



Livestock Loss Board Members Present:

Doreen Gillespie – Chairperson
Elaine Allestad
Dave McEwen
Joe Kipp

Staff: George Edwards – Executive Director
Brian Simonson – DoL Centralized Services Administrator

Guests: Brian Quigley
Lenore McEwen
Kathy Kipp
Butch Gillespie
Kraig Glazier
Lenore McEwen
Raylee Honeycutt

Call to Order and Administrative Items

Introductions

- Each board member and board staff introduced themselves.

Quigley Ranch Appeal

While waiting for Mr. Quigley to connect into this meeting, board members held a general discussion. Ms. Allestad stated she was on the road and said she may be in and out of the meeting depending upon her cell phone signal. Mr. McEwen asked Mr. Glazier if the box for livestock values was still on the investigation report and what is its purpose. Mr. Glazier said it was on the forms when he came to Montana twenty years ago. He said he is not certain when the form was created. He said it is for Wildlife Services MIS report for their own tracking purposes. Discussions are being held internally to change that form to get rid of

the value portion. It is not an actual value for the animal. Mr. McEwen said he said a change to the form needs to happen removing the value.

Mr. Quigley said his response is he knows what his dog is worth and thinks the board will run into a problem with the value listed down the road. He said there are people that are just hobby farmers. Those of us who are actually in the livestock industry know what we have lost and he wanted to visit a little about how the board reimburses people. He said he hasn't turned in even close to what he has lost. Does the Board of Livestock pay for someone who pays per capita tax for a llama versus someone like me or one of my neighbors who deal with grizzly bears on a daily basis? Should it be 60% of your income comes from your livestock production? He said he just kind of want to throw that out there. There's a reason I have these dogs. It's to keep me out of prison, I guess mostly because I told them guys, I was going to shoot them down there and I wasn't going to allow them to relocate bears to somebody else's yard. I can't be out there 24/7. I'm dealing bears on a daily basis. He said his dogs have tracking collars and has proof of problems. Mr. Edwards explained to Mr. Quigley it is not the Board of Livestock and that the Livestock Loss Board are separate agencies. Mr. McEwen said I want to make it perfectly clear that the Board of Livestock has nothing to say about what we do, and we are not financed by per capita in any way shape or form. These are public dollars and they come out of the state general fund. Our board needs a little help from the general public with legislators for funding so don't be afraid to stand up for us.

Ms. Gillespie asked if we need to make a decision today or let it stand. Mr. Edwards said you need to make decision today because there's ninety-day time frame for an appeal in law. The board needs to give Mr. Quigley and answer within thirty days. Ms. Gillespie asked if any more discussion on this. Mr. Kipp asked how much money is left in the fund and how many more claims are going to come in. Mr. Edwards said the board is in good shape. Unspent money accumulated until we had \$300,000 in the account then the legislators grant us another \$300,000 at the beginning of each fiscal year. We started the year with \$600,000 and authority to spend \$300,000. If the board goes over that we ask for authority to spend the remaining money. We will be ok for a few more years by using the backup \$300,000 but may need to go to the legislature to ask for more if the backup funds get low. Currently, we have paid over \$141,000 since the beginning of the state budget year of July 1st. If you look at the calendar year, we have paid out over \$270,000. We may be close to using all of our budget authority by June 30th. If we go over that, we will have to go to the budget office and ask for them to do what's called a BCD, budget change document so we can start using our savings. It is only going to be a few years down the line before we're going to be spending more than we're taking in.

Mr. Quigley said just to be clear, he is not requesting more money for his dog at this time. What he is requesting is for the board to evaluate the process for dog claims. We are going to see a ton of problems. I have video this year of five bears within a three-mile radius. I mean if there's anything I can give you guys

that would help you guys help us, the main livestock producers, I'd be for that. I am not here trying to get more money out of anybody. Mr. Edwards said an appeal is about the money. He told Mr. Quigley he got his point across to the board. All being said, we need to revisit this.

Mr. Edwards said for general information, we typically pay for about three guard dogs each year primarily down in Southwest Montana. In the past it has happened in the Canyon Creek area. Primarily it is wolves that kill guard dogs.

Mr. Quigley said the reason he put the dollar amounts down there was just to kind of give you guys' documentation to show you from somebody that is keeping track of it. It's to give you a just to give you a rough idea of costs, such as dog food. Mr. Edwards said he will mail Mr. Quigley a grant form. Ms. Gillespie asked if there was any more discussion and if not, she asked for a motion. Mr. Edwards advised Ms. Gillespie that she can also make the motion.

Motion: Doreen Gillespie made a motion to continue the price set by the board for guard dogs a few years ago. Dave McEwen seconded the motion.

Discussion: None. **Vote:** All in favor, none opposed. Motion carried.

Doreen Gillespie said the next agenda item is the red tape law review. She asked Mr. Edwards to start with the first item. Mr. Edwards said it is 2-15-3112. Llamas were added to our covered animals via HB90 in 2009. It was introduced by a urban legislator who had a constituent that had lost a llama to wolves. Mr. Edwards said he has always had trouble providing a value for llamas because they are not a traditional form of livestock. He has been supplied with receipts ranging from \$1,250 to \$5,000 for llamas. He said because this is not a traditional form of livestock in our state and no formal marketing of llamas, he is asking if the board would want to seek removal of them from covered animals. Llamas are not listed on USDA Market Reports for values. He had contacted a llama breeder he found in Montana for a value, and it was \$500 dollars. He also suggested changing guard animals to guard dogs because guard animals is too broad of a term. Some people regard llamas as a guard animal, but it has been proven in Montana that they do not work to prevent wolf loss. A llama rescue lost over one hundred llamas to wolves but did not submit a claim.

Motion: Dave McEwen made a motion to remove llamas from our mission statement or from our statutes. They would be in the pet category and not considered a guard animal. Secondly, change the phraseology of that to livestock protection and animals. Joe Kipp seconded the motion. **Discussion:** Mr Kipp asked other than llamas and dogs, what other type of guard animals are there? Mr. McEwen said donkeys and they are like llamas and don't do any good. Mr. Kipp said let's just say canines. Mr. McEwen said he took that as a friendly amendment. He said anybody can do any study and anything can be made to work but when it comes down to it what works, it is a very specific dog that has a very specific talent and even within the breed, some of these dogs don't work.

Let's just make it livestock protection dogs. **Vote:** All in favor, none opposed.
Motion carried.

Mr. Edwards asked Ms. Gillespie if she wanted to do a motion on each one of these or just do a motion at the end. She said we will do a motion at the end as that will be easier.

Mr. Edwards said the next suggestion is for changing the law on the per capita section. Currently, the law states that a producer has to be current on per capita fees. Some people submitting claims are paying the fees after a loss. They pay the minimum five dollars in order to get a check for \$200 dollars. The suggestion is to change is to unless the producer is current on per capita fees at the time the loss occurred. Ms. Gillespie said this is a good call and asked for any discussion several times. Mr. Edwards said it looks like everybody is happy with this change.

Mr. Edwards said the next one is the something that I've talked to the board about years ago regarding placing a timeline for submitting claims. Mr. McEwen has brought this back to the forefront again about placing a time limit to submit a claim. It is so we don't receive a claim from prior years or in a different budget year when possible.

Mr. Edwards said this is so we're not receiving a claim from two years ago or even a year ago which has recently happened. He said he can understand someone holding a claim over the summer while they are waiting to get a contract on their animals to come through. He said Ms. Juras suggested the board may want to review this as a law change during the July board meeting. He asked if the board wanted to seek the law change. Mr. McEwen said he believes from the time that claims leaves your desk to go back to the producer, for him to sign off on that claim, 30 days is more than adequate. Mr. Edwards said the problem with that is Wildlife Services specialists can become extremely busy and Wildlife Services may not get the paperwork back out to the rancher for a month after the investigation is completed. It starts with them first and then goes out to the rancher. Mr. McEwen said then from the time it leaves Wildlife Services desk. Mr. Edwards said if you put a three-month window on it, you have it covered. Mr. Kipp said of the claims he has received in the past; he puts it on his desk. He finishes up calving, branding and moving cattle. He doesn't know the value for that year until he gets his contract. It would be mid-July before he knows what that calf will bring for that year. Some guys don't contract until August or September so thirty days is an awfully tight number. Mr. Edwards asked if three to six months would be ok. Mr. Kipp said he doesn't want to put a value on something before the contracts come in. Mr. Edwards said without a contract, he goes to the market report. Mr. McEwen said the other issue we have come across is for the producer to put a weight on the form and that weight is established before putting a value on it. Sometimes the weight on the contract isn't met and that isn't brought back to us. Mr. Edwards said when he sees a contract, he uses the contract weight and price for a payment. Mr. McEwen said if we are going to wait for a contract, we will need an actual weigh slip. If a

producer gets a little snarky over ten cents or five cents, maybe we should get a little snarky about ten pounds or fifty pounds. Mr. Kipp said he understands. He said we usually fill out our paperwork for a contract in June and it's not even sold until July. We don't know if the grass is going to burn up so we could come in lighter. He said he understands what Mr. McEwen is saying. Ms. Gillespie asked what everyone thinks would be a good amount of time. Mr. McEwen asked if ninety days is enough. He does his contract in June. Mr. Kipp and Ms. Gillespie said that will work. Ms. Gillespie asked several times if there was any more discussion. Seeing none she said we will move on.

Mr. Edwards said there was a heavy discussion during the last board meeting about registered stock values. Years ago, because there is not a standard market report for bred ewes and rams, the board directed him to use the Miles City Ram and Ewe sale values for each year. He suggests placing that in law to show how those values are determined. Mr. McEwen said we are not the FSA office, and we certainly are not going to make anyone rich with this program. We are working with the government on getting a price reporting system verified which would help the reporting system out of Billings. We could expand with some of the order buyers within the state and come up with a fairly average price for registered sheep. He said Mr. Kipp's thought on the percentage of registered animals that actually go through a sale has a great deal of merit. This isn't a system where we pay on potential we pay on performance. Mr. Edwards said maybe we don't pay more than twice the value of a regular stock animal which goes to what Ms. Gillespie has been worried about. Ms. Gillespie said that sounds really good to her. Mr. McEwen said he would like to leave it open on an animal that has a verifiably collected for this amount of dollars, they would have insurance on it up to that value. If it's worth that much and it is insured, we shouldn't be paying on it anyway because it's double dipping. Ms. Gillespie and Mr. Kipp both agreed with this. Mr. Kipp said he would go with two times the average grade price. Ms. Gillespie said that is fine with her too. Mr. Edwards said at this time it is just concepts for the governor's office and he would need to go back to the board to see if a law proposal looks right once written. He would email all proposals back out to the board to see if it follows the intent of the board. He added using twice the value of a grade animal would be very easy to calculate. Mr. Kipp said say he goes to a sale and buys a registered bull. He carries mortality insurance on it for the first year but doesn't on the second year and if it gets killed, would we go with the bill of sale price. Mr. Edwards said he is currently directed to use the price on a receipt. Mr. McEwen said we should be looking at depreciation. If it's a two-year-old or the second year, you surely took the depreciation the first year. Ms. Gillespie said we will have Mr. Edwards write this us and send it to us. Mr. Edwards said he will end up working with legislative bill drafters on language because there are specific ways and words they need to use so this won't be happening soon. For now, we can turn in our concepts over to the governor's office. This discussion took care of the next thing on the list on values to not exceed certain dollar amounts.

Mr. Edwards said the next problem is horse values. There is no way to know if the horse is good or lame. All we get is that the horse was killed. That is why he had asked at the last board meeting about possibly setting a flat value for horses. He said he has been waiting months to hear back from the BLS horse appraiser the board uses for horse values. He is still waiting. Eventually we may get to a point where they no longer provide this free service. His suggestion was to put into law not to exceed X dollars so we don't end up paying for a \$50,000 horse. Ms. Gillespie said this is a good idea as it still bothers her from a prior horse claim. We didn't know anything about the colt and if it was sound, so it is a good idea to have a set price for horses. She said simply for the reason Mr. Edwards talked about that they're just not getting back to us with a price. Mr. McEwen said the horse thing parallels the dog thing. This is a tough call here again. I'm fairly stiff necked on paying for potential. If it's a proven thing and they are these high dollar kind of animals, first of all, people ought to have insurance on them. Especially if they're in a scenario that we're talking about here. Any horse that is stabled up in a high risk environment should have insurance on it. He said setting a price is something the board should do every year or at least every three years or something of that nature. It's something that the board needs to visit and say, okay, it's time to set that price on a good using gelding or you know, if it's a broodmare and she's proven, this is what her offspring is sold for and I have the receipts. Then it would be fairly well documented. To get into the scenario that we were in with the stud cold that was going to be worth \$150,000 futurity cutting horse, that doesn't work for him. The best horses he ever had he had paid canner prices as colts. Ms. Allestad said we shouldn't have dollar amount in the law. She is not in favor of putting not to exceed in law. Mr. Edwards said the way the law currently reads, the board can do it without a law change. Mr. Kipp said we still need to put a cap on what we are willing to pay. He has paid \$6,000 dollars for a horse, but he had it insured. We do need a cap because his are not brood animals, and they are well trained. He said anything over \$3,500 should be insured. Mr. Edwards said you could seek a law to put a maximum payment on any single animal such as the \$3,500 figure. Mr. Kipp said there needs to be proof they are broken. Otherwise, grade horses will be canner prices, a grade broke horse \$2,000, and \$3,500 for a broke registered horse. Values of horses is subjective. Mr. McEwen said could we label a horse like we do for dogs and value them every two years as a consensus of the board. Mr. Edwards said you could do that right now based on how current law is written. Ms. Gillespie asked if there was any more discussion, if not we will move on to the next topic.

Mr. Edwards said under the additional powers and duties of the livestock loss board, we need to add including a multiplier to one section. It was missed when the multiplier law was passed this past session. It is just a wording issue. Mr. Edwards said the next section is one several board members have brought up about removing a section in current law regarding monthly and annual reports to the Board of Livestock and FWP. Ms. Gillespie said this is a good idea to remove it. She asked for any other discussion. Mr. McEwen asked Mr. Simonson what is the purpose of reporting of this board's actions to the department of livestock. Mr. Simonson responded it's an attached agency. We are dictating or

not dictating but you know, we're in conversations about budget. So, we're in conversations about, you know what your expending and is kind about those two things. I think they tend to go any hand. I don't think it's anything about whether or not something is done. I think it is a process for maybe a financial issues.

Mr. Edwards said for the sake of clarity he will read this section of the law. It says submit monthly and annual reports to the board of livestock summarizing claims and expenditures and the results of the actions taken on claims. Maintain files of all claims received, including supporting documentation. Provide information to the board of livestock regarding appealed claims and implement, any decision by the board.

Mr. Edwards said he doesn't understand why in 2007, the legislature at that time wanted one board reporting to another board about appeals because we don't hear appeals that are sent to the board of livestock. Mr. McEwen said he would like to see all of this removed. We are attached administratively, and I want to make this perfectly clear. The only reason we are attached administratively is because we need to pay Mr. Edwards out of somewhere. Our claims payments and appeals have nothing to do with the board of livestock. We have nothing to do with the funding from board of livestock or to be justified by the board of livestock for any reason. If we had got the proper language in the last legislative session, we wouldn't even be attached administratively anymore. I think just throw it all out for a rewrite. Ms. Gillespie said she is on board with that also.

Ms. Allestad said she has a comment on the previous section about the average price paid. We should establish a maximum price annually. She then said she is in favor of removing the section from 2-15-3113, part D through G and possibly an attorney general's opinion for the current discussion. Mr. Edwards said an AG opinion would be if you didn't get a law change. He then said we have three board members right now saying they'd like to see submit annual monthly annual reports removed. He said he thinks the board needs to leave in the part about prepare the budget. Being administratively attached means they handle the money side of it, and I don't think we would want to lose that. Ms. Gillespie said she agrees with that. The only important thing they have with our board is that part. Mr. Edwards said he is involved kind of after the fact. Preparing our budget is presented to the legislature through the department of livestock. Ms. Gillespie said the budget part should stay in.

Mr. Edwards said going back again to 2-15 3113, section G, report annually to the governor and the legislature in accordance 5-11-210 needs discussed. That means I give a report to the administrative affairs committee every other year and then members of the Montana congressional delegation, board of livestock and FWP commission. This is another section mixing boards with boards and a commission. He asked for the board's thoughts as it goes hand in hand with what the board just wanted removed. Mr. McEwen said we don't need to report to FWP. They don't have any financial hookup with us. That's like me doing business with a Canadian government for pity sakes. Mr. Edwards said he

doesn't see a problem with still giving a report to the governor or the legislature that's in law. He said he would keep that part in there. He said he does agree with Mr. McEwen as we don't have anything to do with FWP. Ms. Gillespie said to strike the section on the board of livestock and FWP commission.

Mr. Edwards said the next one is important, 2-15-3114. It has a termination date related to our rollover funds. Currently, if we have in excess of \$300,000, it rolls over into our fund for loss prevention and the money we provide to wildlife services. He advised the board to seek renewal of that section of law and to get rid of the expiration date. It needs to be made permanent. Ms. Gillespie this sounds good and asked if there was any discussion. If not, we will move on.

Mr. Edwards said the next one is 81-1-112. This is another one with an expiration date. Currently our \$300,000 is a statutory appropriation without an expiration date but wording in 81-1-112 has an expiration date of June 30, 2023. This is the authority to use the money and he suggests the board ask to have this expiration date removed. Mr. McEwen said he thought we did that. Mr. Edwards said when Woolgrowers ran that bill, a six-year termination date was placed on it. Mr. McEwen said that all of the laws with an expiration date should be made permanent. The problem is not going away. Ms. Allestad said she has one final comment. Our budget needs to be presented by our board through our director to the legislature. She added she is in favor of removing a termination date on all of them.

Motion: Dave McEwen made a motion to accept all of the changes to the existing laws discussed today and to have Mr. Edwards rewrite them for our approval and be sent to the governor. Joe Kipp seconded the motion.

Discussion: None. **Vote:** All in favor, none opposed. Motion carried.

Public Comment

Mr. Kipp said he would like to revisit the dog issue at one of the next board meetings. Mr. McEwen said he is opposed to dipping into our \$300,000 savings because once we use the annual \$300,000, we're broke. This is a problem because nobody's doing any management and it isn't our fault. We need more money so they say well just tap into your other \$300,000. We need more money and the people that are causing the problem need to pony up with that money. If we just tap into the \$300,000, what about next year? This is a problem that's only going to get worse and worse. Let's leave it like that so that we have a little leverage in the conversation. Ms. Gillespie said that was well said. Mr. Simonson said we still have tools through HB 3 and doing a BCD for the next year if you need it.

Ms. Gillespie asked if there was any other public comment. Seeing none, can I have a motion to adjourn the meeting?

Motion: Joe Kipp made a motion to adjourn. Dave McEwen seconded the motion.

Adjourned

DATED this 18th day of March 2022

Doreen Gillespie via Zoom

Doreen Gillespie, Chairman
Montana Livestock Loss Board