

Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	21.76	21.76	21.26	21.26	21.76	21.26	(0.50)	(2.30)%
Personal Services	1,239,897	1,268,447	1,328,072	1,327,131	2,508,344	2,655,203	146,859	5.85 %
Operating Expenses	728,475	731,226	842,491	855,783	1,459,701	1,698,274	238,573	16.34 %
Equipment & Intangible Assets	0	0	0	0	0	0	0	0.00 %
Debt Service	19,967	24,842	19,967	19,967	44,809	39,934	(4,875)	(10.88)%
Total Costs	\$1,988,339	\$2,024,515	\$2,190,530	\$2,202,881	\$4,012,854	\$4,393,411	\$380,557	9.48 %
General Fund	287,512	294,731	1,018,411	1,018,423	582,243	2,036,834	1,454,591	249.83 %
State/Other Special Rev. Funds	1,700,827	1,729,784	1,112,540	1,125,025	3,430,611	2,237,565	(1,193,046)	(34.78)%
Federal Spec. Rev. Funds	0	0	59,579	59,433	0	119,012	119,012	0.00 %
Total Funds	\$1,988,339	\$2,024,515	\$2,190,530	\$2,202,881	\$4,012,854	\$4,393,411	\$380,557	9.48 %

Program Description

The Diagnostic Laboratory provides laboratory diagnostic support for livestock producers and the Animal Health and Milk and Egg programs. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks, and other agencies in protecting the health of animals, wildlife, and the public.

Program Highlights

Diagnostic Laboratory Program Major Budget Highlights
<p>The program proposes to increase the budget above the previous biennium due to:</p> <ul style="list-style-type: none"> • Statewide present law adjustments • Lab equipment, supplies, and lab recharges • New proposal for staff training • A major shift of nearly \$1.5 million in general fund for lab funding instead of per capita fees • New proposal for lab system maintenance • Present law request for Administrative 0.5 FTE assistant

Program Discussion -

Comparison of the 2015 Legislative Base and the 2015 Appropriation

There were no major differences in this program between the FY 2015 appropriations as shown in the main table to the FY 2015 legislative appropriations used for purposes of the budget base.

Comparison of the 2014 Actual Expenditures to FY 2015 Legislative Appropriations

Actual FY 2014 expenditures of \$1,988,339 were \$36,176 below the FY 2015 Legislative appropriation of \$2,024,515.

Funding

The following table shows proposed program funding by source from all sources of authority.

Department of Livestock, 03-Diagnostic Laboratory Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,036,834	0	0	2,036,834	46.36 %	
02426 Lvstk Per Capita	214	0	0	214	0.01 %	
02427 Animal Health	1,952,060	0	0	1,952,060	87.24 %	
02701 Milk and Egg Inspection	285,291	0	0	285,291	12.75 %	
State Special Total	\$2,237,565	\$0	\$0	\$2,237,565	50.93 %	
03673 Small Federal Grants	119,012	0	0	119,012	100.00 %	
03707 Homeland Security	0	0	0	0	0.00 %	
Federal Special Total	\$119,012	\$0	\$0	\$119,012	2.71 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$4,393,411	\$0	\$0	\$4,393,411		

The general fund funds approximately 46% of the Diagnostic Laboratory program while state special revenue funds 51%. The animal health fund is the primary source of funding for state special revenue funds. Federal grants make up the remaining 3% of funding for this program.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	294,731	294,731	589,462	28.94 %	2,024,515	2,024,515	4,049,030	92.16 %
PL Adjustments	(20,361)	(20,349)	(40,710)	(2.00)%	136,015	148,366	284,381	6.47 %
New Proposals	744,041	744,041	1,488,082	73.06 %	30,000	30,000	60,000	1.37 %
Total Budget	\$1,018,411	\$1,018,423	\$2,036,834		\$2,190,530	\$2,202,881	\$4,393,411	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
-----Fiscal 2016-----					-----Fiscal 2017-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	(8,534)	43,186	24,973	59,625	0.00	(7,595)	44,098	22,181	58,684
DP 99 - LEG. Present Law	0.00	(11,827)	53,611	34,606	76,390	0.00	(12,754)	65,184	37,252	89,682
Grand Total All Present Law Adjustments	0.00	(\$20,361)	\$96,797	\$59,579	\$136,015	0.00	(\$20,349)	\$109,282	\$59,433	\$148,366

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law Adjustments					
FY 2016					
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	19.76	\$1,179	\$8,424	\$0	\$9,603
Executive Implementation of 2015 Pay Increase		2,520	17,872	-	20,392
Fully Fund 2015 Legislatively Authorized FTE		9,266	22,374	-	31,640
Other	1.50	(21,499)	(5,484)	24,973	(2,010)
Personal Services Present Law Adjustments	21.26	(\$8,534)	\$43,186	\$24,973	\$59,625
FY 2017					
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	19.76	\$1,179	\$8,424	\$0	\$9,603
Executive Implementation of 2015 Pay Increase		2,520	17,872	-	20,392
Fully Fund 2015 Legislatively Authorized FTE		9,266	22,374	-	31,640
Other	1.50	(20,560)	(4,572)	22,181	(2,951)
Personal Services Present Law Adjustments	21.26	(\$7,595)	\$44,098	\$22,181	\$58,684

The executive proposes to increase support to personal services by 4.7% in FY 2016 and 4.6% in FY 2017 in comparison to the FY 2015 legislatively appropriated budget of \$1,268,447. The increase in adjustments are due to employee health insurance, the HB 13 pay raises, and funding legislatively authorized FTE.

DP 99 - LEG. Present Law -

The LGPL adjustments are primarily due to an OTO for lab equipment, lab recharges assessed by Montana State University for facility services, and a request for additional medical lab supplies.

New Proposals -

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 300305 - Lab Staff Training	0.00	0	10,000	0	10,000	0.00	0	10,000	0	10,000
DP 300306 - Diagnostic Laboratory Funding	0.00	744,041	(744,041)	0	0	0.00	744,041	(744,041)	0	0
DP 300309 - Lab Information System Maintenance	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
Total	0.00	\$744,041	(\$714,041)	\$0	\$30,000	0.00	\$744,041	(\$714,041)	\$0	\$30,000

DP 300309 - Lab Information System Maintenance -

The budget includes \$20,000 per year in state special revenue for yearly maintenance on the Laboratory Information Management System (LIMS). This is essential maintenance to keep the system operational and is critical to all laboratory data processing.

DP 300305 - Lab Staff Training -

This request is for \$10,000 per year of state special revenue to fund staff training and continuing education in order for laboratory staff to meet the requirements of the American Association of Veterinary Laboratory Diagnosticians (AAVLD).

DP 300306 - Diagnostic Laboratory Funding -

This request is a budget neutral shift of \$744,052 from state special revenue to general fund. In recent years, the laboratory has been increasingly funded by per capita fees. In FY 2014, per capita fee expenditures were \$941,516 in the lab. Laboratory fees have been adjusted upward in an effort to address the funding issues, though the projected revenue increase will not be enough to cover existing expenses. The lab serves as the state's only and primary animal testing facility ensuring continued access to domestic and international markets, human and animal health, and producer efficiency.

LFD COMMENT	The diagnostic laboratory does provide some services for public health benefits. The Legislature may evaluate the need for this switch based on who benefits from the lab being operational in Montana. Three quarters of the lab's activities are from the cattle industry. This funding switch brings the lab's general fund funding up to 88% from 17%. This entire fund switch may not be needed if additional actions are taken to raises per capita fees or reduce appropriations.
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