Program Budget Comparison

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

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	21.76	21.76	21.76	21.76	21.76	21.76	0.00	0.00%
Personal Services	1,147,130	1,178,036	1,196,492	1,198,472	2,325,166	2,394,964	69,798	3.00%
Operating Expenses	793,588	751,342	733,166	731,226	1,544,930	1,464,392	(80,538)	(5.21%)
Equipment & Intangible Assets	0	5,258	0	0	5,258	0	(5,258)	(100.00%)
Debt Service	24,842	25,000	24,842	24,842	49,842	49,684	(158)	(0.32%)
Total Costs	**$1,965,560**	**$1,959,636**	**$1,954,500**	**$1,954,540**	**$3,925,196**	**$3,909,040**	**($16,156)**	**(0.41%)**
General Fund	302,657	303,837	289,824	289,284	606,494	579,108	(27,386)	(4.52%)
State Special	1,662,903	1,655,799	1,664,676	1,665,256	3,318,702	3,329,932	11,230	0.34%
Federal Special	0	0	0	0	0	0	0	n/a
Total Funds	**$1,965,560**	**$1,959,636**	**$1,954,500**	**$1,954,540**	**$3,925,196**	**$3,909,040**	**($16,156)**	**(0.41%)**

Program Description

The Diagnostic Laboratory provides livestock 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
♦ The Governor's proposed budget decreases by 0.41% from the previous biennium due to statewide present law adjustments, offset by a $55,000 operations reduction.
Major LFD Issues
♦ The animal health fund is not structurally balanced ♦ Lab fees have not been increased since December 2007 despite rising costs

Funding

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Department Of Livestock Funding by Source of Authority 2015 Biennium Budget - Diagnostic Laboratory Program							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriatio	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	$579,108	$0	$0	$579,108	14.8%		
State Special Total	$3,329,932	$0	$0	$3,329,932	85.2%		
02426 Lvstk Per Capita	$1,278,613	$0	$0	$1,278,613	32.7%		
02427 Animal Health	$2,051,319	$0	$0	$2,051,319	52.5%		
Total All Funds	$3,909,040	$0	$0	$3,909,040	100.0%		
Percent - Total All Sources	**100.0%**	**0.0%**	**0.0%**				

The Diagnostic Laboratory (lab) is supported with general fund, animal health fees, and per capita fees. The Diagnostic Laboratory (lab) is located on the Montana State University campus in Bozeman. The lab provides fee for-service testing to veterinarians, livestock producers, and public health and wildlife agencies. The legislature determined in previous sessions that a portion of the laboratory provided services in the general public interest, and began supplementing the lab fees with general fund to support those functions. In addition, the livestock per capita fee also supplements laboratory testing income.

The following shows the allocation of total funding since FY 2008, with appropriated FY 2013 and proposed 2015 biennium funding.

Diagnostic Laboratory Funding Selected FY 2008 through 2015 Biennium							
State Fiscal Year	Total Funds	General Fund	% of Total	Animal Health	% of Total	Livestock Per Capita	% of Total
Actual 2008*	$1,664,732	$446,155	26.8%	$1,153,069	69.3%	$55,457	3.3%
Actual 2010	1,699,890	410,574	24.2%	1,070,215	63.0%	219,101	12.9%
Actual 2012	1,965,560	302,657	15.4%	1,118,210	56.9%	544,693	27.7%
Proposed 2014	1,954,500	289,824	14.8%	974,975	49.9%	689,701	35.3%
Proposed 2015	1,954,540	289,284	14.8%	1,076,344	55.1%	588,912	30.1%
*Total includes $10,051 of federal funds							

As shown, per capita fee support for this function increased between FY 2008 and FY 2012. For the 2015 biennium, the executive is requesting a further funding shift by increasing per capita fee authority and decreasing animal health and general fund authority (with a partial reversal in FY 2015). The legislature may wish to consider the impact of the proposed budget as well as evaluate other options.

Detailed information on funding impacts can be found in the summary.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	302,657	302,657	605,314	104.53%	1,965,560	1,965,560	3,931,120	100.56%
Statewide PL Adjustments	(12,833)	(13,373)	(26,206)	(4.53%)	33,632	36,466	70,098	1.79%
Other PL Adjustments	0	0	0	0.00%	6,808	7,514	14,322	0.37%
New Proposals	0	0	0	0.00%	(51,500)	(55,000)	(106,500)	(2.72%)
Total Budget	**$289,824**	**$289,284**	**$579,108**		**$1,954,500**	**$1,954,540**	**$3,909,040**	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					99,217					101,278
Vacancy Savings					(49,855)					(49,936)
Inflation/Deflation					(4,313)					(3,720)
Fixed Costs					(11,417)					(11,156)
Total Statewide Present Law Adjustments		**($12,833)**	**$46,465**	**$0**	**$33,632**		**($13,373)**	**$49,839**	**$0**	**$36,466**
DP 302 - Milk Lab Incubator (OTO)	0.00	0	2,000	0	2,000	0.00	0	0	0	0
DP 304 - Lab Recharges to MSU	0.00	0	4,808	0	4,808	0.00	0	7,514	0	7,514
Total Other Present Law Adjustments	**0.00**	**$0**	**$6,808**	**$0**	**$6,808**	**0.00**	**$0**	**$7,514**	**$0**	**$7,514**
Grand Total All Present Law Adjustments	**0.00**	**($12,833)**	**$53,273**	**$0**	**$40,440**	**0.00**	**($13,373)**	**$57,353**	**$0**	**$43,980**

DP 302 - Milk Lab Incubator (OTO) - The executive is requesting to replace a 20 year old incubator in the milk lab from state special revenue funds.

DP 307 - Lab Recharges to MSU - The executive is requesting an increase to the base in the 2015 biennium. MSU charges the lab for facility services. Lab recharges are assessed by MSU for facility services based upon square footage. Recharges for the Diagnostic Lab are scheduled to increase. (See previous page for explanation of charges.)

New Proposals

New Proposals	Fiscal 2014						Fiscal 2015				
Program		FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 301 - Operational Reduction and Fund Switch											
	03	0.00	0	(55,000)	0	(55,000)	0.00	0	(55,000)	0	(55,000)
DP 303 - PCR Shaker and Micro Centrifuge (OTO)											
	03	0.00	0	3,500	0	3,500	0.00	0	0	0	0
Total		**0.00**	**$0**	**($51,500)**	**$0**	**($51,500)**	**0.00**	**$0**	**($55,000)**	**$0**	**($55,000)**

DP 301 - Operational Reduction and Fund Switch – The executive proposes to remove $55,000 of per capita fee state special revenue funding and operational expenditures each year of the 2015 biennium. In addition, animal health state special revenue funding is replaced with per capita fee state special revenue in FY 2014 in order to balance the department's expenditures with available funding.

DP 305 - PCR Shaker and micro centrifuge - The executive requests OTO state special revenue to replace the PCR (Polymerase Chain Reaction) machine, a molecular biological test of DNA, that producers use to identify specific animal diseases in a timely manner. The testing procedure generates significant revenue for the department.