

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	15.00	15.00	15.00	15.00	15.00	15.00	0.00	0.00 %
Personal Services	1,129,275	1,179,639	1,276,687	1,276,578	2,308,914	2,553,265	244,351	10.58 %
Operating Expenses	167,779	140,096	213,932	169,353	307,875	383,285	75,410	24.49 %
Equipment & Intangible Assets	0	0	0	0	0	0	0	0.00 %
Total Costs	\$1,297,054	\$1,319,735	\$1,490,619	\$1,445,931	\$2,616,789	\$2,936,550	\$319,761	12.22 %
General Fund	134,542	112,957	153,419	108,890	247,499	262,309	14,810	5.98 %
State/Other Special Rev. Funds	862,862	895,391	1,103,122	1,103,121	1,758,253	2,206,243	447,990	25.48 %
Federal Spec. Rev. Funds	156,694	162,460	105,789	105,639	319,154	211,428	(107,726)	(33.75)%
Proprietary Funds	142,956	148,927	128,289	128,281	291,883	256,570	(35,313)	(12.10)%
Total Funds	\$1,297,054	\$1,319,735	\$1,490,619	\$1,445,931	\$2,616,789	\$2,936,550	\$319,761	12.22 %

Program Description

The Central Services Division provides support services essential to the effective operation of the department, including financial, human resource, information technology, public information, legal, and administrative support activities. Included in this division is the Director's Office, which provides overall guidance and policy development for the department as well as coordination with the agricultural industry and other branches of government.

Program Highlights

Centralized Services Division Major Budget Highlights

- The proposed budget is due to annualization of the 2015 biennium pay plan, full funding of positions, and fixed cost adjustments

Program Discussion -

Comparison of FY 2015 Legislative Base to FY 2015 Appropriation

There is no difference between the FY 2015 legislative base and the FY 2015 appropriation; various house adjustments moved money between funds but did not impact the program's overall appropriation.

Comparison of FY 2014 Actual Expenditures to FY 2015 Legislative Appropriations

Actual FY 2014 expenditures are \$22,681 below the FY 2015 legislative appropriation. The primary reason for the difference is lower personal services costs.

Funding

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

Department of Agriculture, 15-Centralized Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	262,309	0	0	262,309	8.77 %
02040 Wheat & Barley Research & Mktg	246,058	0	0	246,058	10.89 %
02066 Agriculture In MT Schools Act.	0	0	0	0	0.00 %
02068 Noxious Weed Admin Account	105,224	0	0	105,224	4.66 %
02071 Anhydrous Ammonia Account	5,016	0	0	5,016	0.22 %
02093 ALFALFA LEAF CUTTING BEE	1,744	0	0	1,744	0.08 %
02178 Cherry Check-off	0	0	486	486	0.02 %
02192 Pesticide Groundwater Account	338,350	0	0	338,350	14.97 %
02193 Pesticide Account	412,012	0	0	412,012	18.23 %
02198 Fert. Groundwater Account	14,346	0	0	14,346	0.63 %
02205 PULSE CROP RESEARCH & MRKTG	0	0	47,969	47,969	2.12 %
02264 Organic Certification	108,602	0	0	108,602	4.81 %
02265 FSI Produce	105,300	0	0	105,300	4.66 %
02266 Commodity Dealer/Warehouse	15,740	0	0	15,740	0.70 %
02267 Nursery Account	99,098	0	0	99,098	4.39 %
02268 Produce Account	128,540	0	0	128,540	5.69 %
02269 Seed Account	30,882	0	0	30,882	1.37 %
02340 Coal Sev. Tax Shared SSR	37,909	0	0	37,909	1.68 %
02341 Weed Seed Free Forage Account	18,066	0	0	18,066	0.80 %
02452 Commercial Fertilizer	111,666	0	0	111,666	4.94 %
02453 Grain Services	206,406	0	0	206,406	9.13 %
02454 Commercial Feed	203,208	0	0	203,208	8.99 %
02792 Apiary Account	18,076	0	0	18,076	0.80 %
02793 Potato Research & Marketing	0	0	4,952	4,952	0.22 %
State Special Total	\$2,206,243	\$0	\$53,407	\$2,259,650	75.57 %
03120 Agriculture CMD Federal	211,428	0	0	211,428	100.00 %
Federal Special Total	\$211,428	\$0	\$0	\$211,428	7.07 %
06052 Hail Insurance	256,570	0	0	256,570	100.00 %
Proprietary Total	\$256,570	\$0	\$0	\$256,570	8.58 %
Total All Funds	\$2,936,550	\$0	\$53,407	\$2,989,957	

The Central Services Division (CSD) is funded based on the expenditures of the two divisions of the agency and their funding sources. A portion of the funding is an indirect cost reimbursement from federal grants administered by the agency. The division also uses an administrative assessment charged to the state special and proprietary revenue accounts used by the divisions that are supported by CSD activities. General fund is used to account for any difference between the assessed amount and the budgeted expenditures for the CSD and for the costs associated with the legislative audit.

The division is funded primarily with state special revenue, with general fund accounting for approximately 7.6% of the base budget. Major state special revenue, federal, and proprietary funds are:

- Wheat and Barley Research and Marketing Account
- Pesticide Groundwater Account
- Pesticide Account
- Agricultural CMD Fund (federal)
- Hail Insurance Fund (proprietary)

LFD COMMENT

Legislative Audit Costs Are Not Funded from All Sources Available

The legislative audit costs for this division are funded solely with general fund even though general fund provides 7.7% of the total funding for the division. Other state agencies with multiple funding sources allocate audit costs to all funds. According to statute (17-2-108, MCA), appropriated non-general fund should be expended before general fund.

The total budgeted legislative audit costs for the 2014 biennium are \$44,529. Allocating the budgeted costs of the agency's legislative audit in accord with its total funding distribution would result in a \$41,100 reduction in general fund.

The legislature may want to direct staff to fund the legislative audit in accord with the total funding for the program – 8.54% from general fund and 91.46% from other sources.

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	112,957	112,957	225,914	86.13 %	1,319,735	1,319,735	2,639,470	89.88 %
PL Adjustments	40,462	(4,067)	36,395	13.87 %	170,884	126,196	297,080	10.12 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$153,419	\$108,890	\$262,309		\$1,490,619	\$1,445,931	\$2,936,550	

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.

	-----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	(3,124)	159,550	(43,527) 112,899	0.00	(3,124)	159,570	(43,648) 112,798
DP 99 - LEG. Present Law	0.00	43,586	48,181	(13,144) 78,623	0.00	(943)	48,160	(13,173) 34,044
Grand Total All Present Law Adjustments	0.00	\$40,462	\$207,731	(\$56,671) \$191,522	0.00	(\$4,067)	\$207,730	(\$56,821) \$146,842

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					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	15.00	\$347	\$10,297	(\$2,545)	\$8,099
Executive Implementation of 2015 Pay Increase		1,065	31,556	(7,799)	24,821
Fully Fund 2015 Legislatively Authorized FTE		-	-	-	-
Other		(4,536)	117,697	(33,183)	79,979
Personal Services Present Law Adjustments	15.00	(\$3,124)	\$159,550	(\$43,527)	\$112,899
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	15.00	\$347	\$10,297	(\$2,545)	\$8,099
Executive Implementation of 2015 Pay Increase		1,065	31,585	(7,828)	24,823
Fully Fund 2015 Legislatively Authorized FTE	-	-	-	-	-
Other		(4,537)	117,688	(33,275)	79,876
Personal Services Present Law Adjustments	15.00	(\$3,124)	\$159,570	(\$43,648)	\$112,798

The executive proposes to decrease general fund but increase state special revenue funding to support an overall increase in personal services when compared to the FY2015 legislative appropriations. As shown in the table 29% of the increase in FY 2016 and FY 2017 result from the state share of the health insurance and costs associated with HB13 of the 2013 legislature. Longevity increases make up the majority of the remainder of the increase.

DP 99 - LEG. Present Law -

As shown the present law adjustment table, overall the executive proposes increases when compared to the FY 2015 budget. The increase in general fund in FY 2016 is entirely composed of legislative audit costs. The other cost drivers include fixed costs and inflation/deflationary rates.