

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	20.50	20.50	22.50	22.50	20.50	22.50	2.00	9.76 %
Personal Services	943,234	1,036,010	1,182,177	1,182,590	1,979,244	2,364,767	385,523	19.48 %
Operating Expenses	292,743	317,777	385,032	386,765	610,520	771,797	161,277	26.42 %
Total Costs	\$1,235,977	\$1,353,787	\$1,567,209	\$1,569,355	\$2,589,764	\$3,136,564	\$546,800	21.11 %
General Fund	618,126	671,241	825,735	826,805	1,289,367	1,652,540	363,173	28.17 %
State/Other Special Rev. Funds	5,718	5,717	5,718	5,718	11,435	11,436	1	0.01 %
Federal Spec. Rev. Funds	612,133	676,829	735,756	736,832	1,288,962	1,472,588	183,626	14.25 %
Total Funds	\$1,235,977	\$1,353,787	\$1,567,209	\$1,569,355	\$2,589,764	\$3,136,564	\$546,800	21.11 %

Program Description

The Meat and Poultry Inspection program was established in 1987 by the Montana Meat and Poultry Inspection Act. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture and the Food Safety Inspection Service to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Program Highlights

Meat and Poultry Inspection Major Budget Highlights
<p>The program intends to increase the budget above the prior biennium due to:</p> <ul style="list-style-type: none"> • Statewide present law adjustments • Three new proposals <ul style="list-style-type: none"> ◦ One FTE to help manage new plants ◦ One leased vehicle ◦ One FTE compliance specialist • Inspection training- 50% general fund 50% federal funds • Meat inspection indirect costs \$180,000 general fund

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
10 MEAT/POULTRY INSPECTION	1,306,193	47,594				1,353,787
Personal Services	997,885	38,125				1,036,010
Operating Expenses	308,308	9,469				317,777

The difference between the legislatively appropriated base and the executive implementation is due one-time-only appropriations for meat inspection and meat inspection supplies.

Comparison of the 2014 Actual Expenditures to FY 2015 Legislative Appropriations

Actual FY 2014 expenditures of \$1,235,977 were \$70,216 below the FY 2015 legislative appropriation of \$1,306,193.

Funding

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

Department of Livestock, 10-Meat & Poultry Inspection Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,652,540	0	0	1,652,540	52.69 %	
02427 Animal Health	11,436	0	0	11,436	100.00 %	
State Special Total	\$11,436	\$0	\$0	\$11,436	0.36 %	
03209 Meat/Poultry Inspection Sp Rev	1,472,588	0	0	1,472,588	100.00 %	
Federal Special Total	\$1,472,588	\$0	\$0	\$1,472,588	46.95 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$3,136,564	\$0	\$0	\$3,136,564		

This program is primarily funded with general and federal special revenue funds. The general fund makes up 52.7% of the funding while the meat/poultry inspection federal revenue fund makes up 46.9%. The small remaining funding comes from the animal health state special revenue fund.

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	647,444	647,444	1,294,888	78.36 %	1,306,193	1,306,193	2,612,386	83.29 %
PL Adjustments	124,672	125,775	250,447	15.16 %	153,766	155,976	309,742	9.88 %
New Proposals	53,619	53,586	107,205	6.49 %	107,250	107,186	214,436	6.84 %
Total Budget	\$825,735	\$826,805	\$1,652,540		\$1,567,209	\$1,569,355	\$3,136,564	

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	70,568	1	16,468	87,037	0.00	70,700	1	16,976	87,677
DP 99 - LEG. Present Law	0.00	54,104	0	12,625	66,729	0.00	55,075	0	13,224	68,299
Grand Total All Present Law Adjustments	0.00	\$124,672	\$1	\$29,093	\$153,766	0.00	\$125,775	\$1	\$30,200	\$155,976

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					
CP 98 PSPL Item	FY 2016				
	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	20.50	\$4,982	\$0	\$4,982	\$9,963
Executive Implementation of 2015 Pay Increase		8,614	-	8,614	17,228
Fully Fund 2015 Legislatively Authorized FTE		7,645	-	10,736	18,381
Other		49,328	1	(7,863)	41,465
Personal Services Present Law Adjustments	20.50	\$70,568	\$1	\$16,468	\$87,037
CP 98 PSPL Item	FY 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	20.50	\$4,982	\$0	\$4,982	\$9,963
Executive Implementation of 2015 Pay Increase		8,614	-	8,614	17,228
Fully Fund 2015 Legislatively Authorized FTE		7,645	-	10,736	18,381
Other		49,460	1	(7,355)	42,105
Personal Services Present Law Adjustments	20.50	\$70,700	\$1	\$16,976	\$87,677

The executive proposes to increase support to personal services by 18.5% in FY 2016 and 18.5% in FY 2017 in comparison to the FY 2015 legislatively appropriated budget of \$997,885. Health insurance, the HB 13 pay raises and funding authorized FTE account for approximately 52% of the adjustments. Pay raises due to longevity are primarily responsible for the remaining personal services adjustments.

DP 99 - LEG. Present Law -

LGPL adjustments are primarily due to the state restoring the funding requirement associated with the Federal Meat Inspection Act which requires that the state contribute funds equal to the amount of federal funds allocated to the program.

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 1001003 - Meat Inspection - New Plants	1.00	22,931	0	22,931	45,862	1.00	22,903	0	22,905	45,808
DP 1001004 - Meat Inspection Leased Vehicle	0.00	4,449	0	4,448	8,897	0.00	4,506	0	4,505	9,011
DP 1001010 - Meat and Poultry Compliance	1.00	26,239	0	26,252	52,491	1.00	26,177	0	26,190	52,367
Total	2.00	\$53,619	\$0	\$53,631	\$107,250	2.00	\$53,586	\$0	\$53,600	\$107,186

DP 1001010 - Meat and Poultry Compliance -

Currently the Meat and Poultry Inspection program has only a part-time compliance officer. Because of additional plants, a large state to cover, and increased workload, a full time compliance specialist is essential to meet the demands of the Food Safety Inspection Service (FSIS) federal cooperative agreement with Montana. The FSIS cooperative agreement funding is required as a 50% federal and 50% general fund match. This budget request is for \$52,491 in FY 2016 and \$52,367 in general fund and federal special revenue for 1.00 FTE compliance specialist.

LFD ISSUE	The 2013 Legislature funded one FTE with general fund and federal funds for a meat inspector for new plants.
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DP 1001003 - Meat Inspection - New Plants -

The budget request includes \$45,862 in FY 2016 and \$45,808 in FY 2017 of general fund and federal special revenue to fund an additional meat inspector for new plants requesting required services to operate. This proposal would add 1.00 FTE meat inspector in the 2017 biennium funded with 50% general fund and 50% federal funds in accordance with the Food and Safety Inspection Service (FSIS) cooperative agreement.

LFD ISSUE	<p>The 2013 Legislature funded one FTE with general fund and federal funds. At that time there were six new plants that requested to begin operations.</p> <ul style="list-style-type: none"> • The legislature may want to ask how many of those plants have begun operation and how the previous appropriation assisted with compliance activities.
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DP 1001004 - Meat Inspection Leased Vehicle -

The budget includes \$8,897 in FY 2016 and \$9,011 in FY 2017 in general fund and federal special revenue for an additional leased vehicle for meat inspection work at plants and other facilities. This is a large utility vehicle leased from the state motor pool. It is funded 50% general fund and 50% federal funds in accordance with the FSIS cooperative agreement requirements.

**LFD
COMMENT**

The 2013 Legislature and prior legislatures approved funding to replace vehicles with leased vehicles from the DOT motor pool. The legislature may request the department to verify this replacement request based on the FY 2015 legislative budget rather than the FY 2014 base.