



Newsletter

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At party caucuses on Nov. 12, legislators selected leadership for the 2015 session. From left to right are Sen. Debby Barrett, president-elect of the Senate; Sen. Jon Sesso, Senate minority leader; Rep. Austin Knudsen, House speaker-elect; and Rep. Chuck Hunter, House minority leader.

Legislators Select Leaders for 2015 Session

At separate party caucuses held on Nov. 12, Democratic and Republican members of the 2015 Legislature chose their leaders for the upcoming session. The full membership of the House and Senate must confirm the selections when the Legislature convenes on Jan. 5.

Senate Republicans chose Sen. Debby Barrett of Dillon to serve as president of the Senate, while House Republicans chose Rep. Austin Knudsen of Culbertson as speaker of the House. Republicans hold a majority in both chambers, so members of that party will head up each house.

Barrett, a rancher, served in the House from 2001 until 2008, where she was a Republican whip in 2005-2006 and speaker pro tempore in 2007-2008. She has served in the Senate since 2009 and was president pro tem in 2013-2014.

She will be the first woman to serve as president of the Senate.

Knudsen, an attorney and farmer/rancher, will be serving his third term in the House. During 2013-2014, he served as House speaker pro tem.

Other officers elected by their respective caucuses are as follows.

HOUSE

- Majority Leader: Rep. Keith Regier, R-Kalispell
- Speaker Pro Tem: Rep. Lee Randall, R-Broadus
- Minority Leader: Rep. Chuck Hunter, D-Helena



Click on the Events Calendar for up-to-date information on committee meetings.

- Minority Caucus Chair: Rep. Carolyn Pease-Lopez, D-Billings
- Republican Whips: Reps. Jerry Bennett, Libby; Alan Doane, Bloomfield; Greg Hertz, Polson; and Sarah Laszloffy, Billings
- Democratic Whips: Reps. Bryce Bennett, Missoula; Jenny Eck, Helena; and Margie MacDonald, Billings



Other leaders chosen on Nov. 12 were (from left to right) Sen. Matt Rosendale, Senate majority leader; Sen. Eric Moore, Senate president pro tempore; Rep. Keith Regier, House majority leader; and Rep. Lee Randall, House speaker pro tempore.

SENATE

- Majority Leader: Sen. Matt Rosendale, R-Glendive
- President Pro Tem: Sen. Eric Moore, R-Miles City
- Minority Leader: Sen. Jon Sesso, D-Butte
- Republican Whips: Sens. Ed Buttrey, Great Falls, and Cary Smith, Billings
- Democratic Whips: Sens. Robyn Driscoll, Billings, and Cliff Larsen, Missoula

The Senate also chose members of the Committee on Committees, which appoints members of Senate committees. Those members are Sens. John Brenden of Scobey; Dee Brown of Hungry Horse; Kris Hansen of Havre; Rick Ripley of Wolf Creek; Janna Taylor of Dayton; and Chas Vincent of Libby.

The speaker of the House appoints members of House committees.

Committee Presiding Officers Named

The newly elected leaders of the Montana House and Senate have announced the names of legislators who will serve as presiding officers of the session committees during the 2015 Legislature.

The following senators have been named by the Committee on Committees as presiding officers of the Senate committees.

Senate Committee	Presiding Officer
Agriculture, Livestock, and Irrigation	Sen. Taylor Brown, Huntley
Business, Labor, and Economic Affairs	Sen. Ed Buttrey, Great Falls
Education and Cultural Resources	Sen. Taylor Brown, Huntley
Energy	Sen. Roger Webb, Billings
Ethics	Sen. Elsie Arntzen, Billings
Finance and Claims	Sen. Llew Jones, Conrad
Fish and Game	Sen. John Brenden, Scobey
Highways and Transportation	Sen. Elsie Arntzen, Billings
Judiciary	Sen. Scott Sales, Bozeman
Legislative Administration	Sen. Jennifer Fielder, Thompson Falls
Local Government	Sen. Janna Taylor, Dayton
Natural Resources	Sen. Chas Vincent, Libby
Public Health	Sen. Fred Thomas, Stevensville
Rules	Sen. Matt Rosendale, Glendive
State Administration	Sen. Dee Brown, Hungry Horse
Taxation	Sen. Bruce Tutvedt, Kalispell

House Speaker-elect Austin Knudsen announced the following appointments in the House.

House Committee	Presiding Officer
Agriculture	Rep. Alan Redfield, Livingston
Appropriations	Rep. Nancy Ballance, Hamilton

House Committee	Presiding Officer
Business and Labor	Rep. Tom Berry, Roundup
Education	Rep. Sarah Laszloffy, Billings
Ethics	Rep. Bill Harris, Winnett
Federal Relations, Energy, and Telecommunications	Rep. Mike Lang, Malta
Fish, Wildlife, and Parks	Rep. Kelly Flynn, Townsend
Human Services	Rep. Art Wittich, Bozeman
Judiciary	Rep. Jerry Bennett, Libby
Legislative Administration	Rep. Jeffrey Welborn, Dillon
Local Government	Rep. Edward Greef, Florence
Natural Resources	Rep. Kerry White, Bozeman
Rules	Rep. Jeff Essmann, Billings
State Administration	Rep. Jeff Essmann, Billings
Taxation	Rep. Mike Miller, Helmville
Transportation	Rep. Steve Lavin, Kalispell

Legislative Audit Committee Sets December Meeting

The Legislative Audit Committee will meet Dec. 1-2 in Helena to review recent audits of state programs and services. The Legislative Audit Division anticipates reporting on financial-compliance audits of the following agencies and programs:

- Board of Public Education
- Commissioner of Political Practices
- Department of Administration
- Department of Corrections
- Department of Environmental Quality
- Department of Justice
- Department of Military Affairs
- Department of Natural Resources and Conservation
- Department of Revenue
- Governor's Office
- Judicial Branch
- Montana University System Group Benefits (Contract Audit)
- Office of the State Auditor
- Office of the State Public Defender
- Public Service Regulation
- School for the Deaf and Blind

The Legislative Audit Division provides independent and objective evaluations of the stewardship, performance, and cost of government policies, programs, and operations. The division is responsible for conducting financial, performance, and information system audits of state agencies or their programs, including the Montana university system. For more information, call the division at 406-444-3122 or visit www.leg.mt.gov/audit.

To report suspected improper acts committed by state agencies, departments, or employees, call the division fraud hotline at 800-222-4446 or 406-444-4446 in Helena.

Next Meeting

The committee meets next at 9 a.m. on Dec. 1 in Room 172 of the Capitol in Helena. The meeting continues at 8:30 a.m. on Dec. 2. For more information on the committee's activities and upcoming meeting, visit the committee's Web site or contact Legislative Auditor Tori Hunthausen.

Division Web Site: www.leg.mt.gov/audit
Division Staff: 406-444-3122

Legislative Council Approves Land Transfer, Makes Rules Recommendations

The Legislative Council met briefly in November to complete its interim work, focusing primarily on recommendations for the upcoming legislative session.

Council members also approved the transfer of land from the Montana Heritage Commission to Madison County. The transfer involved several lots in Virginia City.

Council members finalized their recommendations for the so-called “feed bill,” which will fund the 2015 legislative session. The recommendations will go to the newly elected legislative leaders, who will submit an appropriations bill for the 2015 Legislature to consider.

The council also reviewed proposed changes to the rules for the 2015 Legislature and made recommendations. The newly appointed House, Senate, and Joint Rules committees will consider those recommendations on Dec. 3; the full Legislature will act on bills to adopt rules for the 2015 session when members convene in January.

The rules committees will meet on Dec. 3 in Room 317 of the Capitol to consider changes to the rules. The Joint Rules Committee will meet at 8 a.m., followed by separate meetings of the Senate Rules Committee and House Rules Committee at approximately 10:30 a.m.

Council Information

The council’s final meeting wrapped up an interim in which members focused on ideas for improving the operation of the Legislature. For more information on the council’s activities during the interim, visit the council’s Web site or contact Susan Byorth Fox, council staff.

Council Web Site: www.leg.mt.gov/legcouncil

Council Staff: sfox@mt.gov or 406-444-3066

Finance Committee to Review Budget Proposal, Revenue Estimate in December

The Legislative Finance Committee will discuss the governor’s proposed budget for the next two-year budget period and the revenue estimate adopted by an interim committee when it holds its final meeting on Dec. 2 in Helena. Members also will consider several proposed bills for possible introduction in the 2015 legislative session.

The committee last met in September, when it discussed the potential bill drafts and took a vote of no confidence in the contractor hired to develop a new system for processing Medicaid claims.

The vote came after the committee reviewed a staff-prepared legal memo on the Medicaid Management Information System (MMIS) contract between the Department of Public Health and Human Services and the vendor, Xerox. The memo focused on the liability and subcontracting provisions of the contract.

The committee then unanimously approved a resolution providing a vote of no confidence in Xerox’s ability to deliver the system on time and on budget.

The motion stated that MMIS is projected to cost the state more than anticipated. It also noted that the project is 27 months behind schedule and said the delays will cost the state and its taxpayers millions of dollars. The motion carried unanimously.

HJR 17 Study: State Pay Plans

As it worked to wrap up its House Joint Resolution 17 study of state pay plans, the committee reviewed LCLFC3, a bill draft to eliminate pay bands and instead require an employee’s compensation to fall within the occupational wage range of the employee’s occupation.

Chairman Llew Jones appointed Sens. Mitch Tropila and Rick Ripley and Reps. Kimberly Dudik and Steve Gibson to a subcommittee to review the bill draft, consider input from the entire committee, and report to the committee in December.

Other September Topics

Also at the September meeting, the Legislative Fiscal Division staff presented numerous reports, including:

- an update on the status of the current two-year budget, including information on how several state agencies spent money under transfers authorized by Senate Bill 410 in the 2013 Legislature;
- a memo updating information on the deferred revenue spending in the Department of Livestock;
- a Medicaid monitoring report that compared fiscal year-end data with the data provided to the committee at its June meeting;
- a report explaining how increases to reimbursement rates for Medicaid providers have been implemented. The 2013 Legislature provided several rate increases, but the report focused on the 2 percent annual increase included in House Bill 2.
- an update on the State Employee Group Benefits Plan showing that the plan’s revenues increased slightly for the first quarter of 2014 but not enough to cover the costs of medical claims during the same period. Expenditures for the insurance plan increased 50.3 percent when compared with the same period in 2013. Department of Administration Director Sheila Hogan spoke to the committee about the factors behind the increased costs and discussed ideas for lowering expenditures.
- the biennial budget comparison and a proposal to change state law to revise the methodology for budget comparisons. Jones appointed the Management Advisory Work Group to work on a bill draft with input from the entire committee.

- an update on inflation and deflation and fixed costs for the upcoming 2017 biennium budget process. The committee will vote on the recommendations in December.
- an update on budget amendments that included a report outlining topics the staff identified when reviewing the laws related to the budget amendment process. The report included potential legislative options for clarifying the laws.
- a report entitled “Corporation Income Tax Estimating: Using Confidence Intervals to Minimize Forecasting Error,” which detailed the use of statistical methods to more accurately predict corporation tax revenues.

Coming Up

At its Dec. 2 meeting, the committee will review:

- an overview of the preliminary budget for the 2017 biennium and the revenue estimate approved by the Revenue and Transportation Interim Committee for the next two-year budget period;
- a report on historical state expenditures; and
- draft legislation the committee may submit to the 2015 Legislature, including any proposed revisions to the bill on calculation of state employee pay, bills to revise the budget amendment process and the biennial appropriation comparison, and a proposal for creating a new office to defend child abuse and neglect cases.

Next Meeting

The committee meets next at 8 a.m. in Room 102 of the Capitol in Helena. For more information on the committee’s activities and upcoming meeting, visit the committee’s Web site or contact Legislative Fiscal Analyst Amy Carlson.

Committee Web Site: www.leg.mt.gov/lfc

Committee Staff: acarlson@mt.gov or 406-444-2986

RTIC Adopts Revenue Estimate, Receives Reappraisal Data

The Revenue and Transportation Interim Committee held its final meeting of the interim on Nov. 20, when it adopted an estimate of the amount of money that will be available to the 2015 Legislature as it makes decisions on the state budget.

The Legislative Fiscal Division and the Office of Budget and Program Planning presented the committee with their respective revenue estimates. The three-year difference in the two estimates was nearly \$281 million, with much of the difference occurring in the estimates for the individual income tax, the corporate income tax, and the oil severance tax.

The committee adopted a revenue estimate composed of LFD estimates for the general fund and selected nongeneral fund sources, with adjustments to the general fund portions of two revenue sources: the individual income tax and the oil severance tax. The individual income tax and oil severance taxes will be adjusted upward by an amount totaling half the difference between LFD’s lower estimate and OBPP’s higher general fund estimates for the individual income tax, the corporate income tax, and the oil severance tax.

As required by statute, the revenue estimate must be prepared for introduction by Dec. 1. The committee assigned Rep. Mike Miller to sponsor the revenue estimate, which is typically House Joint Resolution 2.

Final Action on Bills

The committee also took final action on three committee bills by:

- approving LC 511, to revise tax penalty and interest provisions;
- approving LC 254, to revise the tax appeal process for industrial property appeals; and
- voting to amend the reporting requirement for property tax abatements for gray water systems. Under current law, the Department of Revenue had to provide the committee with a report on the abatements by Sept. 15, 2014. The proposed language will strike that date and require DOR to report on the abatements biennially. The language will be included in LC 377, an already requested committee bill draft to amend reporting dates. The committee did not take action on a draft bill to repeal the property tax abatements.

Property Tax Topics

Also at the meeting, Revenue Director Mike Kadas presented reappraisal values for class three agricultural property and class four residential and commercial property. State law requires DOR to revalue these types of property every six years. The last reappraisal took place in 2009.

The information presented compared 2008 values with 2014 values and showed a total increase of 16.72 percent for agricultural property and 2.45 percent for class four commercial property. It showed a 2.85 percent decrease for class four residential property.

The committee also received a presentation from Will Soller of the Legislative Audit Division on a recently completed performance audit on property tax relief programs, and DOR provided an update on the elderly homeowner and renter credit.

Committee Information

For more information on the committee's activities during the interim, visit the committee's Web site or contact Megan Moore, committee staff.

Committee Web Site: www.leg.mt.gov/rtic

Committee Staff: memoore@mt.gov or 406-444-4496

State Administration Committee Finalizes Election, Pension Work

The State Administration and Veterans' Affairs Interim Committee met Nov. 17 to wrap up its interim work on public employee pension plans, election law revisions, and ways to improve outreach to veterans.

Three Pension Plans Unsound

As reported in the last issue of *The Interim*, three of Montana's public employee retirement systems remain actuarially unsound because the systems' liabilities cannot be paid off in 30 years or less. In fact, in the Sheriffs' and Game Wardens' systems, contributions and expected long-term investment returns will be insufficient to pay the liabilities in any amount of time. However, the amortization period in the Highway Patrol Officers' plan is less than half a year shy of the 30-year mark.

The Public Employees' Retirement Board and the governor's office are considering legislation to address the underfunded plans. The table below summarizes the June 30, 2014, actuarial valuations of all of Montana's defined benefit retirement plans for public employees except the Volunteer Firefighters' plan, which is different than the other plans because volunteer firefighters are not paid.

System	Funded Ratio (percentage)	Covered Payroll	ARC Shortfall (% payroll)	ARC Shortfall (dollar amt -increases annually)	Amortization period (years)
Teachers' Retirement System	65.45%	\$750,604,000	0%	\$0	28.0
Public Employees' Retirement System -- DB	74.4%	\$1,120,939,764	0%	\$0	29.3
Sheriff's Retirement System	81%	\$64,423,961	4.01%	\$2,583,401	does not amortize
Game Wardens' and Peace Officers' Retirement System	84%	\$40,458,127	2.41%	\$975,040	does not amortize
Highway Patrol Officers' Retirement System	64%	\$13,901,207	0.14%	\$19,462	30.3
Municipal Police Officers' Retirement System	63%	\$44,453,805	0%	\$0	19.6
Firefighters Unified Retirement System	72%	\$39,494,619	0%	\$0	11.3
Judges' Retirement System	155%	\$6,495,104	0%	\$0	0
TOTAL				\$3,577,903	

The funded ratio is the ratio of assets to liabilities. The ARC is the annual required contribution as a percent of payroll necessary to attain a 30-year amortization period based on current assumptions. The key assumptions used by the actuaries in determining the funded ratio, ARC, and amortization periods are shown below.

Major Economic Assumptions	TRS	MPERA Systems
Investment Rate of Return	7.75%	7.75%
Wage Growth	4.0%	4.0%
Inflation	3.25%	3.0%

Investment Returns Recovering

The Board of Investments reported that despite what some have termed the Great Recession of 2008-2009, during which Montana's pension investments lost more than 20 percent of their value, investment returns recently have been very good, at 17.38 percent in 2013.

Also, the Board of Investments reported that although the market has been volatile, over the last 30 years Montana's pension fund investment returns have averaged 7.93 percent.

Pension Policy Principles Adopted

By law, the committee must adopt policy principles as guidelines for legislative consideration when evaluating pension bills. The committee adopted four basic principles:

- Pensions should provide the base of financial security in retirement. Retirement is the statutorily defined years of service and age to be attained for a full retirement benefit under the retirement system.
- Pension funding should be a contemporary obligation.
- Pension investments should be governed by the Prudent Expert Rule.
- Pension benefits should be equitably allocated among beneficiaries.

The committee also approved updates to a legislator's guide to the retirement systems and templates for analyzing the fiscal and policy impact of individual pension bills.

Comprehensive Election Law Revision

The committee approved LC 143, a bill to generally revise election laws. The bill is intended to clean up and standardize, to the extent feasible, dates and deadlines related to the administration of elections. Among other things, the bill:

- standardizes language concerning how special purpose district and certain local government elections are to be conducted;
- provides that county election administrators administer all special purpose district and community college district elections;
- standardizes language concerning when an election may be canceled, election by acclamation, appointments when there is no candidate for an office, and terms of office for the appointees;
- requires that except for conservation districts, all special district elections on non-funding matters will be held on the regular school election day, which is the second Tuesday in May;
- standardizes candidate filing deadlines, except for the school trustee elections;
- removes the exemption to late voter registration for school elections conducted by school clerks and provides a methodology for the county to verify late registration to the school district; and
- eliminates the requirement for nominating petitions to be signed before a person can file as a candidate for certain school and special district elections.

Glasgow Veterans' Service Office Supported

After considering input from a broad base of veterans' affairs stakeholders, the committee voted to recommend to the House Appropriations and Senate Finance and Claims committees additional funding for the Montana Veterans' Affairs Division (MVAD) to establish a new veterans' service office in Glasgow.

Some stakeholders who spoke to the committee supported a statewide coordinator or veteran outreach position. However, the American Legion, the Veterans of Foreign Wars, and the director of the Montana Center for Veterans' Training and Education each supported additional staff for the MVAD.

The MVAD veteran service officers help veterans submit benefit claims to the U.S. Department of Veterans Affairs.

Committee Information

For more information on the committee's activities during the interim, visit the committee's Web site or contact Sheri Scurr, committee staff.

Committee Web Site: www.leg.mt.gov/sava

Committee Staff: sscurr@mt.gov or 444-3596

WPIC Offers 11 CSKT Compact Fixes

The Water Policy Interim Committee approved 11 recommendations for the proposed water rights settlement with the Confederated Salish and Kootenai Tribes at its last committee meeting of the interim.

The committee developed the recommendations over the course of its Oct. 29-30 meeting and sent the suggestions to the Reserved Water Rights Compact Commission, which is negotiating the compact with the tribes. The committee recommendations proposed:

- provisions to recover lands formerly irrigated, after operational efficiencies to the Flathead Indian Irrigation Project are completed;
- a definition of a "court of competent jurisdiction," which would determine the destination of appeals to administrative decisions regarding on-reservation water;
- an increase in the amount of water designated for domestic, commercial, municipal, or industrial uses off the reservation and in the Flathead Valley;
- clarification that compact passage does not imply a consensual agreement between an individual residing on the reservation and the tribe;

- clarification that compact passage does not affect the ownership status of land, excepting the tribe's efforts to purchase land;
- recognition of the historic access to irrigation project water through a "delivery right authorization";
- continued access to ground water for well owners who are negatively affected by irrigation project improvements;
- education and outreach efforts for legislators during the 2015 session, if a compact is negotiated;
- discussion of dual management of water rights on the reservation, along with an explanation of why dual management is or is not feasible;
- suggestions for the Interim Technical Team, which will coordinate measurements, forecasting, and planning as the compact is implemented; and
- nominations by county commissioners in four counties of possible members of the Unitary Management Board, which would oversee administration of water rights on the Flathead Indian Reservation. The governor would appoint two of the nominees.

The committee's suggestions for the Interim Technical Team included having a local representative and representatives from the Montana Bureau of Mines and Geology as members; having the Unitary Management Board oversee the Interim Technical Team; allowing the team's decisions to be appealed to the board or the court system; and requiring the team to document its processes and to conduct open, public meetings.

The compact commission and the tribes have not finalized the settlement, but are scheduled to meet again Dec. 1. The tribes have until June 30 to file claims to water, a process that could be avoided by the settlement.

Committee Bills

The committee also agreed to introduce five pieces of legislation in the 2015 session, as follows:

- study water rights administration;
- increase funding for the Ground Water Investigation Program;
- reallocate the metal mines license tax for cleanup of abandoned mines;
- revise filing of exempt water claims; and
- expand the committee's oversight duties.

"Combined Appropriation" Ruling

The committee also discussed the effects of a recent district court ruling regarding exempt water wells.

Judge Jeffrey Sherlock of Helena threw out existing administrative rules related to exempt wells. Under law, a property owner does not need a water right permit to drill a well, as long as that well does not exceed a flow rate of 35 gallons per minute and a volume of 10 acre-feet per year.

The law also prohibits combined appropriations from a same source aquifer. Administrative rules adopted in 1993 defined a combined appropriation as "an appropriation of water from the same source aquifer by two or more groundwater developments, that are physically manifold into the same system."

Sherlock wrote in his Oct. 17 ruling that this administrative rule should be changed, because it allows for large consumptive uses of water that are not "physically manifold" – like a large subdivision – and without any notification to senior water rights users and with no permit, both of which are requirements under the Water Use Act.

The Department of Natural Resources and Conservation issued guidance Nov. 12 stating how the agency will apply Sherlock's ruling. According to the guidance document, an appropriator must have "possessory/ownership interest" at the place of use and the location of the well. Therefore, an exempt well would not be considered part of a combined appropriation in a subdivision, as long as different ownership interests exist for the subdivision parcels.

Various interests asked the committee to resolve the issue during the 2015 legislative session.

Committee Information

For more information about the committee's activities during the interim, visit the committee's Web site or contact Jason Mohr, committee staff.

Committee Web Site: www.leg.mt.gov/water

Committee Staff: jasonmohr@mt.gov or 406-444-1640

Legislative Committees Propose More Than 50 Bills for 2015 Legislature

When the 2015 Legislature convenes in January, members will take up dozens of bills recommended by interim and administrative committees over the past 18 months.

The bills stem from studies and other work undertaken by the legislative committees.

The table below lists the bills approved by the committees as of Nov. 25. The Energy and Telecommunications Interim Committee did not propose any committee legislation. Meanwhile, the Legislative Finance Committee and Legislative Audit Committee had yet to hold their final meetings and may approve additional bills.

The bills listed below will be assigned formal bill numbers as they are introduced later this year. They can be tracked in the Legislative Automated Workflow System (LAWS) throughout the session using either the assigned bill numbers or the LC numbers under which they were requested. The online system is available at www.leg.mt.gov/laws.htm.

Children, Families, Health, and Human Services Interim Committee	
LC 334	Appropriate money for youth mental health crisis diversion pilot projects
LC 335	Allow sharing of certain health care information with law enforcement
LC 336	Allow electronic prescribing of controlled substances prescriptions
LC 337	Appropriate money for crisis and transition technicians
LC 338	Appropriate money for new or expanded mental health crisis intervention services
LC 339	Appropriate money for additional secure psychiatric detention beds
LC 340	Revise and extend the prescription drug registry fee
LC 341	Appropriate money for a forensic community corrections facility
LC 342	Appropriate money for state-run transitional mental health group homes
LC 347	Appropriate money for short-term voluntary mental health treatment
Economic Affairs Interim Committee	
LC 252	Exempt raw honey from license requirements for farmers' market sales and bartering
LC 410	Repeal certain statutory advisory councils
LC 411	Require workers' compensation insurers to provide loss information
LC 412	Authorize temporary appointment in vacancy of workers' compensation judge
LC 413	Revise workers' compensation impairment level for vocational rehabilitation benefits
Education and Local Government Interim Committee	
LC 406	Establish all-hazard incident management teams and provide funding authority
LC 448	Generally revise public records laws
Environmental Quality Council	
LC 376	Revise laws governing the Montana Heritage Commission
LC 385	Revise laws related to hunting and fishing licenses
LC 386	Study state assumption of federal dredge and fill permitting
Law and Justice Interim Committee	
LC 227	Allow spouse to restore original name as part of dissolution filing
LC 228	Clarify who must move to amend parenting plan when one parent relocates
LC 301	Revise Montana Administrative Procedures Act provisions related to the Board of Pardons and Parole
LC 356	Allow the Department of Corrections to set minimum amount of inmate earnings saved
LC 357	Revise laws relating to housing for offenders
LC 358	Require parole hearings to be video recorded
LC 359	Clarify that the governor may change the presiding officer of the Parole Board
LC 360	Revise parole criteria laws
LC 361	Revise executive clemency laws
LC 362	Adjust debt limit allowed for summary dissolution
LC 363	Provide for a decree of dissolution without a hearing when uncontested
LC 364	Study the Crossroads Correctional Center and state oversight of that facility
Legislative Council	
LC 500	Code Commissioner bill
LC 501	Appropriate money for the 2015 legislative session

Legislative Finance Committee	
LC 478	Revise budget amendment laws
LC 479	Revise budget comparison laws
LC 496	Revise laws related to legal representation in dependent neglect cases
Revenue and Transportation Interim Committee	
LC 123	Revise laws related to the Multistate Tax Compact Advisory Council
LC 254	Revise tax appeal laws
LC 255	Revise the time frame for calculation of the entitlement share growth rate
LC 374	Revise laws related to the Agricultural Land Valuation Advisory Committee
LC 375	Revise Department of Revenue uniform dispute review laws
LC 377	Revise certain reports to the Revenue and Transportation Interim Committee
LC 511	Revise administration of taxes
LC 1090	Revenue-estimating resolution
State Administration and Veterans' Affairs Interim Committee	
LC 143	Generally revise election laws
LC 145	Provide rulemaking authority for the Secretary of State to establish certain fees
LC 146	Revise what must be disclosed on certain election materials
LC 303	Revise appointment process for the Commissioner of Political Practices
LC 304	Revise oversight authority of certain interim committees for certain agencies
LC 332	Revise allocation of employer contributions in PERS defined contribution plan
State-Tribal Relations Interim Committee	
LC 349	Remove the term "half breed" from signage and geological features in Montana
LC 461	Resolution supporting the Confederated Salish and Kootenai Tribes water compact process
Water Policy Interim Committee	
LC 578	Study water rights administration
LC 579	Increase funding for the Ground Water Investigation Program
LC 580	Reallocate metal mines license tax
LC 581	Revise filing of exempt water claims
LC 582	Expand Water Policy Interim Committee duties

Online Training Available for Using Bill-Tracking System

The Legislative Services Division has created a library of almost 40 instructional videos that can be viewed and listened to on the Internet by anyone wanting to learn more about navigating the online system that allows the public and state agencies to track legislation during session.

The Legislative Automated Workflow System, known as LAWS, provides timely information before, during, and after a legislative session, including:

- an up-to-date status for each introduced bill and pending bill draft request;
- the text of introduced bills and completed bill drafts;

- hearing schedules for House and Senate committees; and
- agendas for the House and Senate floor sessions.

Users also may set up Preference Accounts, allowing them to track lists of specific bills as that legislation makes its way through the process. Preference Accounts also allow the user to receive e-mail notices when committee hearings are scheduled for the bills selected for that account.

The LAWS Web site for the 2015 session can be found at www.leg.mt.gov/laws.htm. It also can be accessed from the legislative branch homepage, www.leg.mt.gov, by selecting "Bills" in the menu on the left-hand side of the page and then selecting "2015 LAWS" from the drop-down menu.

The link to the LAWS Instructional Video Library is found at the bottom of the LAWS Session Information page, which

can be found at www.leg.mt.gov/laws.htm. It also can be accessed by going to the legislative home page and selecting “Session” from the menu on the side of the page. From there, click on “2015 Session” in the drop-down menu and select the “LAWS” link on the subsequent page.

The instructional videos range from about 90 seconds to 6 minutes, depending on the complexity of the subject. They cover everything from basic navigation to advanced maintenance of preference lists. The videos are free and allow users to learn about LAWS at their own pace.

The Back Page

The Pest Defense: MSU Extension’s Schutter Diagnostic Laboratory and Integrated Pest Management

By **Leanne Kurtz**
Legislative Research Analyst
Legislative Services Division

Break-your-mother’s-heart. Scabby hands. Beaver poison. Devil’s flower.

The plant known by these names possesses legendary toxic qualities. It killed Socrates. Its taproot looks a little like a white carrot and, although native to West Asia, Europe, and North Africa, it can now be found growing on roadsides, near surface waters, and on the edges of cultivated fields in North America. It’s hemlock, and you don’t want to mistake it for a carrot.

Fortunately, the scientists at the Schutter Diagnostic Laboratory on the campus of Montana State University don’t want you to, either. Identifying the plants, mushrooms, plant diseases, spiders, and insects submitted by members of the public, county extension agents, farmers, and ranchers keeps the staff at the Schutter Lab busy enough. But they are also working to educate Montanans about cultivating varieties of crops that are resistant to diseases and pests, about the importance of early detection of invasive biological invaders, and about an approach to dealing with pests that involves a bit more than releasing a cloud of killer chemicals from a spray can.

The Schutter Lab, part of MSU’s Extension program, applies heavy doses of science and practical advice to serve Montana’s agricultural producers, landscapers, and gardeners — not to mention your garden-variety arachnophobes.

Manhattan seed potato growers John and Grace Schutter funded creation of the Schutter Diagnostic Lab as part of the MSU Plant Biosciences Facility, which was completed in 2000. According to MSU Extension’s Web site, the Schutters moved to the Manhattan area from Holland and started growing seed potatoes in 1952. Family members remain active in the seed potato business and active in the lab that bears their name.

The three plant and insect diagnosticians at the lab, assisted by one undergraduate student and one seasonal graduate-level intern, operate on a budget of about \$250,000 a year. Funding for the lab is part of MSU Extension’s base budget and is supplemented by a grant from the U.S. Department of Agriculture. Lab Director Mary Burrows says that securing sustainable funding remains one of the lab’s greatest challenges. With a few exceptions, the lab does not charge for its services, while requests for identification and assistance continue to grow, as do the biological threats posed to crops, gardens, and landscapes. Burrows wants to raise awareness of the lab as a resource for all Montanans and is eager to share its accomplishments. As more agricultural producers and backyard gardeners take advantage of the resources the lab has to offer, however, the need for sustainable funding becomes more acute. Burrows’ goal is for the Schutter Lab to become the first diagnostic lab in the United States with a permanent endowment.

Scope of Services

On average, the lab’s staff handles 2,000 plant and insect samples each year, sent in by county extension agents and members of the public. According to the lab’s annual report, the direct economic impact of the lab’s activities in 2013 was approximately \$1 million, with wheat growers realizing a large portion of the benefit.

A survey of wheat producers indicates that advice from the lab’s team in response to the 2011 epidemic of wheat stripe rust, a fungal infection, saved producers in the neighborhood of \$100 million.

Correct diagnoses of disease and insect identification, paired with recommendations on control measures and advice on developing certain crop cultivars that are resistant to particular pests, have made the Schutter Lab a valuable resource

for producers of wheat, chickpeas, lentils, peas, and other agricultural products across the state.

Effectively dealing with diseases such as fungal infections or insects like the wheat stem sawfly involves more than just repeated fungicide or pesticide application. Organisms can evolve and develop resistance to a control measure if it's used over and over. One method for combating resistance is to rotate the control measure in an effort to outsmart the disease and stay a step ahead of its resistance-building capabilities. Another strategy is to cultivate plants that are naturally resistant to the damaging fungus, virus, or insect. To thwart wheat stem sawflies, for example, wheat growers began planting solid-stem wheat in the 1950s.

But no method is perfect, and in the natural world where the only constant is change, one cannot afford to rest on one's solid-stem laurels. Entomologists say that over time, the sawfly has evolved to allow it to continue to propagate in wheat stems. The pest causes between \$75 million and \$100 million in losses to wheat and other cereal producers each year, according to MSU's wheat stem sawfly research program.

Insecticides are not effective against the sawfly because, although the chemicals can kill an adult, the eggs and larvae are protected within the stem of the plant. Repeated insecticide application to catch the emerging adults would be a costly proposition and may contaminate the plant. Instead, as just one weapon in the ongoing battle, producers are encouraged to conserve two species of native parasitoids, *Bracon cephi* and *B. lissogaster*, orange-colored wasps whose offspring live to gobble up juicy sawfly larvae. It's fighting fire with fire, and it doesn't require a pesticide applicator's license.

A Management Strategy

The tale of the sawfly parasite underscores the importance of accurate identification, which is one of the primary elements



Fully-grown wheat stem sawfly larva (post cutting). Photo courtesy of Dr. Robert Peterson.

of Integrated Pest Management (IPM), a process that county extension agents and staff at the Schutter Lab promote at every opportunity. In materials produced by MSU Extension, IPM is defined as a “practical decision-making process

that relies on a wide variety of tools to promote healthy plants and to manage pests.”

The ultimate goal of IPM is to reduce the unnecessary application of pesticides, which, if used carelessly, can harm people, animals, and beneficial insects like pollinators or those — like the Bracon wasp, ladybugs, and lacewings —



Bracon lissogaster female. Photo courtesy of Dr. Robert Peterson.

that subsist on their destructive brethren.

Advocates of IPM recommend it as a sound approach for any grower, from large-scale producers to landscape professionals to hobbyist gardeners to anyone with a patch of grass to

maintain. A landscape IPM program consists of the following six elements.

- **Prevention.** A healthy plant is more likely to resist pests and diseases and withstand competition from invasive weeds. Understanding and applying proper growing techniques is critical to cultivating plants that can handle much of what nature throws at them.
- **Identification.** Properly identifying the insect or plant that may be considered a pest is the only way to approach effective management, whether that management ends up being targeted pesticide application, some other means of control, or simply tolerance.
- **Monitoring.** Keeping track of the levels of disease and pests and how those compare to the levels of beneficial insects and healthy plants is another critical component of IPM.
- **Action levels.** If a pest is at a level where it is not doing significant damage, it may be that the best response is no response.
- **Treatment.** Mulching, hand-pulling weeds, cultivating resistant varieties, and spraying plants with water to dislodge some pests are all viable treatments that don't come with a warning label. Chemical controls are also an option and do have a place in an IPM environment. Insecticidal soaps, pheromone traps, and reduced-risk pesticides with a shorter activity period are among the preferred alternatives.
- **Evaluation.** No landscape is static, so one element of an IPM program must be evaluating how well the program is working from season to season and how plant health may be continually improved.

Despite the best efforts of county extension agents and research and diagnostic entities like the Schutter Lab, Montana remains poised to host some destructive insects and plant diseases in the next decade. According to Burrows, the Emerald Ash Borer, a bacterium called *Rakstomia solanacearum*, and new strains of wheat stripe rust top the list. The Japanese beetle, which is established in a very small area in Billings, is another

harmful invader that counts lawns, rose bushes, and grapes among its favorite delicacies.

Three Top Threats: What They Are, What They Do

The Emerald Ash Borer found its way from its native Asia to North America in the 1990s, likely in wood packing material. It was first identified in Michigan in 2002 and has since proliferated to 22 states and three Canadian provinces, killing tens of millions of ash trees. It has been confirmed as far west as Colorado. Burrows says it is likely already in Montana but has yet to be positively identified. Native North American ash trees have no natural resistance to the insect, which lays its eggs under a tree's bark and leaves a characteristic D-shaped hole when exiting the tree as an adult.

An organization called North Central IPM Center has established the Cooperative Emerald Ash Borer Program in cooperation with Ohio State University, Purdue University Extension, and Colorado State Extension. A publication by North Central IPM entitled "Insecticide Options for Protecting Ash Trees from Emerald Ash Borer" describes the insect's destructive process:

Trees are damaged by EAB larvae feeding in galleries under the bark. These galleries injure the phloem and xylem tissue that plants use to transport nutrients and water. A few galleries have only a small



Emerald Ash Borer. Credit: Jeff Hahn. Photo provided by University of Minnesota Extension.

effect on most trees. As the EAB population grows and more larvae feed on a tree, however, the galleries interfere with the ability of the tree to transport nutrients and water, as well as insecticides. As a tree becomes more and more infested, the injury becomes more severe. Canopies become thin because fewer leaves can be supported by the tree. Large branches or even the trunk can be girdled and killed by the larval galleries.



Exit holes from Emerald Ash Borer. Photo provided by U.S. Forest Service.

When the insect is identified in an area, regulatory agencies impose quarantines on nursery trees, logs, and firewood in an attempt to prevent further spread. But those efforts appear to be merely postponing the inevitable. Ash mortality in urban forests has cost — and will continue to cost — property

owners and municipalities millions of dollars in decreased property values, based on information compiled in regions where the Emerald Ash Borer has set up camp. Systemic insecticides have been approved for use in combating the insect, and research is continuing. However, once the insect is detected, it is often too late to save a tree.

Montana communities will see the effects of the Emerald Ash Borer within two to five years, according to Burrows, and there is no magic bullet to defend the state's urban forests. Once again, elements of IPM come into play. Early detection and proper identification, combined with creating and maintaining vigorous and diverse urban forests, are two of the primary defensive tactics at the disposal of the state's communities and property owners.

R. solanacearum

Tomatoes, potatoes, geraniums, and petunias in Montana are all susceptible to a bacterial pathogen called *Ralstonia solanacearum*, which causes wilting, yellowing, stunted growth, and eventual death of the affected plant. The particular strain of most concern was first detected in 2003 in greenhouse geraniums imported into the United States from Kenya and Guatemala and has since spread. According to a National Pest Alert distributed by the USDA Integrated Pest Management Centers, the European potato industry has suffered significant losses because of *R. solanacearum*.

Transmission occurs through contaminated soil, water, and equipment or through transplanting of infected plants, tubers, and cuttings. In addition to wilting and yellowing, infected plants and potatoes may exude a gray slime. Those who handle and sell geraniums and potatoes can help prevent the spread of the bacteria through the use of sanitary greenhouse practices and use of clean seed in potato propagation. The National Pest Alert warns that once the pathogen is established in a plant, "there is no effective chemical control for *R. solanacearum*."

Wheat Stripe Rust

An epidemic of wheat stripe rust hit Montana producers hard in 2011, and researchers are monitoring ongoing changes in the virulence of the disease, bracing for conditions that support another outbreak. Stripe rust is a fungus that causes yellow lesions on leaves and, if the infection is severe enough, on the head and stems of wheat plants. As plants succumb to the fungus, grain yields drop and grain quality diminishes.

Burrows attributes the 2011 epidemic in Montana to convergence of a number of factors, including widespread infection in the fall, an extended fall, deep snow cover, favorable spring temperatures and humid conditions, and widespread planting of a wheat variety that was susceptible to the fungus. Key among Burrows' observations is that new strains of the

fungus are evolving, becoming more aggressive and overcoming resistance genes that were previously effective in controlling outbreaks.

Appropriate fungicide application and seed treatment, combined with planting varieties that resist infection, are among the suggestions for preventing losses like those experienced in 2011, according to Burrows. Growers and researchers alike must be vigilant to stay a step ahead of the evolving strains of fungus.



Wheat stripe rust. Photo courtesy of Dr. Mary Burrows.

Field to Front Porch

In all of these instances, early detection, cultivation of healthy plants, and appropriate application of treatment by an educated public can mean the difference between suffering devastating losses and mitigating the worst impacts of a disease or infestation. And the fundamental strategies are the same, whether the plants are commercial wheat, an ash forest in an urban neighborhood, or a pot of petunias on a front porch.

The Schutter Lab is well positioned to help educate Montanans in IPM and to help prepare for the next big threat on the horizon. As if that weren't enough, the staff is happy to let you know if the "grapes" you think you found are actually



toxic berries and whether that spider you've never seen before is really something to fear or just another *Salticus scenicus* specimen quietly going about its business, doing its part to manage pests in the dark corners of your home.

For more information about the Schutter Lab or to learn how to submit a sample, visit the lab's Web site at <http://diagnostics.montana.edu>.