEN. DEVLIN asked what was in the base for out-of-state travel. Mr. Lloyd said there was \$1,967 for travel expenses expended in FY 92. The Executive is requesting \$4,357 for out-of-state travel.

Mr. Christianson said the Department took a five-year average for out-of-state travel.

Substitute Motion/Vote: SEN. DEVLIN moved to approve \$1,200 each year of the biennium for out-of-state travel. Motion CARRIED unanimously.

Contingency:

Motion/Vote: SEN. JERGESON moved to approve the Executive Budget of \$2,618 in FY 94 and \$2,592 in FY 95 for Contingency. Motion CARRIED unanimously.

Minor Differences:

Motion/Vote: REP. JOHNSON moved to approve the Executive Budget for \$970 in FY 94 and \$977 in FY 95. Motion CARRIED unanimously.

Equipment:

SEN. DEVLIN asked if the department has any chair other office equipment repaired at the prison. Ms. Kuchenbrod said the try to have them fixed if possible.

SEN. DEVLIN asked if the department has to pay the prison industry when they fix something. Ms. Kuchenbrod said normally General Services take care of it. Sometimes they are charged for repairs and sometimes they aren't.

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

Funding:

A. Mr. Lloyd said this is no longer applicable because the excess fund balance has already been spent.

B. Mr. Lloyd stated it would take a committee bill to change the registration fees to offset general fund by indirects by those fees.

C. He said this would need language authorizing an increase in federal authority and a decrease in general fund if additional federal indirects are received.

There was some discussion by the subcommittee on language concerning indirect assessments, if the proposed legislation is passed earmarking those fees the indirects would then be assessed on those earmarked accounts and reducing general fund.

Mr. Lloyd said there are approximately 5,400 pesticide registrations including yard, home and garden type products as well as some household disinfectants which must pay the registration fees.

SEN. WEEDING said it is his understanding that the industry supports the increase in fees. Mr. Lloyd said the bills being introduced address fees other than the pesticide registration fees.

Motion: SEN. JERGESON moved to draft a committee bill to increase the pesticide registration fees to \$184 allocated at \$95 for groundwater and \$89 for pesticides.

Discussion: Mr. Lloyd said the fee is actually split between two accounts and the dollar amount for each account is set in statute. So the amount directed to each account should be included in the motion. Page C 103 of the LFA Budget book states "Assuming 5,400 products would be registered annually (1992 level) in the 1995 biennium, an increase from \$150 to \$184 per registration (allocated \$95 for groundwater and \$89 for pesticides) would be needed to provide enough revenue to fully assess these two accounts for Central Management support in the 1995 biennium and beyond".

SEN. JERGESON stated he would like to include the allocations in the motion.

SEN. DEVLIN expressed concern that Montana is rated pretty high in what is being charged for fees now.

Mr. Giacometto said it is his understanding the bill is to deal with disposal of containers and does not address the issue of self-funding.

CHAIR. DEBRUYCKER asked how much is the fee for the disposal. Mr. Giacometto said the bill is just being introduced and he

didn't know the specifics.

Mr. Lloyd said he would recommend language that says "if additional state special revenue indirects assessments are collected that general fund be decreased and state special revenue increased by a like amount." if proposed legislation passes.

Vote: Motion FAILED 4-2 with SEN. DEVLIN and REP. WISEMAN voting no. Please Note: It takes a 3/4 majority for passage of a committee bill.

Mr. Lloyd said there are two items in the language concerning the five bills if they pass. "If additional state special indirects are received the state special revenue appropriation be increased by that amount and general fund be decreased by a like amount."

The other language would deal with the federal indirects. Language which says "that if federal indirects that are received exceeds the amount that is appropriated of \$39,828 and the amount received is greater than that the general fund is decreased by the excess amount and federal authority increased by the excess".

Motion/Vote: SEN. DEVLIN moved to approve the two language issues as stated by Mr. Lloyd. Motion CARRIED unanimously.

Executive Budget Modification:

CMD Federal Position:

Motion/Vote: REP. JOHNSON moved to approve the Executive Budget on the modification for \$23,988 in FY 94 and \$24,032 in FY 95 for the CMD Federal Position. Motion CARRIED unanimously.

SEN. JERGESON asked if the department needs the full FTE for the Purchasing/Supply Clerk. Ms. Kuchenbrod replied yes, the person is needed on a full time basis.

Motion: SEN. JERGESON moved to reinstate position no. 106, Purchasing/Supply Clerk for \$20,929 in FY 94 and \$20,967 in FY 95.

Discussion: SEN. DEVLIN asked isn't this the position that three other FTE were filling in since last April and there hasn't been any comp-time because of it? Have you had any criticism from the public you serve. Ms. Kuchenbrod said no we have not. It could potentially affect the audit in the future.

Vote: Motion FAILED 3-3.

Motion: SEN. JERGESON moved to reinstate .50 FTE for the Purchasing/Supply Clerk.

Discussion: SEN. JERGESON said we keep asking these agencies to

do the work load and we keep cutting the FTE.

SEN. DEVLIN said you are exactly right. Until we decrease their responsibilities we won't be able to cut the budget.

Mr. Lloyd said this subcommittee has added one FTE in the modification and taken out one FTE because it was vacant.

SEN. DEVLIN asked what would that .50 FTE cost if it were approved. **Mr. Lloyd** said if this position was a .50 FTE the amount budgeted would be about \$12,000. It would be more than one-half because full insurance benefits would have to be paid.

Tape 2, B.

Vote: Motion CARRIED 5-1 with **SEN. DEVLIN** voting no.

SEN. WEEDING asked how the committee should address the \$1,376 that was requested for overtime. **Ms. Kuchenbrod** said they discussed this with the budget analyst when she cut it out of the budget that we would have to request the overtime amount from this subcommittee.

Ms. Smith said we were going with the base and we suggested that the agency come in and discuss it with the subcommittee.

Motion/Vote: **SEN. DEVLIN** moved to approve \$1,376 for each year of the biennium for overtime. Motion CARRIED unanimously.

SEN. JERGESON asked the budget office what the reason was for reducing the Office Equipment. **Ms. Smith** replied they usually go with higher priced equipment items.

SEN. JERGESON commented that it was strange the PC would be approved but not the chair.


Motion/Vote: **SEN. DEVLIN** moved to approve the Executive Budget for (\$800) in FY 94 and (1,630) in FY 94 for Office Equipment. Motion CARRIED 4-2 with **SEN. JERGESON** and **SEN. WEEDING** voting no.

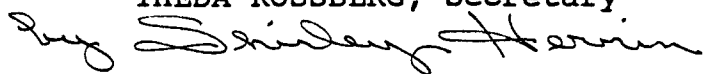
ADJOURNMENT

Adjournment: 10:15 A.M.



ROGER DEBRUYCKER, Chairman



THEDA ROSSBERG, Secretary


DB/tr

HOUSE OF REPRESENTATIVES
NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE

1-19-93

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	✓		

54 STATE MOTOR POOL

EXHIBIT
DATE 1-19-93
SR

	FY1992 Actual	FY1993 Appropriated	Fiscal Year 1994		Fiscal Year 1995		Total
			Current Level	Mod's/Policy	Current Level	Mod's/Policy	
Full Time Equivalent Employees	5.00	5.00	5.00	.00	5.00	.00	5.00
Personal Services	155,522.59	149,900	162,244	0	164,481	0	164,481
Operating Expenses	240,303.06	241,929	287,401	0	317,428	0	317,428
Equipment	333,776.00	0	443,300	228,000	284,800	0	284,800
Total Agency Costs	\$729,601.65	\$391,829	\$892,945	\$228,000	\$766,709	\$0	\$766,709
Proprietary Fund	729,601.65	391,829	892,945	228,000	766,709	0	766,709
Total Funding Costs	\$729,601.65	\$391,829	\$892,945	\$228,000	\$766,709	\$0	\$766,709

CURRENT LEVEL SERVICES: The executive budget recommends additional proprietary fund authority of \$163,344 in FY94 and \$37,108 in FY95. These increases are associated with increased fixed costs (insurance and rent), and fleet vehicle

replacement.

Funding for the motor pool program is from rental charges paid by user agencies.

MODIFIED LEVEL SERVICES: Increase Fleet Size \$228,000 in proprietary revenue funds in FY94 to increase the fleet size of

the Motor Pool by twenty units due to agency demand for motor pool vehicles.

6201 40 00000 DEPARTMENT OF AGRICULTURE Program Summary			Plant Industry Division <i>EX EXECUTIVE ACTION</i> 1-18-93 <i>1-19-93</i>					
Judget 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	17.29	16.96	16.96	16.96	0.00	16.96	16.96	0.00
Personal Services	498,561	502,390	532,046	525,145	6,901	526,772	526,779	(7)
Operating Expenses	114,888	142,694	143,816	124,101	19,715	152,400	127,448	24,952
Equipment	5,467	14,255	19,935	17,425	2,510	18,435	17,786	649
Total Costs	\$618,917	\$659,339	\$695,797	\$666,671	\$29,126	\$697,607	\$672,013	\$25,594
Fund Sources								
General Fund	473,442	482,895	514,548	504,934	9,614	501,539	494,505	7,034
State Revenue Fund	135,897	156,004	167,342	148,688	18,654	181,901	163,916	17,985
Federal Revenue Fund	3,719	9,189	5,491	5,239	252	5,606	5,355	251
Proprietary Fund	5,858	11,251	8,416	7,810	606	8,561	8,237	324
Total Funds	\$618,917	\$659,339	\$695,797	\$666,671	\$29,126	\$697,607	\$672,013	\$25,594

Page References

LFA Budget Analysis, Vol. II page C-112
Executive Budget page C-42

Current Level Differences

PERSONAL SERVICES--The executive includes an increase over the base for retirement payouts. *Johnson Passed*

CONTRACTED AND PROFESSIONAL SERVICES

- A. The executive includes an increase over the base for potato inspections (general fund)
- B. The executive includes an increase over the base for mint research *Johnson Passed*

LABORATORY TESTING--The executive includes an increase over the base for testing of alfalfa leaf cutter jects. *Museum Passed*

TRAVEL--The executive includes an increase over the base for in-state and out-of state travel (general fund) *Johnson Passed*

MINOR DIFFERENCES *Johnson Passed*

INFLATION (Non-voting item)

EQUIPMENT--The executive includes the items A and B not in the LFA current level:

- A. 7 cellular telephones *Wedding Passed*
- B. Novell computers and software (Novell system began with budget amended authority)
- C. Office equipment *Johnson Passed*

TOTAL CURRENT LEVEL DIFFERENCES

Executive Budget Modifications

ADDITIONAL POTATO INSPECTIONS--The executive requests general fund to contract for additional potato inspections. Although additional inspection fee revenue would be deposited in the general fund, the revenue is not sufficient to offset the general fund cost. *Contributor? Wedding Passed*

LIQUIDATION CONTINGENCY FUND--The executive requests state special revenue as a biennial appropriation to expend funds received for reimbursement of costs associated with bankruptcy liquidation or commodity deficiencies. If proposed legislation is enacted concerning this issue, the department states that this modification would not be needed. *Johnson Passed*

AGRICULTURAL INSPECTORS RECLASSIFICATION--The executive requests general fund and state special revenue to fund anticipated upgrades for seven inspectors and one warehouse auditor. *Wedding Passed*

Additional Executive Budget Modifications

INSECT SURVEYS--The executive request an additional modification to spend \$10,350 federal funds in fiscal *Johnson Passed*

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

6,901	(7)
720	720
8,945	15,070
275	275
9,097	7,465
335	860
343	562
800	600
3,100	600
(1,390)	(551)
29,126	25,594
40,736	40,736
20,000	0
23,906	23,906
10,350	10,350

1994 and \$10,350 federal funds in fiscal 1995 to conduct annual Gypsy moth, exotic pest, cereal leaf beetle and Pine Shoot beetle surveys in cooperation with APHIS. Funding is dispersed through MSU. This activity was conducted in fiscal 1992 and any expenditures for this purpose are budgeted in the LFA current level.

CAPTION: _____
DATE: 1-19-93
SP: /

Language and Other Issues

The agency has five bills which affect funding of this program. Depending on committee discussion, suggested language follows: ~~"If proposed legislation increasing fees is enacted (bills No. 1, 2, 3, and 4), general fund in items [Plant Industry Division], [Additional Potato Inspections], and [Ag. Inspectors Reclassification] is eliminated and state special revenue increased by the same amounts."~~ *wording revised.*

Table D on page C-104 of the LFA Budget Analysis details fees and revenue currently generated by the Plant Industry Division and separates those deposited to the general fund.

DEPARTMENT OF AGRICULTURE
Plant Industry Division

EXHIBIT 1
DATE 1-19-93
~~88~~

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

Position #	Position Description	Total Personal Services		FTE		Total FTE Removed	Non-Approp FTE
		Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
<i>All or Partial General Fund Positions</i>							
1101	Regulatory Program Manager	44,298	44,374		1.00	1.00	
Sub-Total		44,298	44,374	0.00	1.00	1.00	0.00
<i>Non-General Fund Positions</i>							
	None					0.00	
Sub-Total		0	0	0.00	0.00	0.00	0.00
TOTAL		44,298	44,374	0.00	1.00	1.00	0.00

6201 15 00000 DEPARTMENT OF AGRICULTURE Program Summary		Central Management Division						
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	10.00	10.00	10.00	10.00	0.00	10.00	10.00	0.00
Personal Services	365,918	371,520	396,514	396,522	(8)	397,627	397,633	(6)
Operating Expenses	91,259	77,368	107,861	97,163	10,698	79,046	68,397	10,649
Equipment	<u>3,609</u>	<u>5,475</u>	<u>6,350</u>	<u>4,400</u>	<u>1,950</u>	<u>4,550</u>	<u>3,430</u>	<u>1,120</u>
Total Costs	\$460,787	\$454,363	\$510,725	\$498,085	\$12,640	\$481,223	\$469,460	\$11,763
Fund Sources								
General Fund	206,037	190,456	242,772	232,750	10,022	210,951	201,780	9,171
State Revenue Fund	177,653	201,702	192,375	189,757	2,618	194,385	191,793	2,592
Federal Revenue Fund	42,038	26,270	39,828	39,828	0	39,978	39,978	0
Expendable Trust Fund	<u>35,059</u>	<u>35,935</u>	<u>35,750</u>	<u>35,750</u>	<u>0</u>	<u>35,909</u>	<u>35,909</u>	<u>0</u>
Total Funds	\$460,787	\$454,363	\$510,725	\$498,085	\$12,640	\$481,223	\$469,460	\$11,763

Page References

LFA Budget Analysis, Vol. II pages C 106-107
Executive Budget page C-39

Current Level Differences

INSURANCE—The executive includes less than the DofA schedule for insurance.

NOVELL SYSTEM—The executive includes additional operating funds for DofA support of the Novell computer system. Because this system was begun with budget amended funds, it is not included in the LFA current level.
Jefferson Passed

WEED SEED FREE AGRONOMIC CROP STUDY—The executive includes one-time travel costs for this committee.
Jefferson Passed

OUT-OF-STATE TRAVEL— The executive includes amounts above actual 1992 expenditures for out-of-state travel.
Devlin Passed

CONTINGENCY—The executive includes authority for an anticipated increase in agricultural donations.
Jefferson Passed

MINOR DIFFERENCES
Johnson Passed

INFLATION (Non-voting item)

EQUIPMENT
A. Office equipment *Devlin more Exp Passed*
B. Novell system software upgrades. The Novell system was begun with budget amended authority.
Jefferson Passed

TOTAL CURRENT LEVEL DIFFERENCES

FUNDING
not applicable
A. Funding the Agricultural and Biological Sciences Division at the LFA current level has generated a \$50,000 fund balance in the groundwater and pesticide accounts for fiscal 1994 and 1995 available to offset general fund in this program. Fund balance is not sufficient to continue funding this program from these accounts in the 1997 biennium. See the Issues section in the LFA Budget Analysis page C 102-103 and C 110-111.
B. If statutorily set fees for pesticide registrations were increased from \$150 to \$184 per registration, enough revenue would be generated to assess indirect costs to the two accounts mentioned above at the same rate other accounts are assessed and replace all general fund support in this division.
C. The committee may wish to consider any federal indirect cost revenue that is available from the approval of any federally funded budget modifications in this and other programs.

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

(190)	(343)
600 3,250	600 3,250
1,511	1,511
1500 2,390	500 2,390
2,618	2,592
970	977
141	266
(800) 2,750	(1,630) 2,750
12,640	11,763

Executive Budget Modifications

CMD FEDERAL POSITION – The executive recommends 1.00 FTE to continue a federally funded position initially authorized by a budget amendment to assist with SBAS activity and increased federal grant activity in the Agricultural and Biological Sciences Division. *Johnson - passed*

23,988

24,032

Language

None

DEPARTMENT OF AGRICULTURE
Central Management Division

EXHIBIT 2
DATE 1-19-93
~~3~~

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

Position #	Position Description	Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
		Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
<i>All or Partial General Fund Positions</i>							
106	Purchasing/supply clerk <i>Jersey - removed</i>	20,929	20,967		1.00	1.00	
Sub-Total		20,929	20,967	0.00	1.00	1.00	0.00
<i>Non-General Fund Positions</i>							
	None					0.00	
Sub-Total		0	0	0.00	0.00	0.00	0.00
TOTAL		20,929	20,967	0.00	1.00	1.00	0.00

EXHIBIT 3
DATE 1-19-93
~~SZ~~ _____

January 19, 1993
Joint Natural Resources Subcommittee
Appropriations - Finance & Claims Committee

House Bill # 2

DEPARTMENT OF AGRICULTURE

My name is Sandra Kuchenbrod, Administrator of the Central Management Division.

Central Management Division performs technical, fiscal, personnel and administrative support functions of the department's internal operations for related programs. Responsibilities include accounting, budgeting, payroll, personnel administration, purchasing and property control, systems analysis and design, and computer programming.

The Director's office is also included within Central Management Division budget and includes 4 FTE and related expenses.

Insurance - We request LFA insurance figures for Department of Administration fixed costs for general liability.

FTE - Purchasing/Supply Technician, Position #106

Due to mandatory vacancy savings, unfunded payplan and a termination payout totalling \$21,400 we had no alternative than to leave this purchasing position vacant.

The Accounting Technician (modified budget position currently employed), Accountant and Word Processor have had to assume responsibilities of the vacant purchasing position. CMD has experienced increased federal grant accounting, which was a recommendation in a Legislative Audit, increased delegated purchasing authority, and increased # of SBAS documents processed each year. (If this position is eliminated the department could face potential audit exceptions because the existing staff are having difficulty keeping up with the current workload.)

Overtime - LFA & the Executive budget recommendations do not include the agency request for overtime of \$1,376 per year, however due to the federal Fair Labor Standards Act reclassification of the Systems Analyst (Position #116) we need this authority.

We estimated a minimum of 80 hours overtime each FY. This position was reclassified effective 7/92, therefore, no overtime expenditures were shown in FY '92 actuals. To date this position has expended approximately \$500 in FY '93 for computer maintenance and support of the Helena office, and also systems at the State Grain Laboratory, Wheat & Barley Committee and the analytical laboratory located in Bozeman. This FTE is the only computer specialist in the department, who is responsible for design and maintenance of the computer system.

Operational Support/Non D of A \$600/yr

We are requesting that the Executive budget for this expense be reduced to \$600, instead of \$3,250. We had originally estimated \$3,250 per FY as we were under the assumption that it was to cost the agency \$150 per hour if we were to contract directly with Novell at \$2,500 per year. We have since been informed that the D of A will provide the technical support and the cost per issue, or problem, is \$150 (not hourly) and we estimate 4 issues per year.

Out-of-State Travel

The FY '92 base for out-of-state travel did not include one commercial airline ticket which was purchased by using a frequent flyer ticket and one commercial airline ticket was purchased late in FY '91 at a supersaver rate. The agency requests the Executive budget as it is consistent with the 5 year average for both in-state and out-of-state travel which includes the \$1,511 identified by LFA as the Weed Seed Free Agronomic Study.

The new Director will be requested to attend state agricultural meetings throughout Montana and

is a member of:

NASDA (National Association of State Departments of Agriculture) and within this association a member of the US/Canadian international affairs sub-committee.

WASDA (Western Association and within this association a sub-committee member of Canadian/US Transboundary Commission and Canadian Accord.

Contingency - We request the executive budget for the agricultural donation state special account. We are asking for authority should we receive the funds for hosting agricultural related trade teams and other ag related issues.

Minor Differences - are attributed to carpet replacements in two offices in FY '92 and requested for '94 & '95. We replace carpeting on an as needed basis and had potential liability problems had we not replaced carpeting in those rooms. By FY '94 and FY '95 the rooms we are anticipating will need carpeting are the department conference room and the hallway in the main entrance to the department due to the amount of traffic.

NOTE: 3 YEAR EQUIPMENT AVERAGE @ \$5,452

Equipment - Item A - Request LFA

Replace 2 printers (purchased in '85) 1 each FY

Replace 1 secretarial chair in FY '95 (which was purchased in '81)

Item B - Request Executive

This request is for software which operates the departments operating system to be compatible with the state. The estimated cost of the software is based on 60% of original software (cost of \$4,600) or \$2,760 each FY. Upgrades are anticipated to occur as often as once per FY.

FUNDING:

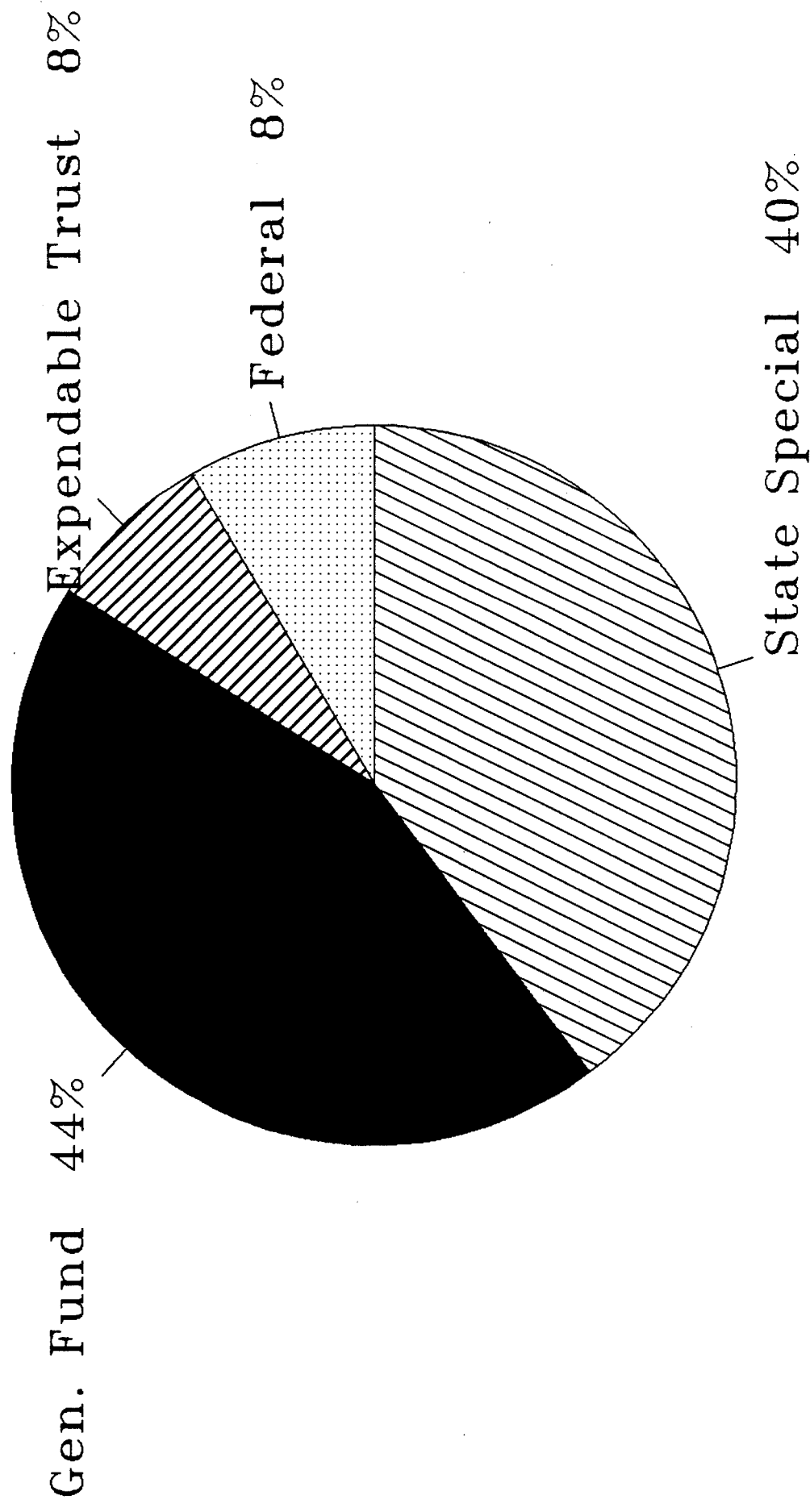
- A. Issue A is mute based on sub committee action occurring in ABSD.
- B. Issue B - mute based on sub committee action. This funding issue would take legislative action to increase pesticide registration fees.
- C. The current federal provisional indirect cost rate for federal grants is 21.56%. This rate, fluctuates and since it is currently a provisional rate can change from 19.56% to as high as 24.43%. Should you assess indirects on the federal modified grants and we do not receive the money to support our appropriation request, this will impact our current level budget.

Since the CMD budget is based on 100% funding of positions, perhaps language would be appropriate to the affect that "any federal indirect costs received by the department, over the amount of \$39,828 for FY '94 and \$39,978 for FY '95, general funds would be decreased by a like amount."

MODIFIED BUDGET REQUEST - FTE requested to hire an accounting technician in CMD to assist with SBAS activity and increased federal grant activity.

CURRENT BASE FUNDING

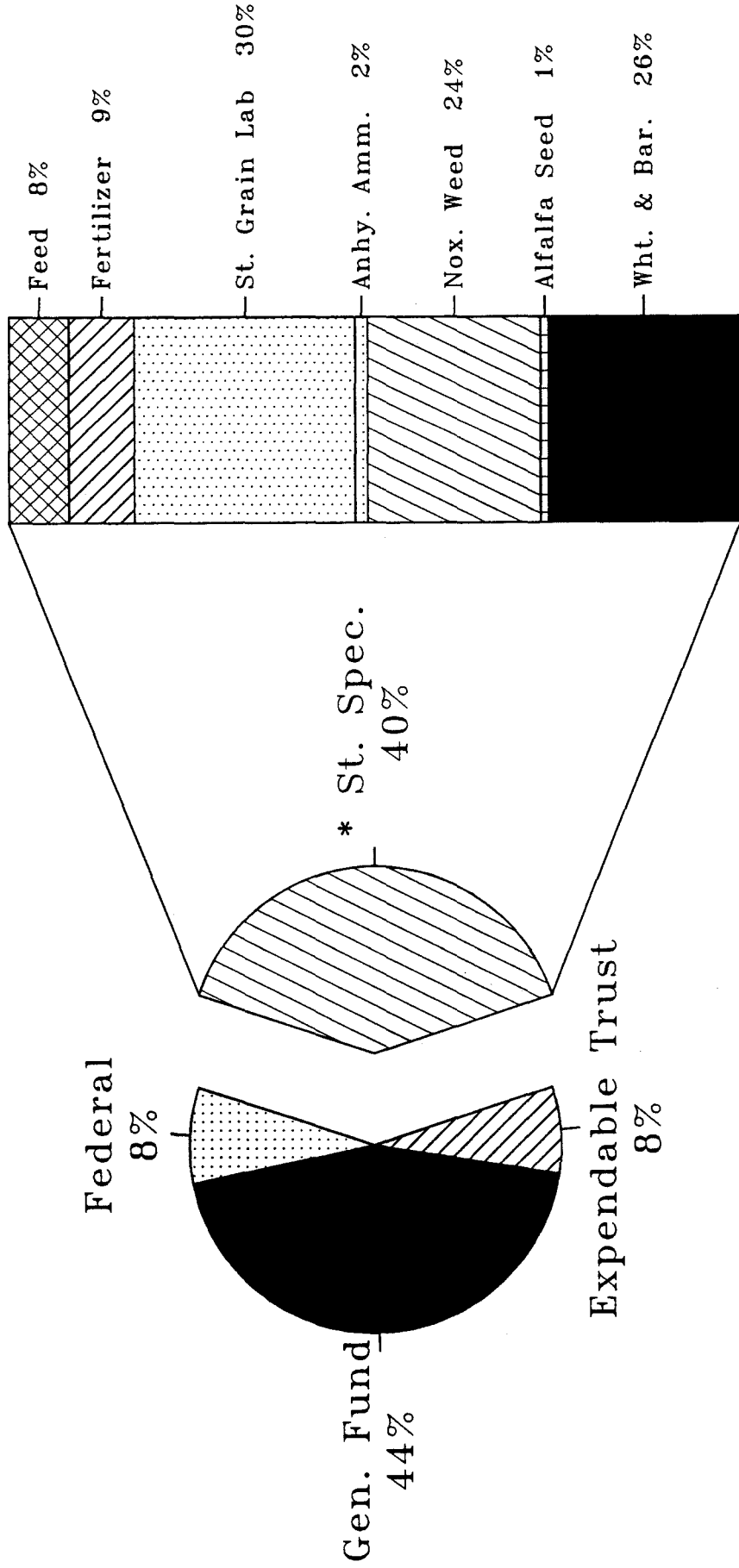
Central Management Division



Funding Sources

CURRENT BASE FUNDING

Central Management Division

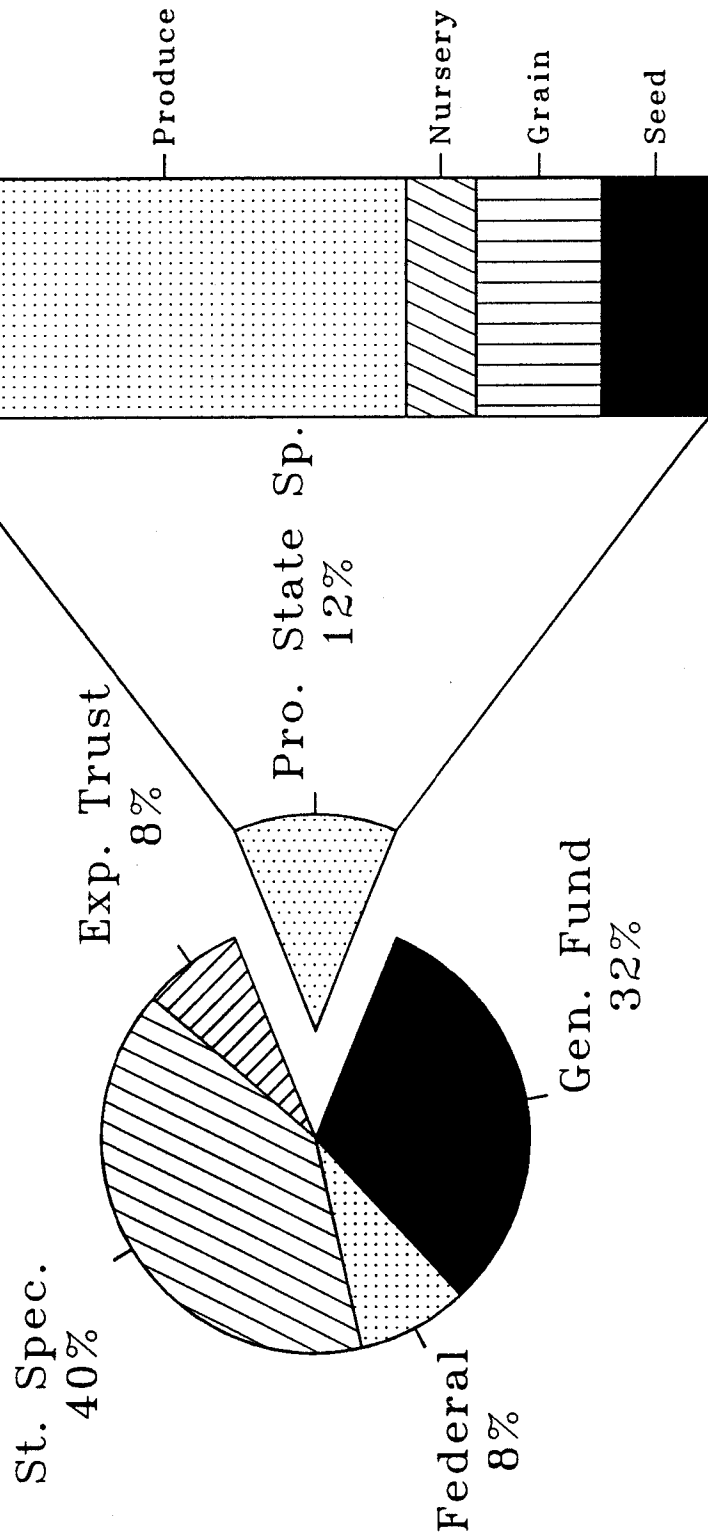


Totals

* State Special Accounts

PROPOSED BASE FUNDING

Central Management Division

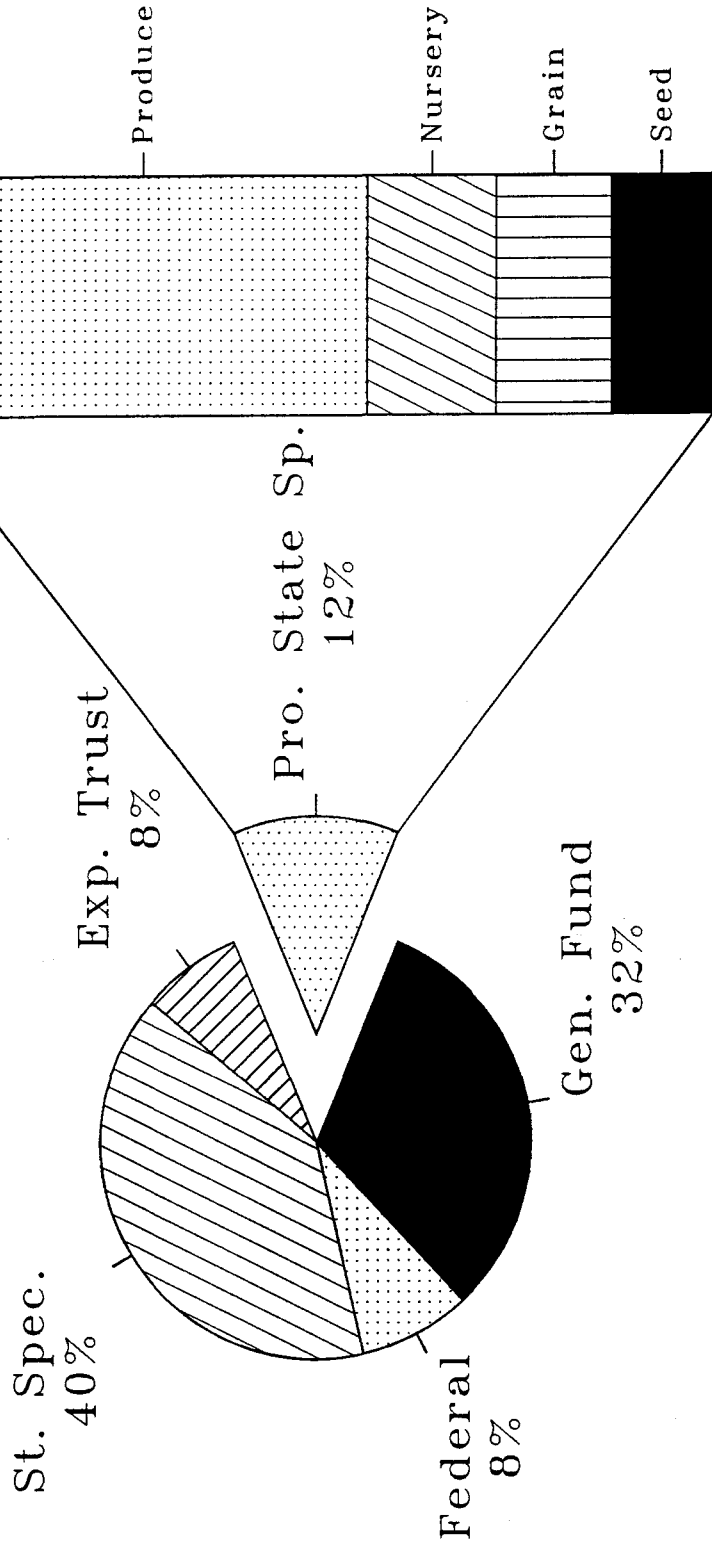


Totals

* Plant Industry

PROPOSED BASE FUNDING

Central Management Division



Totals

* Plant Industry

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

NATURAL RESOURCES SUBCOMMITTEE DATE 1-19-93

DEPARTMENT(S) _____ DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
WILL KISSINGER	MT DEPT. OF AGR.	
LEO GIACOMETTO	MT DEPT. OF AGR.	
Jane R. Barry	MT Assn. Nurseriesmen	
Ralph Peck	MT Dept of Agr.	
Sandra Kuchebrod	MT Dept of Agr.	

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