MEETING CALLED TO ORDER

(:59) 8:01 AM
Chairman Gene Curry called the meeting to order at 8:01 AM

CALL TO ORDER AND INTRODUCTIONS

(:59) 8:01 AM
Chairman Gene Curry called for BOL member introductions and comments:

- Sue Brown, Dairy & Egg Representative from Belgrade, reported that they were still trying to plant, which was taking longer than usual because of rain
Ms. Brown said that most of their goats had kidded and that they had a lot of cheese going out the door.

Jake Feddes, Cattle Representative from Manhattan reported that they had finished up planting corn and alfalfa the day before and would be starting on their own grass.

Greg Wichman, Sheep Representative, from Hilger, said that they had finished most of their docking lambs the day before and that the sheep had turned themselves out to pasture.

Mr. Wichman said that grass was about two weeks behind normal and that fruit trees were just starting to leaf out. Usually, he said, the fruit trees had blossoms at this time of year.

Alan Redfield, Cattle Representative, just south of Livingston, said their grass was a little slow in coming, but that they had gotten done putting in the alfalfa the day before.

Mr. Redfield said they would be starting AIing.

Gene Curry, Cattle Representative from Valier, reported that they had about two-tenths of rain the week before, but it was dry, and that the native grass was the color of the BOL conference room table. A lot of the dryland crops were not coming up too well, he said, because of dry dirt, and that the wind was blowing that dirt.

Mr. Curry reported that they had taken their first load of yearlings out to pasture the day before and that they planned to do AI that weekend.

Gene Curry reported that Nina Baucus would not be at the BOL meeting, and that he hoped Ed Waldner was on his way.

Mike Honeycutt reported that Jenny Bloomquist of the Montana Veterinary Medical Association might be in and out of the BOL meeting by ZOOM.

BOARD ADMINISTRATIVE ITEMS

(5:23) 8:06 AM

(5:23) 8:06 AM – BOARD APPROVAL OF BOARD MEETING MINUTES
Gene Curry entertained a motion to approve the minutes of the last BOL meeting from April 28, 2022.
Mr. Curry stated that he saw a couple typos in the minutes, but nothing substantial. He received no other comments on the minutes.

MOTION/VOTE

(5:26) 8:06 AM Sue Brown moved to approve the minutes from the BOL April 28, 2022 Meeting. Alan Redfield seconded. The motion passed.

OLD BUSINESS

(6:18) 8:06 AM

(6:21) 8:07 AM – UPDATE ON GOVERNOR’S OGSM STRATEGIC MANAGEMENT IN RELATIONSHIP TO BOL AND EXECUTIVE OFFICER STRATEGIC GOALS
Mike Honeycutt reported that he had attended his May OPS Review with the Governor about a week and a half earlier and that there would be no OPS review scheduled in June:

- Mr. Honeycutt said that with per capita fee information starting to catch up at the Department of Revenue, he had a little bit better information to report to the Governor than was reported in April
  - Categories were down about 10%, Mr. Honeycutt reported, which was in line with what was expected, but things were still trending well
  - Mr. Honeycutt said that the State Special Revenue cash, liquid cash, was on its way up, because of receiving per capita payments, with YTD revenues bigger than both budget and expenses and expenses less than revenues and budget
- Regarding vacancies in the DOL, Mr. Honeycutt said there were two areas with gaps, the Brands Enforcement Division and the Meat & Poultry Inspection Bureau
  - In the Brands market, there was a little gap, Mr. Honeycutt reported, but that was because it was not the busy season, and so, the short-term employees were not working at the moment
  - Mr. Honeycutt said, the Meat & Poultry Inspection Bureau had real significant gaps of concern, particularly in northwest Montana, which he said had been discussed a lot in the OPS review
    - In the Kalispell area, it had been very difficult to recruit and retain Meat Inspectors, Mr. Honeycutt said, and that recruiting higher quality candidates was an issue where no solution had been found that the DOL would know how to finance
- Mr. Honeycutt reported to the Governor that April 2022 numbers for cattle movement were less than those in 2021, but still quite a bit more than numbers in 2020, meaning that the state is still seeing greater than expected numbers of cattle moving out of the country, particularly in areas that were much more challenged for water
  - The Tuberculosis investigation was reported to the Governor in the “yellow” area, meaning it was put on hold, and this was because testing wouldn’t begin again until fall when producers were pregnancy testing their cattle. Doing the testing then meant the cattle would be put through the chute just once to administer both tests at the same time
- Mr. Honeycutt said that the Brands Enforcement Division was putting a list together for him of summer enforcement activities for that Division, including checking at rodeos, fairs and strategically-planned truck stops to assure that people were aware the DOL was out there wanting to enforce regulations
  - Mr. Honeycutt explained that it was hoped that the DOL would be in a place to do some better tracking with online versus paper market permits to look for issues of non-compliance at the markets when cattle were checked in that could be followed up
- Mr. Honeycutt said that he was able to show the Governor that all the other DOL goals were in the “green” moving forward status or done
• The meat processing numbers for fiscal year 2022 shared with the Governor showed sizable number increases in all species compared to 2-3 years ago, but especially in poultry being done under State inspection
  o The division of inspection type, custom-exempt versus State-inspected, remained about the same so far this year
  o Mr. Honeycutt said that the significant increase in poultry being done under inspection could perhaps be explained because of Montana’s regulations versus the regulation in other states
  o The Hutterite Colonies drive a lot of the poultry processing, Mr. Honeycutt said, but, he thought the number of processors in the state, outside the Colonies had increased
  o Although there was increased capacity with increased throughput in state meat processors, and even more when Federal facilities were included, the state was still not meeting demand for processing capacity that people would want, Mr. Honeycutt said
• The DOL was doing well on the Governor’s focus, which was to increase the use of technology and automation

(18:12) 8:19 AM – DISCUSS AND DETERMINE ANY POTENTIAL NEW INITIATIVES AND MEASURES FOR OGSM DECEMBER 2022 HORIZON
Mike Honeycutt explained that June was the next target horizon for the Governor’s OGSM, and so he wanted the BOL to look ahead for objectives, goals and strategies to consider for the next six months:
  • Although Mr. Honeycutt felt the current strategies supporting some value-added processing, monitoring animal health and disease, maintaining the integrity of identification, marketing and movement systems, improving online digital services and services provided to constituents, he wanted the BOL to share their ideas for the last half of the year, what initiatives the DOL should be pursuing and how success would be measured on those initiatives
  • Gene Curry said he felt that a lot of progress could be made in IT, and even though there had been a big first step made in Brands, such as with Fort Supply being used in the livestock markets, there were more steps to take
    o Alan Redfield said that one Inspector in Billings had shared with him the problems with the new readers being used in the market there. Mr. Redfield said that some of the new technology wasn’t made for what the DOL does
    o Mr. Curry said that some companies would not work on improving what you have with their product, because in a year or so, they won’t even be offering that product, it will be obsolete

(26:05) 8:26 AM – DISCUSS BISON AND CUSTER-GALLATIN NATIONAL FOREST PLANS
Mike Honeycutt explained that the discussion on this agenda item that had been touched on a bit at the last BOL meeting, be continued, at the request of Alan Redfield:
Alan Redfield expressed his concern about the Custer-Gallatin National Forest consideration to allow bison on their forest ground, prioritizing them over cattle on that same ground.

Mr. Redfield was requesting that a letter be sent to the Custer-Gallatin National Forest, expressing the DOL’s concern with diseased animals coming outside areas they were allowed to be, adding that the DOL’s duty was to the producers of Montana to protect them.

Mr. Redfield said he was not sure what the Forest Service thoughts were regarding the ground when the Custer-Gallatin turned into the Deer Lodge National Forest, but that the Custer-Gallatin stretched all the way to the North Dakota line.

Gene Curry said that the DOL needed to make sure they were on the same page as the Governor’s Office on this issue, but that he felt it was not wrong for the DOL to get involved in something like that for the very reason that Mr. Redfield mentioned.

Sue Brown said that more discussion was needed and that once the bison leave Yellowstone National Park, they were no longer considered wild and that monitoring them needed to happen. She said that the bison should be hazed away from private ground.

- Paying for the conflict mitigation was Alan Redfield’s question…who would pay for it? Who would do it?

- Mike Honeycutt explained that sometimes hazing didn’t work and that there were physical limitations of the DOL in monitoring bison, because of just two full-time employees assigned to cover the entire area just outside Yellowstone National Park. He added that with changes in land ownership in those areas, it had become a struggle to get cooperation of landowners to allow hazing of bison back into the Park across their property.

Jay Bodner reported that MSGA had direct contact and conversations with the Forest Service Supervisor about the issue and that it was very clearly stated in the new revised Forest Service plan that in any contact or conflict situation, the bison would basically be the primary desired animal and livestock would be removed. Mr. Bodner added that the Forest Service planned to do four projects a year to increase or improve habitat for bison.

- Mr. Bodner said that even though they had already brought up the issue with the Forest Service, if the DOL would move forward with a letter or some documentation, he thought it might strengthen their issue.

Alan Redfield said that the DOL should coordinate with FWP as well, regarding the issue so that everyone was on the same page with it.

Mr. Redfield said that if the forest was opened up, the bison would not stay in the forest timber, but head to the best grass down by the river bottom and that would open up a lot more conflicts with ranchers and other human conflict as well.

Mike Honeycutt said that FWP maintains a hunt list to harvest those bison who are out of the area allowed, but, if that isn’t possible, he said that DOL staff could remove bison as well. He said that in his time at the DOL, there had been less than 20 bison who were lethally removed by the DOL.
• Mr. Honeycutt explained that the DOL tried to salvage the meat of the lethally-removed bison by donating it to a Food Bank
• Gene Curry said that the vision was incomplete by the Forest Service, because there was not year-round habitat on Forest Service for bison and that they would come down to private property and then what were you going to do with them

MOTION/VOTE

(30:38) 8:31 AM Greg Wichman moved to allow Mike Honeycutt to investigate and work on a letter to the Forest Service requesting the DOL’s ability be continued to allow control of the Yellowstone National Park bison once they leave the Park and enlightening them to the DOL’s concern regarding those bison. Alan Redfield seconded. The motion passed.

NEW BUSINESS

(47:39) 8:48 AM

(48:11) 8:48 AM – DISCUSSION ON PROPOSED BUDGET CHANGE CONCEPTS TO FORWARD TO OBPP BY JUNE 6

Mike Honeycutt explained that June 6, 2022, was the deadline for the DOL to put forward new budget decision packages, those that would be added to the base budget:
• Mr. Honeycutt explained to the BOL that one-time-only items from the last budget request would be removed and even if approval was not given for any of the proposed decision packages, that the DOL’s base budget would still be in place
• Plans for HB10, the State IT Infrastructure bill, were due at the end of June, Mr. Honeycutt said, and the last time a plan was put forward on that from the DOL was in 2019
• Mike Honeycutt said that the DOL’s total available reserves was $11 million coming from a couple sources
  o Mr. Honeycutt reported that the DOL had in the bank right now $10.9 million in brands fees, but that only $2.6 million of those fees were available for use right now
  o On the per capita fee side, Mr. Honeycutt said that the DOL had $13.5 million in the bank, but that expenses still needed to be covered until the end of the year, leaving a true reserve of $8.3 million
  o Mr. Honeycutt explained that the reserve was needed because if there were a cattle-down cycle, the reserves could help get through that period. He also said that the reserves would be used to help with capital replacement of equipment
  o The reserves were intentionally built up for several years, Mr. Honeycutt said, and that was made possible by requesting less budget authority
• Mr. Honeycutt said that the past few years, per capita collected was around $5 million a year. But, he expected that to be more in the $4.5 million mode because of the drought, and that the reserves might need to be accessed to keep up with standard operations
  o Past BOLs, according to Mr. Honeycutt, thought it was wise to keep extra reserves, and as the DOL began doing pretty good financial-wise, it was
realized that maybe having a year's worth of per capita in the bank was a good idea
  o Alan Redfield added that it was good to have a reserve as well because of the extra cost involved when situations like the TB thing happened and the cost of Lab items going up and the supply issues
  o Mr. Honeycutt reminded the BOL that even the cost escalation of 5% that had been added for the new VDL construction had jumped up to 15%-20%
  o Marina Little of A&E, Mr. Honeycutt said, told the BOL that they were still committed to the new Lab construction and that they were going to the Legislature to deal with that cost escalation

  • To Mr. Redfield’s point, Mr. Honeycutt added that the less per capita collection would probably be with the DOL for several years, depending on cattle numbers. He said that USDA reports predict that there would be 5%-10% less cattle on the landscape in 10 years due to more efficiency in the industry with more meat being produced per animal
  • Gene Curry said that a reserve was needed, but not to let it get too high, as the Legislature might look at that. He said that the DOL had a responsibility to the producers of the state, and that if the DOL was collecting more per capita than was needed to run the DOL consistently, that should be looked at

(1:09:53) 9:11 AM – Animal Health and Food Safety Division Budget Change Concepts
Mike Honeycutt requested that a priority be put on the items discussed, for those that would go forward to OBPP
  • (1:11:44) 9:12 AM MVDL
    o Dr. Greg Juda requested that a piece of equipment called a MALDI Biotyper Sirius GP System be purchased to replace all the classic biochemical methods for microbial identification apps
    o Per sample costs would be lower, turn-around times would be quicker and 78% of AAVLD-surveyed Labs in 2019 utilized a MALDI. Dr. Juda added that the reagents used for the current equipment being used at the MVDL were starting to be discontinued

MOTION/VOTE
(1:16:58) 9:17 AM Sue Brown moved that the purchase of a MALDI Biotyper Sirius GP System be moved forward to OBPP as the #1 Priority for the MVDL Budget Change Concepts. Alan Redfield seconded. The motion passed.

MOTION/VOTE
(1:18:25) 9:19 AM Jake Feddes moved that the ongoing authority to maintain the MALDI Biotyper Sirius GP System be moved forward to OBPP as the #2 Priority for the MVDL Budget Change Concepts. Alan Redfield seconded. The motion passed.

Mike Honeycutt explained that to OBPP, there were only three programs in the DOL, and that was Animal Health, Brands and Central Services and so, even though each
Bureau had priorities, those priorities needed to be listed in order under each of the three programs before being submitted to OBPP

- (1:21:56) 9:22 AM *Meat & Poultry Inspection Bureau*
  o Mike Honeycutt said the request was for $200K in additional funds in the Meat & Poultry Inspection Bureau, half from Federal Cooperative Agreement/half from general fund, to deal with the increased overtime, lodging costs and expenses
  o Mr. Honeycutt said that he hoped for some help in pushing the request through, because of a conversation he had during the Governor’s OBPP meeting, that because both the State and Federal Governments had invested a lot of money in meat and poultry processing, they would recognize that the DOL was trying to increase capacity by trying to bring new plants online and the DOL had invested in CIS, that it was not a very good maintenance idea to do those things and not be able to staff the regulatory side

**MOTION/VOTE**

(1:23:59) 9:24 AM Alan Redfield moved that an extra $200,000, half in general fund/half in matching Federal funds, be added to the Meat & Poultry Inspection Bureau budget to cover increased operational expenses and that request be moved forward to OBPP as Priority #3 for the Budget Change Concepts in the Animal Health and Food Safety Division. Jake Feddes seconded. The motion passed.

- (1:27:33) 9:24 AM *Animal Health Bureau*
  o Mr. Honeycutt explained that the request to purchase a new Veterinary pickup rather than lease one was because of the modifications needed on that vehicle, such as a cool vet box. The pickup would be a one-time-only purchase made using per capita fees
  o Once the older vehicle was sent to Surplus, the money received from its sale would go back into the DOL’s State Special Revenue fund

**MOTION/VOTE**

(1:30:44) 9:31 AM Sue Brown moved that the request for $35,000 to purchase a new Veterinary pickup with modifications, be moved forward to OBPP as Priority #4 for the Budget Change Concepts in the Animal Health and Food Safety Division. Alan Redfield seconded. The motion passed.

- (1:32:36) 9:33 AM *DSA*
  o Dr. Marty Zaluski explained the reasoning behind a request of extra general fund for the DSA
  o There had been a continual increase in Brucellosis testing costs due to old methodology suspended by USDA, the test going from $1.64 to $3.50 per test
Dr. Juda added that before USDA flipped over to the Fluoresence Polarization Assay (FP) as the primary screening test in 2019, they provided the reagents for the lab screening assay, and now kits needed to do the FP screening test must be purchased by the DOL, increasing supply costs.

The number of Brucellosis tests had increased 3.5-fold in a space of 10 years.

Dr. Zaluski said he felt that the risk from publicly-owned wildlife should be a publicly-funded mitigation process. Mr. Honeycutt added that the DOL always made the argument that the costs should not come back on per capita fees and so, if it is not paid for through general fund, a way must be figured out to pay for it through a wildlife program.

MOTION/VOTE

(1:37:28) 9:38 AM Greg Wichman moved that a request to increase general fund in the Animal Health Bureau Brucellosis program to cover DSA expenses due to increased cost of screening tests be moved forward to OBPP as Priority #5 for the Budget Change Concepts in the Animal Health and Food Safety Division. Alan Redfield seconded. The motion passed.

(1:37:48) 9:38 AM Meat & Poultry Inspection Bureau

- Mike Honeycutt gave reasons for a request to add two more FTEs to the DOL, with both being used for additional Meat Inspector positions
  - Mr. Honeycutt said, that Alicia Love had shared with him that there were times when two Inspectors were needed at a plant at the same time, because they were doing both slaughtering and processing, and that was becoming a more common occurrence
  - More flexibility was needed in the system, Mr. Honeycutt said, for relief inspection, so that staff could take a day off now and then

- Sue Brown said that the industry was growing every minute and that perhaps the ask should be for four more FTEs rather than just two

- Jake Feddes said that because of increased fuel costs, cattle would be hard to ship because of the expense. He said there would be more animals in the state of Montana to slaughter in the next year than what there had been in the last five years
  - Sue Brown said that her shipping costs had doubled this month

- Alan Redfield said it might be a challenge asking for more FTEs because Legislators that do the policy may have great ideas of what people want to have but, the Legislators that look at budget numbers might say, how are we going to pay for it

- Mike Honeycutt reminded the BOL that USDA does not allow State programs to charge a fee for service in the meat program, but, the FDA has no problem with the DOL charging for an FDA milk inspection

- Dr. Marty Zaluski said he thought asking for four additional Meat Inspector positions was a better number because the Meat & Poultry Inspection Bureau was informed that there may be three additional facilities
requesting inspection; CIS may bring additional facilities on, requiring additional employees; transportation costs may put greater pressure on development of local capacity
  o Mike Honeycutt said of the three additional facilities that applied for inspection, one was in Zortman, and that area was currently not covered by current staff. He added that the plant that applied for CIS will also need to have somebody cover them for inspection

MOTION/VOTE
(1:54:43) 9:55 AM Alan Redfield moved that a request to add four additional FTEs in the Meat & Poultry Inspection Bureau to fill inspection, be moved forward to OBPP as Priority #6 for the Budget Change Concepts in the Brands Enforcement Division. Jake Feddes seconded. The motion passed.

(1:55:38) 9:56 AM – Brands Enforcement Division Budget Change Concepts
Mike Honeycutt introduced Ty Thomas, Assistant Brands Administrator, who he said would be helping him with the Brands Enforcement Division Budget Change Concepts today

  • (1:55:53) 9:56 AM – Equipment Requests
  Mike Honeycutt said that there were three requests, totaling $180,000, in budget change concepts for the Brands Enforcement Division. All requests would be one-time-only equipment replacement operational increases and would primarily be covered using brands fees:

  o Radios and corresponding installation for 10 Investigators were being requested, at around $10,000 each
    ▪ Around 10 staff on the law enforcement side had still not been updated in their radios to put them on the same system as everyone else
  o Two additional trailers were being requested for both the east and west side of the state at a cost of around $50,000
    ▪ During the TB investigations, Brucellosis work and also during the Avian Influenza outbreak, both animals and equipment were needed to be hauled and having the trailers would help in the operation of those situations
  o Smaller items, such as clippers at the market, were being requested as it was time to cycle them out and replace them, at a cost of around $30,000
    ▪ Mike Honeycutt explained that he did not want to present a very small decision package request of $5,000, just for clippers, and so several items were combined in the $30,000 request

MOTION/VOTE
(2:00:20) 10:01 AM Sue Brown moved that a request for $180,000 for 10 radios, two trailers and replacement of smaller items in the markets as presented, be
moved forward to OBPP as priority item #1 for the Budget Change Concepts in the Brands Enforcement Division. Alan Redfield seconded. The motion passed.

2:01:28) 10:02 AM – Overtime Authority
Ty Thomas reported that with the increase in cattle numbers going through the markets, it had put a damper in the Brands Enforcement Division overtime budget:
  o Mr. Thomas said that in talking it over with Brian Simonson, it was thought it would be a good idea, rather than moving authority from other areas of the DOL, to request more authority in the Brands Enforcement Division itself, because the overtime had become a consistent thing each year
  o Mike Honeycutt reported that the overtime authority had been just under $56,000, but the five-year average had been just over $134,000, with the past two years being $167,000
  o With pay increases coming through the State pay plan, the requested extra authority to cover overtime would be an extra $95,000, bringing Brands Enforcement Division overtime authority at around $151,000

MOTION/VOTE
(2:05:55) 10:06 AM Sue Brown moved that a request for $95,000 in additional overtime budget authority be moved forward to OBPP as a priority item #2 for the Budget Change Concepts in the Brands Enforcement Division. Alan Redfield seconded. The motion passed.

(2:06:40) 10:07 AM – Additional FTE
Certain markets, according to Mike Honeycutt, had been showing signs of increased activity over time and he reported that Ty Thomas was seeing a need to have at least one more FTE to spread out across those markets:
  o The Sidney market had been seeing a lot more cattle come out of North Dakota to Sidney, Mr. Honeycutt said
  o Mr. Honeycutt said that if the additional FTE was used for short-term workers, the DOL does not pay a health insurance cost for those workers. If the additional FTE was used to hire a full-time employee in the market, around $12,000 additional would be added to cover health insurance costs
  o Benefits of the extra FTE would be to cover the geography of the market and where increases have been seen and also should help bring overtime costs down somewhat

MOTION/VOTE
(2:09:12) 10:09 AM Greg Wichman moved that a request for an additional FTE be moved forward to OBPP as a priority item #3 for the Budget Change Concepts in the Brands Enforcement Division. Sue Brown seconded. The motion passed.

(2:09:33) 10:10 AM – Centralized Services Division (CSD) Budget Change Concepts
Mike Honeycutt reported that he and Brian Simonson were putting forward a joint request for the Centralized Services Division

- **(2:09:33) 10:10 AM – Additional Predator Control Funding**
  Mike Honeycutt explained that there was a statutory appropriation, a minimum of $350,000, to go to Wildlife Services for Predator Control. The funds came from per capita payments
  - Last biennium, Mr. Honeycutt said that the BOL added $75,000 to that statutory appropriation, bringing the total to $425,000, minus any helicopter insurance and other things, along with the money given to the three counties that didn’t participate in Wildlife Services
    - Mr. Honeycutt said that USDA pays the maintenance and that from what they had told him, the money from the DOL was pretty much all going into maintaining those machines, but, they would not have them to fly if the DOL were not providing them
    - According to Brian Simonson, Richland, Carter and Powder River Counties, the counties who do not participate in Wildlife Services, were allocated around $17,000 in per capita funds each year for their Predator Control
  - Mr. Honeycutt said that he had spoken with folks who had explained to him that the amount of money for Predator Control had been downgraded back when the DOL was having financial difficulties and had not been adjusted back the other way and so, the CSD request would be to add $75,000 each year of the next biennium to bring that Predator Control figure to $500,00 per year

**MOTION/VOTE**

**(2:11:23) 10:12 AM** Alan Redfield moved that a request for an additional $75,000 in FY2024 and $75,000 in FY2025 of State Special Revenue to fund Predator Control Operations, be moved forward to OBPP as a priority item for the Budget Change Concepts in the Centralized Services Division. Jake Feddes seconded. *(This motion was restated)*

- Greg Wichman said that it was good to start getting the Predator Control funds back where they used to be, and he would like to see the $75,000 annual increase be doubled
- Brian Simonson said that raising the annual Predator Control fund to $500,000 would be around 10% of per capita fees
- Sue Brown asked if part of the money allocated could be utilized for non-lethal Predator Control
- Mike Honeycutt said he wasn’t sure, but thought that Wildlife Services already did some non-lethal activity and that the money was not all used for aerial hunting
- Alan Redfield restated his motion with Jake Feddes agreeing to it, to increase the additional Predator Control funding to $150,00 per year,
prefacing that FWP could change their lion hunting regulations, making it harder for those to be controlled just by the hunting side of it

**MOTION/VOTE (Restated)**

(2:18:33) 10:19 AM Alan Redfield moved that a request for an additional $150,000 in FY2024 and $150,000 in FY2025 of State Special Revenue to fund additional Predator Control Operations, be moved forward to OBPP as a priority item for the Budget Change Concepts in the Centralized Services Division. Jake Feddes seconded. Sue Brown voted no. The motion passed

Mike Honeycutt explained that OBPP was trying to put together the Governor's budget and the BOL would need to prioritize all the items just discussed for them. He said he had three items he felt were the top priorities:

- Mr. Honeycutt said it didn't make sense to be thinking about building a new Lab if subpar equipment was put into it and so the VDL equipment request ranked really high
- The Brands Enforcement Division request for radios was really important, Mr. Honeycutt said, because some of the Brands guys were not able to communicate with dispatch or to other people in some places of the state, and he was not comfortable with that situation
- Mr. Honeycutt said that the Meat & Poultry needs discussed were also a priority for him
- For a #4 priority, Mr. Honeycutt said the promise and commitments to Wildlife Services were important to catch back up on

The BOL discussed their DOL priorities to present to OBPP:

- Alan Redfield said that for the VDL items, the purchase of the equipment and the maintenance should be listed together as one concept or priority
- Brian Simonson said that in IBARS, the purchase of the equipment and the ongoing maintenance would still have to be listed as separate items. Mike Honeycutt explained that in Meat & Poultry Inspection, the Inspectors and the increased overtime were separated out by fund source, even though it was really one thing
- Alan Redfield said the way he was looking at priorities, the VDL items were priority #1, Meat & Poultry Inspection Bureau items were priority #2 and the radios in the Brands Enforcement Division were a big deal, but because of safety issues for the employees, it should be minor, especially comparing it to the Highway Patrol where the cost was millions of dollars
- Sue Brown requested that Priority #2 be the hire of four additional Meat Inspectors, which would save on overtime hours and then Priority #3 be additional operating funds to meet increased overtime in the Meat & Poultry Inspection Bureau
- Priority #4 would be Operational increases in the Brands Enforcement Division, including the upgraded radios and additional trailers requests
• Priority #5 would be the request for additional Predator Control funding to USDA Wildlife Services
• Gene Curry requested that additional Market overtime authority be listed as Priority #6
• Alan Redfield said that the Priority #7 request would be for an additional FTE in Brands Market staff
• Jake Feddes said that Priority #8 should be to increase DSA expenses due to increased testing expenses
• Priority #9 was a request for a vehicle for an Animal Health Bureau Veterinarian
• Dr. Zaluski suggested switching Priority #2 and Priority #3 in Meat & Poultry, because, by adding FTEs before the Operating funds, a larger deficit would be caused
• Brian Simonson said the difference between Priority #2 and Priority #3 didn’t matter

MOTION/VOTE
(2:33:16) 10:34 AM Sue Brown moved to accept the order of the list of DOL priorities for Budget Change Concepts, as discussed, to be moved forward to OBPP. Greg Wichman seconded. The motion passed

(2:34:04) 10:34 AM RECESS

(2:34:25) 10:50 AM RECONVENE

NEW BUSINESS (Continued)
(2:34:25) 10:50 AM

(2:34:28) 10:50 AM – DISCUSSION ON POTENTIAL HB10 PROJECTS
Mike Honeycutt said that Buddy Hanrahan had put together a list of three priorities the DOL would possibly add as a HB10 request in the upcoming Session. Integrating all three would be a total cost of $1 million, charged against per capita:

• Animal Health Systems Upgrade
  o Within the next two years, Mr. Honeycutt said that the DOL would either need to upgrade USAHerds or go out for a procurement process to see if USAHerds was still the system Animal Health wanted to use

• Addition of a Google AI (Artificial Intelligence) System
  o Having this system would allow the capture of information from scanned paper forms to be put into DOL databases, which would reduce data entry time and increase the ability to do compliance work

• Snowflake Integration
  o Mr. Honeycutt explained that State ITSD was working with other agencies to integrate Snowflake into their State systems as well. Snowflake would allow the ability to pull data from other systems, such as VADDS at the VDL or from USAHerds, allowing more power to pull information and query information
• Dr. Marty Zaluski explained that the vendor, Acclaim, whose software the DOL used for managing quarantines, traceability, animal ID information, import of animals, etc., told the DOL that their software was being rewritten. Although the DOL was told that Acclaim would continue to support the old software, Dr. Zaluski said he was skeptical and expected that any fix requests to the old system might progressively become more difficult and more expensive
  o Currently, Dr. Zaluski said that maintenance for the old system ran about $30,000 per year for software that had been purchased in 2011
• Dr. Zaluski said the DOL could stay with the old version of Acclaim software, but, if not, they could upgrade to another software, either the new version of Acclaim software or he asked that the DOL would allow other current providers to get a fair shot at pitching to be a vendor for those services the DOL required
• Other systems had been looked into Dr. Zaluski said, including a Windows version that the upgraded Acclaim version looked like, also another competitor was offering version to USDA that States could have access to that would cost significantly less and Service Now utilized a web approach, but it seemed somewhat limited in functionality
  o Two of the three systems looked into by the DOL, according to Dr. Zaluski, were already in the process of development of health certificate options that would be free for Veterinarians to use
  o Mike Honeycutt said that Service Now was the product that the Brands Enforcement Division was using to replace their current brand system, and that conversion would be completed by this time next year
    ▪ The Service Now platform that was being built in the Brands Enforcement Division would give the capability for electronic brand inspections
• Mr. Honeycutt said that the DOL’s 2019 HB10 request was for $1.3 million, the 2023 HB10 request would be for $1 million, and even though you could integrate one program without the other, when all three were done together, they would build on each other
  o Buddy Hanrahan said that the systems being reviewed had as high a security as anything SITSD had. He added that the cost of data storage in Snowflake was incredibly cheap with access to that data available through queries
  o Google AI, on the other hand, according to Mr. Hanrahan, was expensive because the DOL’s form wasn’t a standard form
• Mike Honeycutt said that a Legislative Audit Division performance audit from four or five years ago was what drove the DOL conversation about electronic brand inspections, as one of the audit findings was real-time compliance
  o Jake Feddes said that Google AI would allow for paperwork to be scanned and stored, but it would still not help to keep the DOL in real-time
  o Mike Honeycutt said that he would hope that in time, as people get to an internet connection and the level of paper that’s coming in falls off, that Google AI would become unnecessary
Greg Wichman said with the scan and recognize system, an Inspector could scan it, email it in where it could be picked up and put right into the system so there would not have to be paper sent into the DOL.

- Buddy Hanrahan explained that the Brands portion of the new system was scheduled for production at the end of July 2022, just the brands portion. Markets and inspections would be scheduled for production in May 2023.
- Mr. Hanrahan said that the input forms at the VDL hadn’t been delved into as of yet but, there was a possibility that those could come in and be automatically processed into the system.
- According to Mr. Hanrahan, there were two Departments in the State of Montana that were already fully functional with Snowflake, but that only about four or five were even showing an interest in utilizing Google AI.
- When concern was raised by some members of the BOL regarding the cost of moving forward with the three software programs, Brian Simonson reminded the BOL of the DOL’s $8.3 million in the bank and that in 2020-2021 the nearly $500,000 in per capita fees that were taken in had gone into the bank and that a financial cushion had been built.
- Mike Honeycutt said that the projects could get delayed by implementation and that could go beyond the biennium. It’s budgeted authority, he said, and the DOL would not really be locked into having to move forward if circumstances changed at some point in the future and needed to be more conscious and conservative.

**MOTION/VOTE**

(3:19:34) **11:35 AM** Sue Brown moved to accept all three IT project proposals, as discussed, including an Animal Health systems upgrade, a Google AI project and Snowflake integration, for submission as HB10 requests. Jake Feddes seconded. The motion passed.

**EXECUTIVE OFFICER UPDATES AND DISCUSSIONS**

(3:20:58) **11:37 AM**

(3:21:11) **11:37 AM** – Update – Department Salary Analysis, Process Requirements for Salary Adjustments, Snapshot

Mike Honeycutt said that his update on the Department Salary Analysis was that there was no answer yet.

(3:21:19) **11:37 AM** – Drought and Water Supply Committee Updates

Mike Honeycutt updated the BOL on the first water year meeting that was held in May 2022. He said he attended these meetings once a month during the water year:

- It was no surprise to anyone, Mr. Honeycutt said, that Montana was still under drought conditions.
- May 1st was the start of the grazing season or FSA programs, and, because of a designation of emergency for drought in most counties of the state, Mr. Honeycutt said it opened up loans and other FSA programs for that.
- The north-central part of the state above Lewistown and across the Hi-Line, missed out on some of the moisture-carrying storms that came recently, and...
so that portion of the state was in worse shape than other areas for moisture, Mr. Honeycutt said

- A representative for NOAA reported at the meeting that forecast models for the area were signaling another La Nina coming, meaning typically cooler, wetter weather in the winter, but he added that had been predicted for the last three years
- A cooler spring had helped hold moisture high for irrigation, but, there had not been much low elevation moisture and the normal runoff at this time of year had not been happening
- Because of the snowstorms that hit people at calving time this year and the death losses, Mr. Honeycutt said questions arose about resources available to help mitigate those losses. He said he had been pointing people to the FSA Livestock Indemnity Program (LIP) that he thought paid 75% of the national average.
  - Mr. Honeycutt said the LIP program was not perfect, but that there was no State fund out there that paid for those losses
  - Mr. Honeycutt said there were still some struggles with the LIP program because death losses must be above what’s considered normal from the FSA State Committee

(3:25:25) 11:41 AM – Summer Mid-Year Organizational Meetings
Mike Honeycutt updated the BOL on DOL involvement in the upcoming mid-year meetings for ag organizations in the state:

- The Montana Stockgrowers Association Mid-Year meeting was scheduled for the following week in Sidney
  - Mr. Honeycutt said he would be attending the Cattle Health and Brands Committee portion of their meeting on that Friday
- The Montana Farm Bureau Mid-Year meeting was scheduled for June 14, 2022, at Fairmont Hot Springs. Mr. Honeycutt said he would be attending the Herd Livestock Committee portion of that meeting

(3:26:00) 11:41 AM – Section C Interim Budget Committee Meeting – June 15
Mike Honeycutt reported that the next Section C Budget Section Interim Budget Committee meeting was scheduled for June 15, 2022 and that there were about 30 minutes dedicated to the DOL on their agenda

- The Fiscal Analyst would give his report to the Committee at the meeting on how he thought the DOL was doing and Mr. Honeycutt said he would be there for questions and to share with the Committee

(3:26:25) 11:42 AM – Request to Hire in Human Resources
Mike Honeycutt reported that he had just gotten word that Sheila Martin, the Human Resources Officer for the DOL, would be retiring from the State on June 8, 2022:

- Mr. Honeycutt said that Ms. Martin would be able to retire from State government, but was moving on to a Federal job at the VA, and she explained to him that if she does five years in a Federal job, there were a lot of benefits to that
• Mr. Honeycutt explained that with just one Human Resources person in the DOL, he would request to be able to post and hire the vacant position as quickly as he could after June 8th

MOTION/VOTE
(3:27:25) 11:43 AM Sue Brown moved to allow the hire of a new Human Resources Officer in the Centralized Services Division of the DOL. Jake Feddes seconded. The motion passed.

With the DOL being a smaller agency, and with the DOL having a good reputation, Mr. Honeycutt was hopeful, with the number of HR people around the Capitol Complex, the job would be an attractive one to land and would attract some good candidates

PREDATOR CONTROL
(3:28:52) 11:45 AM

(3:29:24) 11:45 AM – Update on Activities of USDA Wildlife Services (Presented by Dalin Tidwell, Montana State Director)
Dalin Tidwell introduced himself and commented about what a great opportunity it was to be off the ZOOM meeting thing and be able to see everyone face-to-face

(3:29:24) 11:45 AM – General Updates
Dalin Tidwell said that he had been on a road trip up in Eureka on Monday and Tuesday that week, attended a Stockgrower meeting in Havre the night before and was able to fit in the DOL meeting that day
• At the Havre meeting, Mr. Tidwell said there was a big discussion about passing a cattle petition in Chouteau, Blaine, Hill and Phillips Counties
• Mr. Tidwell said that Wildlife Services had a fixed wing agency pilot, Scott Snyder, who lived in Turner and so he would be right in their back yard
• Regarding the work being done on the newly purchased helicopter, Mr. Tidwell said there had been a perfect storm of parts and supply
  o The hunting window and the high skid gear were all in place. The gauges still need to be installed and the wiring lined out
• Regarding the other two DOL helicopters, 95 Tango, the helicopter in Helena, had to have a new transmission full overhaul; 560 Charlie, the helicopter in Billings had the entire hot section replaced
• Mr. Tidwell said that every five years, there was a full bid-on process for maintenance of the aircraft. He reported that they again chose Colling Aircraft because of the quality of their work and the history they have with him
• With inclement weather situations that did not allow flying time, Mr. Tidwell reported that Wildlife Services was about 200 logged hours shy of the pace they would normally be at this time of year and he said that also amounted to about 700 coyotes off their normal pace
  o Even with the weather delay, Mr. Tidwell said that they were caught up with calls now, but that calls for service had been down
• Mike Honeycutt thanked Dalin Tidwell for their record keeping of each aerial hunt, certification of pilots, aircraft safety trainings, as that was information requested by the Interim Budget Committee in the past and would probably be requested again in future Committee meetings
• Mr. Tidwell reported that Specialist Cody Knoop, who had covered the Harlowton area, including Golden Valley, Wheatland and a third of Meagher County, took a position in Wisconsin. That position was filled by Luke Peebles, a Specialist who had been a rover, a seasonal Specialist, who moved around the whole Front area
  o The area that Mr. Peebles would be covering, according to Mr. Tidwell, had the most sheep of all the areas that Wildlife Services covered in the country
• Mr. Tidwell said that four of their Specialist were over 69 years old and he said even though they’re still going hard and strong, he said their retirement phase would be something on the horizon to be prepared for
• Because the Specialists work from home, Mr. Tidwell said that so far, he did not have to address the weekly COVID testing that was based on the risk category of their particular county
• Dalin Tidwell reminded the BOL that the Wildlife Services/DOL agreement was coming due at the end of June and said that they were watching cattle numbers as per capita monies may impact their operating budget going forward
• Mike Honeycutt said that for those counties who were working on cattle petitions, to remember that the threshold to reach before presenting the list to their county Commissioners was 51% of the ownership of the cattle in the county, not 51% of the producers in the county
• For those counties with cattle petitions, Mr. Tidwell said that about 40% of the funds go to support the crew and the other 60% covers aerial operations
• Mr. Tidwell said that they still had not gotten their Federal budget and when that happens, they work on a continuing resolution, which was standard for the previous year. He said he heard there were going to be some cuts, and so they were looking into other options to hopefully, keep their guys on the ground
• Northern Glacier County, the Blackfeet Reservation, according to Mr. Tidwell, was the big hot spot for grizzlies right now. He said they had already handled about 12 bears, four of which were lethally removed. In the Ovando area, there was also a blow up of grizzly bear there as well
• There were confirmed sightings of a grizzly that had traveled through the Moccasin Mountain Range and Mr. Tidwell believed that the one spotted out of Winifred was possibly that same bear
• Wolf depredations had overall been fairly quiet, Mr. Tidwell said, as the hunts were taking care of a lot of that. He said that depredations were down to nine from 18 during this same period last year, although as of today, there were six active wolf actions going on, with one of those north of Dodson

Mike Honeycutt reported that at the request of the Governor, he and FWP Director Worsech had attended a grizzly bear listening session in Fairfield the week before:
There were seven ranchers at the table, Mr. Honeycutt said, as the County Commissioners and the Sheriff were also ranchers and also people from Fairfield, August and Choteau.

The majority of what people talked about at the meeting, according to Mr. Honeycutt, was personal safety, with bears being in town around high human traffic areas and being conditioned to being around humans without being scared.

(3:58:07) 12:14 PM – LLB Predation Claims Report and General Updates
Mike Honeycutt said that if there were any questions on George Edwards’ May 12th Livestock Loss Board predation claims report that Mr. Edwards would be contacted with those questions, as he was not online that day:
- Greg Wichman reported that he had not received any calls from people saying they were overrun with coyotes in their sheep.

(4:01:00) 12:17 PM LUNCH

(4:01:05) 12:59 PM RECONVENE

BRANDS ENFORCEMENT DIVISION
(4:01:08) 12:59 PM
Ty Thomas introduced himself as the Assistant Administrator for the Brands Enforcement Division.

(4:01:27) 1:00 PM – HORSE OWNER AMNESTY MCA 81-10 (Further Discussion)

(4:01:27) 1:00 PM – Discuss Necessity for Amnesty Statute
Mike Honeycutt reported that at the request of Greg Wichman, the horse amnesty statute was put back on the agenda to discuss further and decide whether or not it was something the BOL would like to see repealed:
- Greg Wichman said he did not believe the BOL needed to be in the horse rescue business and that it was the wrong way to spend the DOL’s money and so, he thought the statute should just be repealed.
- Gene Curry commented that at least with the horse amnesty program the DOL could recover some of their expenses if someone brought a horse in and made it fit into that amnesty program and he wanted to be sure that the BOL does not overlook some scenario that could be avoided if the statute would remain in place.
- Mike Honeycutt said that to his knowledge, he did not know if this statute had ever been used and that no rules had ever been put in place to establish an amnesty account and no fee was ever put in rule, so if someone showed up tomorrow with a horse, the DOL could not charge them a fee because one was ever established. Ty Thomas added that in his career at the DOL, he had never used the statute.
- Jake Feddes asked why the statute only had to do with horses and said why not a cattle owner amnesty or a sheep owner amnesty statute. He added that he didn’t think this law was doing any good whatsoever.
Ty Thomas explained that the DOL was required to hold onto an estray for a minimum of 10 days.

**MOTION/VOTE**

(4:11:26) 1:09 PM  
Greg Wichman moved to find a Legislator to carry a bill to repeal MCA 81-10-102-Horse Owner Amnesty for Horse Transferred to Department-Fees. Alan Redfield seconded. The motion passed.

Mike Honeycutt said that he should have said in the outset that he didn’t feel the DOL really minded what decision the BOL made on that statute.

**4:13:18) 1:11 PM – DISCUSSION OF BRANDS ADMINISTRATOR OPENING**

Mike Honeycutt said that the vacancy for the Brands Administrator position had not been posted yet because he first wanted to remind the BOL of their Policies and Procedures when it came to hiring CEOs and Division Administrators:

- The last time the Brands Administrator position was vacant, the BOL established a committee to do application screening to try and screen them down to three to five people for the BOL to interview.
  - If the selected applicants were interviewed in a public session, then the BOL would go into Executive Session to make their decision about who would be offered the job.
- Mr. Honeycutt reported that because the selected applicants were interviewed in a public meeting last time, they had a couple applicants withdraw their names because they did not want to run the risk that their employer would be watching their interview for the job and then not get offered it.
- Mr. Honeycutt said that if a quorum of BOL members did the interviews, then there was no attorney-client privileged information, and so the interviews would have to be open to the public. If you had a less-than-quorum committee do the interviews, the full BOL could have an Executive Session for the committee to explain their recommendation to the rest of the BOL and then the BOL would come out of Executive Session for somebody to make a motion to make the offer. He added that an attorney might need to be present in the Executive Session.
- Mr. Honeycutt said there was a risk in doing the interviews in public because it was a legal process and there could be questions being asked that someone would take offense to and how, the interview was recorded.
- The screening process, Mr. Honeycutt explained, was made easier by using a checkoff sheet listing required components, the minimum criteria for the job and if they didn’t have, for example, the minimum experience required or hadn’t supplied a resume or cover letter, lack of those became part of their application.
scoring. There would also be scoring done of the interview itself for those applicants selected for interview

- Mr. Honeycutt’s goal was to have applications screened and scheduling of interviews done before the next BOL meeting
- Sue Brown was part of the screening committee for the previous Brands Administrator and said that even though there were lengthy resumes from all the candidates, with the checklist sheet, it was easy to take 15 applicants down to 10 and then checking minimum qualifications that number was brought down again. She said it was pretty simple
  - In the actual interview process, Ms. Brown said the same, exact questions were asked of all the candidates
- Greg Wichman said that he would like to have the interview process be done the same way as before, as he liked to watch body language. Alan Redfield said when they get hired, they’re gonna be in front of the BOL talking to them all the time, and that was a big deal
- Gene Curry called for volunteers for the Screening Committee. Mike Honeycutt said that if Nina Baucus was present, she would volunteer and so he requested she be put on the Committee. Greg Wichman and Gene Curry also volunteered to be on the Screening Committee

(4:41:43) 1:39 PM – BOL General Discussion

- Mike Honeycutt reported that it had been brought to the DOL’s attention that allegedly, some of the markets might not have been applying brands liens or holds the way they should and so the DOL response would be to send a letter to all market owners reminding them of the rule that says those liens and mortgages should be applied to checks for owners at the markets and that a violation of the marketing rules was a misdemeanor every time it was done and that it was going to be something that would be an emphasis in future audits of livestock markets
- Ty Thomas reported that applications for the vacancy in Billings was open until June 1, 2022
- Mike Honeycutt said that the performance evaluation for a District Investigator was done in the Eastern Region by Travis Eilings and in the Western Region by Dan Bugni. He added that for Local Inspectors, because they were not really employed by the DOL, there was not really an evaluation
  - Ty Thomas said that for Local Inspectors, it had been his personal experience that if they weren’t doing their job properly, such as not looking at the cattle or horses or not wanting to go anywhere and do anything, he said he did not really pull their books, but, generally, they would just turn them in. He said he leaves that choice up to the District Investigators who are in charge of pulling their books and training them
- Alan Redfield said that with rodeos and fairs coming up he thought there should be a message out there that with the TB thing and Brucellosis thing that the DOL was going to be tough on it because this is our industry and our job was to protect the health of our industry. He wanted to make sure that CVIs were in place because he did not want anything brought into Montana…if you want to
play in Montana, you play by the rules. Jake Feddes added that there should be increased patrols of rodeos and fairs, but especially rodeos where cattle and horses were coming in from everywhere
  - Ty Thomas said that he had started the process of getting it out to the Supervisors to let the Investigators know that the DOL wanted to amp up the enforcement this summer at rodeos and fairs
  - Jake Feddes said he was not sure if the DOL could do this or not, but perhaps a communication to all the stock contractors could be sent out saying the security was going to be stepped up and that if someone did not have their accurate paperwork that the stock had to leave Montana immediately
    - Mike Honeycutt said that it would have to be checked into first to see if the DOL had authority to do that
    - Dr. Marty Zaluski said that it was well known that North Dakota had the authority to refuse animals, forcing their export, but, according to his knowledge, all Montana could do was quarantine
    - Gene Curry said that he wanted that issue in place on the agenda for the next BOL meeting
  - Dr. Tahnee Szymanski clarified that a story regarding some cattle coming into Montana with falsified TB records. Dr. Szymanski said that the TB records on the health certificate weren't falsified, the health certificate came into the DOL office and did not have included on it the required TB test. It was realized that someone internally at that out-of-state veterinary clinic was issuing those health certificates
  - Two representatives from the Montana Farm Bureau Federation were recognized in the audience, John Youngberg and Scott Kulbeck, who were in town and decided to stop by the BOL meeting

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS
(4:55:54) 1:53 PM

(4:56:00) 1:53 PM – ANIMAL HEALTH BUREAU
Dr. Tahnee Szymanski, Animal Health Bureau, and Assistant State Veterinarian, introduced herself and said that she had three items to cover with the BOL

(4:56:09) 1:54 PM – Highly Pathogenic Avian Influenza (HPAI) Update
Dr. Tahnee Szymanski updated the BOL on the Highly Pathogenic Avian Influenza situation in Montana:
  - Total number of flocks diagnosed in the state with HPAI stood at nine and that there had been no new cases in three weeks
    - Dr. Szymanski said that getting through migratory season and with the weather starting to warm up, that should help the situation
  - All of the premises had been depopulated, Dr. Szymanski reported, and there were surveillance zones in place still around five of the premises, but, she said,
they were hoping to release several of those next week as the second round of surveillance had been completed

- All the premises where HPAI was found were self-reporting, Dr. Szymanski said. She added that one of the big points of surveillance was actually to provide an education to other people in the area that they know there was disease, and that if they had sick birds, that they would call in and self-report as well
  - Dr. Szymanski said they had been receiving a relatively consistent number of sick bird calls on a daily basis, but none that fit the clinical picture, and so, for a lot of those calls, the DOL hadn’t been pursuing sampling
- For the three larger pens that were going through active cleaning and disinfection, Dr. Szymanski reported a depopulation of about 104,000 birds
  - Cascade 01 was released from quarantine and they were going through the restocking process
  - Pondera 01 completed their cleaning and disinfection and had completed the environmental sampling and the DOL was awaiting final results from NVSL. If those results came back negative, they can proceed with releasing that quarantine and can move into restocking
  - Glacier 01 was finishing up cleaning and disinfection and Dr. Szymanski said that they were hoping to conduct environmental sampling next week at that premises and start the 14-day clock if all of those environmental samples came back negative
- Dr. Szymanski said that USDA will pay for a certain portion of the cleaning and disinfection, and in Montana, the actual bird owners themselves had been doing their own cleaning and then either the DOL or USDA would come in and inspect the facility to make sure it met standards. She added that even though the bird owners were cleaning their own barns, they would want to make sure that it was done thoroughly so they wouldn’t have to go through the entire process again

(4:59:57) 1:58 PM – FY23 Out-of-State Travel Requests
Dr. Tahnee Szymanski presented to the BOL the FY23 Out-of-State Travel Requests for the Animal Health Bureau for their approval:

- **USAHA Annual Meeting**
  - Dr. Szymanski said that the USAHA meeting was one attended on an annual basis and that this year it was being held in Minneapolis in the fall
  - Dr. Szymanski explained that the request was for herself and Dr. Zaluski to attend, which made it easier to cover all sessions
  - The travel to the meeting would be covered by cooperative agreement
  - Dr. Szymanski assured the BOL that while two Veterinarians would be absent from the office, they hoped there would be another Veterinarian in place by then, but that both she and Dr. Zaluski were reachable by phone during the meetings. If there was an emergency they would fly back to Montana, one at a time, to assure that at least one of them would be in phone contact at all times
  - Dr. Szymanski explained that she and Dr. Zaluski typically didn’t attend USAHA for the same number of days, and that was why the per diem was different for each of them
MOTION/VOTE
(5:06:15) 2:04 PM
Sue Brown moved to approve the out-of-state travel for Dr. Marty Zaluski and Dr. Tahnee Szymanski to attend the USAHA annual meeting in Fall 2022 in Minneapolis, Minnesota. Jake Feddes seconded. The motion passed.

- **Western States Livestock Health Association (WSLHA) Annual Meeting**
  - Dr. Szymanski said that the USAHA meeting was one attended on an annual basis, where historically, more individuals from the DOL attended. She said that the number of attendees had since then been scaled back and this year the request would likely be for just herself and Dr. Marty Zaluski to attend
  - Travel to the meeting for Dr. Zaluski and Dr. Szymanski would be covered by cooperative agreement
  - 19 Western states participated in this meeting, which Dr. Szymanski thought would be held in Spring 2023, but said she was not sure where it would be held

MOTION/VOTE
(5:08:58) 2:07 PM
Sue Brown moved to approve the out-of-state travel for Dr. Marty Zaluski and Dr. Tahnee Szymanski to attend the Western States Livestock Health Association annual meeting in Spring 2023. Greg Wichman seconded. The motion passed.

- **USAHerds Annual User Group Conference**
  - Dr. Szymanski explained that a user group had been formed for those states who utilize USAHerds for their animal health programs and that each year a president was elected for that user group. The annual meeting location and date was decided by the president’s state
  - The request for the next meeting was to send three DOL staff, two individuals whose travel would be covered by cooperative agreement and one individual’s travel would be covered by per capita fees. Two staff would be from the Import Office and one would be from IT
  - Mike Honeycutt explained that even though the travel was already in the base budget, travel costs were hard to figure because of not knowing where the meeting would be held
  - Dr. Szymanski stressed the volume of benefit derived from staff attending this meeting, because USAHerds was used on a daily basis, but, with the possibility of upcoming changes to USAHerds, Dr. Szymanski said that things could change as they got closer to the conference for the number of people to send
  - Around 17 or 18 states utilized USAHerds animal health software and the tally was up to 23 or 24 states who pick up other permutations of USAHerds, Dr. Szymanski said
MOTION/VOTE
(5:12:32) 2:10 PM
Alan Redfield moved to approve the out-of-state travel for three DOL staff to attend the USAHerds User Group annual meeting. Sue Brown seconded. The motion passed.

- **National Poultry Improvement Plan (NPIP) Annual Meeting**
  - Dr. Szymanski explained that the NPIP meeting was actually an annual meeting, but typically, the DOL had chosen not to send someone every year.
  - Dr. Forseth was the Veterinarian who had previously administered the NPIP program in Montana, and the person requested to attend the NPIP meeting would be her replacement.
  - Although Dr. Szymanski did not know where the meeting would be held next year, travel to it would be covered by cooperative agreement funds.

MOTION/VOTE
(5:13:35) 2:11 PM
Sue Brown moved to approve the out-of-state travel for an Animal Health Bureau employee to attend the National Poultry Improvement Plan annual meeting. Jake Feddes seconded. The motion passed.

- **Pacific Northwest Economic Region (PNWER) Annual Meeting**
  - Dr. Szymanski said that the PNWER annual meeting was scheduled to be held in 2023 in Boise, Idaho. She reported that currently, she held the Co-Chair position of the Cross-Border Livestock Health, and that she was trying to hand that off to one of her Idaho counterparts, but was not having good success at that, so far.
  - The request was for Dr. Szymanski to attend that Boise meeting which would be covered utilizing per capita funds.

MOTION/VOTE
(5:14:40) 2:12 PM
Alan Redfield moved to approve the out-of-state travel for an Animal Health Bureau employee to attend the 2023 Pacific Northwest Economic Region annual meeting. Sue Brown seconded. The motion passed.

- **Foreign Animal Disease (FADD) Diagnostician Training**
  - Dr. Szymanski said that this two-week training in 2023 would still be held at Plum Island, although they were currently in the process of moving trainings after 2023 to the National Bio and Agro Defense Facility (NBAF) in Kansas.
  - The travel request would be for one of the newly-hired Veterinarians to attend the specialized training on how to conduct a foreign animal disease negation.
At the training, Dr. Szymanski said that cattle, pigs, and sheep were infected with FMD so that disease progression could be observed.

There were decontamination protocols to follow while at the training, but, once home, those that attended must quarantine away from livestock species for five days.

Dr. Szymanski reported that at the new Kansas facility, tremendous measures were taken to make sure they would be able to contain things in that facility...the animal laboratories were below ground, and the entire building was wrapped in steel, making it tornado-proof.

MOTION/VOTE
(5:16:22) 2:14 PM
Greg Wichman moved to approve the out-of-state travel for an Animal Health Bureau Veterinarian to attend the 2023 Foreign Animal Disease Diagnosticians training. Alan Redfield seconded. The motion passed.

(5:17:34) 2:15 PM – Operational Update
Dr. Tahnee Szymanski updated the BOL on operations in the Animal Health Bureau:

• The application pool for the Emergency Preparedness Veterinarian was closed, Dr. Szymanski reported
  o Two Veterinarians were interviewed, and an offer was extended to one of the candidates, but, Dr. Szymanski said, she declined the offer
  o A big part of what Dr. Szymanski felt was the limiting circumstance in hiring was that the housing market in Helena was difficult to buy in, particularly if you bring an entourage of animals with you and need land, such as a lot of veterinarians do

• Dr. Szymanski said that they were hoping that next week they could post the position for the Brucellosis Program Veterinarian and also repost the Emergency Preparedness Veterinarian position

(5:20:27) 2:18 PM RECESS

(5:20:30) 2:33 PM RECONVENE

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS (Continued)
(5:20:39) 2:33 PM
Because Alicia Love was still on the road, it was decided to move the Milk & Egg Bureau segment ahead of the Meat & Poultry Inspection Bureau segment.

(5:20:42) 2:33 PM – MILK & EGG BUREAU
Dr. Marty Zaluski introduced himself as the Administrator of the Animal Health and Food Safety Division and also the Interim Bureau Chief of the Milk & Egg Bureau:
• Dr. Zaluski explained that both of those positions were in the process of being melded into a type of Administrator for Food Products, covering both Milk & Egg and Meat & Poultry

(5:21:41) 2:34 PM – Funding for Third Sanitarian for Milk & Egg Bureau
Dr. Marty Zaluski reported that both Sanitarians, Alex Dachs and Rosemary Hickey, had discussed with him the challenges of distance in covering the inspection area with just two Sanitarians on staff for the state:

• Dr. Zaluski said even if there were 30% fewer facilities to cover, with only two Sanitarians, there would be much of the same challenges involved in getting to those facilities because of the geography of the state

• A number of the facilities that were covered had both egg and milk combined, being Hutterite Colonies, but, there were some bio-security limitations as far as being able to get too many of them together during one trip

• Dr. Zaluski said that the Sanitarians also had an emergency response role that went beyond regular inspection, such as in the case of a homogenizer going down at a processing plant and then either Rosemary from Polson or Alex from Great Falls needing to be dispatched to Billings to check the equipment so that the plant could continue to operate. Events like that happening on a weekend made it even more difficult

• Mike Honeycutt said that just a couple years ago, there were four Sanitarians and two retired very close to each other. Those FTEs were not filled at that time in an effort to bring expenses back in line with the cash flow and revenue for the program and to see, with the declining number of dairies in the state, if just having two Sanitarians would be sufficient

• Dr. Zaluski explained to the BOL that Shell Egg facilities sell their eggs from a farm to local distributors and Shielded Eggs are ones being distributed from the Great Falls plant
  o Dr. Zaluski explained that Grade A plants sell fluid milk. Grade B products are like cheeses. Grade AB plants produce milk and create cheeses. He added that there is a facility that makes cartons for milk that the DOL inspects as well

• Mike Honeycutt explained that milk inspection revenues were at $275,000 with current staffing, while expenditures for the same were estimated at $280,000
  o If an additional Sanitarian were hired, there would be an annual negative on the Milk side of $105,000
  o If Milk and Egg inspection were combined, Mike Honeycutt said there would still be a negative, but it would be a total of $80,000 negative annually if an additional Sanitarian were hired. He added that would be sustainable without having to take any action for about 1 ½-2 years, but then, something would have to happen

• Mike Honeycutt said that because of public health, general fund was secured in the Milk Lab to pay for Sanitarians going out and certifying the dairy labs that were out around the state and also for the testing work they do within the Milk Lab
• Gene Curry mentioned changing the cap to try and generate some fees. Sue Brown said that the high cap could be raised, but not the low cap. She said that perhaps there could be a pay-per-inspection to help offset costs, but that dairy people would need to have the opportunity to sit down and say what they think and how it would affect them
• Mike Honeycutt explained that the last time caps were changed, the minimum cap was raised, and the upper cap as well. The processors, Meadow Gold and Darigold, submitted to a much higher cap several years ago and pay a pretty hefty portion of the fees in comparison to the dairies
• Industry groups to talk to about the issue, Mike Honeycutt said, would be the Montana Milk Producers Association, the processors, Darigold, Meadow Gold, Kalispell Kreamery and Lifeline Dairy. For producers, the Darigold producers, their co-op group, along with some of the more niche processors would be the ones to reach out to
• Mike Honeycutt shared a conversation he had with the Meadow Gold Dairy Plant Manager, Rob Adamson, who said he thought the DOL was running employees hard and that it was real difficult, from what he saw, for them to cover all the ground we were making them cover. Mike Honeycutt then told the BOL that from a financial standpoint it might have been the right thing to keep with just two Sanitarians, but, it might not be the right thing for the employees
• Sue Brown said that there was no question in her mind that another Inspector was needed because the current ones were being run ragged
• To be part of the Interstate Milk Shippers, Mike Honeycutt explained that Inspectors had to be provided for milk crossing state lines and that when it crossed state lines, it required it to be managed under the Pasteurized Milk Ordinance (PMO) in accordance with the Interstate Milk Shippers
• Dr. Zaluski said that it took 2-3 months to train an already licensed Sanitarian with prior milk experience that would come into the DOL and a minimum of six months if they did not have that milk experience. Mike Honeycutt said it was a hard classification of employee to replace
• Dr. Zaluski did share that one of the Sanitarians may be moving on in about a year or year and a half, and if the DOL was left with just one Sanitarian, mitigating measures that would need to be done would include trying to bring someone from a county or possibly from out-of-state or see if the DOL could get a dispensation for skipping an inspection from FDA, based on staff (a last resort)
• Sue Brown said that a big mistake from the beginning was when the dairy farmers decided to fund themselves when they had a problem with the State and once they did that, they could never go back and now the State has been dependent on the dairy people to cover their own expenses
• Alan Redfield suggested pitching the general fund by utilizing the public health element, you want healthy milk in the state of Montana. He also suggested sending a letter to every milk producer in the state filling them in on what was going on and what was coming down the pike
• Mike Honeycutt said a plus up in the general fund component could be added as an EPP item
MOTION/VOTE
(5:59:09) 3:12 PM
Sue Brown moved to approve the hire of a third Sanitarian in the Milk & Egg Bureau. Alan Redfield seconded. The motion passed.

- Dr. Zaluski said that they would advertise and that he and Mike Honeycutt would get together with folks for a group discussion about how to start the outreach

(6:02:21) 3:15 PM – FY23 Travel Request
Dr. Marty Zaluski reported that his request was for Rosemary Hickey, the Sanitarian whose strength was in Milk, to be able to travel and represent the State of Montana at the National Conference of Interstate Milk Shippers (NCIMS), which was pretty close to a mandatory meeting

MOTION/VOTE
(6:03:20) 3:16 PM
Sue Brown moved to approve the out-of-state travel for Rosemary Hickey to attend the National Conference of Interstate Milk Shippers in Indianapolis, Indiana on April 2-7, 2023. Alan Redfield seconded. The motion passed.

(6:03:45) 3:16 PM – MEAT & POULTRY INSPECTION BUREAU
Alicia Love thanked the BOL for their patience in waiting for her to get back from field training in Bozeman

(6:04:17) 3:17 PM – Hiring Update
Alicia Love reported that she did not have much different news than she had the previous month:

- Regarding the Label Specialist position, Alicia Love reported that they were working on getting a formal offer to an internal candidate, which would increase the problems with field staff
- Ms. Love said she was optimistic that for the vacant Kalispell position, possibly she could reach some folks in the Libby or Eureka areas where the cost of living was a little better and a candidate would be found there to fill the position
- There were three applications for new plants that requested State-granted inspection in Butte, Plains and Eureka, Ms. Love reported
- Ms. Love said that industry was agreeable to the BOL’s Fair slaughter suggestion that only custom exempt do the slaughter, but, she said their observation was that people purchasing those animals would essentially have to say that they would only do custom when purchasing those animals, and Ms. Love said she didn’t think it would gain her a whole lot on how to make that suggestion work
  - Gene Curry said that his son was the President of the Livestock Committee at Shelby’s Tri-County Fair and that fair had been custom for a long time. He said that there are resources up there to call on to share on how that works for them
Ms. Love said that they are drafting a letter to send to plants to remind them of what some of the possibilities would be with custom, what would and would not be allowed, because some questions had arisen.

- Although she hadn’t ventured that way yet, Ms. Love said she would be exploring reaching out to the plants that requested Fair slaughter and ask if they want two days of Fair slaughter, would they be willing to have it on a different day of the week other than their regular slaughter day.
  - The vast majority of the additional slaughters, according to Ms. Love, were in the Kalispell area, and it had become challenging finding hotels there.

(6:11:47) 3:24 PM – Cooperative Interstate Shipment (CIS) Program Update
Alicia Love reported that public CIS meetings to discuss the CIS application process had been held:

- Although the attendance was lower than she had anticipated, Ms. Love said that the application was available on the website and a couple of the State-inspected facilities were exploring the option.

- Ms. Love said that one representative of a plant in the Kalispell area that attended the meeting said that they originally had some misconceptions about CIS, but after talking to her, had more interest in it. Ms. Love said that she told them that with their plant being in the Kalispell area, she could not promise that we would be processable for him.

- Mike Honeycutt said just that morning they had their first CIS application, a State-inspected plant that chose to go Federal and decided to see if CIS was a better fit than Federal inspection going forward.

- There had been some confusion, Mr. Honeycutt said, with people speaking to the media confusing the Cooperative Interstate Shipment program with the Cooperative Interstate Meat Compact, the law that had just passed during the last Legislative Session.
  - The Cooperative Interstate Meat Compact, according to Mr. Honeycutt, required that Montana would enter into agreements with other states before out-of-state shipments could occur. The Cooperative Interstate Shipment program allowed shipment anywhere in the United States and, there was even an avenue for export.

- Ms. Love said that the CIS web page had a frequently asked questions sections and that she had been working pretty hard with the Meat Inspectors to make sure that the information they give out regarding CIS was correct. She added that she had been fairly transparent, though, that coming under CIS would be a lengthy process.

- The Food Safety Assessments, which were a part of the CIS process would be challenging, Ms. Love said, because currently, she was holding the Interim Bureau Chief position and that affected her ability to go out and do those assessments.
  - Ms. Love explained that one applicant interviewed last month requested to start after July 4th and she told him that she couldn’t hold the position that way. Another applicant she said seemed decent, but was not living in the right part of the state. Mr. Honeycutt hoped that increasing the northwest
circle to Libby and Eureka and possibly even Ronan and St. Ignatius might help fill the applicant pool better.

(6:19:41) 3:32 PM – VETERINARY DIAGNOSTIC LABORATORY
Greg Juda, Director of the Veterinary Diagnostic Lab introduced himself.

(6:20:06) 3:33 PM – Out-of-State Travel Requests for FY23
Dr. Greg Juda explained that funds for the requested out-of-state travel would be coming out of more than one funding bucket:

- **CDC Rabies Workshop**
  - This request was for Brian Eilers, who was part of the Lab staff involved in rabies testing, to attend the annual CDC Rabies Workshop.
  - The workshop location and date had not yet been released, but historically, Dr. Juda said, it had been funded by Public Health, grant money from the CDC.

**MOTION/VOTE**
(6:22:26) 3:35 PM
Alan Redfield moved to approve the out-of-state travel for Brian Eilers to attend the 2023 CDC Rabies Workshop for the Veterinary Diagnostic Lab. Sue Brown seconded. The motion passed.

- **American Association of Veterinary Laboratory Diagnosticians (AAVLD) Annual Meeting**
  - This request was for four VDL staff, Dr. Greg Juda, VDL Director, Tess Moore, Quality Assurance Manger, Dr. Steve Smith, Lead Certified Pathologist and Dr. Erika Schwarz-Collins, Certified Microbiologist, to attend AAVLD’s annual meeting in Minneapolis, Minnesota.
  - Funding source for staff attending this meeting, according to Mike Honeycutt, would come from several areas, proprietary funds, per capita and general fund.
  - Dr. Juda said that he was not certain at this point, if all of the requested four would be attending, but if they were, each Lab Section had a Lead Technician capable of performing all procedures within that Lab Section.
  - Mike Honeycutt pointed out the BOL that expenses listed were guesstimates, and if travel rates doubled, the VDL might only end up sending two rather than four staff to the meeting.

**MOTION/VOTE**
(6:28:24) 3:41 PM
Sue Brown moved to approve the out-of-state travel for four Veterinary Diagnostic Lab staff to attend the American Association of Veterinary Laboratory Diagnosticians (AAVLD) annual meeting in Minneapolis, Minnesota on October 6-12, 2022. Jake Feddies seconded. The motion passed.
• **ACVM Board Examination**
  o Mike Honeycutt explained that the reason for requesting this out-of-state travel was because when Dr. Erika Schwarz-Collins, the Certified Microbiologist, was hired, part of her agreement was that if she accepted the job she would pursue this and we would pay for the examination and travel to the examination because, for our accreditation, we need to have a Certified Veterinary Microbiologist on staff
  o Funding source for this request, according to Mr. Honeycutt, would be from a mixture of funds

**MOTION/VOTE**

(6:29:56) **3:42 PM**

Alan Redfield moved to approve the out-of-state travel for Dr. Erika Schwarz-Collins to attend the American College of Veterinary Microbiologists Board Certification. Sue Brown seconded. The motion passed.

• Mike Honeycutt pointed out that when the BOL approved attaining a Certified Veterinary Microbiologist this had already been approved as part of it

(6:30:41) **3:43 PM** – **Request to Add New Test and Amend Published Fee Schedule**

Dr. Greg Juda explained that the graph handout illustrated the result of previous policy decisions to accept Lab fee change recommendations that had been brought to the BOL:

• Giving some history of the changes, Mike Honeycutt explained that in previous years, an issue arose that fees had stayed stagnant and previous staff had not done work to justify appropriate fee increases that needed to take place. A performance audit of the VDL pointed out that the amount of general fund and per capita fee had been increased but nothing had been done to the fees. Now, fees were examined and justification for any changes in them were brought before the BOL for approval each biennium

• Dr. Juda pointed out that operational costs continued to increase, particularly with the Maldi equipment annual preventative maintenance costs coming out of Lab fees

• Based on client feedback and on the recommendation of Dr. Schwarz and the Lab sections she managed, Dr. Juda explained that there were several new test requests

• Mike Honeycutt said that for those new test requests listed as canine, adding those would be a service that veterinarians had been asking the VDL to include in their services, but because it was not direct livestock in basis or direct public health in basis, he had asked the VDL to cover the cost of those by the Lab fees not per capita fee or general fund
  o For those new test requests that were very, very important to livestock and had a great economic influence, Mr. Honeycutt said the fee charged would be limited by what could be charged by the marketplace, so there might be a certain amount of per capita fee that would go to the VDL. For those
new test requests for public health purposes, there would be general fund that would go to the VDL

MOTION/VOTE
(6:40:12) 3:52 PM
Alan Redfield moved to approve the request for the addition of seven new tests in the VDL as presented by Dr. Greg Juda. Sue Brown seconded. The motion passed.

• Dr. Juda explained his final Excel table handout saying that tests were grouped into three buckets – new test proposals, existing tests to be modified in some way and an across-the-board 3% increase in test fees
• The 3% increase in test fees would not apply to all tests, such as Brucella testing, which still has the same kit cost and the same amount of direct labor costs. For those tests which are marked for a 3% increase, Dr. Juda said that would help offset the cost of increased testing supplies over the past few years

MOTION/VOTE
(6:43:18) 3:55 PM
Greg Wichman moved to approve the published fee schedule, ARM 32.2.403, Diagnostic Laboratory Fees, in the VDL as presented by Dr. Greg Juda. Jake Feddes seconded. The motion passed.

(6:44:48) 3:56 PM – General Updates
Dr. Greg Juda reported that the AI outbreak put a little bit of stress on staff, but they made it through and it was a good experience to actively live through a Foreign Animal Disease investigation process. He gave kudos to Dr. Schwarz and her team and Molecular Diagnostics and Pathology for doing a heck of a job:

• Dr. Juda reported that there were probably a couple hundred samples tested at this stage for AI, but that as of late, there had been more wild bird submissions than submissions from commercial flocks
• Dr. Juda thought that FWP was paying the test fee for the wildlife submissions they send in, and for the Foreign Animal Disease Investigation (FADI) submissions, that was reimbursed through NAHLN
• Mike Honeycutt said that the AI outbreak showed the value of having an AAVLD-accredited, NAHLN-certified lab in the state of Montana so that once the first positive diagnosis from NVSL was made, the subsequent samples could go to the VDL rather than out of state, saving critical response time for producers
  o Dr. Marty Zaluski said that Dr. Schwarz had also answered and collaborated with many people by phone and text regarding sampling techniques, submission deadlines, interpretation of tests, etc., and if that had to go out of state, it would result in a much less efficient, less positive experience for Montana constituents
Dr. Zaluski said, regarding wild bird submissions, he did not believe FWP sampled the same species within one county where HPAI had been established, but they would want to sample other species to better understand where the risk was coming from. He added that it had been found that there was a North American HPAI strain and an Asian HPAI strain that mixed in the United States.

- Birds of prey, according to Dr. Zaluski were more of a recipient species of HPAI because of them feeding on sick birds, so, where eagles have AI, that meant that waterfowl or other species had it. He said that there was a lot bigger impact on wild bird mortality than there was in 2015.

CENTRALIZED SERVICES DIVISION REPORTS

(6:53:58) 4:06 PM

(6:54:08) 4:06 PM – INFORMATION TECHNOLOGY SERVICES

(6:54:08) 4:06 PM – ITS Update

Buddy Hanrahan said that much of the information he was going to share had already been discussed, so he had gone from 5 pages of information down to 5 paragraphs:

- Mr. Hanrahan said that at the prompting of the State Data Officer, DOL’s IT Services was working with Google to develop the process to read forms, the Google AI process
  - Permissions were received to do it, costs were given, but DOL’s IT told Google they were going to have to wait for a while.

- The Snowflake setup would pull data from existing and legacy systems to a repository so that it could be queried for reports that were needed quickly.

- The development of the new Brand system, through Service Now, had been kicked off, dealing with brand inspections and marketing.

- Mr. Hanrahan explained that the Service Now platform was one that IT had used for a long time for ticketing and that they were actually building a custom module for brands and inspections. Although the process was more complicated than what was thought, they were making progress and the brands portion should be done by the end of July and the marketing and field inspection should be completed by March or April of 2023.
  - It was explained by Mr. Hanrahan that the completion date might have come sooner, but the DOL told them that there was no way they would change systems during the fall months.
  - Mr. Hanrahan said that currently, IT handles around 200 cases or tickets each month for the DOL, all internal situations, including problems with cell phones, computers, printers, etc.

- The Governor, according to Mr. Hanrahan, was all about customer service to the citizen customer and was looking to create a citizen portal where anyone in the state could create their user access to the data that had been prepared for them to see. Integrating data from all parts of the DOL, Milk & Egg, Brands, the Lab and decommissioning the different servers they’re on right now would save money and each part of the DOL would be able to talk to each other.
• Mike Honeycutt complimented Buddy on the great job he had been doing, not just on HB10 items, but also working on the logistical challenges of getting Inspectors around the state, making their routes more efficient

(7:02:51) 4:15 PM – FISCAL BUREAU
Brian Simonson, Chief Financial Officer and Deputy Executive Officer, introduced himself

(7:03:37) 4:16 PM – Per Capita Fee Collections Update
Brian Simonson updated the BOL on per capita reporting and collections:
• While last month per capita numbers were in that high-90s percentile range, Mr. Simonson said, this month, he thought it was actually solidifying into something that by July the outcome would be a 10% reduction in cattle numbers and reporting fees
• The $4,874,000 amount reported was about 90% of last year, he said, and the 15,519 reporters were about 99% of last year’s numbers
• There was a 110% acceleration of people paying their per capita this year over previous years, Mr. Simonson reported
• Mr. Simonson said that the total amount reported was $4.6 million in 2020, with the amount paid $2.24 million, so he said it was a bounce of a year in 2021, not necessarily a cattle reduction

(7:07:53) 4:20 PM – April 30, 2022 State Special Revenue Report
Brian Simonson said that he didn’t think there was anything coming in unexpected or in a negative way this month in the State Special Revenue report:
• A New Brands and Rerecord number was showing traditionally what was expected at this time of year
• The Livestock Dealers License went from nothing in March to $50,000 in April, Mike Honeycutt adding that’s the deadline
• The Market Inspections number, Mr. Simonson said, was still growing more than anticipated for this time of year, showing a $41,000 increase over this time last year. Mike Honeycutt added that number translates to 10,000 to 15,000 additional head going through the markets in April 2022 compared to April 2021
• Brian Simonson reminded the BOL that the per capital collections had been coming in more quickly than at this time last year, but by July he thought the money collected would show less than last year
• Milk and Egg Bureau revenues, Mr. Simonson said, were behaving as they should with fewer dairies in the state, but, there was more egg revenue coming into the DOL
• For the VDL, Mr. Simonson reported that the $1.2 million in revenue grew nearly $100,000 for the month of April, which he said was traditional, and the VDL was $13,000 ahead of what was budgeted. With three more months of Lab revenue to go, Mr. Simonson said to expect something around $300,000 of plus-up in that category
Mike Honeycutt said that the revenue was proprietary fund and so, it could be used and was not limited by budget authority.

(7:11:45) 4:24 PM – May 2022 Through June 2022 Expenditure Projections
Brian Simonson said there was a shift in emphasis from this time last year or maybe even in the last couple years in expenditure projections:

- Mr. Simonson reported that in Personnel Expenses, the $94,634 in salaries, was benefitting no FTE to charge against – Milk Control Bureau has 2.5 FTES that were being charge against that were racking up savings; The Milk & Egg Bureau as also racking up a big amount of savings. The Brands Enforcement Division was dragging those savings numbers back down, but not enough to keep it from staying positive.
- $45,000 of the drag down from Brands, Mr. Simonson reported was from overtime and $21,000 of the drag down came from the Meat & Poultry Inspection Bureau. He added that we were out of the phase of racking up extraordinary overtime.
- $500,000 came out of the budget for vacancy savings, directly out of benefits, Mr. Simonson said.
- Brands were really hurting benefits, according to Mr. Simonson and the $62,914 was a $25,000 drop that had been dropping pretty regularly and did relate to hitting that extra 3% of vacancy saving at this time of year that they were trying to close out, and that was what was driving the negative numbers, especially in Brands.
- The Meat & Poultry Inspection Bureau’s Personnel number was showing half of what it was last year at $55,659. Mr. Simonson said that in those overtime numbers, general fund had been coming out of the VDL to help support that.
- In Brands Personnel, they were projecting $260,000 over their budget, but, with $267,000 in excess authority in per capita fees and some carryforward available, that could be fixed at the end of the year.
- With Brands budget going this way and expenses going that way in Brands, it was creating a $200,000+ change from last year, Mr. Simonson said. Mike Honeycutt said that Brands gets hit hardest with payouts, too, and that there were several retirements slated right at the beginning of the next fiscal year, one being a $40,000 payout for just one employee.

(7:18:53) 4:31 PM – April 30, 2022 Budget Status Report
Brian Simonson reported on the budget status as of April 30, 2022:

- Mr. Simonson said that a lot of being 10% over the Operational Budget had to do with the DSA and the Feds winding down and being done, along with the markets winding down for the fiscal year.
- For Personnel, the DOL was still on track, even in the VDL and the Meat & Poultry Inspection Bureau, the spending on their budget now compared to last year was looking pretty good, Mr. Simonson said, when both of those had been dragging the budget down before.
• Mike Honeycutt said it was a period where the DOL was going to have to be kind of tight with Brands authority. Around 40-some thousand brands had been rerecorded at a cost of $175 per brand, so that would help in the future biennium
  o Brian Simonson said it worked out to about $39,000 per month or about $350,000 per year of rerecord monies that were added as cash to future budgets
• Mike Honeycutt said that with the new Brands policy in place and more brands being available, that might be an enticement for people to apply for more brands
• Brian Simonson said they would talk in September about per capita fee rates, but hopefully all of the question marks would be taken care of by then and Brands did not have a cash problem right now or in the foreseeable future

COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS/COMMENTS FROM PRODUCER ORGANIZATIONS
(7:25:58) 4:38 PM
• Mike Honeycutt said that Jenny Bloomquist, MVMA has been on ZOOM during the Animal Health segment, but had jumped off
• Rachel Cone invited all of the BOL to join the Montana Farm Bureau Federation at their Summer Conference set for June 13-15, 2022 at Fairmont Hot Springs.
  o Mike Honeycutt was scheduled to give an update for the Livestock Committee portion of their meeting
  o Ms. Cone said she expected conversation to be going on about the check-off during the Livestock Committee portion of the conference

SET DATE FOR THE NEXT BOARD MEETING
(7:28:03) 4:40 PM
Gene Curry said that it looked like the next BOL meeting would be in July:
• Mike Honeycutt said that the last week of July, he would be out of state. Jake Feddes and Sue Brown said they might be, too
• The first week of August, Mike Honeycutt said would be open for him, but, Sue Brown said she would be in Michigan
• For the second to the last week in July, Dr. Zaluski would be gone, Mike Honeycutt said, but he had able "Lieutenants" to fill in
• The next BOL meeting was scheduled for Thursday, July 21, 2022

MEETING ADJOURNED
(7:32:10) 4:44 PM

Gene Curry, Chairman