



Study of State Labs at MSU Bozeman Interim Committee

65th Montana Legislature

SENATE MEMBERS

TOM FACEY
FREDERICK (ERIC) MOORE
GORDON VANCE

HOUSE MEMBERS

BRADLEY MAXON HAMLETT
KELLY MCCARTHY
KERRY WHITE

COMMITTEE STAFF

SHAUNA ALBRECHT, Lead Staff

MINUTES LOG

Oct. 18, 2018
State Room, Holiday Inn
Bozeman, Montana

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COMMITTEE MEMBERS PRESENT

SEN. GORDON VANCE
REP. KERRY WHITE
SEN. TOM FACEY
REP. BRADLEY MAXON HAMLETT

COMMITTEE MEMBERS EXCUSED

SEN. FREDERICK (ERIC) MOORE

STAFF PRESENT

SHAUNA ALBRECHT, Lead Staff
KAREN GILBERT, Committee Secretary

AGENDA ([Attachment 1](#))

VISITORS LIST ([Attachment 2](#))

CALL TO ORDER AND ROLL CALL

9:04 Chair White called the meeting to order and the secretary took the roll. Sen. Moore was excused. ([Attachment 3](#))

Subcommittee Report

9:05 Shauna Albrecht, LFD fiscal analyst, discussed her report. ([Exhibit 1](#))

9:28 Sen. Facey asked to what degree does MSU use Marsh Lab now?

9:28 Ms. Albrecht referred to Tracy Ellig of MSU.

9:28 Mr. Ellig said the Marsh Lab space was primarily research and storage space.

9:29 Chair White asked how much square footage of research space is used in Marsh.

9:29 Mr. Ellig said 34,000 square feet. The Veterinary Diagnostic Laboratory is 13,000 square feet and the balance is taken up by other entities.

9:30 Chair White asked if that was about two-thirds of the space.

9:30 Mr. Ellig said yes.

9:30 Rep. Hamlett said they do need to include space for DNA testing and food safety moving forward.

9:30 Chair White asked for public comment on Ms. Albrecht's report.

9:31 Seeing no public comment, Chair White asked the subcommittee to discuss a preferred option.

9:32 Sen. Vance asked for Board of Livestock input.

9:32 Executive Director Mike Honeycutt, Board of Livestock, thanked the committee for their work. He said they would discuss the report during a board meeting that afternoon. He said the options are in line with what they expected to see in terms of numbers and square footage. He said none of the options were unworkable.

9:34 Sen. Vance asked him about his mention of potential funding sources.

9:34 Mr. Honeycutt said they will discuss options available to them during today's Board of Livestock meeting. He said the price tag is not available in the agency's reserve.

9:35 Sen. Facey noted Options 1A and 3A, the options they developed, were the more expensive options. He said FWP did not seem to be interested based on their funding flow. He said they should include in their report that they need the new labs and the current labs are not acceptable. He said he is concerned about effluent and safety

there, is there a way to treat it on site before it gets to the Bozeman sewage treatment plant? He said in light of the economy of pulse crops, they should go for option 1, or for the most space possible for the future. He asked how much they have to pay for CWD tests sent to Colorado State.

- 9:38 Ms. Albrecht said in fiscal year 2018, FWP spent \$33,807.
- 9:39 Sen. Facey said it was not a big number.
- 9:39 Rep. Hamlett asked if there will be a need for more.
- 9:39 Ms. Albrecht said yes
- 9:39 Jennifer Ramsey, FWP, said the testing will not go away in the near future. She said it may not be a continually upward trajectory, but as they find more cases in the state it is desired by hunters not in the survey area.
- 9:40 Chair White asked about the turnaround time for results.
- 9:41 Ms. Ramsey said it takes about 10 days, 13-14 days during the holiday season. She said the biggest time-saver would be in-state shipping.
- 9:42 Chair White asked if 13-14 days was the maximum.
- 9:42 Ms. Ramsey said some samples can take 3-4 weeks if they are not for hunters.
- 9:42 Chair White asked where the carcasses were stored.
- 9:43 Ms. Ramsey said they are in the FWP cooler.
- 9:43 Chair White asked about the zones where they were required to test, were the animals in possession of a hunter?
- 9:43 Ms. Ramsey said the positive ones were in still in the possession of the hunter, one was at a processor.
- 9:43 Chair White said if they got funding and created the lab and did CWD testing here, what would the turnaround time be?
- 9:44 Ms. Ramsey referred to Dr. Steve Smith, Veterinary Diagnostic Lab.
- 9:44 Dr. Smith said turnaround time would depend on the test, variables with staffing and facilities. He said the current facility would not allow rapid turnaround time.
- 9:45 Chair White asked about cost per test.
- 9:45 Ms. Ramsey said last season the initial test was \$17 and the followup test was \$37 or \$32. She said the first test was increased to \$18 this season.

- 9:46 Rep. Hamlett said he was concerned about food safety. He said there is a perception that CWD makes harvesting and processing dangerous. He said if you don't have a test on every animal, you don't know about cross-contamination. He said FWP will probably need to start testing all over the state so hunters can know if areas are completely safe. He said they don't want to harm the hunting programs in the state.
- 9:48 Chair White said he agreed. He said brucellosis testing expansion is increasing within the state.
- 9:48 Chair White asked the committee if they wanted to put forward a preferred option. He said option 1A might be a wish going forward because of the price, but it makes sense to include FWP in the diagnostic lab.
- 9:49 Sen. Facey said FWP can deal safely with what they've got now, except for the effluent. He said they can figure out a safe way to do that for less than \$5 million.
- 9:50 Ms. Albrecht said regarding effluent there are mechanical systems that can hold and test effluent prior to disposal. She said if it tested positive it would go through a process.
- 9:50 Chair White said it would be a holding facility for drainage.
- 9:51 Sen. Facey said he is concerned about paralysis by analysis by the legislature. He asked Ms. Albrecht about the budget for the preliminary study.
- 9:51 Ms. Albrecht said \$30,000
- 9:51 Sen. Facey said the committee doesn't have a design for something, but they paid good money to have someone come in and make recommendations.
- 9:52 Sen. Facey asked Mr. Honeycutt about proprietary funds, did they take state special and make them proprietary?
- 9:53 Mr. Honeycutt said yes during last session they made changes. He said they had always collected fees, those were changed to enterprise funds.
- 9:53 Sen. Facey said they need the labs, need the space. He said modernization is nothing to shy away from. He said the people who use and work in the labs deserve a modern facility. He said they would pass off the question of how to pay for it to the Legislative Finance Committee. He said the HAC and SFC looks at ways to finance this and finds a combination of ways to fund this, he endorses whatever needs to be done to move forward.
- 9:56 Sen. Vance said he felt the same. He said it was important to hear the Board of Livestock discussion on funding sources.
- 9:56 Sen. Vance asked President Cruzado, MSU, what her thoughts are.
- 9:56 President Cruzado said she has been aware of the lab situation since her arrival in

2010. She said it is important for industry, agricultural instruction and research. She said MSU's main concern is students. She said MSU will continue to participate, listen and if necessary, elevate issues to Office of the Commissioner of Higher Education and the Board of Regents.

- 9:58 Sen. Vance said he was concerned about a September article in the Western Ag Reporter about a movie, "Dominion," shown on the campus. He said it was derogatory about livestock industry and quoted an MSU-Billings professor, Dr. Kemmerer, who told the audience that ranchers are some of the worst stewards of the land and their fences kill wildlife.
- 9:59 President Cruzado said this was the first she had heard about the movie, article or faculty comments. She said the record stands clear that MSU supports ranchers. She said she was sitting next to a rancher at this meeting who is a former Board of Regents chair.
- 10:00 Rep. Hamlett said everyone should read a letter from the Environmental Quality Council in response to the Labs Study. He said he found out through FWP testimony there is a possible use of Pittman Robertson money if they lease. He said financing is tight, the only way to get it done is to be innovators and find new financing. He said, let's give it the green light with the understanding we'll have to get money from somewhere other than the general fund. He said they need public support, everyone has risk and interest in this project.
- 10:04 **MOTION:** Sen. Facey moved they endorse option 1 and if funding can be arranged through FWP, include FWP in option 1 (basically 1A). He said that also LFC needs to determine a variety of ways to fund this. He said he agreed in part with Rep. Hamlett that bonding may be a death nail, but maybe it can be a small part of the mix.
- 10:06 Sen. Vance said he agreed with Rep. Hamlett and said they should say specifically to look for creative outside funding sources and not look at the general fund, because he won't vote for it if that's not in there.
- 10:07 Chair White referred to the letter from FWP about a leasing arrangement. He said that could make option 1A better. He said the more facilities they get into the lab complex, the more options they may have going forward. He said also FWP's lab drain is not consistent with biosecurity level 3 facility but isn't needed except for a small number of cases, but one case is too much. He said he supports Facey's motion.
- 10:10 Ms. Albrecht said LFC did request a cost-benefit analysis.
- 10:10 Sen. Vance asked Ms. Albrecht to read back the motion.
- 10:10 Ms. Albrecht said the motion is to endorse option 1 with the caveat that if Pittman Robertson funds can be used, to then endorse 1A, with the notation the LFC needs to identify ways outside of general fund to fund the project.
- 10:11 **VOTE:** The motion carried unanimously on a voice vote.

10:11 Ms. Albrecht discussed an addendum to the report. ([Exhibit 2](#))

10:13 **MOTION:** Sen. Facey moved to include the addendum items in the report already approved.

10:14 **VOTE:** The motion carried unanimously on a voice vote.

Information Request Updates

10:14 Ms. Albrecht said there were research questions by the committee including the amount of testing at CSU. ([Exhibit 3](#))

10:15 Ms. Albrecht said there was another question regarding necropsies.

10:16 Ms. Albrecht said another topic included Sen. Tester's bill about chronic disease testing and if it included lab construction funds.

10:17 Chair White said SB 2252 has about a 4% chance of passage due to the late time congress will be in session. He said funding priorities are areas of high prevalence of CWD, Wyoming has high prevalence so Montana would probably qualify. He said a portion could be dedicated for lab facilities.

10:19 Chair White referred to a letter drafted by EQC to express support for the lab project at MSU. ([Exhibit 4](#))

10:20 Ms. Albrecht read the letter aloud.

10:23 **MOTION:** Rep. Hamlett moved they need to include additional space for DNA and food safety testing. He said DNA testing would help resolve problems moving forward, allowing space for the future is prudent and food safety is paramount.

10:25 Ms. Albrecht said the original consultant's report did include food safety and DNA sequencing. She said it could be easily added in for space purposes.

10:25 Chair White asked Ms. Albrecht to include that in letter.

10:25 Chair White asked Dr. Smith to discuss prions, the danger of those and proper disposal.

10:26 Dr. Smith discussed prions.

10:28 Chair White said there is CWD in neighboring states and some in the state. He asked how it is transmitted.

10:29 Dr. Smith said there is not a short answer, there is a lot of ongoing research.

10:30 **VOTE:** The motion carried unanimously on a voice vote.

10:30 Chair White discussed a letter from USDA. ([Exhibit 5](#))

10:31 Ms. Albrecht further discussed the letter.

10:33 **MOTION:** Sen. Facey moved to include letter in the report.

10:33 **VOTE:** The motion passed unanimously on a voice vote.

Public comment

10:34 John Scully, Board of Livestock

10:37 Sen. Facey responded.

10:38 Chair White responded.

10:39 Sen. Vance responded.

10:40 Rep. Hamlett responded

10:40 Chair White responded.

10:42 Nina Baucus, Board of Livestock

10:44 Chair White responded.

Committee remarks

10:48 Rep. Hamlett said this was Sen. Facey's last official meeting as he's termed out. He noted Sen. Facey had a distinguished career.

10:48 Sen. Facey said it's been fun.

10:49 Chair White said Ms. Albrecht would get a final report out and they'd present it to the legislature.

Adjourn

10:49 With no further business before the committee, White adjourned the meeting.