

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 | 13.50 | 13.50 | 14.50 | 14.50 | 13.50 | 14.50 | 1.00 | 7.41 % |
| Personal Services | 679,680 | 858,580 | 1,077,664 | 1,075,482 | 1,538,260 | 2,153,146 | 614,886 | 39.97 % |
| Operating Expenses | 645,119 | 1,143,189 | 1,097,242 | 1,098,143 | 1,788,308 | 2,195,385 | 407,077 | 22.76 % |
| Equipment & Intangible Assets | 61,689 | 0 | 61,689 | 61,689 | 61,689 | 123,378 | 61,689 | 100.00 % |
| Transfers | 6,573 | 0 | 6,573 | 6,573 | 6,573 | 13,146 | 6,573 | 100.00 % |
| Total Costs | \$1,393,061 | \$2,001,769 | \$2,243,168 | \$2,241,887 | \$3,394,830 | \$4,485,055 | \$1,090,225 | 32.11 % |
| General Fund | 0 | 506,413 | 596,662 | 596,283 | 506,413 | 1,192,945 | 686,532 | 135.57 % |
| State/Other Special Rev. Funds | 647,788 | 729,971 | 697,376 | 697,460 | 1,377,759 | 1,394,836 | 17,077 | 1.24 % |
| Federal Spec. Rev. Funds | 745,273 | 765,385 | 949,130 | 948,144 | 1,510,658 | 1,897,274 | 386,616 | 25.59 % |
| Total Funds | \$1,393,061 | \$2,001,769 | \$2,243,168 | \$2,241,887 | \$3,394,830 | \$4,485,055 | \$1,090,225 | 32.11 % |

Program Description

The Animal Health Division provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and alternative livestock animals. The program cooperates with the Departments of Public Health and Human Services, Fish Wildlife and Parks, and the US Department of Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public and animal health from rabies by monitoring new rabies infections and enforcing quarantines.

Program Highlights

| Animal Health Division Major Budget Highlights |
|--|
| <p>The Division proposes an increase from the prior biennium due to:</p> <ul style="list-style-type: none"> • Personal services increases for annualization of the 2015 biennium pay plan • An additional 2.0 FTE for veterinary and compliance specialists for the Designated Surveillance Area (DSA) - \$0.3 million general fund • Requested funding for brucellosis testing at DSA - \$0.9 million general fund • The division utilized only 72% of FY 2014 appropriations |
| Legislative Action Issues |
| <ul style="list-style-type: none"> • If the two DSA items are approved, the added general fund will be in the base budget • Significant authority for these requests may already be in the FY 2015 Legislative base. |

Program Discussion -*Comparison of the 2015 Legislative Base and the 2015 Appropriation*

The following highlights the differences between the FY 2015 appropriations as shown in the main table to the FY 2015 legislative appropriations used for purposes of the budget base.

| FY 2015 Appropriation Transactions - Department of Livestock | | | | | |
|--|---------------------------|---------------------|----------------------|----------------|--------------------------------|
| Program | Legislative Appropriation | Legislative Approps | House OTO Adjustment | Operating Plan | Total Executive Implementation |
| 04 ANIMAL HEALTH DIVISION | 1,495,356 | 506,413 | | - | 2,001,769 |
| Personal Services | 887,466 | 133,245 | | (162,131) | 858,580 |
| Operating Expenses | 607,890 | 373,168 | | (77,869) | 903,189 |
| Transfers | | | | 240,000 | 240,000 |

The difference between the legislative appropriation for FY 2015 and the executive implementation is primarily due to a transfer of funds from Department of Livestock to Department of Fish, Wildlife, and Parks as part of a memorandum of understanding (MOU). The remaining difference was due to one-time-only appropriations for brucellosis inspection.

Comparison of the 2014 Actual Expenditures to FY 2015 Legislative Appropriations

Actual FY 2014 expenditures of \$1,393,061 were \$102,295 below the FY 2015 legislative appropriation of \$1,495,356, primarily due to carry-forward authority.

Funding

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

| Department of Livestock, 04-Animal Health Division Funding by Source of Authority | | | | | | |
|--|--------------------|--------------------------|-------------------------|--------------------|-------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| 01100 General Fund | 1,192,945 | 0 | 0 | 1,192,945 | 26.60 % | |
| 02426 Lvstk Per Capita | 1,344,836 | 0 | 0 | 1,344,836 | 96.42 % | |
| 02427 Animal Health | 50,000 | 0 | 0 | 50,000 | 3.58 % | |
| State Special Total | \$1,394,836 | \$0 | \$0 | \$1,394,836 | 31.10 % | |
| 03427 Bison Trap Funds | 1,897,274 | 0 | 0 | 1,897,274 | 100.00 % | |
| 03710 West Nile Virus | 0 | 0 | 0 | 0 | 0.00 % | |
| Federal Special Total | \$1,897,274 | \$0 | \$0 | \$1,897,274 | 42.30 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$4,485,055 | \$0 | \$0 | \$4,485,055 | | |

The program is primarily funded with federal funds supporting bison operations and the Greater Yellowstone Interagency Brucellosis Committee (GYIBC) research and cooperative efforts. The program is also supported with a state special revenue fund via a per capita livestock fee to support disease control, import/export activities, and alternative livestock activities. General fund is proposed to support brucellosis activities for the 2017 biennium.

Budget Summary by Category

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

| Budget Summary by Category | | | | | | | | |
|----------------------------|-------------------------------|-------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|----------------------------------|----------------------|
| 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 | 0 | 0 | 0 | 0.00 % | 1,495,356 | 1,495,356 | 2,990,712 | 66.68 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 151,150 | 150,248 | 301,398 | 6.72 % |
| New Proposals | 596,662 | 596,283 | 1,192,945 | 100.00 % | 596,662 | 596,283 | 1,192,945 | 26.60 % |
| Total Budget | \$596,662 | \$596,283 | \$1,192,945 | | \$2,243,168 | \$2,241,887 | \$4,485,055 | |

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 | 0 | 301,669 | (260,564) | 41,105 | 0.00 | 0 | 293,164 | (253,862) | 39,302 |
| DP 99 - LEG. Present Law | 0.00 | 0 | (334,264) | 444,309 | 110,045 | 0.00 | 0 | (325,675) | 436,621 | 110,946 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | (\$32,595) | \$183,745 | \$151,150 | 0.00 | \$0 | (\$32,511) | \$182,759 | \$150,248 |

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 | 12.50 | \$0 | \$3,966 | \$2,109 | \$6,075 |
| Executive Implementation of 2015 Pay Increase | | - | 9,668 | 5,710 | 15,378 |
| Fully Fund 2015 Legislatively Authorized FTE | | - | 12,750 | 5,894 | 18,644 |
| Other | | - | 275,285 | (274,277) | 1,008 |
| Personal Services Present Law Adjustments | 12.50 | \$0 | \$301,669 | (\$260,564) | \$41,105 |
| | FY 2017 | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds |
| CP 98 PSPL Item | | | | | |
| State Share Health Insurance | 12.50 | \$0 | \$3,966 | \$2,109 | \$6,075 |
| Executive Implementation of 2015 Pay Increase | | - | 9,668 | 5,710 | 15,378 |
| Fully Fund 2015 Legislatively Authorized FTE | | - | 12,750 | 5,894 | 18,644 |
| Other | | - | 266,780 | (267,575) | (795) |
| Personal Services Present Law Adjustments | 12.50 | \$0 | \$293,164 | (\$253,862) | \$39,302 |

The executive proposes to increase support to personal services by 21.4% in FY 2016 and 21.2% in FY 2017 in comparison to the FY 2015 legislatively appropriated budget of \$887,466. The adjustments are due to the three main line items and pay raises due to longevity.

DP 99 - LEG. Present Law -

LGPL adjustments are primarily due to laboratory testing as well as costs associated with vehicles and trucks.

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 400401 - DSA Vet and Compliance Specialist | 2.00 | 149,093 | 0 | 0 | 149,093 | 2.00 | 148,714 | 0 | 0 | 148,714 |
| DP 400402 - DSA Brucellosis Testing | 0.00 | 447,569 | 0 | 0 | 447,569 | 0.00 | 447,569 | 0 | 0 | 447,569 |
| Total | 2.00 | \$596,662 | \$0 | \$0 | \$596,662 | 2.00 | \$596,283 | \$0 | \$0 | \$596,283 |

DP 400401 - DSA Vet and Compliance Specialist -

This request is for \$149,093 in FY 2016 and \$148,714 in FY 2017 of general fund for 1.00 FTE brucellosis veterinarian and 1.00 FTE brucellosis compliance specialist for the Designated Surveillance Area (DSA). These positions have been one-time-only (OTO) for the past four years. It is clear that the DSA will continue into the future and is vital to maintain the marketability of Montana cattle. This request makes these positions permanent.

**LFD
COMMENT**

These positions have been funded as one-time-only (OTO) in the past two legislative sessions. If these two DPs are approved, the general fund will be in the base budget.

DP 400402 - DSA Brucellosis Testing -

The budget includes \$447,569 per year in general fund for Designated Surveillance Area (DSA) brucellosis testing. Previously, the legislature approved general fund for brucellosis surveillance in Montana to maintain brucellosis free status in Montana. The cost per test is estimated at \$7.94 for an estimated 56,369 cattle tested. The DSA has expanded in 2011, 2012, and 2014 because of new information about the distribution of brucellosis positive elk. It includes parts of Park, Gallatin, Madison, and Beaverhead counties for an area of 7,106 sq. miles. The DSA and associated testing allows the majority of Montana cattle to ship interstate without additional brucellosis testing requirements.

**LFD
COMMENT**

As of this writing an investigation of a new brucellosis discovery was underway. The committee may want an update on the issues.