

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	38.75	38.75	38.22	38.22	38.75	38.22	(0.53)	(1.37)%
Personal Services	1,728,844	1,925,241	2,120,049	2,126,179	3,654,085	4,246,228	592,143	16.20 %
Operating Expenses	1,528,828	2,495,054	2,581,547	2,586,189	4,023,882	5,167,736	1,143,854	28.43 %
Equipment & Intangible Assets	73,280	24,877	24,877	24,877	98,157	49,754	(48,403)	(49.31)%
Grants	3,173,636	2,565,028	2,491,345	2,485,256	5,738,664	4,976,601	(762,063)	(13.28)%
Transfers	244,899	219,883	217,232	217,232	464,782	434,464	(30,318)	(6.52)%
<b>Total Costs</b>	<b>\$6,749,487</b>	<b>\$7,230,083</b>	<b>\$7,435,050</b>	<b>\$7,439,733</b>	<b>\$13,979,570</b>	<b>\$14,874,783</b>	<b>\$895,213</b>	<b>6.40 %</b>
General Fund	546,181	572,306	573,938	574,503	1,118,487	1,148,441	29,954	2.68 %
State/Other Special Rev. Funds	5,797,393	6,156,987	6,287,440	6,291,390	11,954,380	12,578,830	624,450	5.22 %
Federal Spec. Rev. Funds	37,253	40,000	74,903	74,924	77,253	149,827	72,574	93.94 %
Proprietary Funds	368,660	460,790	498,769	498,916	829,450	997,685	168,235	20.28 %
<b>Total Funds</b>	<b>\$6,749,487</b>	<b>\$7,230,083</b>	<b>\$7,435,050</b>	<b>\$7,439,733</b>	<b>\$13,979,570</b>	<b>\$14,874,783</b>	<b>\$895,213</b>	<b>6.40 %</b>

**Program Description**

The Agricultural Development Division (ADD) administers programs to promote Montana agriculture. The division is comprised of the following bureaus:

- Wheat and Barley
- Agriculture Development and Marketing
- The State Grain Laboratory

ADD also provides support to the Agricultural Development Council, the Montana Wheat & Barley Committee, Alfalfa Seed Committee, Montana Pulse Advisory Committee, Montana Potato Advisory Committee, and Cherry Advisory Committee.

**Program Highlights**

<b>Agricultural Development Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• When compared to 2015 biennium appropriations, the program budget grew by 4.4% or \$624,313</li> <li>• The primary drivers of this increase were:                             <ul style="list-style-type: none"> <li>◦ Transfer of hail insurance administration to the department from the department of revenue</li> <li>◦ Various operating adjustments</li> </ul> </li> </ul>

**Funding**

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

Department of Agriculture, 50-Agricultural Development Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,148,441	0	1,380,000	2,528,441	7.55 %
02040 Wheat & Barley Research & Mktg	9,237,365	0	0	9,237,365	62.80 %
02066 Agriculture In MT Schools Act.	96,300	0	0	96,300	0.65 %
02132 GTA Seed Capital Account	0	0	284,584	284,584	1.93 %
02178 Cherry Check-off	0	0	48,204	48,204	0.33 %
02205 PULSE CROP RESEARCH & MRKTG	0	0	1,689,870	1,689,870	11.49 %
02340 Coal Sev. Tax Shared SSR	828,114	0	0	828,114	5.63 %
02453 Grain Services	2,113,599	0	0	2,113,599	14.37 %
02461 Alfalfa Seed Assessment	77,952	0	0	77,952	0.53 %
02557 Research & Commercialization	210,000	0	0	210,000	1.43 %
02582 Certified Natural Beef	15,500	0	0	15,500	0.11 %
02782 Reverted Weed Grant Fund	0	0	0	0	0.00 %
02793 Potato Research & Marketing	0	0	108,624	108,624	0.74 %
<b>State Special Total</b>	<b>\$12,578,830</b>	<b>\$0</b>	<b>\$2,131,282</b>	<b>\$14,710,112</b>	<b>43.95 %</b>
03225 Agriculture ADD Federal	149,827	0	0	149,827	100.00 %
<b>Federal Special Total</b>	<b>\$149,827</b>	<b>\$0</b>	<b>\$0</b>	<b>\$149,827</b>	<b>0.45 %</b>
06016 Beginning Farm Loans	0	116,400	0	116,400	0.72 %
06052 Hail Insurance	997,685	0	14,966,414	15,964,099	99.28 %
<b>Proprietary Total</b>	<b>\$997,685</b>	<b>\$116,400</b>	<b>\$14,966,414</b>	<b>\$16,080,499</b>	<b>48.05 %</b>
<b>Total All Funds</b>	<b>\$14,874,783</b>	<b>\$116,400</b>	<b>\$18,477,696</b>	<b>\$33,468,879</b>	

The Agricultural Sciences Division is funded with general fund, state special revenue, and federal special revenue. General fund supports division administration, agricultural marketing, agricultural statistics functions, and the state grain lab. However, the funding for the Agricultural Development Division is dominated by state special revenue (SSR) including the wheat and barley research and marketing, coal severance tax collections, grain testing fees, alfalfa seed assessments, income tax check offs for Agriculture in Montana Schools, and interest earnings from invested fund balances in various accounts. Federal special revenue is from federal grants used to develop agriculture markets, marketing projects, and related operating costs.

**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	572,306	572,306	1,144,612	99.67 %	7,110,083	7,110,083	14,220,166	95.60 %
PL Adjustments	1,632	2,197	3,829	0.33 %	277,938	288,720	566,658	3.81 %
New Proposals	0	0	0	0.00 %	47,029	40,930	87,959	0.59 %
<b>Total Budget</b>	<b>\$573,938</b>	<b>\$574,503</b>	<b>\$1,148,441</b>		<b>\$7,435,050</b>	<b>\$7,439,733</b>	<b>\$14,874,783</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	(3,079)	12,608	5,940	18,575	0.00	(3,079)	12,608	5,940	18,575
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	80,509	0	90,761	0.00	0	80,509	0	90,761
DP 525 - Fixed Cost Adjustment	0.00	5,740	60,702	251	71,315	0.00	5,635	59,595	246	70,013
DP 527 - Inflation/Deflation Adjustment	0.00	(1,080)	(11,424)	(47)	(13,421)	0.00	(895)	(9,463)	(39)	(11,117)
DP 529 - Longevity and Other Adjustments	0.00	158	1,675	7	1,968	0.00	645	6,816	28	8,008
DP 550 - Motor Pool Rate Adjustment	0.00	(107)	(87)	(11)	(252)	0.00	(109)	(88)	(10)	(254)
DP 570 - Additional Personal Services Adjustments	0.00	0	111,704	(237)	83,504	0.00	0	112,097	(241)	83,594
DP 580 - Additional Operating Adjustments	0.00	0	(90,000)	44,000	(46,000)	0.00	0	(90,000)	44,000	(46,000)
DP 999901 - Coal Shared Account Adjustment	0.00	0	0	0	0	0.00	0	3,652	0	3,652
DP 5000444 - Statewide 4% FTE Reduction - Program 50	(0.53)	0	0	0	0	(0.53)	0	0	0	0
DP 5005004 - Program 50 Fees Amended by Rule	0.00	0	11,100	0	11,100	0.00	0	11,100	0	11,100
DP 5005005 - Hail Insurance Program Administration	0.00	0	0	0	60,388	0.00	0	0	0	60,388
<b>Grand Total All Present Law Adjustments</b>	<b>(0.53)</b>	<b>\$1,632</b>	<b>\$176,787</b>	<b>\$49,903</b>	<b>\$277,938</b>	<b>(0.53)</b>	<b>\$2,197</b>	<b>\$186,826</b>	<b>\$49,924</b>	<b>\$288,720</b>

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Additional Personal Services Adjustments -

The legislature adopted all other personal service cost adjustments, except the annualization of the 2015 biennium pay plan.

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 999901 - Coal Shared Account Adjustment -

The legislature increased appropriations for the coal tax shared account based on revised revenue estimates.

DP 5000444 - Statewide 4% FTE Reduction - Program 50 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

DP 5005004 - Program 50 Fees Amended by Rule -

The legislature authorized additional appropriations to allow the department to use revenue associated with fee changes.

DP 5005005 - Hail Insurance Program Administration -

The legislature appropriated proprietary funding for the department to administer the Hail Insurance Program. As a result of the 2013 legislative session's SB 162, the Department of Revenue transferred administrative duties of the Hail Insurance Program to the Department of Agriculture.

**New Proposals**

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

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 5005002 - Agriculture Literacy Program	0.00	0	30,000	0	18,363	0.00	0	30,000	0	18,353
DP 5005011 - ADD Coal Severance Tax Reduction	0.00	0	(76,334)	0	(76,334)	0.00	0	(82,423)	0	(82,423)
DP 6201002 - Food and Ag Development Centers (RST/OTO)	0.00	0	105,000	0	105,000	0.00	0	105,000	0	105,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$58,666</b>	<b>\$0</b>	<b>\$47,029</b>	<b>0.00</b>	<b>\$0</b>	<b>\$52,577</b>	<b>\$0</b>	<b>\$40,930</b>

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5005002 - Agriculture Literacy Program -

The legislature authorized funds to support an agricultural literacy instructional coordinator.

DP 5005011 - ADD Coal Severance Tax Reduction -

The legislature reduced state special revenue authority to match the declining revenue projection of the coal severance tax shared fund.

DP 6201002 - Food and Ag Development Centers (RST/OTO) -

The legislature appropriated funds from the Research and Commercialization state special revenue account to support the Food and Ag Development Centers in Joliet, Havre, Butte, and Ronan.