

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	134.71	2.32	1.75	138.78	2.32	0.00	137.03	137.03
Personal Services	4,847,510	291,656	43,154	5,182,320	322,203	0	5,169,713	10,352,033
Operating Expenses	2,023,279	795,470	208,255	3,027,004	711,645	221,788	2,956,712	5,983,716
Equipment	345,954	91,887	10,000	447,841	66,337	10,000	422,291	870,132
Benefits & Claims	4,150	0	0	4,150	0	0	4,150	8,300
Total Costs	\$7,220,893	\$1,179,013	\$261,409	\$8,661,315	\$1,100,185	\$231,788	\$8,552,866	\$17,214,181
General Fund	532,277	61,925	62,380	656,582	66,908	62,380	661,565	1,318,147
State/Other Special	6,241,457	276,846	223,513	6,741,816	225,550	178,262	6,645,269	13,387,085
Federal Special	447,159	840,242	(24,484)	1,262,917	807,727	(8,854)	1,246,032	2,508,949
Total Funds	\$7,220,893	\$1,179,013	\$261,409	\$8,661,315	\$1,100,185	\$231,788	\$8,552,866	\$17,214,181

Agency Description

The Department of Livestock is responsible for controlling and eradicating animal diseases, preventing the transmission of animal diseases to humans, protecting the livestock industry from theft and predatory animals, and regulating the milk industry relative to producer pricing. The department, which is provided for in 2-15-3101, MCA, consists of the Board of Livestock and its appointed executive officer; the Livestock Crimestoppers' Commission; and the Beef Research and Marketing Committee. The department is organized into five divisions: Animal Health, Centralized Services, Brand-Enforcement, Diagnostic Laboratory, and Meat, Milk, and Egg Inspection. The Board of Livestock, which is the statutory head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

Agency Discussion

The Department of Livestock is funded with a mixture of general fund and state and federal special revenue. The 2003 biennium budget request sees most programs continuing current operations and contains issues the legislature has seen in previous biennia. Major proposals and significant changes addressed in the 2003 biennium request include:

- 1) increased federal funding within the Animal Health Division to perform bison control operations; and
- 2) increased state and federal special revenue authority within the Centralized Services Division to implement a Laboratory Information Management System at the department's diagnostic laboratory in Bozeman.

More information on these proposals can be found in the appropriate program narratives that follow.

Funding Issues

Table 1 shows a fund balance analysis of two of the main accounts in the department. As shown in the table, the executive is proposing expenditures that exceed the ongoing revenue into the accounts.

In the Inspection and Control Account, the executive's proposal would put the account into a negative status during the 2003 biennium (This negative status is driven by an incorrect base funding adjustment in the Predator Control Program. Further information on the funding adjustment can be found in the narrative for the Predator Control Program.) Revenues deposited to the Inspection and Control Account include brand inspection and license fees. The account supports activities within the Inspection and Control Division.

In the Livestock Per Capita Account, although the fund balance remains at a level that would not require fee increases in this biennium, the account would go into a negative status during the 2005 biennium. The Livestock Per Capita Account receives revenue from a tax on livestock ownership, the percentage of which is set by the Board of Livestock. The account supports programs including the Board of Livestock, Centralized Services Division, Diagnostic Laboratory, Animal Health, Game Farm, Inspection & Control, and Predator Control.

For the 2003 biennium, the Executive Budget includes proposals to replace \$110,000 from the Inspection and Control Account with \$110,000 from the Livestock Per Capita Account. This switch would bring the Inspection and Control Account into a positive status, although both accounts would retain a minimal fund balance.

For the 2005 biennium, the following options will be available: 1) reducing expenditures or functions funded from the Livestock Per Capita Account, or 2) increasing fees to increase revenue into the account. The legislature may wish to provide input to the department as to the desire and necessity of future fee increases. The legislature may also wish to consider the short- and long-term status of the accounts when considering decision packages, particularly new proposals that expend funds from either account.

For further discussion of the proposed expenditures from each of the accounts, please see the relevant program narratives that follow.

Fund	Fiscal 2001	Fiscal 2002	Fiscal 2003
Inspection and Control AE 02425			
Beg. Fund Balance	(\$142,595)	\$150,148	\$37,466
Revenues	1,860,926	2,009,926	1,880,926
Expenditures	(1,568,183)	(2,122,608)	(2,122,138)
Ending Fund Balance	<u>\$150,148</u>	<u>\$37,466</u>	<u>(\$203,746)</u>
Livestock Per Capita AE 02426			
Beg. Fund Balance	\$2,232,238	\$1,299,005	\$705,174
Revenues	3,159,000	3,171,000	3,171,000
Expenditures	(4,092,233)	(3,764,831)	(3,655,640)
Ending Fund Balance	<u>\$1,299,005</u>	<u>\$705,174</u>	<u>\$220,534</u>

Biennium Budget Comparison	Present Law Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	Present Law Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Biennium Fiscal 00-01	Total Exec. Budget Fiscal 02-03
Budget Item								
FTE	137.03	1.75	138.78	137.03	0.00	137.03	0.00	137.03
Personal Services	5,139,166	43,154	5,182,320	5,169,713	0	5,169,713	9,806,728	10,352,033
Operating Expenses	2,818,749	208,255	3,027,004	2,734,924	221,788	2,956,712	4,180,877	5,983,716
Equipment	437,841	10,000	447,841	412,291	10,000	422,291	683,098	870,132
Benefits & Claims	4,150	0	4,150	4,150	0	4,150	4,150	8,300
Total Costs	\$8,399,906	\$261,409	\$8,661,315	\$8,321,078	\$231,788	\$8,552,866	\$14,674,853	\$17,214,181
General Fund	594,202	62,380	656,582	599,185	62,380	661,565	1,216,622	1,318,147
State/Other Special	6,518,303	223,513	6,741,816	6,467,007	178,262	6,645,269	12,520,958	13,387,085
Federal Special	1,287,401	(24,484)	1,262,917	1,254,886	(8,854)	1,246,032	937,273	2,508,949
Total Funds	\$8,399,906	\$261,409	\$8,661,315	\$8,321,078	\$231,788	\$8,552,866	\$14,674,853	\$17,214,181

New Proposals

The table below summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Prgm	FTE	Fiscal 2002				Fiscal 2003				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Brucellosis/Other Disease Outbreak 04	0.00	0	177,823	0	177,823	0.00	0	177,823	0	177,823
DP 4 - Office Space 01	0.00	0	6,557	0	6,557	0.00	0	6,960	0	6,960
DP 4 - Re-record Brands 06	1.75	0	45,654	0	45,654	0.00	0	0	0	0
DP 5 - Greater Yellowstone Interagency BC 04	0.00	0	0	40,070	40,070	0.00	0	0	55,700	55,700
DP 9 - Funding Change - General Fund 01	0.00	62,380	0	(62,380)	0	0.00	62,380	0	(62,380)	0
DP 20 - Lab Information System Travel Cut 01	0.00	0	(6,521)	(2,174)	(8,695)	0.00	0	(6,521)	(2,174)	(8,695)
Total	1.75	\$62,380	\$223,513	(\$24,484)	\$261,409	0.00	\$62,380	\$178,262	(\$8,854)	\$231,788

Program Proposed Budget									
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03	
FTE	13.00	2.00	0.00	15.00	2.00	0.00	15.00	15.00	
Personal Services	521,497	98,001	0	619,498	103,276	0	624,773	1,244,271	
Operating Expenses	355,838	213,663	(2,138)	567,363	111,087	(1,735)	465,190	1,032,553	
Equipment	96,723	41,649	0	138,372	(1,451)	0	95,272	233,644	
Total Costs	\$974,058	\$353,313	(\$2,138)	\$1,325,233	\$212,912	(\$1,735)	\$1,185,235	\$2,510,468	
General Fund	2,217	0	62,380	64,597	0	62,380	64,597	129,194	
State/Other Special	923,040	206,081	36	1,129,157	109,477	439	1,032,956	2,162,113	
Federal Special	48,801	147,232	(64,554)	131,479	103,435	(64,554)	87,682	219,161	
Total Funds	\$974,058	\$353,313	(\$2,138)	\$1,325,233	\$212,912	(\$1,735)	\$1,185,235	\$2,510,468	

Program Description

The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, data processing, and the general services functions of the department. The division also provides the overall management of the Milk Control Bureau. The Livestock Crimestoppers' Commission and the Beef Research and Marketing Committee are administratively attached. The staff attorney for this division provides agency legal services to the department as a whole.

Funding

This program is funded with general fund and state and federal special revenues. In the 2003 biennium, the Executive Budget includes a proposal to fund the centralized services division with approximately 5 percent general fund. General fund and Meat and Poultry Inspection federal funds are split 50/50 for services provided to the Meat and Poultry Inspection Division, and are based upon federally-authorized indirect-charge rates. Bison federal funds also support services within the division. State special revenue comes entirely from the Livestock Per Capita Account.

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					45,695					50,894
Vacancy Savings					(15,635)					(15,791)
Inflation/Deflation					(1,995)					(1,826)
Fixed Costs					113,777					84,655
Total Statewide Present Law Adjustments					\$141,842					\$117,932
DP 2 - Lab Information Management System	1.00	0	129,433	35,325	164,758	1.00	0	45,238	13,458	58,696
DP 3 - Information Tech. Equipment	0.00	0	10,449	0	10,449	0.00	0	(1,451)	0	(1,451)
DP 16 - Travel Adjustment - Central Services Division	0.00	0	8,186	0	8,186	0.00	0	9,563	0	9,563
DP 19 - Administrative Secretary	1.00	0	28,078	0	28,078	1.00	0	28,172	0	28,172
Total Other Present Law Adjustments	2.00	\$0	\$176,146	\$35,325	\$211,471	2.00	\$0	\$81,522	\$13,458	\$94,980
Grand Total All Present Law Adjustments					\$353,313					\$212,912

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2 - Lab Information Management System - An increase in state and federal special revenue authority is requested in support of adding 1.00 FTE and meeting the costs associated with upgrading the Diagnostic Laboratory's Information Management System. This proposal would fund a grade 14 system specialist, contract services to install the new system, and hardware/software purchases, as recommended in a June 1998 site visit report from the American Association of Veterinary Laboratory Diagnosticians Accreditation Committee. This increase would be funded with Livestock Per Capita and Bison Federal funds.

LFD ISSUE Equipment and contract installation costs are non-recurring. Therefore, \$106,200 of the fiscal 2002 appropriation should be designated as one-time-only.

DP 3 - Information Tech. Equipment - An increase in state special revenue authority is proposed, with which to fund information technology equipment replacements in accordance with the department's four-year replacement plan. This proposal would fund computer, monitor, scanner, and printer purchases. This increase would be funded entirely by the Livestock Per Capita Account.

DP 16 - Travel Adjustment - Central Services Division - An increase in state special revenue is requested, in order to fund additional travel within the Centralized Services Division. The proposal would fund additional in-state and out-of-state travel for department personnel, including the executive officer, and assumes full attendance at meetings not attended during the base year. The increase would be funded entirely by the Livestock Per Capita Account.

DP 19 - Administrative Secretary - If funded, this proposal would allow the transfer of 1.00 FTE and the funding for that position from the Animal Health and Inspection and Control Programs to a consolidated position in the Centralized Services Division. This proposal does not change the total number of FTE.

LFD COMMENT Funding for this position was originally split 50/50 between the Livestock Per Capita and Inspection and Control accounts. This proposal would consolidate funding under the Livestock Per Capita Account, which is consistent with overall funding of the division.

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----					
	Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 4 - Office Space											
01	0.00	0	6,557	0	6,557	0.00	0	6,960	0	6,960	
DP 9 - Funding Change - General Fund											
01	0.00	62,380	0	(62,380)	0	0.00	62,380	0	(62,380)	0	
DP 20 - Lab Information System Travel Cut											
01	0.00	0	(6,521)	(2,174)	(8,695)	0.00	0	(6,521)	(2,174)	(8,695)	
Total	0.00	\$62,380	\$36	(\$64,554)	(\$2,138)	0.00	\$62,380	\$439	(\$64,554)	(\$1,735)	

New Proposals

DP 4 - Office Space - The Executive Budget includes requests for an increase in state special revenue authority, enabling the department to rent a state-owned building as accommodations for a bureau of the department. The proposal would be funded entirely by the Livestock Per Capita Account.

LFD ISSUE The department has already relocated the bureau and is currently renting the space requested in this proposal. Therefore, if the legislature disapproves this request, the department will be left to 1) move the relocated bureau back into its original space, or 2) fund the increased rent costs at the expense of another function.

DP 9 - Funding Change - General Fund - The Executive Budget proposes to replace federal special revenue authority with general fund for Centralized Services Division support provided to the Meat and Poultry Inspection Division. The proposal would use the general fund to provide the state match for federal funds, based upon federally-authorized indirect-charge rates (approximately 50/50 general fund/federal funds). This would restore a general fund appropriation that was made but not spent in fiscal 2000, as the agency expended authorized federal funds before accessing the general fund.

**LFD
ISSUE**

The department was appropriated \$101,185 from the general fund for fiscal 2000, but spent only \$2,217, through expenditure reductions and by using federal before general funds. The division transferred a portion of the remaining appropriation to the Diagnostic Laboratory, which spent \$36,516; these funds were added to the laboratory's base funding. General funds were provided as contingency funding and used to allow the department to make an appropriate response to public health issues. However, this had the consequence of expanding the diagnostic laboratory program without legislative review of the expansion. (For more information on the Diagnostic Laboratory funding, refer to the LFD Issue in the funding section of the Diagnostic Laboratory narrative.)

Besides the Centralized Services and Diagnostic Laboratory Divisions, the only other program within the department to utilize general fund is the Meat and Poultry Inspection Division. In fiscal 2000, \$88,941 of the Meat and Poultry Division's general fund appropriation was not spent. None of that authority was transferred.

Section 17-7-139, MCA allows the department to transfer funds between programs, as long as certain reporting requirements are met. If the legislature wishes to prevent general fund in the division from being used to expand the base in other programs without legislative authorization, it could require that any expenditures made with transferred general funds be excluded from the base of the receiving program.

DP 20 - Lab Information System Travel Cut - This adjustment would delete the travel funding requested in DP 2, due to the decision to locate the requested FTE on-site in Bozeman as versus off-site in Helena.

**LFD
COMMENT**

This adjustment should have been included with DP 2. Since it is requested separately, the legislature should consider it concurrently with DP 2, to avoid an incorrect adjustment to base funding.

**LFD
ISSUE**

Many of these proposals would affect the level of expenditures within the Livestock Per Capita Account. For more information on potential issues relative to this account, refer to the funding issues section of the agency overview.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	21.00	0.00	0.00	21.00	0.00	0.00	21.00	21.00
Personal Services	858,177	7,302	0	865,479	11,739	0	869,916	1,735,395
Operating Expenses	445,809	64,501	0	510,310	66,322	0	512,131	1,022,441
Equipment	28,992	3,008	0	32,000	21,008	0	50,000	82,000
Total Costs	\$1,332,978	\$74,811	\$0	\$1,407,789	\$99,069	\$0	\$1,432,047	\$2,839,836
General Fund	192,442	0	0	192,442	0	0	192,442	384,884
State/Other Special	1,140,536	63,611	0	1,204,147	81,569	0	1,222,105	2,426,252
Federal Special	0	11,200	0	11,200	17,500	0	17,500	28,700
Total Funds	\$1,332,978	\$74,811	\$0	\$1,407,789	\$99,069	\$0	\$1,432,047	\$2,839,836

Program Description

The Diagnostic Laboratory Program provides livestock laboratory diagnostic support for the Disease Control Program, the Milk and Egg Program, and livestock producers. 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 order to protect the health of animals and wildlife.

Funding

The Diagnostic Laboratory Program is funded with a combination of general fund (13.6 percent), state special revenues (Livestock Per Capita - 56.6 percent; Animal Health - 28.9 percent), and federal special revenues (1 percent). The Livestock Per Capita Account receives revenue from a tax on livestock ownership. The Animal Health Account receives revenue from the milk tax, inspection and testing fees, and various state and federal cost recoveries for services provided.

LFD COMMENT	A portion of this program is supported with the general fund because work is performed relative to public health issues not directly related to the livestock industry.
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LFD ISSUE	<p>Although none of the present law adjustments contain general fund, the request contains a general fund increase each year of the biennium, amounting to \$36,515 more than was appropriated by the Fifty-sixth Legislature. The additional authority was gained through a program transfer from the Centralized Services Division. General fund made up 12.8 percent of the program's appropriated funding in fiscal 2000. This request funds the laboratory at a 13.6 percent level from general fund. The legislature has the following options when addressing the program's 2003 biennium appropriations:</p> <ol style="list-style-type: none"> 1) Adjust the general fund appropriation to a level equal to that funded by the 1999 legislature (or adjust it to another level); or 2) Approve funding percentages as submitted. <p>(For more information on the program transfer affecting the funding change, please see the LFD Issue in the preceding Centralized Services Division Narrative.)</p>
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Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					27,688					32,263
Vacancy Savings					(24,239)					(24,377)
Inflation/Deflation					2,718					2,436
Fixed Costs					(2,471)					(2,471)
Total Statewide Present Law Adjustments					\$3,696					\$7,851
DP 2 - Replacement Lab Equipment	0.00	0	0	3,008	3,008	0.00	0	3,508	17,500	21,008
DP 5 - Lab Workload Increase	0.00	0	42,000	0	42,000	0.00	0	42,000	0	42,000
DP 21 - Out-of-State Travel - Lab	0.00	0	5,503	0	5,503	0.00	0	5,503	0	5,503
DP 22 - MSU Recharge Adjustment	0.00	0	12,014	0	12,014	0.00	0	13,702	0	13,702
DP 23 - Lab Overtime	0.00	0	3,853	0	3,853	0.00	0	3,853	0	3,853
DP 30 - Lease Vehicle - Lab	0.00	0	4,737	0	4,737	0.00	0	5,152	0	5,152
Total Other Present Law Adjustments	0.00	\$0	\$68,107	\$3,008	\$71,115	0.00	\$0	\$73,718	\$17,500	\$91,218
Grand Total All Present Law Adjustments					\$74,811					\$99,069

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2 - Replacement Lab Equipment - This request provides for an increase in federal special revenue to replace equipment at the Diagnostic Laboratory in Bozeman. This increase would be funded through federal Bison funding and the Livestock Per Capita Account.

DP 5 - Lab Workload Increase - The Executive Budget includes a request for an increase in state special revenue authority to accommodate increased workload in the Diagnostic Laboratory and to meet inflationary increases in the cost of medical supplies. Increases include contracted services for microbiologist(s) and university student laboratory assistants. Also included in the increases are communications costs, supplies, materials, repair and maintenance costs. This increase would be funded entirely by the Livestock Per Capita Account.

LFD COMMENT	Since fiscal 1994, the number of accessions (samples taken in for testing at the laboratory or other specialized laboratories) has increased from 15,000 to over 26,000 per year, with an increase of approximately 10 percent each year. The department projects a like increase over the biennium. This proposal includes a 10 percent increase over base-year expenditures, plus an additional eight percent increase for medical supplies. In lieu of adding FTE, this proposal adds \$24,000 each year of the biennium to provide for part-time contract services by Montana State University students, outside veterinarians and/or Ph.D.-level microbiologists.
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DP 21 - Out-of-State Travel - Lab - An increase in state special revenue is requested in order to all out-of-state travel for lab personnel. Scheduled meetings and attendees include: Western Conference of Veterinary Diagnostic Pathologists (one attendee); Intermountain Veterinary Medical Association (two attendees); American Association of Veterinarian Lab Diagnosticians (one attendee); Intermountain States Seminar - medical technology (two attendees); and Interstate Milk Shippers Conference (one attendee). This increase would be funded entirely by the Livestock Per Capita Account.

DP 22 - MSU Recharge Adjustment - An increase in state special revenue authority is requested to meet increased operating costs, including recharges, for use of the facility on the Montana State University campus in Bozeman. Increases include natural gas for the laboratory's incinerator because available rendering plants outside the laboratory have been closed, and a 3 percent increase each year of the biennium for MSU recharges. This proposal would fund natural gas expenditures at the same level as was appropriated by the 1999 legislature. This increase would be entirely funded by the Livestock Per Capita Account.

DP 23 - Lab Overtime - The Executive Budget includes requests for an increase in state special revenue authority to carry over overtime costs from the base year.

**LFD
COMMENT**

The amount requested for overtime is equal to base year expenditures. Overtime is not funded in the adjusted base.

DP 30 - Lease Vehicle - Lab - An increase in state special revenues is requested to meet increased costs associated with the laboratory's leased vehicle. Base year-expenditures did not include the funding to meet the cost of leasing for a full year.

**LFD
ISSUE**

Many of these proposals would affect the level of expenditures within the Livestock Per Capita Account. For more information on the potential issues relative to this account, refer to the funding issues section of the agency overview.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	12.50	0.82	0.00	13.32	0.82	0.00	13.32	13.32
Personal Services	439,116	106,481	0	545,597	109,600	0	548,716	1,094,313
Operating Expenses	151,785	557,670	207,893	917,348	557,723	223,523	933,031	1,850,379
Equipment	51,176	27,839	10,000	89,015	54,761	10,000	115,937	204,952
Benefits & Claims	4,150	0	0	4,150	0	0	4,150	8,300
Total Costs	\$646,227	\$691,990	\$217,893	\$1,556,110	\$722,084	\$233,523	\$1,601,834	\$3,157,944
State/Other Special	646,227	38,140	177,823	862,190	68,234	177,823	892,284	1,754,474
Federal Special	0	653,850	40,070	693,920	653,850	55,700	709,550	1,403,470
Total Funds	\$646,227	\$691,990	\$217,893	\$1,556,110	\$722,084	\$233,523	\$1,601,834	\$3,157,944

Program Description

The Animal Health Program provides diagnosis, prevention, control, and eradication of animal diseases, including those of bison and game farm animals. The program cooperates with the departments of Public Health and Human Services, Fish, Wildlife and Parks, and Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points including auction markets and certain animal-product processing facilities, such as rendering plants. The Rabies Control Unit protects human health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through the eradication of skunks.

Program Narrative

The 1999 legislature authorized \$225,000 in federal funds and \$177,823 in state special revenues in a one-time-only appropriation for the prevention of the introduction of brucellosis into Montana by infected bison migrating from Yellowstone National Park. After the legislative session, the department received an additional \$428,850 in federal funding for this program through budget amendments.

In fiscal 2000, the department spent \$20,281 in state special revenues and \$383,485 in federal funding for the Bison Control Program. Additionally, the department estimates that it incurred \$154,808 in other costs during the year related directly to the Bison Control Program. Of the direct costs covered by state and federal special revenue, \$1,028 was spent on personal services, \$194,623 on operating costs, and \$208,315 on equipment. Indirect costs to other programs totaled \$142,817 in personal services, and \$11,991 in operating expenses.

During the year, 415 bison were successfully hazed back into the park; no bison were captured or killed.

The department expects to receive federal funding for the Bison Control Program in the upcoming biennium, as a result of the recent state Environmental Impact Statement (EIS) jointly produced by the departments of Livestock and the Fish, Wildlife, and Parks. The state is currently involved in a court-mandated mediation process to resolve differences between the state and federal EIS. Additionally, the department recently submitted a proposed cooperative agreement to the U.S. Department of Agriculture in order to further define the Bison Control Plan. Further information on funding and expenditures for this program may be found in the fiscal 2000 Bison Fiscal Report, prepared by the Department of Livestock.

Funding

The Animal Health Program will be funded with state and federal special revenues. Primary funding comes from the Livestock Per Capita Account, with a smaller amount from the Animal Health Account. The Livestock Per Capita Account receives revenue from a tax on livestock ownership. The Animal Health Account receives revenue from the milk tax, inspection and testing fees, and various state and federal cost recoveries for services provided. The proposed funding also includes \$1.4 million of federal funding over the biennium.

Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					87,315					90,477
Vacancy Savings					(14,412)					(14,507)
Inflation/Deflation					(453)					(453)
Fixed Costs					(4,840)					(4,840)
Total Statewide Present Law Adjustments					\$67,610					\$70,677
DP 1 - Bison - Federal Funds	1.32	0	0	653,850	653,850	1.32	0	0	653,850	653,850
DP 7 - Replacement Vehicles - Animal Health	0.00	0	(16,118)	0	(16,118)	0.00	0	10,804	0	10,804
DP 17 - Administrative Secretary	(0.50)	0	(17,910)	0	(17,910)	(0.50)	0	(18,041)	0	(18,041)
DP 24 - Out-of-State Travel	0.00	0	5,685	0	5,685	0.00	0	5,685	0	5,685
DP 31 - Leased Vehicle - Animal Health	0.00	0	4,916	0	4,916	0.00	0	5,152	0	5,152
DP 34 - Equipment Reduction-Animal Health	0.00	0	(6,043)	0	(6,043)	0.00	0	(6,043)	0	(6,043)
Total Other Present Law Adjustments	0.82	\$0	(\$29,470)	\$653,850	\$624,380	0.82	\$0	(\$2,443)	\$653,850	\$651,407
Grand Total All Present Law Adjustments					\$691,990					\$722,084

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

LFD COMMENT	During budget formulation, one position within the Animal Health Division was not captured in the budget system, and therefore was not funded. The adjusted base should be increased to accommodate this position, a grade 16 program specialist. This position is funded entirely with federal Bison funding and would add approximately \$40,000 to the base in each year of the biennium.
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DP 1 - Bison - Federal Funds - The Executive Budget includes requests for federal special revenue authority, which would accommodate anticipated federal funding for brucellosis prevention activities. Expenditures would include personal services costs for ground crews, supplies, as well as equipment purchase and rental. (For additional information on the brucellosis prevention program, see the program narrative at the beginning of this section.)

LFD ISSUE	This proposal continues the program as authorized by budget amendments made during fiscal 2000. The original funding was appropriated as one-time-only. As such, this proposal should have been included under new proposals.
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LFD ISSUE	If the legislature wishes to review and reevaluate the program during the 2003 session, then the appropriation should be designated one-time-only. Additionally, if the legislature wishes to appropriate this amount of funding for the Bison Control Program only, the appropriation should be restricted.
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LFD ISSUE If the legislature approves funding of the Bison Control Program, it may wish to use the following or similar HB 2 language, as adopted by the 1999 legislature:

"The department shall record separately all operating expenses, equipment, and capital expenditures related to bison control for all programs in which any resources are expended for that purpose on the statewide budgeting and accounting system in a manner so that those expenditures can be readily derived and shall create a summary report. The department shall provide an annual report by program, to the legislative fiscal analyst and the office of budget and program planning of all direct expenditures related to bison control."

If the legislature approves the personal services costs related to this proposal, it may wish to add personal services costs to this language. Additionally, the legislature may wish to insert a language change deleting the word "direct" from the last sentence, effectively requiring a report on "all expenditures."

DP 7 - Replacement Vehicles - Animal Health - An adjustment to state special revenue authority is proposed, with which to purchase replacement vehicles. The proposal would include a decrease in fiscal 2002 and an increase in fiscal 2003. This proposal would be funded entirely from the Livestock Per Capita Account.

DP 17 - Administrative Secretary - This adjustment would transfer 0.50 FTE and reduce state special revenue authority within the division in order to transfer an administrative support position to the Centralized Services Division. This proposal supports DP 19 in the Centralized Services Division narrative.

LFD COMMENT Funding for this position was originally split 50/50 between the Livestock Per Capita and Inspection and Control accounts. This proposal would consolidate funding under the Livestock Per Capita Account, which is consistent with overall funding of the division.

DP 24 - Out-of-State Travel - This proposal requests an increase in state special revenues to allow out-of-state travel for division personnel. Scheduled meetings and attendees include: United States Animal Health Association (two attendees); Western States Animal Health Association (one attendee); Northwest Livestock Meeting (one attendee); Western States Livestock Investigators Association (one attendee); Livestock Conservation Institute (one attendee); and the National Cattlemen's Beef Association (one attendee). The proposal would be funded entirely from the Livestock Per Capita Account.

DP 31 - Leased Vehicle - Animal Health - The proposal requests additional state special revenue in order to accommodate cost increases associated with the division's leased vehicle, which is assigned to the state veterinarian.

DP 34 - Equipment Reduction-Animal Health - This adjustment eliminates funding from base-year expenditures for one-time equipment purchases.

New Proposals										
Prgm	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 1 - Brucellosis/Other Disease Outbreak										
04	0.00	0	177,823	0	177,823	0.00	0	177,823	0	177,823
DP 5 - Greater Yellowstone Interagency BC										
04	0.00	0	0	40,070	40,070	0.00	0	0	55,700	55,700
Total	0.00	\$0	\$177,823	\$40,070	\$217,893	0.00	\$0	\$177,823	\$55,700	\$233,523

New Proposals

DP 1 - Brucellosis/Other Disease Outbreak - This proposal requests state special revenue authority to provide the department with the flexibility to respond to outbreaks of serious diseases. The increase would be funded by the Livestock Per Capita Account.

**LFD
ISSUE**

The Fifty-sixth legislature appropriated state special revenue authority of \$177,823 per year as a restricted, one-time-only appropriation for the Bison Control Program. The department spent \$20,281 of the appropriation during fiscal 2000. If the legislature wishes to fund this proposal with the sole intent of providing the department flexibility when responding to disease outbreaks, then the appropriation should be restricted. Additionally, if the legislature wishes to review the appropriation again during the 2005 biennium budget process, the appropriation should be designated as one-time-only.

DP 5 - Greater Yellowstone Interagency Brucellosis Committee - This proposal requests federal special revenue authority in order to establish funding support for the department's activities with the Greater Yellowstone Interagency Brucellosis Committee. This proposal would fund expenditures including travel, supply, communications, and contract services costs in support of interagency meetings, research, and analysis.

**LFD
ISSUE**

The state's collaboration with the Greater Yellowstone Interagency Brucellosis Committee is new, and evidence of overall benefits/results is still forthcoming. For this reason, cost estimates are preliminary. Department of Livestock committee participants include the Principal and Deputy State Veterinarians. If the legislature wants to approve this proposal, but direct reevaluation by the 2003 legislature, the appropriation should be designated as restricted, one-time-only.

**LFD
ISSUE**

Many of these proposals would affect the level of expenditures within the Livestock Per Capita Account. For more information on the potential issues relative to this account, refer to the funding issues section of the agency overview.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	4.50	0.00	0.00	4.50	0.00	0.00	4.50	4.50
Personal Services	203,047	6,662	0	209,709	8,061	0	211,108	420,817
Operating Expenses	29,782	3,175	0	32,957	6,427	0	36,209	69,166
Equipment	29,671	(2,749)	0	26,922	(2,749)	0	26,922	53,844
Total Costs	\$262,500	\$7,088	\$0	\$269,588	\$11,739	\$0	\$274,239	\$543,827
State/Other Special	241,831	2,757	0	244,588	7,408	0	249,239	493,827
Federal Special	20,669	4,331	0	25,000	4,331	0	25,000	50,000
Total Funds	\$262,500	\$7,088	\$0	\$269,588	\$11,739	\$0	\$274,239	\$543,827

Program Description

The Milk and Egg Program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws is accomplished through licensing, sampling, laboratory testing, and product and site inspections, which are done in cooperation with other state and federal agencies.

Funding

The Milk and Egg Program is funded with a mixture of state and federal special revenues. State special revenue is derived from a portion of the 14.95 cents per hundred-weight tax on Class I milk sold by producers in Montana. Federal funds are provided by the US Department of Agriculture to conduct shell egg surveillance.

Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					12,600					14,043
Vacancy Savings					(5,938)					(5,982)
Inflation/Deflation					(163)					(163)
Fixed Costs					(509)					(509)
Total Statewide Present Law Adjustments					\$5,990					\$7,389
DP 8 - Replacement Pickups - Milk & Egg Inspection	0.00	0	5,995	0	5,995	0.00	0	5,995	0	5,995
DP 25 - Out-of-State Travel-Milk & Egg	0.00	0	3,847	0	3,847	0.00	0	7,099	0	7,099
DP 35 - Equipment Reduction Milk & Egg Program	0.00	0	(8,744)	0	(8,744)	0.00	0	(8,744)	0	(8,744)
Total Other Present Law Adjustments	0.00	\$0	\$1,098	\$0	\$1,098	0.00	\$0	\$4,350	\$0	\$4,350
Grand Total All Present Law Adjustments					\$7,088					\$11,739

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 8 - Replacement Pickups - Milk & Egg Inspection - An increased level of support in state special revenue is requested in order to purchase replacement vehicles. The proposal would purchase one replacement pickup in each year of the biennium. The proposal is funded entirely from the Animal Health State Special Revenue Account.

DP 25 - Out-of-State Travel-Milk & Egg - An increase is requested in state special revenues in order to allow out-of-state travel for Milk and Egg Program staff. Scheduled meetings and attendees include: Pacific Regional Milk Seminar (two attendees); FDA 510 Special Problem Course (one attendee); regional FDA training course (one attendee); and the National Conference for Interstate Milk Shipments (two attendees). This increase is funded entirely from the Animal Health State Special Revenue Account.

DP 35 - Equipment Reduction Milk & Egg Program - This adjustment eliminates expenditures for one-time equipment purchases from the base budget.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	62.21	(0.50)	1.75	63.46	(0.50)	0.00	61.71	61.71
Personal Services	2,176,166	(390)	43,154	2,218,930	12,440	0	2,188,606	4,407,536
Operating Expenses	302,420	(2,672)	2,500	302,248	(2,471)	0	299,949	602,197
Equipment	139,392	22,140	0	161,532	(5,232)	0	134,160	295,692
Total Costs	\$2,617,978	\$19,078	\$45,654	\$2,682,710	\$4,737	\$0	\$2,622,715	\$5,305,425
State/Other Special	2,617,978	19,078	45,654	2,682,710	4,737	0	2,622,715	5,305,425
Total Funds	\$2,617,978	\$19,078	\$45,654	\$2,682,710	\$4,737	\$0	\$2,622,715	\$5,305,425

Program Description

The Inspection and Control Program, as part of the Brands Enforcement Division, is responsible for investigating livestock thefts, investigating stray livestock, making brand inspections, recording livestock brands, filing security interests on livestock, licensing livestock auctions, licensing livestock dealers, and making hide and beef inspections.

Funding

The Inspection and Control Program is funded entirely with state special revenues. The Inspection and Control Account provides 80 percent of the funding for this program and receives revenues from livestock license and permit fees, inspection and testing fees, and interest earnings. The Livestock Per Capita Account funds the other 20 percent with revenues from a tax on livestock ownership.

LFD ISSUE	The Inspection and Control Account is projected to enter a negative status during the 2003 biennium, as a result of a change made to the adjusted base during budget formulation. The Department proposes to offset the projected negative status by replacing \$110,000 of Inspection and Control Account expenditures with \$110,000 in Livestock Per Capita Account expenditures in this program. (For more information, refer to the funding issues section of the agency overview.)
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	-----Fiscal 2002-----				-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					(31,211)					(17,849)
Vacancy Savings					(57,764)					(58,165)
Inflation/Deflation					(1,018)					(817)
Fixed Costs					(4,585)					(4,585)
Total Statewide Present Law Adjustments					(\$94,578)					(\$81,416)
DP 6 - Vehicle Replacement - Inspection & Control	0.00	0	22,140	0	22,140	0.00	0	(5,232)	0	(5,232)
DP 18 - Administrative Secretary	(0.50)	0	(17,910)	0	(17,910)	(0.50)	0	(18,041)	0	(18,041)
DP 26 - Inspector Overtime	0.00	0	106,495	0	106,495	0.00	0	106,495	0	106,495
DP 27 - Out-of-State Travel -Inspection & Control	0.00	0	2,931	0	2,931	0.00	0	2,931	0	2,931
Total Other Present Law Adjustments	(0.50)	\$0	\$113,656	\$0	\$113,656	(0.50)	\$0	\$86,153	\$0	\$86,153
Grand Total All Present Law Adjustments					\$19,078					\$4,737

Executive Present Law Adjustments

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Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 6 - Vehicle Replacement - Inspection & Control - An increase in state special revenue is requested in order to replace department-owned vehicles. The proposal would enable the department to purchase 6 vehicles in fiscal 2002 and 5 vehicles in fiscal 2003. The proposal is funded entirely from the Inspection and Control Account.

DP 18 - Administrative Secretary - This adjustment would transfer 0.50 FTE and reduce state special revenue authority within the program through the transfer of an administrative support position to the Centralized Services Division. This proposal supports DP 19 in the Centralized Services Division narrative.

DP 26 - Inspector Overtime - request supports the services of 46 market inspectors, and is funded entirely from the Inspection and Control Account.

LFD COMMENT	The amount requested for overtime is equal to base year expenditures. Overtime is not funded in the adjusted base.
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DP 27 - Out-of-State Travel -Inspection & Control - The Executive Budget includes a request for an increase in state special revenue authority in order to accommodate out-of-state travel for Inspection and Control Program staff, allowing attendance at the International Livestock Identification Meeting and the Western States Livestock Investigation Association Meeting. The increase is funded entirely from the Inspection and Control Account.

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----					
	Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 4 - Re-record Brands											
06	1.75	0	45,654	0	45,654	0.00	0	0	0	0	0
Total	1.75	\$0	\$45,654	\$0	\$45,654	0.00	\$0	\$0	\$0	\$0	\$0

New Proposals

DP 4 - Re-record Brands - This requested increase in state special revenue would add 1.75 FTE and the related funding in order to complete the brand rerecording process begun in the 2001 biennium. The proposal is funded entirely from the Inspection and Control Account.

LFD ISSUE	The brand rerecording process occurs every 10 years, and will be completed in fiscal 2002. The FTE and associated funding will not be needed in the following biennium. Therefore, if the legislature wishes to approve this proposal, the appropriation should be designated as restricted, one-time-only.
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Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	1.00	0.00	0.00	1.00	0.00	0.00	1.00	1.00
Personal Services	0	0	0	0	0	0	0	0
Operating Expenses	511,471	(76,236)	0	435,235	(68,753)	0	442,718	877,953
Total Costs	\$511,471	(\$76,236)	\$0	\$435,235	(\$68,753)	\$0	\$442,718	\$877,953
State/Other Special	511,471	(76,236)	0	435,235	(68,753)	0	442,718	877,953
Total Funds	\$511,471	(\$76,236)	\$0	\$435,235	(\$68,753)	\$0	\$442,718	\$877,953

Program Description

The Predator Control Program is administered by the Board of Livestock through the executive officer. The department owns two aircraft and contracts with the U.S. Department of Agriculture Wildlife Services. Predators, primarily coyotes, that kill or injure domestic livestock are controlled through helicopter hunting and contracted services.

Funding

The Predator Control Program is funded entirely from the Livestock Per Capita Account, with revenue derived from a tax on livestock ownership.

	-----Fiscal 2002-----				-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					0					0
Vacancy Savings					0					0
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$0					\$0
DP 10 - Predator Control - FWP Contract	0.00	0	(110,000)	0	(110,000)	0.00	0	(110,000)	0	(110,000)
DP 28 - Predator Adjustments	0.00	0	33,764	0	33,764	0.00	0	41,247	0	41,247
Total Other Present Law Adjustments	0.00	\$0	(\$76,236)	\$0	(\$76,236)	0.00	\$0	(\$68,753)	\$0	(\$68,753)
Grand Total All Present Law Adjustments					(\$76,236)					(\$68,753)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 10 - Predator Control - FWP Contract - This adjustment eliminates funding from the base-year expenditures for predator control support to the Department of Fish, Wildlife, and Parks (FWP). In the past, FWP would transfer funding to the Department of Livestock, which would then contract with the U.S. Department of Agriculture to provide predator control. For the 2003 biennium, the Executive Budget includes the proposal that FWP contract with the U.S. Department of Agriculture directly.

**LFD
COMMENT**

The base-year expenditures for this contract were moved from the Inspection and Control Account into the Livestock Per Capita Account. The executive proposal subsequently reduced expenditures within the Inspection and Control Account. This had the effect of understating expenditures in the Inspection and Control Account by \$110,000 each year, and overstating expenditures in the Livestock Per Capita Account by \$110,000 each year.

**LFD
ISSUE**

This switch of base-year expenditures within the program contributes to the projected negative status of the Inspection and Control Account. (For more information on this account, refer to the agency issues section of the agency overview.)

DP 28 - Predator Adjustments - This proposal requests an increase in state special revenue authority in order to accommodate increases in the cost of predator control contracts. This proposal would fund costs associated with operating a second helicopter, including contract services, maintenance, and aviation insurance.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	16.50	0.00	0.00	16.50	0.00	0.00	16.50	16.50
Personal Services	526,909	45,177	0	572,086	48,347	0	575,256	1,147,342
Operating Expenses	190,170	40,377	0	230,547	47,172	0	237,342	467,889
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$717,079	\$85,554	\$0	\$802,633	\$95,519	\$0	\$812,598	\$1,615,231
General Fund	337,618	61,925	0	399,543	66,908	0	404,526	804,069
State/Other Special	1,772	0	0	1,772	0	0	1,772	3,544
Federal Special	377,689	23,629	0	401,318	28,611	0	406,300	807,618
Total Funds	\$717,079	\$85,554	\$0	\$802,633	\$95,519	\$0	\$812,598	\$1,615,231

Program Description

The Meat and Poultry Inspection Program within the Meat, Milk and Egg Inspection Division 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 in order to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Funding

The Meat and Poultry Inspection Program is funded at the 50 percent level by federal meat/poultry inspection funds provided by the U.S. Department of Agriculture, and at the 49.8 percent level by the general fund. The remaining funding is state special revenue derived from annual meat establishment license fees.

Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					61,009					64,277
Vacancy Savings					(15,832)					(15,930)
Inflation/Deflation					166					278
Fixed Costs					42,203					47,047
Total Statewide Present Law Adjustments					\$87,546					\$95,672
DP 29 - Motor Pool Lease Vehicles	0.00	(996)	0	(996)	(1,992)	0.00	(76)	0	(77)	(153)
Total Other Present Law Adjustments	0.00	(\$996)	\$0	(\$996)	(\$1,992)	0.00	(\$76)	\$0	(\$77)	(\$153)
Grand Total All Present Law Adjustments					\$85,554					\$95,519

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 29 - Motor Pool Lease Vehicles - This proposal requests the replacement of three department-owned vehicles with leased vehicles during the 2003 biennium. This proposal increases authority for leased vehicles, and reduces authority for the gas and maintenance associated with the vehicles being replaced. This results in a net decrease, which would be applied equally to the general fund and federal special revenue source.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	122,598	28,423	0	151,021	28,740	0	151,338	302,359
Operating Expenses	36,004	(5,008)	0	30,996	(5,862)	0	30,142	61,138
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$158,602	\$23,415	\$0	\$182,017	\$22,878	\$0	\$181,480	\$363,497
State/Other Special	158,602	23,415	0	182,017	22,878	0	181,480	363,497
Total Funds	\$158,602	\$23,415	\$0	\$182,017	\$22,878	\$0	\$181,480	\$363,497

Program Description

The Milk Control Bureau regulates and controls the transfer of milk among producers and plants by enforcing Montana milk control laws and rules. This program ensures compliance with state laws through minimum producer pricing, and by enforcing state law and rules established by the Board of Milk Control, which is administratively attached to the Department of Livestock. The Milk Control Bureau also collects the milk tax used to support milk regulatory and testing functions in the department. Milk Control Bureau staff members are employees of the Department of Livestock.

Funding

The Milk Control Bureau is funded entirely from the state special revenue obtained from assessments on Montana milk producers.

	Fiscal 2002				Fiscal 2003					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					27,965					28,807
Vacancy Savings					(4,092)					(4,117)
Inflation/Deflation					336					550
Fixed Costs					(10,694)					(10,694)
Total Statewide Present Law Adjustments					\$13,515					\$14,546
DP 32 - Board Meetings & Training	0.00	0	8,518	0	8,518	0.00	0	6,950	0	6,950
DP 33 - In-State Travel Increase	0.00	0	1,382	0	1,382	0.00	0	1,382	0	1,382
Total Other Present Law Adjustments	0.00	\$0	\$9,900	\$0	\$9,900	0.00	\$0	\$8,332	\$0	\$8,332
Grand Total All Present Law Adjustments					\$23,415					\$22,878

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 32 - Board Meetings & Training - The Executive Budget includes requests for an increase in state special revenue authority in order to adjust funding for board meetings and training, due to the fact that fewer meetings (two) were held during the base year. This proposal would fund three additional regular meetings and one additional training/procedures review meeting.

DP 33 - In-State Travel Increase - The request would increase state special revenue authority to provide for in-state travel, which would enable the Milk Control Chief to participate in four audits and the program specialist to participate in two audits. These individuals would accompany the department auditor in order to provide assistance, oversight, and training during audits.