

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	106.71	1.50	1.00	109.21	1.50	1.50	109.71	109.71
Personal Services	3,258,162	685,920	33,165	3,977,247	665,353	50,430	3,973,945	7,951,192
Operating Expenses	2,015,863	555,337	1,689,660	4,260,860	484,564	52,165	2,552,592	6,813,452
Equipment	98,663	275,420	0	374,083	237,634	0	336,297	710,380
Grants	2,748,459	562,640	75,193	3,386,292	562,640	152,255	3,463,354	6,849,646
Transfers	0	80,000	0	80,000	80,000	0	80,000	160,000
Debt Service	1,569	0	0	1,569	0	0	1,569	3,138
Total Costs	\$8,122,716	\$2,159,317	\$1,798,018	\$12,080,051	\$2,030,191	\$254,850	\$10,407,757	\$22,487,808
General Fund	487,799	77,068	1,000,000	1,564,867	25,639	0	513,438	2,078,305
State/Other Special	6,911,785	1,800,294	198,018	8,910,097	1,724,895	254,850	8,891,530	17,801,627
Federal Special	482,590	236,095	600,000	1,318,685	234,910	0	717,500	2,036,185
Proprietary	240,542	45,860	0	286,402	44,747	0	285,289	571,691
Expendable Trust	0	0	0	0	0	0	0	0
Total Funds	\$8,122,716	\$2,159,317	\$1,798,018	\$12,080,051	\$2,030,191	\$254,850	\$10,407,757	\$22,487,808

Agency Description

The Department of Agriculture, required by Article XII, Section 1, of the Montana Constitution, was established to encourage and promote the interests of agricultural and allied industries in Montana. The department: 1) collects and publishes agricultural production and marketing statistics relating to agricultural products; 2) assists, encourages, and promotes the organization of farmers' institutes, agricultural societies, fairs, and other exhibitions of agriculture; 3) adopts standards for grade and other classifications of farm products; 4) coordinates in devising and maintaining economical and efficient marketing distribution systems; 5) gathers and distributes marketing information concerning supply, demand, price, and movement of farm products; 6) regulates production and marketing of food and fiber products; and 7) registers pesticides and fertilizers and enforces laws pertaining to them.

Summary of Legislative Action

The legislature added \$6.2 million over the fiscal 1998 base to the Department of Agriculture. Of this total, \$1.0 million general fund and just over \$400,000 other funds were added to implement legislation passed by the 1999 legislature to establish a Montana Agricultural Heritage Preservation Program and a state organic certification program, to provide additional funds for noxious weed grants, and to revise agricultural seed laws and fees. An additional \$650,000 other funds was added as a result of legislative initiatives to establish a cooperative development center at MSU-Northern and to provide rail transportation assistance.

The remaining increase of over \$4.0 million comes from present law adjustments. Because this agency is significantly funded with fees, the present law adjustments are primarily funded from that source. Among the major increases are: 1) just under \$1.0 million in statewide adjustments; 2) about \$470,000 in adjustments to the State Grain Laboratory; 3) about \$400,000 in adjustments in the Agricultural Marketing Council; 4) over \$400,000 in adjustments for wheat and barley activities; and 5) an additional \$600,000 in noxious weed grants (increased by an additional \$231,188 in new proposals).

Other Legislation

House Bill 260 - Among other features, HB 260 provides for a coal producer's license tax and allocates the proceeds. Among the allocations is \$2.5 million over the biennium to the agriculture seed capital account. This account, which is currently in statute, is used to make loans to support research relating to innovative organizational improvements in agricultural businesses and to the commercialization and marketing of new agricultural products or agricultural production processes. The funds are statutorily appropriated in HB 260.

House Bill 391 - This act establishes a pesticide cleanup special revenue account into which any civil penalties collected are deposited. The funds may be used for pesticide contamination cleanup and associated costs when a responsible party cannot be identified or located or when the responsible party is unwilling or unable to clean up the contamination.

Senate Bill 164 - This act revises the noxious weed management statutes and transfers \$1,125,000 annually from the highways nonrestricted account to noxious weed management programs. The proceeds are directed to the Noxious Weed Management Trust Fund and the legislation increases the cap for the trust from \$2.5 million to \$10 million. The increased cap will allow for a greater level of interest earnings, which will primarily be used to provide additional grants for weed control activities.

Senate Bill 183 - SB 183 generally revises the laws regarding agricultural seed, and revises certain seed dealer licensing requirements and fees. The legislature provided \$46,000 state special revenue over the biennium to implement the bill.

Senate Bill 342 - This bill established the Montana Agricultural Heritage Program. A 12-member commission was established to approve the acquisition of agricultural easements and to establish criteria and policies for acquiring agricultural easements. The legislature appropriated \$1.0 million general fund over the biennium for the costs of the commission and for the purpose of matching federal funds to purchase and enforce agricultural easements.

Senate Bill 380 - Previous statute established certain tax checkoff programs. Taxpayers may elect to increase their taxes to specifically fund certain programs, including agriculture in schools. Previous statute also established a threshold of \$20,000 that must be received to prevent termination of the tax checkoff. SB 380 decreases the threshold amount that must be received from \$20,000 to \$10,000.

Senate Bill 394 - This act requires the department to prepare a plan for the establishment of a state organic certification program and to implement the program when it is approved by the federal government. The legislature added \$125,680 of state special revenue to implement the bill.

Agency Budget Comparison								
Budget Item	Base Budget Fiscal 1998	Executive Budget Fiscal 2000	Legislative Budget Fiscal 2000	Leg - Exec. Difference Fiscal 2000	Executive Budget Fiscal 2001	Legislative Budget Fiscal 2001	Leg - Exec. Difference Fiscal 2001	Biennium Difference Fiscal 00-01
FTE	106.71	116.71	109.21		116.71	109.71		
Personal Services	3,258,162	4,297,955	3,977,247	(320,708)	4,274,596	3,973,945	(300,651)	(621,359)
Operating Expenses	2,015,863	2,851,184	4,260,860	1,409,676	2,750,828	2,552,592	(198,236)	1,211,440
Equipment	98,663	389,641	374,083	(15,558)	336,297	336,297	0	(15,558)
Grants	2,748,459	4,311,099	3,386,292	(924,807)	4,311,099	3,463,354	(847,745)	(1,772,552)
Transfers	0	80,000	80,000	0	80,000	80,000	0	0
Debt Service	1,569	1,569	1,569	0	1,569	1,569	0	0
Total Costs	\$8,122,716	\$11,931,448	\$12,080,051	\$148,603	\$11,754,389	\$10,407,757	(\$1,346,632)	(\$1,198,029)
General Fund	487,799	2,118,233	1,564,867	(553,366)	2,037,078	513,438	(1,523,640)	(2,077,006)
State/Other Special	6,911,785	8,809,450	8,910,097	100,647	8,715,084	8,891,530	176,446	277,093
Federal Special	482,590	718,685	1,318,685	600,000	717,500	717,500	0	600,000
Proprietary	240,542	285,080	286,402	1,322	284,727	285,289	562	1,884
Expendable Trust	0	0	0	0	0	0	0	0
Total Funds	\$8,122,716	\$11,931,448	\$12,080,051	\$148,603	\$11,754,389	\$10,407,757	(\$1,346,632)	(\$1,198,029)

Executive Budget Comparison

The primary reason for the large difference in general fund from the executive recommendation is that the legislature did not accept the \$3.0 million general fund new proposal for the Vision 2005 project (economic development). Additionally, the legislature did not approve the following executive recommendations: 1) a present law adjustment of \$149,608 state special revenue in the produce program; 2) a present law adjustment of \$28,937 state special revenue in the anhydrous ammonia and fertilizer program; 3) a present law adjustment of \$30,286 general fund in the agriculture marketing program; and 4) a present law adjustment of \$10,875 general fund in the agriculture statistics program. The legislature approved a reduction in the rates the Department of Administration could charge agencies for fixed costs associated with data network services and building rent. For this agency the reduction over the biennium was \$12,595.

The legislature adjusted the following items: 1) \$5,136 general fund was replaced with state special and proprietary funding in the administration program of the agriculture development division; 2) \$11,327 state special revenue was

added to correct a budgeting oversight, also in the administration program; 3) \$231,188 noxious weed trust revenue was added as a result of the passage of SB 164; 4) \$46,000 state special revenue was added to implement the provisions of SB 183, which revised agricultural seed laws and fees; 5) \$125,680 state special revenue was added to implement a state organic certification program per SB 394; 6) \$600,000 federal funds over the biennium were added for a cooperative development center at MSU-Northern; 7) \$50,000 state special revenue was added to provide rail transportation technical assistance; and 8) \$1,000,000 general fund was added over the biennium to implement SB 342, which establishes a Montana Agricultural Heritage Preservation Program.

Language

"It is the view of the legislature that:

- (1) the State of Montana has great potential for the growing of alternative crops;
- (2) producers are not always aware of the potential for growing alternative crops;
- (3) state government can and should assist producers in meeting the potential of growing alternative crops.

Therefore, all appropriate entities of state government are directed to work cooperatively to develop policies and provide guidance and assistance to Montana producers to enable them to maximize the use of lands to grow alternative crops, including but not limited to pharmaceutical crops, in an environmentally sound manner."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	11.50	1.00	.00	12.50	1.00	.00	12.50	12.50
Personal Services	477,253	58,126	0	535,379	55,884	0	533,137	1,068,516
Operating Expenses	141,007	30,661	0	171,668	1,099	0	142,106	313,774
Equipment	0	26,200	0	26,200	0	0	0	26,200
Total Costs	\$618,260	\$114,987	\$0	\$733,247	\$56,983	\$0	\$675,243	\$1,408,490
General Fund	219,167	39,753	0	258,920	(8,885)	0	210,282	469,202
State/Other Special	282,478	56,905	0	339,383	49,605	0	332,083	671,466
Federal Special	88,128	12,118	0	100,246	10,583	0	98,711	198,957
Proprietary	28,487	6,211	0	34,698	5,680	0	34,167	68,865
Total Funds	\$618,260	\$114,987	\$0	\$733,247	\$56,983	\$0	\$675,243	\$1,408,490

Program Description

Central Management Division performs technical, fiscal, and administrative support functions for the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, personnel, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, and legal support to all programs within the department. Included in this division is the director's office, which provides overall policy development for the department.

Funding

The legislature funds this program with a mixture of: 1) 33.3 percent general fund; 2) 47.7 percent state special revenue; 3) 14.1 percent federal special revenue; and 4) 4.9 percent proprietary funds. This is consistent with how the program has been funded in the past.

The Central Management Division (CMD) is funded by assessments on the other programs that it supports. Each program is assessed 20 percent of its personal services and 2.5 percent of grants to pay for services, with the exception of the pesticide and groundwater special revenue accounts. This method of assessment to the programs is consistent with how the CMD has assessed programs in the past.

Present Law Adjustments						
Present Law Description	Fiscal 2000 FTE	Fiscal 2000 General Fund	Fiscal 2000 Total Funds	Fiscal 2001 FTE	Fiscal 2001 General Fund	Fiscal 2001 Total Funds
Statewide Present Law						
Personal Services			(4,926)			(6,818)
Inflation/Deflation			925			804
Fixed Costs			8,140			(21,744)
Total Statewide Adjustments			\$4,139			(\$27,758)
Present Law Adjustments						
8 Programmer/Analyst	1.00	17,427	53,814	1.00	14,528	47,152
1502 Adjustments to CMD Budget	.00	18,860	58,244	.00	12,086	38,831
1503 Rate Reduction	.00	0	(1,210)	.00	0	(1,242)
Total PL Adjustments	1.00	\$36,287	\$110,848	1.00	\$26,614	\$84,741
Present Law Adjustments Total			\$114,987			\$56,983

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 8 - Programmer/Analyst - The legislature approved a one-time-only (OTO) restricted appropriation funded by a mixture of program funding to provide a 1.0 FTE (grade 16) information technology programmer/analyst to convert the current applications to an Oracle environment.

DP 1502 - Adjustments to CMD Budget - The legislature provided an appropriation authority increase for the following biennium increases by budget category: 1) personal services - \$36,600; 2) operations - \$40,675; and 3) equipment - \$19,800.

The personal services increase will provide: 1) a pay exception to the Information Technology Specialist referred to in the prior present law adjustment - \$8,300; and 2) funding to increase the salary and benefits of the CMD Administrator from a training position to a permanent position.

The operations cost increase provides funding for: 1) a contract to have position descriptions updated for the state's new management systems (PeopleSoft and MT PRRIME) - \$10,000; 2) in-state and out-of-state travel to attend meetings with the national and regional agricultural organizations and to address problems and issues related to agriculture across the state - \$12,800; 3) agricultural organization dues, educational/training, and general office supplies - \$6,000; and 4) two additional foreign trips to promote Montana products - \$11,875.

The equipment cost increase provides funding to purchase an Oracle server - \$14,300 and a color printer - \$5,500.

This present law adjustment is funded with \$30,946 general fund, \$47,321 state special revenue, \$13,976 federal funds, and \$4,832 proprietary funds.

DP 1503 - Rate Reduction - The legislature reduced the building rental rates and the rate charged by the Information Services Division (ISD) for data network services.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	54.84	.50	1.00	56.34	.50	1.50	56.84	56.84
Personal Services	1,843,411	182,165	33,165	2,058,741	171,265	50,430	2,065,106	4,123,847
Operating Expenses	776,486	363,231	39,660	1,179,377	323,406	52,165	1,152,057	2,331,434
Equipment	85,758	182,420	0	268,178	143,334	0	229,092	497,270
Grants	1,740,953	300,000	75,193	2,116,146	300,000	152,255	2,193,208	4,309,354
Total Costs	\$4,446,608	\$1,027,816	\$148,018	\$5,622,442	\$938,005	\$254,850	\$5,639,463	\$11,261,905
General Fund	54,807	7,138	0	61,945	8,821	0	63,628	125,573
State/Other Special	4,015,138	827,038	148,018	4,990,194	735,112	254,850	5,005,100	9,995,294
Federal Special	376,663	193,640	0	570,303	194,072	0	570,735	1,141,038
Total Funds	\$4,446,608	\$1,027,816	\$148,018	\$5,622,442	\$938,005	\$254,850	\$5,639,463	\$11,261,905

Program Description

The Agricultural Sciences Division (ASD) administers, manages, coordinates, and evaluates the major activities of: 1) pesticide and pest management; 2) analytical laboratory services; 3) noxious weed management; 4) agricultural chemical groundwater management; and 5) vertebrate pest management. This program administers the Montana Pesticides Act, Agricultural Chemical Groundwater Protection Act, Crop Insect Detection Act, Vertebrate Pest Management Act, Noxious Weed Trust Fund Act, elements of the Weed Assistance Act, and the department's Chemical Analytical Laboratory. Duties also include administering agricultural programs related to the production, manufacturing, and marketing of commodities exported from or distributed in the state.

Funding

The Agricultural Sciences Division's largest funding source is state special revenue collected from the \$1.50 noxious weed vehicle registration fee and the interest earned on the noxious weed trust. Pesticide registration fees of \$150 per product are allocated \$80 to the groundwater state special revenue account and \$70 to the pesticide management state special revenue account. The pesticide management account also receives revenue from pesticide dealers and commercial, governmental, and farm applicator fees. Other state special revenue is from commercial feed and fertilizer registration and inspection fees. These fees include mint assessments, fees for anhydrous ammonia and commodity inspection, testing and license fees, and commercial dealer and public warehouse operator license fees. Federal funds are from the market services account, which completely funds the medicated feed program and portions of the pesticide and groundwater programs supported by the EPA.

State special revenue comprises almost 88.8 percent of the program's funding.

Present Law Adjustments		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Present Law Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
Statewide Present Law							
	Personal Services			147,029			136,259
	Inflation/Deflation			796			723
	Fixed Costs			39,631			49,578
	Total Statewide Adjustments			\$187,456			\$186,560
Present Law Adjustments							
7	EPA Special Grant Funds	.00	0	150,000	.00	0	150,000
11	Laboratory Computer and Telephone	.00	0	25,000	.00	0	0
24	Anhydrous Amm, Fert & Ag Commodities	.50	0	42,750	.50	0	25,190
26	Laboratory Improvements and Operation	.00	0	129,520	.00	0	84,920
3001	Adjust Pesticide Management Base	.00	0	63,963	.00	0	45,726
3002	Adjust produce program base budget	.00	0	23,194	.00	0	15,282
3003	Adjust Feed & Fertilizer Base Bud	.00	0	16,658	.00	0	27,982
3004	Adjust Mint Base Budget	.00	0	750	.00	0	750
3005	Adjust Ag Commodities Base Budget	.00	0	19,644	.00	1,776	18,664
3006	Adjust Ground Water Base Budget	.00	0	44,781	.00	0	35,239
3007	Adjust Noxious Weed Base	.00	0	319,738	.00	0	343,679
3008	Adjust Misc Ag Programs Base Budget	.00	0	7,605	.00	0	7,605
3009	Adjust Alfalfa Leaf Cutting Bee B B	.00	0	0	.00	0	0
3110	Rate Reduction	.00	0	(3,243)	.00	0	(3,592)
	Total PL Adjustments	.50	\$0	\$840,360	.50	\$1,776	\$751,445
	Present Law Adjustments Total			\$1,027,816			\$938,005

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 7 - EPA Special Grant Funds - Annual pesticide discretionary funds are anticipated from EPA for special state programs involving pesticide certification enforcement, surface worker protection, endangered species, and groundwater protection. These funds will provide direct assistance to the regulated industry or general public on proper use, handling, and sales of pesticides. The legislature followed the intent of the last two legislatures and identified this appropriation as one-time-only.

DP 11 - Laboratory Computer and Telephone - The legislature provided a one-time-only increase in state special revenue appropriation authority to rewire the networking and telephone system for the analytical laboratory located at McCall Hall on the MSU campus. The appropriation increase is funded with equal amounts from four state special revenue accounts: 1) pest agriculture chemical ground water; 2) pesticide management; 3) commercial feed; and 4) commercial fertilizer.

DP 24 - Anhydrous Amm, Fert & Ag Commodities - The legislature appropriated state special revenue authority to upgrade the anhydrous ammonia safety program. This increase provides funding for the training of handlers and users, and compliance assistance to the industry. The legislature added 0.50 FTE. This grade 14, agricultural specialist will provide two functions: 1) provide the industry with agricultural commodity services; and 2) conduct compliance assistance and inspections.

This present law adjustment is funded with biennial amounts from three separate state special revenue accounts: 1) \$24,000 from the anhydrous ammonia account; 2) \$21,970 from the commercial fertilizer account; and 3) \$21,970 from the commercial feed account. The biennial costs associated with this adjustment include: 1) \$36,590 in personal services; 2) \$16,850 in operations; and 3) \$14,500 in equipment.

DP 26 - Laboratory Improvements and Operations - The legislature increased state special revenue appropriation authority to provide the department with funding to contract with the Montana State University-Bozeman Agricultural Experiment Station for laboratory chemistry assistance. This assistance will allow for the handling of additional samples from the pesticide and fertilizer ground water state special management plan areas. Additionally, the increase will provide for the handling of additional pesticide point source samples from soils, vegetation, and other sources.

This contract will provide funding for: 1) a new laboratory information system (LIMS) and related programming of analytical reports, and for training, travel, and installation costs associated with LIMS; 2) remodeling of two chemistry rooms; and 3) related technical equipment expenditures that occur in both years of the biennium.

For the biennium, the legislature funds this present law adjustment with state special revenue from four accounts: 1) \$83,620 pesticide agricultural chemical ground water; 2) \$75,620 pesticide management; 3) \$27,600 commercial fertilizer; and 4) \$27,600 commercial feed. The costs associated with the adjustment include \$135,540 for consulting and professional services and \$78,900 for equipment.

DP 3001 - Adjust Pesticide Management Base - The legislature approved funding for an increase in services related to the disposal of pesticides and for special contracts with MSU-Bozeman.

The appropriation increase provides funding for the replacement of the following equipment: 1) a lap top computer used in the field for pesticide training; 2) two printers; 3) replacement of one vehicle with over 100,000 miles and replacement of another vehicle that received extensive damage from a vehicle accident; and 4) a gas chromatograph to replace one purchased in 1982. This appropriation will also provide funding for increased travel to provide additional education courses in accordance with EPA standards.

The legislature funds this increase for the biennium from two state special revenue accounts: 1) \$103,689 pesticide management account; and 2) \$6,000 environmental management division account. The costs associated with the adjustment are \$69,046 for operations expenditures, with \$30,000 in contract services, and \$40,643 for equipment.

DP 3002 - Adjust produce program base budget - The legislature increased state special revenue appropriation authority to provide funding for base year adjustments in the Produce Program. This adjustment provides funding for the agency to: 1) reassign a position currently in the Nursery Program back to the Agricultural Commodity Produce Program; 2) replace two computers; 3) meet increases in rental contracts at several field offices; and 4) replace a vehicle.

This adjustment is funded from the produce account. The biennial expenditure increases by budget category are: 1) \$21,832 personal services; 2) \$6,612 operations; and 3) \$10,032 equipment.

DP 3003 - Adjust Feed & Fertilizer Base Bud - The legislature provided state special revenue appropriation authority for base year adjustments in the Feed and Fertilizer Program. This adjustment provides funding to the agency for the: 1) provision of resources for projected increases in the number of field inspections; 2) replacement of old and purchase of new sampling equipment; and 3) replacement of one car and one pickup.

DP 3004 - Adjust Mint Base Budget - This increase in state special revenue appropriation authority funded from the mint account would establish per diem allowances for the five member advisory council.

DP 3005 - Adjust Ag Commodities Base Budget - State special revenue appropriation authority is increased by \$36,532 and general fund by \$1,776 over the biennium to make adjustments to the agricultural commodities budget. This adjustment adds funding to provide: 1) \$20,000 for consulting services; 2) \$7,000 to replace computer equipment; 3) \$7,888 to fund both in and out-of-state travel; and 4) \$3,420 to fund increases in legal fees and printing/publishing costs.

DP 3006 - Adjust Ground Water Base Budget - The legislature increased state and federal revenue appropriation authority to provide funding for base year adjustments in the Ground Water Program. This adjustment includes funding to: 1)

provide travel resources for projected increases in field inspections (\$12,604); 2) replace old and purchase new sampling equipment (\$18,609); 3) replace computers for field and laboratory use and upgrade the existing Geographical Information System (GIS) computer (\$19,150); 4) replace three trucks in fiscal 2000 and one in fiscal 2001 (\$27,507); and 5) miscellaneous operating costs (\$2,150).

This adjustment is funded for the biennium from three separate state special revenue accounts and one federal special revenue account: 1) \$18,748 from the pest agriculture chemical ground water account; 2) \$38,790 from the pesticide management account; 3) \$5,892 from the fertilizer agriculture chemical ground water account; and 4) \$16,590 from the federal marketing service account.

DP 3007 - Adjust Noxious Weed Base - The legislature approved state revenue appropriation authority to provide funding for base year adjustments in the Noxious Weed Program.

This adjustment provides increased appropriation authority for: 1) per diem for noxious weed advisory council members (\$5,000); 2) in-state travel, printing and graphics, inspection equipment and supplies associated with inspection and certification of acreage for noxious weed seed free forage, and general office supplies (\$22,236); 3) replacement of lap top computers for field use (\$7,000); and 4) noxious weed grants to communities (\$600,000).

The legislature funds these increases from the noxious weed account. This account receives its revenue from the \$1.50 noxious weed vehicle registration fee and the interest earned on the noxious weed trust.

DP 3008 - Adjust Misc Ag Programs Base Budget - The state appropriation authority increase provides funding for work-study students to conduct insect, weed, and disease surveys for pests subject to state and/or federal quarantine and a pest management standard. Expenditures related to these surveys include work-study contracts and instate travel.

DP 3009 - Adjust Alfalfa Leaf Cutting Bee B B - Increase per diem and travel allowance for two advisory council members and staff to meet with producers.

DP 3110 - Rate Reduction - The legislature reduced the building rental rates and the rate charged by the Information Services Division (ISD) for data network services.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds	
1 SB 164 - Noxious Weed Trust	.00	0	77,063	.00	0	154,125	
2 SB 183 - Agricultural Seed	.50	0	23,000	.50	0	23,000	
3 SB 394-State Organic Certification	.50	0	47,955	1.00	0	77,725	
Total New Proposals	1.00	\$0	\$148,018	1.50	\$0	\$254,850	

New Proposals

DP 1 - SB 164 - Noxious Weed Trust - The legislature added additional state special revenue from the Noxious Weed Trust Fund resulting from the passage of SB 164, which required that the principal be retained in the trust until the trust reaches \$10 million. The current cap on the trust fund is \$2.5 million. The funds added are the additional interest anticipated and would, with the exception of \$1,870 each year for additional council members and meetings, be used for noxious weed grants.

DP 2 - SB 183 - Agricultural Seed - The legislature added state special revenue to implement SB 183, which revises laws regarding agricultural seed and clarifies labeling requirements and packaging prohibitions.

DP 3 - SB 394-State Organic Certification - The legislature added state special revenue for the costs associated with SB 394, which established a state organic certification program.

Language

"Item [SB 164 - Noxious Weed Trust] is contingent upon passage and approval of Senate Bill No. 164."

"Item [SB 183 - Agricultural Seed] is contingent upon passage and approval of Senate Bill No. 183."

Proprietary Rates**Program Description**

The Alfalfa Leaf-cutting Bee Program was established in 1981. The Alfalfa Seed Committee establishes standards for pathogens and parasites, certification of bees, and management of the program in cooperation with the department. Department personnel perform field and laboratory duties for the committee.

Revenues and Expenses

Alfalfa leaf-cutting bee account revenues are received from laboratory analyses for pathogens in larva and the determination of sex ratios. Expenditures include laboratory costs and committee members' per diem. There are no FTE funded in this program. However, according to the agency there are usually overtime payments to the entomologist funded by this account.

Rate Explanation

Fees are charged for certification and registration of bees in Montana. Rates are \$30 for a minor A license and \$15 for a minor B license.

Significant Present Law

The rate includes per diem and travel allowance for two additional advisory council members and staff to meet with producers.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	40.37	.00	.00	40.37	.00	.00	40.37	40.37
Personal Services	937,498	445,629	0	1,383,127	438,204	0	1,375,702	2,758,829
Operating Expenses	1,098,370	161,445	1,650,000	2,909,815	160,059	0	1,258,429	4,168,244
Equipment	12,905	66,800	0	79,705	94,300	0	107,205	186,910
Grants	1,007,506	262,640	0	1,270,146	262,640	0	1,270,146	2,540,292
Transfers	0	80,000	0	80,000	80,000	0	80,000	160,000
Debt Service	1,569	0	0	1,569	0	0	1,569	3,138
Total Costs	\$3,057,848	\$1,016,514	\$1,650,000	\$5,724,362	\$1,035,203	\$0	\$4,093,051	\$9,817,413
General Fund	213,825	30,177	1,000,000	1,244,002	25,703	0	239,528	1,483,530
State/Other Special	2,614,169	916,351	50,000	3,580,520	940,178	0	3,554,347	7,134,867
Federal Special	17,799	30,337	600,000	648,136	30,255	0	48,054	696,190
Proprietary	212,055	39,649	0	251,704	39,067	0	251,122	502,826
Expendable Trust	0	0	0	0	0	0	0	0
Total Funds	\$3,057,848	\$1,016,514	\$1,650,000	\$5,724,362	\$1,035,203	\$0	\$4,093,051	\$9,817,413

Program Description

The Agricultural Development Division administers programs to promote Montana agriculture through market development and enhancement. Assistance is given toward commercialization of traditional as well as innovative agricultural products and processes. The program provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, and the Board of Hail Insurance. The division is comprised of the Rural Development, Wheat and Barley, and State Grain Laboratory Bureaus. The State Grain Laboratory provides grades, protein determinations, malting barley germination, and falling number tests for contract settlement prices between buyers and sellers of grain crops in Montana.

Funding

State and other special revenue consists of wheat and barley sales taxes, grain testing fees, coal severance tax collections, alfalfa seed assessments, income tax checkoffs for Agriculture in Montana Schools program, interest earnings, and private donations. Coal severance tax collections fund grants and operations in the Agriculture Development Council for the Montana Growth Through Agriculture Act. Proprietary funds are from Hail Insurance.

Mill levies assessed to wheat and barley fund the wheat and barley research and marketing account. The mill levy for wheat was increased from 8 to 10 mills per bushel and the mill levy on barley was increased from 10 to 15 mills per hundred weight on July 1, 1998. The mill levy increases the assessments to what they were prior to the 1999 biennium. The producer-directors of the Montana Wheat and Barley Committee chose to raise the assessment on both wheat and barley to bring revenues in line with appropriated expenditures.

Revenues from interest earnings on an expendable trust finance the Rural Development Program. Interest is earned from rural development loans. In the past, expendable trust revenues provided resources for approximately 1.7 percent of the program costs.

Present Law Adjustments		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Present Law Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
Statewide Present Law							
	Personal Services			288,066			280,528
	Inflation/Deflation			3,589			2,757
	Fixed Costs			33,746			39,057
	Total Statewide Adjustments			\$325,401			\$322,342
Present Law Adjustments							
3	Alternative Crops Statistics Program	.00	0	5,000	.00	0	5,000
5001	Adjustments to Administration	.00	7,169	10,497	.00	3,897	5,705
5002	Adjustments to Wheat & Barley	.00	0	187,299	.00	0	219,599
5003	Adjustments to State Grain Lab	.00	0	237,978	.00	0	231,723
5004	Adjustments to Hail Insurance	.00	0	9,839	.00	0	10,792
5006	Adjust Ag Development Council	.00	0	200,711	.00	0	200,711
5007	Adjustments to Ag Marketing	.00	0	28,122	.00	0	28,122
5008	Adjustments to Ag Statistics	.00	0	7,549	.00	0	7,308
5009	Adjustment to Administration	.00	0	5,685	.00	0	5,642
5110	Rate Reduction	.00	(393)	(1,567)	.00	(393)	(1,741)
	Total PL Adjustments	.00	\$6,776	\$691,113	.00	\$3,504	\$712,861
	Present Law Adjustments Total			\$1,016,514			\$1,035,203

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 3 - Alternative Crops Statistics Program - The legislature increased state special revenue appropriation authority to expand the division's agricultural statistics service. The department, through the Montana Agricultural Statistics Service, will collect production and acreage data on alternative crops grown in Montana. The Montana Agricultural Statistics Service will provide staff and facilities to conduct the approved projects and publish the results. Data will be collected on safflower, canola, mustard, dry peas, lentils, mint, and other miscellaneous alternative crops at the request of producer groups. Currently, statistical data on alternative crop production and acreage is not available.

DP 5001 - Adjustments to Administration - The legislature increased appropriation authority to: 1) replace one computer in order to meet MT PRRIME standards and one laser printer in fiscal 2000 (\$4,863); and 2) fund increases for in-state and out-of-state travel (\$11,339). According to the agency, the increased travel is required to address issues affecting Montana's grain, cattle, and agricultural economy.

The legislature funded this adjustment with biennial amounts of \$11,066 general fund and \$2,568 from both the Wheat and Barley account and the Hail Insurance account.

DP 5002 - Adjustments to Wheat & Barley - The legislature increased state special revenue appropriation authority to: 1) replace a van with 150,000 miles; 2) fund wheat and barley research and marketing grants; and 3) fund increases in other operating categories, which include the scheduled replacement of two computers to meet MT PRRIME standards, additional travel to maintain and increase domestic and international market shares of wheat and barley, and fund increased rental charges.

The legislature funded this adjustment entirely from the wheat and barley assessment account. These revenues are received from voluntary annual assessments at the first sale of wheat or barley.

DP 5003 - Adjustments to State Grain Lab - The legislature provided an increase in state special revenue appropriation authority to: 1) provide funding for personal services costs related to overtime for regular employees, and funding and overtime for temporary employees (\$299,699); 2) fund consulting and professional services (\$17,166); 3) fund increases in miscellaneous communications costs (\$5,680); 4) increase in-state travel funding (\$2,926); 4) replace one vehicle (\$19,000); 5) replace laboratory equipment \$130,000; and 6) provide funding for other minor equipment, supplies, and operating expenses (\$14,130).

This adjustment is funded entirely from the state grains accounting entity.

DP 5004 - Adjustments to Hail Insurance - The legislature increased proprietary appropriation authority to: 1) replace two computers each fiscal year (agency replacement cycle is every four years); 2) increase travel and other operating costs to gather and provide information pertaining to the hail insurance program, and to provide sufficient base to cover adjuster's travel should the state experience a large hail loss year. The legislature funded this adjustment with hail insurance proceeds.

DP 5006 - Adjust Ag Development Council - State special revenue appropriation authority was increased to: 1) provide increased funding for consultants and interpreters supporting a greater number of foreign trade missions; 2) fund increases for the department's intern program; 3) fund special projects identified by the Agriculture Development Council; and 4) fund an \$80,000 transfer each year to the Department of Commerce for program assistance to the council. This adjustment is funded from coal severance tax collections from the coal severance tax "shared account".

DP 5007 - Adjustments to Ag Marketing - The legislature approved an increase in state special revenue appropriation authority to expand foreign trade missions to Canada, Mexico, Chile, Argentina, and Pacific Rim countries for the promotion and development of Montana's value-added industries. This adjustment provides funding for increases in consulting services, in-state and out-of-state travel, foreign travel, and other miscellaneous operations and supplies.

DP 5008 - Adjustments to Ag Statistics - The legislature appropriated an increase in state special revenue authority to fund: 1) a pay plan exception for an information technology specialist; 2) increased operating costs due to anticipated increases in the usage of supplies; and 3) increased requests for reports from producers and agribusiness.

DP 5009 - Adjustment to Administration - The legislature appropriated \$5,685 in fiscal 2000 and \$5,642 in fiscal 2001 to correct a budget submission error. This adjustment is funded with state special revenue from the Agriculture in Montana Schools account.

DP 5110 - Rate Reduction - The legislature reduced the building rental rates and the rate charged by the Information Services Division (ISD) for data network services.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds	
15 Rail Transport Technical Assist	.00	0	50,000	.00	0	0	0
20 Cooperative Dev Center-MSU Northern	.00	0	600,000	.00	0	0	0
25 Agricultural Heritage Preservation	.00	1,000,000	1,000,000	.00	0	0	0
Total New Proposals	.00	\$1,000,000	\$1,650,000	.00	\$0	\$0	\$0

New Proposals

DP 15 - Rail Transport Technical Assist - The legislature added state special revenue from the wheat and barley account to contract for services as a restricted, biennial, one-time-only appropriation to address issues affecting Montana's transportation system. The addition is in conjunction with the addition of \$100,000 in the Department of Transportation. The funds will be used to contract to provide oversight on mergers, deregulation, Canadian transportation issues affecting Montana, trade issues, and commodity inspections. The contractor will also develop specific proposals, assist in the development of transportation policy, conduct research, and other duties.

DP 20 - Cooperative Dev Center-MSU Northern - The legislature added \$600,000 of federal funds as a restricted biennial appropriation to fund a cooperative development center at Montana State University - Northern. The federal authority was provided in the event federal funds became available. The legislature also added language stating that, if HB 260 was passed and approved, \$65,000 each year of state funds appropriated in that bill must be used for the center. The center would assist in the development and expansion of "new generation" producer-owned cooperatives that add value to agricultural commodities produced in the state.

DP 25 - Agricultural Heritage Preservation - The legislature added \$1.0 million general fund over the biennium to fund the Agricultural Heritage Preservation Program created in SB 342. The funds will be used to match funds for the acquisition and enforcement of agricultural easements and for the costs of a 12 member commission.

Language

"If House Bill No. 260 is passed and approved, \$65,000 each fiscal year of state special revenue money appropriated in House Bill No. 260 must be used for a cooperative development center at MSU-Northern."