



Montana Board of Livestock Meeting Minutes

March 1, 2019

MT Department of Livestock Board Room #319
301 N. Roberts, Helena, Montana

Board Members Present

John Scully, Vice-Chair (cattle producer)

Lila Taylor (cattle producer)

Ed Waldner (swine producer)

(John Leheldt and Sue Brown were not present)

Nina Baucus (cattle producer)

Brett DeBruycker (cattle producer)

Staff Present

Mike Honeycutt, EO

Brian Simonson, Deputy EO

Gary Hamel, Meat & Poultry Bureau

Dan Olson, Centralized Services

Leslie Doely, Brands Administrator

Donna Wilham, Adm. Asst. to EO

Dr. Marty Zaluski, State Veterinarian

Dr. Tahnee Szymanski, Animal Health

Dr. Eric Liska, Animal Health

Public Present

Rob Stutz, Legal Services Division

Kyle Chenoweth, Legal Services Division

Quentin Kujala, Montana FWP

Charlotte Lauerman, MVMA

Jay Bodner, MSGA

Jenny Jones, Montana FWP

MEETING CALLED TO ORDER

8:00 AM

Vice-Chairman John Scully called the meeting to order at 8:00 AM

APPROVAL OF BOARD MINUTES

8:01 AM

MOTION/VOTE

8:01 AM

Lila Taylor moved to approve the minutes for the BOL 1/25/19 meeting and the BOL 2/8/19 conference call. Ed Waldner seconded. The motion passed.

APPROVAL OF BOARD ADMINISTRATIVE CONSENT AGENDA ITEMS

8:02 AM

A request was made by Lila Taylor to discuss some of the Animal Health Bureau Reports on the Consent Agenda

- Dr. Tahnee Szymanski explained that there was a request to hire an Administrative Specialist in the Animal Health Bureau because the Manager of the Import Office has decided to move on to take a job in human health care
- Dr. Szymanski talked about livestock chutes used at the DOL:
 - The manual chute is stored outside in a secure location
 - The new hydraulic cattle chute, requested for purchase, would be available for use for anyone in the DOL, and a schedule would be developed to avoid conflicts
 - The requested hydraulic chute would be purchased through funds from the Federal Umbrella Agreement
- Gary Hamel explained that the person who would fill the currently vacant Kalispell-Area Meat Inspector position, would be trained relatively quickly because an EIAO trainer is in place in the Meat & Poultry Inspection Bureau

MOTION/VOTE

8:06 AM

Lila Taylor moved to approve the Bureau Reports for the Animal Health Bureau, including the Veterinary Diagnostic Lab and the Meat and Poultry Inspection Bureau. Brett DeBruycker seconded. The motion passed.

OLD BUSINESS

8:06 AM

Mike Honeycutt congratulated Nina Baucus and her husband John on their receiving of an ASI award recently in New Orleans

8:07 am – Debrief Discussion from Section C Subcommittee HB2 Hearings–

Mike Honeycutt reported that after hearing budget presentations from the DOL and several other Departments, the Joint Appropriations Subcommittee Section C assembled for executive action about a week or so previous:

- Although most of the DOL's funding requests were approved, some were not
 - The \$50K request for public information services was not approved
 - The \$300K/year additional request for the DSA was reduced to \$150K/year... \$50K of it ongoing and \$100K of it one-time-only (OTO)

- Recent DSA expansion into Beaverhead County itself costs \$100,000-\$120,000/year
 - If the OTO money is expended and a serious issue arises in the DSA requiring more funds, the DOL's recourse would be to request more money from the Governor's office, which has been done in the past
- The DOL FTEs were reduced by one, and that position was an office position at the Montana VDL that was already vacant
 - John Scully suggested trying to retrieve the VDL position during the Senate side of the Legislature, and try to get it listed as non-specific, engaging it relative to a gross number of dollars, since there is no overstaffing in any area of the DOL
- John Scully reminded the BOL that authority for Mike Honeycutt's salary had not been added to the budget request and that he would go to the Senate Committee this Legislative Session and request it, as was done in the 2017 Session

8:25 am – Update on HB3, HB5 and HB10 Progress–

Mike Honeycutt reported on where the DOL currently stands in regards to HB3:

- The DOL's HB3 request passed intact through the House of Representatives and has been transmitted to the Senate
- \$383,000 of personnel dollars were requested against per capita funds collected
- \$7,000 in legal fees for the Board of Milk Control were requested against milk control assessment fees collected
- Mr. Honeycutt said that there has already been a hearing on HB3 in Senate Finance and Claims and that he expected it to be moved to the Senate floor's agenda within the next two weeks
- There has been no settlement to the Coremark lawsuit, and if there is one handed down by the judge's ruling, the BOL will need to make a decision as to whether or not to seek authority to pay the ruling, as there is no authority to spend that money right now
 - Mr. Scully suggested requesting more than the original HB3 request due to a possible Coremark judgement against the DOL

Mike Honeycutt reported on where the DOL currently stands in regards to HB5, the Long-Range Planning bill:

- The \$100,000 to be used for architectural rendering designs for the new Montana Veterinary Diagnostic Lab (VDL), made it through the House Long-Range Planning Committee hearing and is now with the House Appropriations Committee awaiting hearing

8:31 am – Introduced Legislation Affecting the Department–

Mike Honeycutt reported on two bills that are currently on the move in the current Legislative session that are potentially helpful to the DOL in regards to public/private partnerships, something the Lab Study Committee suggested for construction of a new VDL:

- **HB586**

- HB586 is Representative Hamlett's bill, An Act Revising the Laws Related to State Laboratories, that would amend 18-3-101 MCA and provide an effective immediate date
 - HB586 would provide an exception to the DOL, that if an owner of a facility would enter into a lease-to-own agreement for the VDL, the DOL would be able to enter into that agreement without having to wait for Legislative approval
 - HB586 passed out of the House Agriculture Committee this week with unanimous support, then passed on second reading 94 to 6 and will have a third reading today
 - John Scully cautioned that if HB586 and HB3 are passed, they would go into effect immediately; if HB5 is passed, it goes into effect the next biennium, which means the BOL would need to be careful with how funds are spent for the new VDL
- **SB335**
 - SB335 is Senator Welborn's bill, to Generally Revise Laws to Facilitate Public/Private Partnerships, that provides a financing opportunity that uses a private entity as a lender and a public entity who has a revenue source that can be used on a consistent basis to pay for the debt, rather than utilizing bonding structures
 - John Scully spoke in support of the bill in the Business and Labor Committee hearing
 - In the case of the VDL, the revenue stream, if approved by the industry, would be per capita and fees

8:52 am – Update on HB3, HB5 and HB10 Progress Continued–

Mike Honeycutt reported on where the DOL currently stands in regards to HB10:

- The DOL's HB10 request was for \$650,000 for each year of the biennium for IT infrastructure improvements
- During the hearing in the House Appropriations Committee, the primary question to the DOL was regarding the funding source
- The bill is currently awaiting Executive Action in House Appropriations, and Mr. Honeycutt said, that with it being a fiscal bill, it will probably be seen again after transmittal

8:53 am – Department-Initiated Legislation–

Mike Honeycutt reported on Department-Initiated Legislation and where it currently stands:

- **HB100**
 - HB100, carried by Representative Casey Knudsen, Revise Certain Livestock Fees, would remove the dealer licensing fees from statute and put them into rulemaking
 - Committee members who heard the bill were troubled by moving a fee from statute and putting it into rule

- It was decided to not move HB100 forward
- **HB101**
 - HB101, Revise Importation Requirements
 - HB101 has passed through both houses and has already been signed by the Governor
- **HB112**
 - HB112 would change up the language around semen and biologics imports
 - Unexpected opposition to the bill came when some people read into the bill that it would prevent Yellowstone buffalo from being able to be transferred to tribes
 - HB112 passed through the House, has had a hearing in the Senate and is currently awaiting Executive Action in the Senate Agriculture, Livestock and Irrigation Committee
- **SB56**
 - SB56, Regulation of Poultry to Protect Animal Health and Control Avian Influenza, would repeal the statutory Meat & Poultry appeals process that had been problematic with FSIS
 - SB56 has had a hearing in the House Agriculture Committee, has been through the Senate, but is awaiting Executive Action from the House Agriculture Committee
- **SB57**
 - SB57, Revise Meat and Poultry Inspection Laws in Line with Federal Standards, would remove the home-grown, home-killed meats language that was problematic with the Feds
 - SB57 is currently awaiting Executive Action from the House Agriculture Committee
- **SB67 & SB68**
 - SB67, Revise Reference to Deposit of Aerial Hunting Permit Fees, would deposit the aerial hunting permit fees to the credit of the DOL rather than to the credit of predatory animal control. This bill is currently awaiting a hearing in the House Ag Committee
 - SB68 would Remove Residency Requirements for Aerial Hunting Permits. This bill has been assigned to House Fish, Wildlife and Parks

8:57 am – Introduced Legislation Affecting Department–

Mike Honeycutt reported on Introduced Legislation Affecting the Department and where it currently stands:

- **HB558**

- HB558, an Act to Eliminate Boards and Advisory Councils, would affect the DOL because it would eliminate the Livestock Loss Board and the Board of Milk Control
 - If HB558 passes, the Livestock loss Reduction and Mitigation Program would have remained in place, but the authority currently vested in the LLB would have ceded to the BOL.
 - If HB558 passes, it would have left all of the milk control pricing and regulation functions in place and reverted all authority for that from the Board of Milk Control to the BOL
 - In Committee, the bill was amended to not eliminate the Livestock Loss Board or the Board of Milk Control and that amended bill passed the House on February 28th
 - Jay Bodner, MSGA, said that his group, along with most of the major ag groups opposed the bill. MSGA felt that it was better to have a separation between the Livestock Loss Board and the Board of Livestock
- **HB520**
 - HB520, a bill carried by Representative Shaw, would Revise Funding for the Livestock Loss Board, adding an extra \$100,000/year to the \$200,000/year statutory general fund dollars for the mitigation account
 - Jay Bodner, MSGA said that there was discussion during the House Appropriations hearing about whether the extra funding should come out of general fund or whether it should be shouldered by livestock producers' per capita funds
 - HB520 passed third reading in the House on February 28th, passed the House Appropriations Committee, and the Senate will be taking it up after transmittal
- **HB97 and HB98**
 - HB97, a bill to Generally Revise POST Council Statutes was tabled
 - HB98, a bill to Generally Revise Peace Officer Statutes was passed unanimously by the House and will be taken up by Senate Judiciary after transmittal
 - HB98 would change training of law enforcement officers, including psychological evaluations
- **HB132**
 - HB132, a bill to Clarify Definition of Bison, has had some amendments added
 - One amendment, added on the floor of the House, says that the language of per capita fee may not be imposed on bison owned by a tribal member and located on fee land or tribal land within the boundaries of the reservation
 - One other amendment adds, and has never been subject to the per capita fee under MCA 15-24-921, plus it says, a wild bison must meet all the following conditions: it has never been reduced to captivity, it has never

been subject to the per capita fee and it has never been owned by a person

- HB132 had a hearing last week but is has not had Executive Action from the Senate
- **HB227**
 - HB227, a bill to Remove Restrictions on Possession of Certain Animals as Pets, was tabled by Committee
- **HB278**
 - HB278, a bill Revising Laws Related to the Enforcement Powers of the Department of Livestock, was withdrawn by Senator Mortenson upon hearing opposition from people around the state
- **HB287**
 - HB287, a bill to Generally Revise Trap-Checking Requirements was tabled
- **HB291**
 - HB278, a bill Establishing a Voluntary Wolf Mitigation Account, would funnel money designated by those purchasing conservation licenses or from private donations to the DOL, who would transfer it to USDA Wildlife Services for wolf management, with an emphasis on lethal control
 - HB278 passed by a wide margin in the House, has been assigned to the Senate Fish and Game Committee and will be picked up again after transmittal
- **HB327**
 - HB327, the Real Meat Act, was carried by Representative Redfield and deals with the definition of cell-cultured meat.
 - HB327 moved through the House quickly on big margins and has a hearing scheduled in the Senate on March 12th
 - The DOL has been an informational witness during HB327 hearings because it deals with definitions included in the Department's code
- **HB332**
 - HB332, a bill to Require County Approval to Relocate Bison, states that beyond just the State Veterinarian's designation as Brucellosis-Free, the County Commissioners also have to approve the plan for movement of bison into their county
 - HB332 has been moving along, with votes pretty much following along party lines and has been transmitted to the Senate
- **HB379**
 - Although HB379, a bill to Establish Working Animal Protection Act, is more of a local government bill, if passed, it would affect working animals on

- ranches, such as guard dogs, saying that counties, municipalities and local government cannot put ordinances on those types of animals
 - HB379 will be taken up by the Senate after transmittal
- **HB478**
 - HB478, a bill to Revise Bison Transfer Laws, weakens language in MCA 81-2-120, Management of Wild Buffalo or Wild Bison for Disease Control, basically saying that bison can be moved to tribes for quarantine without approval of the State Veterinarian
 - HB478, at the base level is opposed by the DOL because it undermines the authority of the State Veterinarian. It has been set up for hearing on March 19th in House Agriculture
 - Passage of HB478 would jeopardize Montana’s Brucellosis class-free status and potentially result in an increased risk of transmission to cattle

MOTION/VOTE

9:21 AM

Brett DeBruycker moved that the BOL take the position to oppose HB478, Revise Bison Transfer Laws. Ed Waldner seconded. The motion passed.

Dr. Zaluski explained that the five bull bison recently transferred onto the Fort Peck Reservation were in Stage 3, the “Assurance Phase” of quarantine, meaning they are considered Brucellosis-free, but are still subject to two more tests within the next year

- Dr. Zaluski said that there is a Memorandum of Agreement (MOA) that has been signed with the Fort Peck Tribe stating that if the testing is not completed or terms are not followed, those bison need to be returned to the property of USDA or Montana
- **HB490, HB516, HB521**
 - HB490, a bill brought by Representative Walt Sales, is a bill to Provide for Raw Milk Sales for Human Consumption
 - HB490 would legalize raw milk. If more than 10 gallons/day of milk are sold, the producer would be required to carry a commercial license and the fees collected by the DOL for acquiring that license would help offset the inspection and testing requirements for the DOL
 - HB490 had a hearing in the House Agriculture Committee and moved forward, but then failed on the House floor 65 to 35
 - HB516, a bill brought by Representative Nancy Ballance, is a bill to Provide Small Herd Exemption for Raw Milk Producers, and would allow producers to do self-testing and monitoring. The DOL would provide those producers a license, receive test results from them, but have limited authority

- HB516 did not move forward after a hearing in the House Agriculture Committee
 - HB521 is a bill to Provide for Personal Consumption of Raw Milk, a personal exemption that is already in place, but the bill exists because there is a perception that the DOL and DPHHS prevent people from doing that
 - HB521 did not move forward after a hearing in the House Agriculture Committee
- **HB592**
 - HB592, a bill to Revise Milk Pooling Laws, would allow producers to exit the pool if they so choose
 - HB592 passed the House on February 28th on second reading and is moving forward
- **HB594**
 - HB594, a bill carried by Representative Hamlett, would Require Country of Origin Label on Beef and Pork, and was tabled after discussion in hearing that the DOL rather than the Department of Labor should be dealing with the enforcement of it at retail locations
- **HB621**
 - HB621, a bill carried by Representative Manzella, would Revise Custom Slaughtering Laws,
 - HB621 would allow return of meat condemned by the State to be given back to the party who had brought the meat in for slaughter.
 - HB621 would require the DOL to have proof of adulteration before taking action with meat processors, which would, according to FSIS, threaten Montana's "Equal-To" status
 - HB621 was tabled
- **HJ29**
 - HJ29, a joint resolution sponsored by Representative Manzella, is a Study of Meat Inspection Laws. It will have a hearing after study and resolution bills after transmittal
 - HJ29 had written in it a contingent voidness, that if it was found to not be compliant with Federal Government regulations, it could be repealed immediately
- **HJ28**
 - HJ2, a joint resolution Requesting Denial of American Prairie Reserve Grazing Permit, is moving forward
- **SB133**
 - SB133, a bill carried by Senator Gillespie, to Revise Eligibility for Livestock Loss Payments, would require Livestock Loss to check whether or not the

producer putting in a claim for predation paid per capita or not before receiving a loss payment

- SB133 was amended due to the possibility of voiding tribal agreements regarding predation, because the tribes do not pay per capita
- SB133 passed the Senate and will probably be heard in mid-March with the added amendments

- **SB166**
 - SB166, a bill carried by Senator Gillespie, to Revise Laws Related to Livestock Loss Board Personnel, was tabled by the Senate Agriculture Committee

- **SB185, SB186, SB187**
 - SB185, a bill carried by Senator Mike Phillips, to Prohibit Hunting and Trapping of Wolves Near Yellowstone, was tabled
 - SB186, a bill carried by Senator Mike Phillips, to Prohibit Contests for Predatory Animals, was tabled
 - SB187, a bill carried by Senator Mike Phillips, to Prohibit Vehicular Injury of Predatory Animals, was tabled

- **SB206**
 - SB206, a bill to Revise the Labeling and Marketing of Certain Ag Products, was similar to HB594, Senator Hamlett's bill, and would deal with COOL labeling at the retail level in Montana, with the addition of a section on cell-cultured meat, similar to HB327.
 - SB206 was tabled a couple weeks ago

- **SB230**
 - SB230, a bill carried by Senator Diane Sands, to Require Health Warning for Raw Milk Sales, was moving, but then tabled by the Senate Agriculture Committee once the raw milk bills died in the House

- **SB320**
 - SB320, a bill carried by Senator Salomon to Clarify Laws Regarding Cost of Care for Animals Seized, deals with county animal welfare investigations and adds that if the animal is livestock, that a large-animal veterinarian must be called in to evaluate the animal and also have present a DOL Livestock Investigator
 - There was concern raised, that if the bill does pass, it would be to the DOL's detriment because the Department is not staffed for it
 - Jay Bodner, MSGA, said that they will not be advocating for or against the bill, but monitoring it, assuring that the language is retained throughout the hearing

- **SJ6**

- SJ6, a resolution sponsored by Senator Cuffe, a Resolution Supporting Delisting Grizzly Bears from Endangered Species Act, has made it through the Senate and is headed to the House
- **SJ7**
 - SJ7, a resolution, a Study Resolution on Value and Costs of Wolves and Grizzlies, may require use of the Livestock Loss Board's stats if the study resolution passes
 - SJ7 has gotten referred to the Senate Fish & Game Committee but they have not, as yet, taken any action on it

9:56 am – Important Drafts Not Yet Introduced–

Mike Honeycutt reported on the current status of Important Drafts Not Yet Introduced:

- **LC0498**
 - LC0498 was carried by Representative Casey Knudsen and would define Wild Bison
 - LC0498 would add a fourth condition to Representative Holmlund's HB132, which is that any bison more than 50 miles from the boundary of Yellowstone National Park cannot be called wild
- **LC0499**
 - LC0499 became HB621 and titled Revise Custom Slaughtering Laws
- **LC2556**
 - LC2556 became HJ29 and titled Study of Meat Inspection Laws
- **LC2777**
 - LC2777 would Allow Reparations for Livestock Killed by Black Bears
 - LC2777 is currently waiting for any action

CENTRALIZED SERVICES DIVISION REPORTS

9:58 AM

9:58 am – PREDATOR CONTROL–

Kraig Glazier updated the BOL on the activities of USDA-APHIS Wildlife Services for John Steuber, who was not present due to weather conditions:

- USDA-APHIS Wildlife Services was considered semi-essential during the Federal shutdown, which ran from December 21, 2018 – January 25, 2019
 - There were 35 callouts during that shutdown time period, and of those, 23 were deemed confirmed – all wolves and mountain lions
- Mr. Glazier reported that during routine maintenance of the 6962 Charlie helicopter out of Billings, corrosion was found on the main mast where the main rotor shaft goes into the transmission and also some of the gears in the transmission were worn past limits

- Repair cost will be about \$70,000 and hopefully, it will be up and running in about a week or two
 - 95 Tingle, the helicopter located in Helena, is on board for flying
- Currently, USDA-APHIS Wildlife Service is fully staffed on aerial operations – one helicopter pilot, two helicopter/fixed-wing pilots, one fixed-wing pilot and three contract fixed-wing pilots
- John Steuber addressed two groups of law students last week at the UM Law School, about predator management, something he has done for the past two years
 - Mr. Glazier said that he addresses the AP Biology class at the local high school about predator management as well
- USDA-APHIS Wildlife Services will be holding a non-lethal workshop for producers in Helena on April 24, 2019
 - The workshop will cover guard dogs and fencing
 - Farmers, both small and large scale, will share how they protect their cattle from grizzlies
 - Research people will be coming in, along with a panel of producers and Hilary Cooley, US FWS Grizzly Bear Recovery Coordinator, will be part of the workshop
- With the service of FWP, Mr. Glazier said that he will be meeting with all of his staff on March 4, 2019 to have a grizzly bear handling workshop that will cover capture and drugging of them and the options open for them that depend on the current grizzly bear listing
- USDA-APHIS Wildlife Services is looking at the possibility of hiring a seasonal worker to help out in the Gravellies since the retirement of Teddy Banks. Another possibility is the hire of a range rider in the Gravellies to help locate dead livestock
- Mr. Glazier has been attending the Forest Service leadership meetings to discuss with supervisors and district rangers of how to better assist livestock owners on land allotments
- Mr. Glazier reported that there was no new funding received to deal with coyote populations
 - As of right now, Mr. Glazier said that the state is about 1400 coyotes below last year's number, but added that could be due to weather conditions, which held them up and the 35-day Federal shutdown where Wildlife Services staff weren't working as much
 - March is expected to be a big coyote month because breeding season has already happened for many of those animals
 - The coyotes are spread out right now, but are expected to come in once calving season is in full swing

10:13 AM - RECESS

10:32 AM – RECONVENE

COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS/COMMENTS FROM PRODUCER ORGANIZATIONS

10:32 AM

Jay Bodner, of the Montana Stockgrowers Association, said that their organization has been focused on Legislature and he feels it has gone very well for them and for livestock so far:

- Mr. Bodner voiced his appreciation for being able to work with Mike Honeycutt on legislation and that the legislative update given by Mr. Honeycutt has been helpful to his organization and to MSGA members

10:34 AM – EXECUTIVE SESSION

11:27 AM – RECONVENE

11:27 AM – PER CAPITA DISCUSSION

There was a BOL discussion concerning the per capita process relative to accurate numbers being used:

- Nina Baucus shared that Lewis & Clark County has been using a new computer program that has been doubling livestock head counts and that some producers may have paid double the money actually owed for per capita
- Although the DOL does not handle county money or county petition monies that go to Wildlife Services to deal with predation, it was decided to have Brian Simonson follow up on the situation

11:30 AM – LUNCH

12:04 PM – RECONVENE

CENTRALIZED SERVICES DIVISION REPORTS CONTINUED

12:04 PM

12:04 PM – FISCAL BUREAU

12:04 PM – February 2019 – June 2019 Expenditure Projections

Brian Simonson reported that both the budget comparison report and the expense projection report show some improvements in the financial health of the DOL compared to this period last year:

- For the DOL, the \$104,749 number is a \$15,000 improvement over last month, split evenly between Personal Services and Operations

- The Operational Budget for the DOL has been consistent, but the Personal Services budget has been a continued problem, relative to snapshot issues
- The Centralized Services Division still shows a shortage of \$76,000 in Personal Services
- The Meat & Poultry Inspection Bureau is showing a shortage of \$84,000 in Personal Services
- The Brands Enforcement Division is showing a shortage of \$324,000 in Personal Services
- The Animal Health Division Import Office shows a positive \$59,000 in Personal Services and the Animal Health Bureau's Federal Umbrella shows a positive \$73,000 in Personal Services
- Mr. Simonson said that both the Veterinary Diagnostic Lab (VDL) and the Milk & Egg Bureau show positive numbers in Personal Services due to vacancies
- Some DSA expenses will be transferred to the Federal Umbrella Fund Account because they were used for Federally-managed disease investigations. Those umbrella funds expire April 1st.

12:12 PM – January 31, 2019 Budget Status Report

Brian Simonson reported that the DOL is tracking well in its budget as far as completion until year end:

- The DOL is budgeted for \$13 million and 137.62 FTE for FY2019
- 55% of the Personal Services Budget is expended at this point with 56% of the payroll complete
- The Operations budget is 53% expended with 50% of the budget year remaining
- The DOL has spent \$42,000 less than this time last year, which is a \$20,000 improvement over last month
- The negative \$26,000 in total Operations for the DOL is \$60,000 worse than last month, but that is because DSA testing and the Federal TB program have come in, meaning more expenditures
- The DOL is waiting for a \$220,000 transfer from FWP for annual elk collaring activities
 - Dr. Zaluski stated that the collaborative effort for elk collaring between FWP and the DOL has helped adjust the DSA boundary and keeps the DOL ahead of the game when it comes to Brucellosis status in the state and helps advocate to people who buy DSA cattle that they are tested appropriately because the DOL knows where the disease is

12:24 PM – January 31, 2019 State Special Revenue Report

Brian Simonson highlighted the State Special Revenue comparisons for FY2019 in the DOL:

- Although the Local and Market Inspections are still off, Mr. Simonson said that the gap is closing, with a \$16,000 improvement on Local Inspections and a \$30,000 improvement in Market Inspections compared to last month

- The per capita revenue received, compared to last month, is roughly a \$400,000 increase, but should have been twice that amount
- Milk Inspection is down \$20,000, a 10% decrease in revenue for the year compared to last year
 - A couple more dairies have closed in the state, meaning revenue is lost, but fixed costs for the DOL remain the same, because personnel still cannot be reduced at this point
- The VDL is doing well compared to last year at this time, \$25,059 to the good and increasing another \$10,000 from last month in revenue
- Mike Honeycutt pointed out that although the DOL has not seen an impact yet, recently, USDA-AMS has required State egg-grading programs to charge the same as the Federal rate

12:31 PM – Per Capita Fee Reporting and Collections Update

Brian Simonson reported on the current status of per capita fee collections and reporting:

- The Department of Revenue (DOR) sent out 16,247 per capita reporting cards to producers and have received back 5,842. Last year at this time, 9,620 had been received
- The number of per capita reports received is down 39% from last year and per capita revenue is down 51%. \$1,558,907 reported this year; \$3,179,851 reported at this same time last year
- DOR said they would be sending out another mailing to those that have not responded and if that is not successful, their plan is to send out bills to everyone, whether or not they have reported, hoping that will spur people to report and pay. If no response or payment is made, the DOR says they will send the account to collections
- A producer is obligated to report per capita, but, if you are no longer a livestock owner and want to get off the per capita rolls, a producer must report “0”
- The DOR reported to the DOL in December 2018 that they receive about \$100,000 in revenue for doing the per capita collection for the DOL, but it costs them approximately \$400,000 - \$500,000 to do that job
- To drive efficiency, the DOR went to an online per capita reporting system this year, rather than the paper reporting form system producers had used for years
 - The DOR reported to the DOL two years ago that 5%-10% of the producers did online per capita reporting and they felt that with those numbers they were ready to move forward with online reporting
 - Mike Honeycutt said that an explanation has been requested of the DOR, documentation that shows their costs of delivering per capita fee for the DOL and an explanation of those costs. So far, that has not been received
- Mike Honeycutt said he would check into free media for the DOL to talk to producers about per capita

- A possible factor in the lack of online per capita reporting this year could be the addition of a credit card fee, a percentage of the total, being charged to producers
 - Brian Simonson was assigned the task of finding out from DOR how many people started the online credit card process to pay their per capita and didn't complete it, possibly because they saw the additional credit card fee being charged to them
- Brett DeBruycker said that with the rough February producers had, especially with the weather, he was hopeful that by April 1st, when the weather breaks, there would be a big change in per capita numbers

ANIMAL HEALTH & FOOD SAFETY DIVISION

1:03 PM

1:03 PM – MILK & EGG BUREAU

Dr. Marty Zaluski reported for Dan Turcotte, who was not present due to the road conditions:

- Interviews were conducted in Great Falls for a Sanitarian/Egg Grader
 - An offer will be extended to an individual who would start with the egg grading program in Great Falls and move into milk inspections going forward
 - The Sanitarian/Egg Grader position is new and offers the Bureau someone who will be trained in depth to step in when retirements come down the pike
- Over the past year, there has been a 17% drop in the number of milk producers – Dan Turcotte will provide the BOL a document listing facts about the Montana milk industry, number of producers remaining, amount of production lost, etc.
- Mike Honeycutt reported that in 2018, Wisconsin had 800 dairies exit the industry. Montana's percentage of exits is slightly higher, but has been following a national trend
- Ed Waldner reported that the Colony dairies north of his have exited and that their freight rate will be going up because the truck doesn't have as much to pick up

1:10 PM – ANIMAL HEALTH BUREAU

1:10 PM – 2019 Live Elk Brucellosis Surveillance Capture

Dr. Eric Liska reported on the live elk capture study performed in January 2019:

- Jenny Jones and Quentin Kujala, Montana FWP, were present to answer questions
- In 2018's capture in SW Beaverhead County, Hunt District 300, that is where a female elk was found to be Brucellosis-positive

- 2019's elk capture was just north of Hunt District 300, in the central and northern Tendency Mountains, and also in the Bangtail Mountains, north and west of Livingston
 - Elk were collared, and of those tested, there were no Brucellosis-positives
- An area under discussion for possibly a future elk capture, is an area of concern in the Big Horn Mountains, which is on tribal property, and so, cooperation would be needed from the tribe carry out the surveillance and capture of elk there
 - DOL discussion with FWP staff regarding where to do a January/February capture, generally happens around April/May of the previous year
- Jenny Jones reported that FWP had not taken nasal swabs in the past of captured elk, but, at the request of FWP's Wildlife Health Lab, swabs were requested for other projects in the Blackfoot/Clearwater and in the Northern Sapphires this year

1:22 PM – Proposed Changes to Administrative Rule 32.3.104

Dr. Tahnee Szymanski explained the proposed changes to ARM 32.3.104, Subject Diseases or Conditions:

- The DOL is hoping to get Montana's portion of USDA's National List of Reportable Animal Diseases (NLRAD) compiled
- Dr. Anna Forseth added and deleted diseases from the current list of reportable diseases for Montana, with her primary consideration being diseases from the World Organization for Animal Health, the Office International Epizooties (OIE), diseases that the DOL is responsible for collecting metrics on and reporting to USDA
- Dr. Zaluski said that a revised list will probably be submitted to the BOL each year with updates for their approval
- Dr. Szymanski said that there are several zoonotic diseases that the Animal Health Bureau (AHB) doesn't take any management actions on because of their prevalence in the livestock industry that are coming off the list, with the understanding that the AHB have talked to the VDL and the VDL will report positives to the public health entity and thus take the AHB out of the equation
- Dr. Forseth reviewed the diseases listed in the current rule and gave her reasons for deleting some and adding others.

MOTION/VOTE

1:35 PM

Brett DeBruycker moved to give permission to publish the proposed changes to Administrative Rule 32.3.104, Subject Diseases or Conditions, as presented. Ed Waldner seconded. (Lila Taylor made a substitute motion at 1:44 pm, so the 1:35 pm motion was not voted on)

SUBSTITUTE MOTION/VOTE

1:44 PM

Lila Taylor moved to postpone consideration of the proposed changes to Administrative Rule 32.3.104, Subject Diseases or Conditions, until the next BOL meeting. Nina Baucus seconded. (1:44 pm Brett DeBruycker withdrew his motion, so this motion was not voted on)

- It was decided to postpone consideration of the disease list until the next BOL meeting

1:45 PM –RECESS

1:55 PM – RECONVENE

BRANDS ENFORCEMENT DIVISION REPORTS

1:55 PM

1:55 PM – Request to Hire Administrative Support/Supervisor

Leslie Doely brought back the request to the BOL to hire an Administrative Support Supervisor for the floor in the Helena office:

- The request to hire was dropped and will be brought back after the Legislative Session is concluded

1:55 PM – Fort Supply Maintenance Contract Renewal

Leslie Doely explained the changes in the annual Fort Supply Maintenance Contract that was scheduled to be renewed by April 1, 2019:

- Cost of the new Fort Supply Maintenance Contract went from \$15,100/year in 2018 to \$15,900/year for 2019
- Everything would remain the same on the contract except for the price change and a few little tweaks, requested by staff, to make Fort Supply even more efficient
 - The number of maintenance hours requested in 2018 were nearly right on to what was needed
 - DOL IT staff worked well with field staff and did field visits when they could

MOTION/VOTE

1:57 PM

Brett DeBruycker moved to approve the renewal of the Fort Supply contract for one year, as presented by Leslie Doely. Lila Taylor seconded. The motion passed.

**COMMENTS FROM THE PUBLIC ON NON-AGENDA
ITEMS/COMMENTS FROM PRODUCER ORGANIZATIONS**

1:58 PM

No comments from the public were made at this time

SET DATE FOR NEXT BOARD MEETING

1:59 PM

It was decided by the BOL to not schedule a BOL meeting for a week or two

MOTION/VOTE

2:04 PM

Ed Waldner moved to adjourn the BOL meeting. Nina Baucus seconded. The motion passed.

MEETING ADJOURNED

2:04PM


John Lehfeldt, Chairman