

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	137.99	137.99	141.49	143.49	137.99	143.49	5.50	3.99%
Personal Services	6,082,816	7,115,362	6,953,614	7,073,752	13,198,178	14,027,366	829,188	6.28%
Operating Expenses	3,142,130	2,916,152	3,989,164	4,128,025	6,058,282	8,117,189	2,058,907	33.98%
Equipment & Intangible Assets	70,052	107,513	223,028	209,778	177,565	432,806	255,241	143.75%
Benefits & Claims	0	0	600,000	450,000	0	1,050,000	1,050,000	n/a
Transfers	0	163,800	0	0	163,800	0	(163,800)	(100.00%)
Total Costs	\$9,294,998	\$10,302,827	\$11,765,806	\$11,861,555	\$19,597,825	\$23,627,361	\$4,029,536	20.56%
General Fund	1,065,499	1,162,620	1,778,283	1,380,968	2,228,119	3,159,251	931,132	41.79%
State Special	6,781,645	7,507,746	8,180,255	8,662,995	14,289,391	16,843,250	2,553,859	17.87%
Federal Special	1,447,854	1,632,461	1,807,268	1,817,592	3,080,315	3,624,860	544,545	17.68%
Total Funds	\$9,294,998	\$10,302,827	\$11,765,806	\$11,861,555	\$19,597,825	\$23,627,361	\$4,029,536	20.56%

Agency Description

Mission Statement: To control and eradicate animal diseases, prevent the transmission of animal diseases to humans, and to protect the livestock industry from theft and predatory animals.

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, meat, milk and egg inspection, 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, the Milk Control Board, the Livestock Loss Reduction and Mitigation Board, and the Board of Horse Racing. The department is organized into four divisions: Animal Health; Centralized Services; Brand-Enforcement; Diagnostic Laboratory; and two bureaus: Milk and Egg Inspection and Meat and Poultry 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 Highlights

Department of Livestock HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The budget increases by \$4.0 million or 20 percent over the previous biennium due primarily to new proposals ◆ One-time-only appropriations total \$1.8 million, of which \$1.1 million is for the brucellosis action plan while the remainder is primarily information technology purchases ◆ The legislature approved an additional 5.50 FTE ◆ The increase to 7 percent vacancy savings reduced the budget by \$423,000
HB 645 Highlights
<ul style="list-style-type: none"> ◆ The agency did not receive any authority in HB 645

Summary of Legislative Action

The legislature approved a biennial budget of \$23.6 million. The budget includes \$1.6 million in statewide present law adjustments, \$0.9 million in additional present law adjustments and \$2.5 million in new proposals. The budget is funded with 13 percent general fund, 36 percent from livestock per capita fees, 36 percent from other department fees and 15 percent federal funds.

The budget contains funding to implement HB 13, the pay plan, including \$190,960 in ongoing costs for employee health insurance increases as well as \$65,628 in one-time-only funding to provide a \$450 lump sum payment to qualified employees. Twelve percent of the pay plan is funded with general fund.

Other major biennial budget items include:

- Funding for the brucellosis action plan, \$1.2 million
- Livestock loss reimbursements \$1.0 million
- Increased laboratory supply costs, 346,000
- Vehicle replacements, \$227,000

Budget increases were offset by the following reductions:

- Increase to 7 percent vacancy savings of approximately \$0.4 million
- A 2 percent across-the-board general fund reduction of \$44,400
- Fuel funding reductions of \$87,000
- Adjustment of federal bison authority of \$150,200

Agency Discussion

Brucellosis Action Plan

The legislature approved funding for the Brucellosis Action Plan (BAP). The BAP is designed to use testing, surveillance and herd planning to regain the class free status from the United States Department of Agriculture. The BAP is funded in two parts. Immediate, short term costs of \$2.4 million general fund are approved in HB 3 for the 2009 calendar year. The ongoing testing and surveillance activities are funded in this bill, including \$0.5 million general fund and \$678,400 in livestock per capita fees for the 2011 biennium. The legislature approved the general fund portion as one-time-only in order to re-evaluate the need for general fund for the 2013 biennium. Figure 1 illustrates funding for the BAP.

Livestock Per Capita Fees

The per capita revenue is derived by taxation on the ownership of livestock and the interest earned on the fund. The legislature appropriated \$3.9 million in FY 2010 and \$4.3 million on FY 2011 of per capita fees. This appropriation represents an increase of \$1.7 million over the biennium. Figure 2 below demonstrates the biennial change. A majority of this increase is associated with the brucellosis action plan.

Figure 1 Department of Livestock Brucellosis Action Plan Funding (HB 2 & HB 3)				
Function	Short Term		Long Term	
	Plan -		Increase	
	Testing & Vaccination	Surveillance	Activities	
Legislation	HB 3	HB 2	HB 2	Total
Time Period	CY 2009	FY 2010	FY 2011	Budget
Expenditures				
Personal Services	\$186,191	\$146,726	\$146,783	\$479,700
Operational Costs	54,940	14,418	15,043	84,401
Testing/Vaccines	2,134,653	285,156	570,313	2,990,122
	<u>\$2,375,784</u>	<u>\$446,300</u>	<u>\$732,139</u>	<u>\$3,554,223</u>
Funding				
General Fund	\$2,375,784	\$250,000	\$250,000	\$2,875,784
Livestock Per Capita	0	196,300	482,139	678,439
Total Funding	<u>\$2,375,784</u>	<u>\$446,300</u>	<u>\$732,139</u>	<u>\$3,554,223</u>

Figure 2
Historical and Projected Fund Analysis
Livestock Per Capita Tax - Montana Department of Livestock
Fiscal Years 2008 Through 2011

Item	FY 2008 Actual	FY 2009 Appropriated	HB 2 FY 2010	HB 2 FY 2011
Beginning Fund Balance	\$1,782,237	\$2,379,222	\$2,722,566	2,970,985
Adjustment to Fund Balance	22,977			
Revenue				
Fees, Licenses, Taxes	3,730,069	3,740,312	4,051,731	4,221,622
Transfers	76,440	80,000	80,000	80,000
Other	55,441	56,000	60,000	60,000
Total Revenue	<u>3,861,950</u>	<u>3,876,312</u>	<u>4,191,731</u>	<u>4,361,622</u>
Expenditures by Program				
Centralized Services	1,524,805	1,642,562	1,595,419	1,606,362
Diagnostic Laboratory	55,457	0	263,799	488,336
Animal Health	479,225	603,830	826,580	1,115,301
Brands Enforcement	<u>1,228,455</u>	<u>1,286,576</u>	<u>1,257,514</u>	<u>1,099,035</u>
Total Expenditures	<u>3,287,942</u>	<u>3,532,968</u>	<u>3,943,312</u>	<u>4,309,034</u>
Ending Fund Balance	<u>\$2,379,222</u>	<u>\$2,722,566</u>	<u>\$2,970,985</u>	<u>\$3,023,573</u>
Biennial Increase				\$892,770

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2011 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Program	\$ 250,800	\$ 4,473,243	\$ 600,000	\$ 5,324,043	22.53%
03 Diagnostic Laboratory Program	1,083,137	2,956,963	19,933	4,060,033	17.18%
04 Animal Health Division	598,100	2,008,130	1,713,970	4,320,200	18.28%
05 Milk & Egg Program	-	640,854	69,412	710,266	3.01%
06 Brands Enforcement Division	6,000	6,751,240	-	6,757,240	28.60%
10 Meat/Poultry Inspection	<u>1,221,214</u>	<u>12,820</u>	<u>1,221,545</u>	<u>2,455,579</u>	<u>10.39%</u>
Grand Total	<u>\$ 3,159,251</u>	<u>\$ 16,843,250</u>	<u>\$ 3,624,860</u>	<u>\$ 23,627,361</u>	<u>100.00%</u>

The Department of Livestock is funded with general fund, state special revenue, and federal special revenue. General fund provides support for some administrative functions, the diagnostic lab, and meat and poultry inspections.

Federal special revenue comes from the bison operations cooperative agreement, the Greater Yellowstone Interagency Brucellosis Committee grant for contracted research, and from the U.S. Department of Agriculture in match funds for meat and poultry inspections.

State special revenue in the Department of Livestock is derived primarily from taxes and fees assessed to livestock owners. The three state special revenue funds that comprise over 90 percent of state special revenues are the livestock per capita fee, the inspection and control fund, and the animal health fund.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	1,065,499	1,065,499	2,130,998	67.45%	9,294,998	9,294,998	18,589,996	78.68%
Statewide PL Adjustments	53,546	55,796	109,342	3.46%	786,767	774,694	1,561,461	6.61%
Other PL Adjustments	21,293	28,033	49,326	1.56%	454,071	495,214	949,285	4.02%
New Proposals	637,945	231,640	869,585	27.53%	1,229,970	1,296,649	2,526,619	10.69%
Total Budget	\$1,778,283	\$1,380,968	\$3,159,251		\$11,765,806	\$11,861,555	\$23,627,361	

Executive Budget Comparison

The following table compares the legislative budget in the 2011 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2008	Executive Budget Fiscal 2010	Legislative Budget Fiscal 2010	Leg – Exec. Difference Fiscal 2010	Executive Budget Fiscal 2011	Legislative Budget Fiscal 2011	Leg – Exec. Difference Fiscal 2011	Biennium Difference Fiscal 10-11
FTE	137.99	141.49	141.49	0.00	143.49	143.49	0.00	
Personal Services	6,082,816	6,841,181	6,953,614	112,433	6,929,634	7,073,752	144,118	256,551
Operating Expenses	3,142,130	3,962,595	3,989,164	26,569	4,102,895	4,128,025	25,130	51,699
Equipment & Intangible Assets	70,052	223,028	223,028	0	209,778	209,778	0	0
Benefits & Claims	0	0	600,000	600,000	0	450,000	450,000	1,050,000
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$9,294,998	\$11,026,804	\$11,765,806	\$739,002	\$11,242,307	\$11,861,555	\$619,248	\$1,358,250
General Fund	1,065,499	1,386,804	1,778,283	391,479	1,136,239	1,380,968	244,729	636,208
State/Other Special	6,781,645	8,209,487	8,180,255	(29,232)	8,670,255	8,662,995	(7,260)	(36,492)
Federal Special	1,447,854	1,430,513	1,807,268	376,755	1,435,813	1,817,592	381,779	758,534
Total Funds	\$9,294,998	\$11,026,804	\$11,765,806	\$739,002	\$11,242,307	\$11,861,555	\$619,248	\$1,358,250

The legislature approved a budget \$1.36 million higher than the executive request. This increase can be attributed to an increase in general fund support for the brucellosis action plan and the livestock loss mitigation program, an increase in federal authority for livestock loss claims and a decrease in state special revenue support of the brucellosis action plan.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	20.78	20.78	20.78	20.78	20.78	20.78	0.00	0.00%
Personal Services	936,040	1,274,933	1,090,813	1,098,602	2,210,973	2,189,415	(21,558)	(0.98%)
Operating Expenses	1,027,685	1,030,640	1,068,663	1,015,965	2,058,325	2,084,628	26,303	1.28%
Benefits & Claims	0	0	600,000	450,000	0	1,050,000	1,050,000	n/a
Transfers	0	163,800	0	0	163,800	0	(163,800)	(100.00%)
Total Costs	\$1,963,725	\$2,469,373	\$2,759,476	\$2,564,567	\$4,433,098	\$5,324,043	\$890,945	20.10%
General Fund	54,181	82,215	200,437	50,363	136,396	250,800	114,404	83.88%
State Special	1,909,544	2,387,158	2,259,039	2,214,204	4,296,702	4,473,243	176,541	4.11%
Federal Special	0	0	300,000	300,000	0	600,000	600,000	n/a
Total Funds	\$1,963,725	\$2,469,373	\$2,759,476	\$2,564,567	\$4,433,098	\$5,324,043	\$890,945	20.10%

Program Description

The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, public information and general services functions for the department. The Predator Control Program is administered by the Board of Livestock and the Executive Officer. The Milk Control Bureau staff and the Livestock Loss Reduction Mitigation Board (LLRMB) staff are supervised in the Central Services Division. The Board of Milk Control, the Livestock Loss Reimbursement Mitigation Board, and the Board of Horse Racing are attached to the Department of Livestock for administrative purposes.

Program Highlights

Centralized Services Division HB 2 Budget Highlights	
♦	The biennial budget increases by 20 percent over the previous biennium <ul style="list-style-type: none"> • \$1.05 million in appropriation authority for livestock loss reimbursement claims was approved • The legislature approved \$20,000 in one-time-only funding to address litigation issues in the Milk Bureau
♦	The increase to 7 percent vacancy savings reduced the budget by \$68,900

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table Centralized Services Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 54,181	2.8%	\$ 200,437	7.3%	\$ 50,363	2.0%
01100 General Fund	54,181	2.8%	200,437	7.3%	50,363	2.0%
02000 Total State Special Funds	1,909,544	97.2%	2,259,039	81.9%	2,214,204	86.3%
02029 Board Of Horse Racing	158,103	8.1%	217,456	7.9%	218,136	8.5%
02322 Llrm State Special	-	-	150,000	5.4%	150,000	5.8%
02426 Lvstk Per Capita	1,516,665	77.2%	1,642,562	59.5%	1,595,419	62.2%
02817 Milk Control Bureau	234,776	12.0%	249,021	9.0%	250,649	9.8%
03000 Total Federal Special Funds	-	-	300,000	10.9%	300,000	11.7%
03345 Llrm Federal Special	-	-	300,000	10.9%	300,000	11.7%
Grand Total	\$ 1,963,725	100.0%	\$ 2,759,476	100.0%	\$ 2,564,567	100.0%

The division is funded from the livestock per capita fund, the Milk Control Bureau fund, and the Board of Horse Racing fund. The livestock per capita fund, an annual tax on livestock headcount, funds all activities of the division, except for the administratively attached boards. The division collects indirect cost reimbursements on federal and state special revenues expended in other divisions. These reimbursements are deposited to the livestock per capita fund. The Milk Control Bureau and the Board of Horse Racing are funded from fees assessed to the respective industries.

Budget Summary by Category

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

Budget Summary by Category								
	-----General Fund-----				-----Total Funds-----			
Budget Item	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	54,181	54,181	108,362	43.21%	1,963,725	1,963,725	3,927,450	73.77%
Statewide PL Adjustments	17,594	17,505	35,099	13.99%	193,875	156,001	349,876	6.57%
Other PL Adjustments	887	885	1,772	0.71%	31,765	20,114	51,879	0.97%
New Proposals	127,775	(22,208)	105,567	42.09%	570,111	424,727	994,838	18.69%
Total Budget	\$200,437	\$50,363	\$250,800		\$2,759,476	\$2,564,567	\$5,324,043	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2010-----					-----Fiscal 2011-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				213,696						216,353
Vacancy Savings				(45,989)						(46,097)
Inflation/Deflation				2,091						2,627
Fixed Costs				24,077						(16,882)
Total Statewide Present Law Adjustments										
	\$17,594	\$176,281	\$0	\$193,875		\$17,505	\$138,496	\$0	\$156,001	
DP 101 - Department P.C. Replacements	0.00	0	9,177	0	9,177	0.00	0	9,177	0	9,177
DP 102 - I.T. Staff Training - OTO	0.00	0	11,500	0	11,500	0.00	0	0	0	0
DP 103 - Board of Livestock Per Diem	0.00	0	3,950	0	3,950	0.00	0	3,950	0	3,950
DP 104 - Out of State Travel Ex. Officer	0.00	0	3,021	0	3,021	0.00	0	3,021	0	3,021
DP 105 - Board of Horse Racing Per Diem	0.00	0	900	0	900	0.00	0	900	0	900
DP 106 - Milk Control Board Per Diem	0.00	0	700	0	700	0.00	0	700	0	700
DP 107 - Milk Control Board Contract Attorney-OTO/R	0.00	0	10,000	0	10,000	0.00	0	10,000	0	10,000
DP 108 - Predator Control - Base Adjustment	0.00	0	(7,369)	0	(7,369)	0.00	0	(7,369)	0	(7,369)
DP 109 - Per Diem-Livestock Loss Reduction Mitigation Board	0.00	900	0	0	900	0.00	900	0	0	900
DP 7101 - Fuel Inflation Reduction	0.00	(13)	(1,001)	0	(1,014)	0.00	(15)	(1,150)	0	(1,165)
Total Other Present Law Adjustments										
	0.00	\$887	\$30,878	\$0	\$31,765	0.00	\$885	\$19,229	\$0	\$20,114
Grand Total All Present Law Adjustments										
	0.00	\$18,481	\$207,159	\$0	\$225,640	0.00	\$18,390	\$157,725	\$0	\$176,115

DP 101 - Department P.C. Replacements - The legislature approved an increase in state special revenue to allow the department to meet the Department of Administration's recommendation to replace computers every four years.

DP 102 - I.T. Staff Training - OTO - The legislature approved a one-time only increase in out-of-state travel and training for information technology staff in order to develop and maintain Oracle applications and Novell training to maintain the department's LAN security. The request is based on sending 2.0 FTEs to Oracle training and 1.0 to Novell training.

DP 103 - Board of Livestock Per Diem - Board per diem expenditures are zero-based and must be restored each biennium. The legislature approved board per diem.

DP 104 - Out of State Travel Ex. Officer - The legislature approved an increase in the travel budget for the Executive Officer to represent the board at key national and other industry meetings. This package increased the base budget for out-of-state travel from \$8,300 to approximately \$11,300, and will provide for approximately six out-of-state trips per year.

DP 105 - Board of Horse Racing Per Diem - Board per diem expenditures are zero-based and must be restored each biennium. The legislature restored this funding to support functions of the board.

DP 106 - Milk Control Board Per Diem - Board per diem expenditures are zero-based and must be restored each biennium. The legislature approved restoration of this funding to support functions of the board.

DP 107 - Milk Control Board Contract Attorney-OTO/R - The legislature approved a restricted one-time-only increase of \$10,000 each year in contract legal services for the purpose of defending pending legal actions regarding milk activities.

DP 108 - Predator Control - Base Adjustment - The legislature approved a base reduction of \$7,369 each year of the biennium to the Predator Control program to align the budget with the board approved amount of \$319,500 per year.

DP 109 - Per Diem-Livestock Loss Reduction Mitigation Board - Board per diem expenditures are zero-based and must be restored each biennium. The legislature approved restoration of this funding to support functions of the board.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 110 - Database Hosting										
01	0.00	0	7,040	0	7,040	0.00	0	7,040	0	7,040
DP 155 - Livestock Loss Mitigation Funding										
01	0.00	0	150,000	300,000	450,000	0.00	0	150,000	300,000	450,000
DP 160 - Livestock Loss Mitigation Funding (RST/BIEN/OTO)										
01	0.00	150,000	0	0	150,000	0.00	0	0	0	0
DP 6013 - 2011 Biennium Pay Plan - HB 13										
01	0.00	346	6,414	0	6,760	0.00	1,046	19,382	0	20,428
DP 6014 - Pay Plan Lump Sum Payment - OTO										
01	0.00	537	7,809	0	8,346	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Management Program Allocat										
01	0.00	1,080	3,615	0	4,695	0.00	936	3,135	0	4,071
DP 6105 - Unspecified 2% reduction										
01	0.00	(22,240)	0	0	(22,240)	0.00	(22,240)	0	0	(22,240)
DP 8101 - Increase Vacancy Savings to 7%										
01	0.00	(1,948)	(32,542)	0	(34,490)	0.00	(1,950)	(32,622)	0	(34,572)
Total	0.00	\$127,775	\$142,336	\$300,000	\$570,111	0.00	(\$22,208)	\$146,935	\$300,000	\$424,727

DP 110 - Database Hosting - The legislature approved state special revenue authority to cover the cost of database hosting by the Information Technology Services Division of the Department of Administration for the brand and animal health permitting systems.

DP 155 - Livestock Loss Mitigation Funding - The legislature approved \$150,000 per year of state special and \$300,000 per year of federal special revenue to support the activities of the livestock loss mitigation board.

DP 160 - Livestock Loss Mitigation Funding (RST/BIEN/OTO) - The legislature appropriated \$150,000 general fund for the 2011 biennium for the purpose of paying livestock claims.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment - OTO - This DP funds this program's cost of providing one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Program Allocat - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 6105 - Unspecified 2% reduction - This item provided an unspecified reduction in general fund of 2 percent for the agency. Language included in the bill allows the agency to allocate the reduction in funding among programs when developing 2011 biennium operating plans.

DP 8101 - Increase Vacancy Savings to 7% - This adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Language and Statutory Authority

The legislature added the following language to HB 2:

“The Centralized Services Program includes a reduction in general fund money of \$22,240 in fiscal year 2010 and \$22,240 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans.”

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	20.50	20.50	22.00	22.00	20.50	22.00	1.50	7.32%
Personal Services	1,025,686	1,131,127	1,164,119	1,171,348	2,156,813	2,335,467	178,654	8.28%
Operating Expenses	632,443	507,363	815,917	882,193	1,139,806	1,698,110	558,304	48.98%
Equipment & Intangible Assets	6,603	0	19,853	6,603	6,603	26,456	19,853	300.67%
Total Costs	\$1,664,732	\$1,638,490	\$1,999,889	\$2,060,144	\$3,303,222	\$4,060,033	\$756,811	22.91%
General Fund	446,155	455,938	618,147	464,990	902,093	1,083,137	181,044	20.07%
State Special	1,208,526	1,169,150	1,371,791	1,585,172	2,377,676	2,956,963	579,287	24.36%
Federal Special	10,051	13,402	9,951	9,982	23,453	19,933	(3,520)	(15.01%)
Total Funds	\$1,664,732	\$1,638,490	\$1,999,889	\$2,060,144	\$3,303,222	\$4,060,033	\$756,811	22.91%

Program Description

The Diagnostic Laboratory provides livestock laboratory diagnostic support for livestock producers and the Animal Health and Milk and Egg program. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks, and other agencies in protecting the health of animals, wildlife, and the public.

Program Highlights

Diagnostic Laboratory Program HB 2 Budget Highlights	
◆	The biennial budget increases by 23 percent over the previous biennium
•	The legislature approved a fund switch of animal health funds with per capita fees to stabilize lab funding
•	The legislature approved \$25,500 in one-time-only funding to address equipment and storage needs at the lab
•	Funding for lab supplies was increased by \$346,000
◆	The increase to 7 percent vacancy savings reduced the budget by \$69,200

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
Diagnostic Laboratory Program							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 446,155	26.8%	\$ 618,147	30.9%	\$ 464,990	22.6%	
01100 General Fund	446,155	26.8%	618,147	30.9%	464,990	22.6%	
02000 Total State Special Funds	1,208,526	72.6%	1,371,791	68.6%	1,585,172	76.9%	
02426 Lvstk Per Capita	55,457	3.3%	263,799	13.2%	488,336	23.7%	
02427 Animal Health	1,153,069	69.3%	1,107,992	55.4%	1,096,836	53.2%	
03000 Total Federal Special Funds	10,051	0.6%	9,951	0.5%	9,982	0.5%	
03427 Bison Trap Funds	10,051	0.6%	9,951	0.5%	9,982	0.5%	
Grand Total	\$ 1,664,732	100.0%	\$ 1,999,889	100.0%	\$ 2,060,144	100.0%	

The Diagnostic Laboratory (lab) is supported with general fund, animal health fees, per capita fees, and a small portion of federal funds. During the FY 2008 base year, the lab received a non-budgeted transfer of funds from the per capita fund due to lower than anticipated revenue from lab fees.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	446,155	446,155	892,310	82.38%	1,664,732	1,664,732	3,329,464	82.01%
Statewide PL Adjustments	1,808	1,772	3,580	0.33%	84,698	87,466	172,164	4.24%
Other PL Adjustments	2,022	8,808	10,830	1.00%	176,449	246,272	422,721	10.41%
New Proposals	168,162	8,255	176,417	16.29%	74,010	61,674	135,684	3.34%
Total Budget	\$618,147	\$464,990	\$1,083,137		\$1,999,889	\$2,060,144	\$4,060,033	

Present Law Adjustments

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

Present Law Adjustments									
	-----Fiscal 2010-----					-----Fiscal 2011-----			
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Total Funds
Personal Services					126,271				128,421
Vacancy Savings					(46,078)				(46,163)
Inflation/Deflation					3,635				3,943
Fixed Costs					870				1,265
Total Statewide Present Law Adjustments		\$1,808	\$82,896	(\$6)	\$84,698		\$1,772	\$85,701	(\$7)
DP 301 - Diagnostic Lab Increase GF	0.00	2,099	0	0	2,099	0.00	8,896	0	8,896
DP 302 - Lab Server- RST/OTO	0.00	0	13,250	0	13,250	0.00	0	0	0
DP 303 - Lab Recharges	0.00	0	4,458	0	4,458	0.00	0	8,298	8,298
DP 304 - Lab Supplies	0.00	0	131,672	0	131,672	0.00	0	214,734	214,734
DP 305 - Lab Maintenance Contract	0.00	0	5,488	0	5,488	0.00	0	8,488	8,488
DP 307 - Milk Lab Incubator-OTO	0.00	0	2,884	0	2,884	0.00	0	0	0
DP 308 - Storage Container-OTO	0.00	0	3,200	0	3,200	0.00	0	0	0
DP 309 - Air conditioning - Lab Server-OTO	0.00	0	7,500	0	7,500	0.00	0	0	0
DP 310 - Lab Overtime	0.00	0	1,730	0	1,730	0.00	0	1,730	1,730
DP 311 - Out of State Travel -Lab	0.00	0	4,454	0	4,454	0.00	0	4,454	4,454
DP 7101 - Fuel Inflation Reduction	0.00	(77)	(207)	(2)	(286)	0.00	(88)	(238)	(328)
Total Other Present Law Adjustments	0.00	\$2,022	\$174,429	(\$2)	\$176,449	0.00	\$8,808	\$237,466	(\$2)
Grand Total All Present Law Adjustments	0.00	\$3,830	\$257,325	(\$8)	\$261,147	0.00	\$10,580	\$323,167	(\$9)

DP 301 - Diagnostic Lab Increase GF - The legislature approved an increase in general fund support of the lab to address increasing costs related to public health and other issues. This provides for \$2,099 general fund in FY 2010 and \$8,896 in FY 2011 and would raise general fund support in the lab to approximately \$450,000 each year.

DP 302 - Lab Server- RST/OTO - The legislature approved a replacement server for the lab. The current server is older than recommended in state policy. This one-time-only cost of \$13,250 is funded from the per capita account.

DP 303 - Lab Recharges - The legislature approved authority to cover the increased re-charges from Montana State University for personal services and operating expenses.

DP 304 - Lab Supplies - The legislature approved a 17 percent incremental increase from the base expenditures through FY 2011. This increased the base budget to \$488,603 in FY 2010 and \$571,665 in FY 2011. This increase is funded from the animal health fund.

DP 305 - Lab Maintenance Contract - The legislature approved an increase to cover lab maintenance contracts. The base amount of \$36,512 is increased to \$42,000 in FY 2010 and \$45,000 in FY 2011.

DP 307 - Milk Lab Incubator-OTO - The present milk incubator is over 15 years old. The legislature approved one-time-only authority to replace this equipment.

DP 308 - Storage Container-OTO - Storage space within the Marsh Laboratory is limited. The legislature approved one-time authority to purchase a storage container.

DP 309 - Air conditioning - Lab Server-OTO - The legislature approved one-time-only authority to replace the air conditioner unit in the lab's server room. The current unit does not provide sufficient cooling capacity to protect the server.

DP 310 - Lab Overtime - Peak periods at the lab require occasional overtime. The legislature approved funding to restore lab overtime to the base level of \$1,730 each year.

DP 311 - Out of State Travel -Lab - The legislature approved appropriation authority to increase out-of-state travel for lab professionals by \$4,554 each year of the biennium. This decision package adjusts the base to \$6,826 each year, enough to fund five out-of-state trips.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 312 - Lab Funding Shortfall - GF OTO										
03	0.00	172,350	(172,350)	0	0	0.00	11,100	(11,100)	0	0
DP 313 - Lab Molecular Technologist - FTE										
03	1.00	0	46,098	0	46,098	1.00	0	46,121	0	46,121
DP 314 - Remodel PCR Area - OTO										
03	0.00	0	17,500	0	17,500	0.00	0	0	0	0
DP 315 - Brucellosis Herd Plan										
03	0.50	0	26,853	0	26,853	0.50	0	26,865	0	26,865
DP 6013 - 2011 Biennium Pay Plan - HB 13										
03	0.00	1,892	5,792	44	7,728	0.00	5,698	17,478	132	23,308
DP 6014 - Pay Plan Lump Sum Payment - OTO										
03	0.00	2,448	7,886	54	10,388	0.00	0	0	0	0
DP 8101 - Increase Vacancy Savings to 7%										
03	0.00	(8,528)	(25,839)	(190)	(34,557)	0.00	(8,543)	(25,885)	(192)	(34,620)
Total	1.50	\$168,162	(\$94,060)	(\$92)	\$74,010	1.50	\$8,255	\$53,479	(\$60)	\$61,674

DP 312 - Lab Funding Shortfall - GF OTO - The legislature approved a funding switch for lab operations from the animal health fund to the per capita fee and the general fund to resolve lab funding issues. This reduced the lab's animal health funding by \$327,888 in FY 2010 and \$417,552 in FY 2011 and increased the per capita fee by \$155,538 in FY 2010 and \$406,442 in FY 2011 and provides one-time-only general fund in the amount of \$172,350 in FY 2010 and \$11,100 in FY 2011.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: This proposal is needed as actual lab fees collected in FY 2008 were less than appropriated. Of the \$1,228,478 appropriated in FY 2008 only \$849,786 was realized. The Board of Livestock has raised lab fees several times during the last two biennia. The Montana Diagnostic Laboratory has the highest portion of user fees funding in the region. Compared to our neighboring states, Montana's user fees are 73 percent, South Dakota is 50 percent and Wyoming is 40 percent. The lab fees are paid by producers or their vets for specific lab tests. This over-reliance on user fees was a major cause of concern by the American Academy of Veterinary Diagnostic Laboratories, the accrediting body of the diagnostic lab.

Goal: The goal is to properly fund the lab and meet national accreditation standards. When lab fees collected are less than authorized, the department must meet the shortfall from whatever legal means are possible. In the past this has been program transfers and non budgeted transfers of per capita fees. Our goal is to not have to make such transfers at fiscal year end.

Performance Criteria: A budget status report is regularly presented to the Board of Livestock. The board meets every two months. The revenue receipts are presented including lab fees and per capita fee. Expenditures are also presented and discussed.

Milestones: The new funding structure will begin July 1, 2009 if approved by the Legislature. At the end of each fiscal year we will evaluate funding budgeted and actual revenues received.

FTE: The Centralized Services Division will monitor the revenue received and account for the expenditures throughout each fiscal year. The Diagnostic Laboratory will perform all testing services that generate the revenue.

Funding: The proposal utilizes per capita revenue and one-time only general fund to offset the lab short fall of funding. When per capita fees are used, all producers are funding the lab whether they have specific services provided or not. The general fund represents a portion of the lab's value dedicated to public health.

Obstacles: The major challenge is the producer's ability to pay. Livestock producers face many elements out of their control. They cannot control the weather such as drought, prices, or birth rates, nor can they predict diseases or predator depredation to their herds. The board addresses the per capita fee funding each year. They have no control over the headcount experience in the state.

Risk: The risk to the department is the continual budgeting of more animal health funds than the lab can generate. This requires budgeted and non budgeted transfers of per capita fee funds to the lab. The practice of non budgeted transfers is undesirable at best and should not be continued.

DP 313 - Lab Molecular Technologist - FTE - The legislature made a modified FTE permanent. The position develops, validates, incorporates, and performs polymerase chain reaction testing for the lab.

DP 314 - Remodel PCR Area - OTO - The legislature approved \$17,500 in FY 2010 only to convert the lunch room at the lab into a polymerase chain reaction testing area.

DP 315 - Brucellosis Herd Plan - The legislature approved 0.50 FTE for an additional lab molecular technologist to assist with the influx of brucellosis testing. This proposal is funded with per capita fees.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment - OTO - This DP funds this program's cost of providing one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half time employees making \$21.635 per hour or less.

DP 8101 - Increase Vacancy Savings to 7% - This adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	14.00	14.00	16.00	16.00	14.00	16.00	2.00	14.29%
Personal Services	576,413	760,457	873,563	882,550	1,336,870	1,756,113	419,243	31.36%
Operating Expenses	778,272	690,092	1,142,354	1,327,383	1,468,364	2,469,737	1,001,373	68.20%
Equipment & Intangible Assets	21,175	72,225	47,175	47,175	93,400	94,350	950	1.02%
Total Costs	\$1,375,860	\$1,522,774	\$2,063,092	\$2,257,108	\$2,898,634	\$4,320,200	\$1,421,566	49.04%
General Fund	0	0	348,100	250,000	0	598,100	598,100	n/a
State Special	479,454	559,257	861,097	1,147,033	1,038,711	2,008,130	969,419	93.33%
Federal Special	896,406	963,517	853,895	860,075	1,859,923	1,713,970	(145,953)	(7.85%)
Total Funds	\$1,375,860	\$1,522,774	\$2,063,092	\$2,257,108	\$2,898,634	\$4,320,200	\$1,421,566	49.04%

Program Description

The Animal Health Division provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and alternative livestock animals. The program cooperates with the Departments of Public Health and Human Services, Fish, Wildlife and Parks, and the U.S. Department of Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public and animal health from rabies by monitoring new rabies infections, and enforcing quarantines.

Program Highlights

Animal Health HB 2 Budget Highlights	
◆	The biennial budget increases by 49 percent over the previous biennium <ul style="list-style-type: none"> • The legislature approved \$1.2 million over the biennium to implement a plan to regain brucellosis disease free status • One-time only general fund was approved to replace the animal health tracking and permit system
◆	The increase to 7 percent vacancy savings reduced the budget by \$48,200

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature

Program Funding Table Animal Health Division						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ -	-	\$ 348,100	16.9%	\$ 250,000	11.1%
01100 General Fund	-	-	348,100	16.9%	250,000	11.1%
02000 Total State Special Funds	479,454	34.8%	861,097	41.7%	1,147,033	50.8%
02426 Lvstk Per Capita	479,454	34.8%	826,580	40.1%	1,115,301	49.4%
02427 Animal Health	-	-	34,517	1.7%	31,732	1.4%
03000 Total Federal Special Funds	896,406	65.2%	853,895	41.4%	860,075	38.1%
03427 Bison Trap Funds	896,406	65.2%	853,895	41.4%	860,075	38.1%
Grand Total	\$ 1,375,860	100.0%	\$ 2,063,092	100.0%	\$ 2,257,108	100.0%

State special revenue, primarily the livestock per capita fund, supports disease control, import/export activities, and alternative livestock activities. Federal funds support bison operations and the Greater Yellowstone Interagency Brucellosis Committee (GYIBC) research and cooperative efforts.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	1,375,860	1,375,860	2,751,720	63.69%
Statewide PL Adjustments	0	0	0	0.00%	202,165	207,810	409,975	9.49%
Other PL Adjustments	0	0	0	0.00%	21,274	20,091	41,365	0.96%
New Proposals	348,100	250,000	598,100	100.00%	463,793	653,347	1,117,140	25.86%
Total Budget	\$348,100	\$250,000	\$598,100		\$2,063,092	\$2,257,108	\$4,320,200	

Present Law Adjustments

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

Present Law Adjustments									
	-----Fiscal 2010-----					-----Fiscal 2011-----			
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special
Personal Services					225,528				
Vacancy Savings					(32,078)				
Inflation/Deflation					8,481				
Fixed Costs					234				
Total Statewide Present Law Adjustments		\$0	\$156,230	\$45,935	\$202,165		\$0	\$158,199	\$49,611
DP 403 - Animal Health - Vehicle Replacements - OTO	0.00	0	26,000	0	26,000	0.00	0	26,000	0
DP 405 - Animal Health - Out of State Travel	0.00	0	1,874	0	1,874	0.00	0	1,874	0
DP 406 - Animal Health - Overtime	0.00	0	1,402	0	1,402	0.00	0	1,402	0
DP 7101 - Fuel Inflation Reduction	0.00	0	(4,485)	(3,517)	(8,002)	0.00	0	(5,156)	(4,029)
Total Other Present Law Adjustments	0.00	\$0	\$24,791	(\$3,517)	\$21,274	0.00	\$0	\$24,120	(\$4,029)
Grand Total All Present Law Adjustments	0.00	\$0	\$181,021	\$42,418	\$223,439	0.00	\$0	\$182,319	\$45,582

DP 403 - Animal Health - Vehicle Replacements - OTO - The legislature approved one-time-only state special revenue authority to replace two extended cab pickups with hybrid Escapes at an estimated cost of \$26,000 each. This package is funded with per capita fees.

DP 405 - Animal Health - Out of State Travel - The legislature approved appropriation authority to increase out-of-state travel for lab professionals by \$1,874 each year of the biennium. This decision package increased the base to \$8,364 each year, enough to fund six out-of-state trips.

DP 406 - Animal Health - Overtime - The animal health program utilizes overtime during peak workload periods. The legislature restored overtime to the base level of \$1,402 each year.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 404 - Bison Federal Funds										
04	(1.00)	0	0	(75,132)	(75,132)	(1.00)	0	0	(75,153)	(75,153)
DP 407 - Animal Health System Development - OTO/Bien										
04	0.00	98,100	0	0	98,100	0.00	0	0	0	0
DP 408 - Animal Health - Administrative Support										
04	1.00	0	34,517	0	34,517	1.00	0	31,732	0	31,732
DP 409 - Brucellosis Herd Plan-OTO										
04	2.00	250,000	169,447	0	419,447	2.00	250,000	455,274	0	705,274
DP 6013 - 2011 Biennium Pay Plan - HB 13										
04	0.00	0	1,552	3,650	5,202	0.00	0	4,673	11,015	15,688
DP 6014 - Pay Plan Lump Sum Payment - OTO										
04	0.00	0	1,518	4,200	5,718	0.00	0	0	0	0
DP 8101 - Increase Vacancy Savings to 7%										
04	0.00	0	(6,412)	(17,647)	(24,059)	0.00	0	(6,419)	(17,775)	(24,194)
Total	2.00	\$348,100	\$200,622	(\$84,929)	\$463,793	2.00	\$250,000	\$485,260	(\$81,913)	\$653,347

DP 404 - Bison Federal Funds - The legislature approved a reduction to align authority with available bison federal funds. This reduction aligns authority with the current USDA and Greater Yellowstone Brucellosis Committee contracts.

DP 407 - Animal Health System Development - OTO/Bien - The legislature approved authority to replace the animal health system with an upgraded web based system. The new system requires \$90,600 for software application and \$7,500 for installation services, training, travel, and other overhead costs to bring the system on-line.

DP 408 - Animal Health - Administrative Support - The legislature added \$34,517 in FY 2010 and \$1,732 in FY 2011 to support 1.00 FTE in the import office to provide consistent coverage of the permitting phone line during business hours.

DP 409 - Brucellosis Herd Plan-OTO - The legislature provided a one-time-only appropriation for one-time-only 2.00 FTE and \$250,000 each year of the biennium of general fund. This funds longer term surveillance and mitigation activities related to and maintaining the recovered Class Free brucellosis status for the State of Montana.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment - OTO - This DP funds this program's cost of providing one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half time employees making \$21.635 per hour or less.

DP 8101 - Increase Vacancy Savings to 7% - This adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	242,554	289,078	276,583	278,959	531,632	555,542	23,910	4.50%
Operating Expenses	46,962	48,551	49,426	53,298	95,513	102,724	7,211	7.55%
Equipment & Intangible Assets	0	0	26,000	26,000	0	52,000	52,000	n/a
Total Costs	\$289,516	\$337,629	\$352,009	\$358,257	\$627,145	\$710,266	\$83,121	13.25%
State Special	271,635	302,616	317,350	323,504	574,251	640,854	66,603	11.60%
Federal Special	17,881	35,013	34,659	34,753	52,894	69,412	16,518	31.23%
Total Funds	\$289,516	\$337,629	\$352,009	\$358,257	\$627,145	\$710,266	\$83,121	13.25%

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, done in cooperation with other state and federal agencies.

Program Highlights

Milk and Egg Program HB 2 Budget Highlights	
◆	The biennial budget increases by 13 percent over the previous biennium primarily due to statewide present law adjustments
◆	The increase to 7 percent vacancy savings reduced the budget by \$17,600

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
Milk & Egg Program							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
02000 Total State Special Funds	\$ 271,635	93.8%	\$ 317,350	90.2%	\$ 323,504	90.3%	
02427 Animal Health	271,635	93.8%	317,350	90.2%	323,504	90.3%	
03000 Total Federal Special Funds	17,881	6.2%	34,659	9.8%	34,753	9.7%	
03032 Animal Health Sp. Rev	17,881	6.2%	34,659	9.8%	34,753	9.7%	
Grand Total	\$ 289,516	100.0%	\$ 352,009	100.0%	\$ 358,257	100.0%	

State special revenue from milk industry fees is the primary funding source for this division. Federal special revenues are provided by the U.S. Department of Agriculture to conduct shell egg surveillance.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	289,516	289,516	579,032	81.52%
Statewide PL Adjustments	0	0	0	0.00%	43,289	44,617	87,906	12.38%
Other PL Adjustments	0	0	0	0.00%	24,836	28,102	52,938	7.45%
New Proposals	0	0	0	0.00%	(5,632)	(3,978)	(9,610)	(1.35%)
Total Budget	\$0	\$0	\$0		\$352,009	\$358,257	\$710,266	

Present Law Adjustments

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

Present Law Adjustments										
<div><div>-----Fiscal 2010-----</div><div>-----Fiscal 2011-----</div></div>										
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					51,420					52,173
Vacancy Savings					(11,759)					(11,790)
Inflation/Deflation					3,380					3,874
Fixed Costs					248					360
Total Statewide Present Law Adjustments										
		\$0	\$61,170	(\$17,881)	\$43,289		\$0	\$62,498	(\$17,881)	\$44,617
DP 501 - Milk & Egg Bureau Vehicle Replacement - OTO										
0.00	0	26,000		0	26,000	0.00	0	26,000	0	26,000
DP 502 - Milk & Egg - Out of State Travel										
0.00	0	2,181		0	2,181	0.00	0	5,941	0	5,941
DP 7101 - Fuel Inflation Reduction										
0.00	0	(3,345)		0	(3,345)	0.00	0	(3,839)	0	(3,839)
Total Other Present Law Adjustments										
0.00	\$0	\$24,836		\$0	\$24,836	0.00	\$0	\$28,102	\$0	\$28,102
Grand Total All Present Law Adjustments										
0.00	\$0	\$86,006	(\$17,881)		\$68,125	0.00	\$0	\$90,600	(\$17,881)	\$72,719

DP 501 - Milk & Egg Bureau Vehicle Replacement - OTO - The legislature approved one-time-only authority to replace two extended cab pickups with hybrid Escapes at an estimated cost of \$26,000 each.

DP 502 - Milk & Egg - Out of State Travel - The legislature approved appropriation authority to increase out-of-state travel for the sanitarians by \$2,181 in FY 2010 and \$5,941 in FY 2011. This increases the base to \$3,758 and provides \$7,520 in authority in FY 2011.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 503 - Milk & Egg Funding Switch										
05	0.00	0	(35,000)	35,000	0	0.00	0	(35,000)	35,000	0
DP 6013 - 2011 Biennium Pay Plan - HB 13										
05	0.00	0	1,510	105	1,615	0.00	0	4,565	300	4,865
DP 6014 - Pay Plan Lump Sum Payment - OTO										
05	0.00	0	1,473	99	1,572	0.00	0	0	0	0
DP 8101 - Increase Vacancy Savings to 7%										
05	0.00	0	(8,274)	(545)	(8,819)	0.00	0	(8,296)	(547)	(8,843)
Total	0.00	\$0	(\$40,291)	\$34,659	(\$5,632)	0.00	\$0	(\$38,731)	\$34,753	(\$3,978)

DP 503 - Milk & Egg Funding Switch - The legislature approved a reduction in state special revenue authority and an increase in federal authority. The milk sanitarians often inspect dairies that are also egg production operations. The federal government reimburses the bureau for its inspection of these egg operations in accordance with federal standards. These funds are used to offset state costs.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment - OTO - This DP funds this program's cost of providing one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half time employees making \$21.635 per hour or less.

DP 8101 - Increase Vacancy Savings to 7% - This adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	57.21	57.21	57.21	59.21	57.21	59.21	2.00	3.50%
Personal Services	2,464,060	2,731,680	2,632,588	2,720,165	5,195,740	5,352,753	157,013	3.02%
Operating Expenses	407,009	320,804	604,976	539,511	727,813	1,144,487	416,674	57.25%
Equipment & Intangible Assets	42,274	35,288	130,000	130,000	77,562	260,000	182,438	235.22%
Total Costs	\$2,913,343	\$3,087,772	\$3,367,564	\$3,389,676	\$6,001,115	\$6,757,240	\$756,125	12.60%
General Fund	3,057	4,682	2,999	3,001	7,739	6,000	(1,739)	(22.47%)
State Special	2,910,286	3,083,090	3,364,565	3,386,675	5,993,376	6,751,240	757,864	12.65%
Total Funds	\$2,913,343	\$3,087,772	\$3,367,564	\$3,389,676	\$6,001,115	\$6,757,240	\$756,125	12.60%

Program Description

The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and livestock inspections.

Program Highlights

Brand Enforcement Division HB 2 Budget Highlights	
◆	The biennial budget increases by 12.6 percent over the previous biennium
◆	The legislature approved one-time-only funding for the ten-year brand re-record project and to replace the brand computer system
◆	The increase to 7 percent vacancy savings reduced the budget by \$161,000

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table Brands Enforcement Division							
Program Funding		Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000	Total General Fund	\$ 3,057	0.1%	\$ 2,999	0.1%	\$ 3,001	0.1%
01100	General Fund	3,057	0.1%	2,999	0.1%	3,001	0.1%
02000	Total State Special Funds	2,910,286	99.9%	3,364,565	99.9%	3,386,675	99.9%
02425	Inspection And Control	1,802,543	61.9%	2,107,051	62.6%	2,287,640	67.5%
02426	Lvstck Per Capita	1,107,743	38.0%	1,257,514	37.3%	1,099,035	32.4%
Grand	Total	\$ 2,913,343	100.0%	\$ 3,367,564	100.0%	\$ 3,389,676	100.0%

The Brand Enforcement Division is funded with general fund, per capita fees, and inspection and control funds. Inspection and control funds are generated from brand recordings, and market and local inspections.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	3,057	3,057	6,114	101.90%	2,913,343	2,913,343	5,826,686	86.23%
Statewide PL Adjustments	(1)	(1)	(2)	(0.03%)	151,644	162,960	314,604	4.66%
Other PL Adjustments	(28)	(31)	(59)	(0.98%)	162,926	143,896	306,822	4.54%
New Proposals	(29)	(24)	(53)	(0.88%)	139,651	169,477	309,128	4.57%
Total Budget	\$2,999	\$3,001	\$6,000		\$3,367,564	\$3,389,676	\$6,757,240	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2010-----						-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					228,404					234,609
Vacancy Savings					(107,700)					(107,944)
Inflation/Deflation					28,593					32,884
Fixed Costs					2,347					3,411
Total Statewide Present Law Adjustments										
		(\$1)	\$151,645	\$0	\$151,644		(\$1)	\$162,961	\$0	\$162,960
DP 602 - Brands - Vehicle Replacement - OTO										
0.00	0		87,726	0	87,726	0.00	0	87,726	0	87,726
DP 603 - Brands - Firearm Replacement - OTO										
0.00	0		15,000	0	15,000	0.00	0	0	0	0
DP 605 - Brands - Overtime										
0.00	0		80,523	0	80,523	0.00	0	80,523	0	80,523
DP 606 - Brands - Out of State Travel										
0.00	0		6,947	0	6,947	0.00	0	6,947	0	6,947
DP 7101 - Fuel Inflation Reduction										
0.00	(28)		(27,242)	0	(27,270)	0.00	(31)	(31,269)	0	(31,300)
Total Other Present Law Adjustments										
	0.00	(\$28)	\$162,954	\$0	\$162,926	0.00	(\$31)	\$143,927	\$0	\$143,896
Grand Total All Present Law Adjustments										
	0.00	(\$29)	\$314,599	\$0	\$314,570	0.00	(\$32)	\$306,888	\$0	\$306,856

DP 602 - Brands - Vehicle Replacement - OTO - The legislature approved authority to replace five pick-ups each year of the biennium. The Brand Enforcement Division has no regional offices. Instead 22.00 FTE utilize pickups to do their work.

DP 603 - Brands - Firearm Replacement - OTO - The legislature approved one-time-only funding for replacement firearms. The division has not replaced handguns since 1992. These costs are funded from inspection and control revenues.

DP 605 - Brands - Overtime - The legislature approved \$80,523 each year of the biennium to fund overtime costs. These costs are funded from inspection and control revenues.

DP 606 - Brands - Out of State Travel - The legislature approved appropriation authority to increase out-of-state travel for enforcement professionals by \$6,947 each year of the biennium. This adjusts the base to \$9,382 per year, enough to fund five out-of-state trips.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 601 - Brands - Ten Year Rerecord - OTO										
06	0.00	0	0	0	0	2.00	0	179,981	0	179,981
DP 604 - Brands - System Upgrade - OTO/Bien										
06	0.00	0	172,350	0	172,350	0.00	0	11,100	0	11,100
DP 6013 - 2011 Biennium Pay Plan - HB 13										
06	0.00	0	18,734	0	18,734	0.00	61	59,292	0	59,353
DP 6014 - Pay Plan Lump Sum Payment - OTO										
06	0.00	56	29,288	0	29,344	0.00	0	0	0	0
DP 8101 - Increase Vacancy Savings to 7%										
06	0.00	(85)	(80,692)	0	(80,777)	0.00	(85)	(80,872)	0	(80,957)
Total	0.00	(\$29)	\$139,680	\$0	\$139,651	2.00	(\$24)	\$169,501	\$0	\$169,477

DP 601 - Brands - Ten Year Rerecord - OTO - The Brand Enforcement Division rerecords all brands every ten years. The next scheduled recording is in FY 2011. The legislature approved authority for 2.00 FTE and operating costs to complete the process.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: The Brand Enforcement Division rerecords all brands every ten years, as required per 81-3-104, MCA. This is a major funding source since the fee to rerecord is \$100 per brand. This could bring in as much as \$6 million in brand enforcement revenue.

Objective: The goal is to notify every brand owner of rerecord requirements and complete all rerecords in a timely manner. It is our goal to ensure that all brands are properly recorded for the benefit of the livestock industry. It is also our goal to have maximum participation and accountability of the initial notification and subsequent returns.

Performance Criteria: Division management will measure the project's progress by bar code tracking of how many rerecord notices are sent out as compared to recorded brands in the system. This will enable staff to identify any missing notices and to resend them, and to timely process the returned applications and resend the notices returned due to incorrect addresses.

Milestones: The rerecord notices must be returned postmarked by December 31, 2010. Two additional FTE will be hired to do this work. The first position is a lead worker and will be hired July of 2010 to begin the massive process. By January 2011 the second position will be double filled and all three workers will be heavily involved with all re-recording.

FTE: The work will be directed by the Brand Enforcement Division Administrator. Key existing staff such as the brand recorder will also manage the daily work. Because of the heavy workload demand, 2.00 FTE will be hired as referred to above.

Funding: By statute 81-3-107 MCA, revenue generated by the brand rerecord is deposited in a state special revenue fund (02425 brand enforcement revenue fund). This statute also stipulates that only ten percent of the total rerecord collected can be used by the department each year of the ten-year cycle.

Obstacles: The major challenge is to get all the notices out in a timely fashion, track the notices sent and compare them to those returned and ultimately rerecorded. Since there are so many brands to rerecord it is a challenge to carry out the process and continue to get regular division work done. It is also a challenge to ensure that our technology systems successfully function throughout the process.

Risk: The industry must have proper brand identification to track all ownership and movement of livestock. Ranchers in our industry must have proper identification to secure all brand liens vital to their operation. The rerecord process ensures continuity of business operations for all Montana producers and livestock auction markets. Animal identification is also critical to disease control and state and national security. Delayed or inefficient management of this process could result in a loss of vital revenue to the producer and the department.

DP 604 - Brands - System Upgrade - OTO/Bien - The legislature approved \$172,530 in FY 2010 and \$11,100 in FY 2011 of one-time only per capita authority to replace the Brand Enforcement Division recording and look up system. This change will allow a producer to procure a brand or look up a brand over the Internet. This funding includes \$11,100 to lease an oracle server.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment - OTO - This DP funds this program's cost of providing one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half time employees making \$21.635 per hour or less.

DP 8101 - Increase Vacancy Savings to 7% - This adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	20.50	20.50	20.50	20.50	20.50	20.50	0.00	0.00%
Personal Services	838,063	928,087	915,948	922,128	1,766,150	1,838,076	71,926	4.07%
Operating Expenses	249,759	318,702	307,828	309,675	568,461	617,503	49,042	8.63%
Total Costs	\$1,087,822	\$1,246,789	\$1,223,776	\$1,231,803	\$2,334,611	\$2,455,579	\$120,968	5.18%
General Fund	562,106	619,785	608,600	612,614	1,181,891	1,221,214	39,323	3.33%
State Special	2,200	6,475	6,413	6,407	8,675	12,820	4,145	47.78%
Federal Special	523,516	620,529	608,763	612,782	1,144,045	1,221,545	77,500	6.77%
Total Funds	\$1,087,822	\$1,246,789	\$1,223,776	\$1,231,803	\$2,334,611	\$2,455,579	\$120,968	5.18%

Program Description

The Meat and Poultry Inspection Program 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 to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Program Highlights

Meat and Poultry Inspection HB 2 Budget Highlights	
◆	The biennial budget increases by 5 percent over the previous biennium primarily due to statewide present law adjustments
◆	The increase to 7 percent vacancy savings reduced the budget by \$43,100

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table Meat/Poultry Inspection							
Program Funding		Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000	Total General Fund	\$ 562,106	51.7%	\$ 608,600	49.7%	\$ 612,614	49.7%
	01100 General Fund	562,106	51.7%	608,600	49.7%	612,614	49.7%
02000	Total State Special Funds	2,200	0.2%	6,413	0.5%	6,407	0.5%
	02427 Animal Health	2,200	0.2%	6,413	0.5%	6,407	0.5%
03000	Total Federal Special Funds	523,516	48.1%	608,763	49.7%	612,782	49.7%
	03209 Meat/Poultry Inspection Sp Rev	523,516	48.1%	608,763	49.7%	612,782	49.7%
Grand Total		\$ 1,087,822	100.0%	\$ 1,223,776	100.0%	\$ 1,231,803	100.0%

The majority of program funding is split evenly between federal funds and the general fund. Per cooperative agreement with the US Department of Agriculture, state special revenue funds cannot be used as match when they are derived through a fee on producers being inspected by the program. Since the majority of state special revenue funds are generated from fees on producers being inspected, general fund is used as match. A small portion of state special revenue derived from inspection fees on facilities is used in this division.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	562,106	562,106	1,124,212	92.06%	1,087,822	1,087,822	2,175,644	88.60%
Statewide PL Adjustments	34,145	36,520	70,665	5.79%	111,096	115,840	226,936	9.24%
Other PL Adjustments	18,412	18,371	36,783	3.01%	36,821	36,739	73,560	3.00%
New Proposals	(6,063)	(4,383)	(10,446)	(0.86%)	(11,963)	(8,598)	(20,561)	(0.84%)
Total Budget	\$608,600	\$612,614	\$1,221,214		\$1,223,776	\$1,231,803	\$2,455,579	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2010-----						-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					128,512					131,445
Vacancy Savings					(38,664)					(38,782)
Inflation/Deflation					21,248					23,177
Total Statewide Present Law Adjustments										
		\$34,145	\$4,216	\$72,735	\$111,096		\$36,520	\$4,210	\$75,110	\$115,840
DP 1001 - Meat Inspection - Computers-OTO	0.00	8,750	0	8,750	17,500	0.00	8,750	0	8,750	17,500
DP 1002 - Meat Inspection - Lab Sampling	0.00	1,388	0	1,388	2,776	0.00	1,388	0	1,388	2,776
DP 1003 - Meat Inspection - Out of State Travel	0.00	1,573	0	1,574	3,147	0.00	1,573	0	1,574	3,147
DP 1004 - PHPCIS - Maintenance Contracts & Service	0.00	6,977	0	6,976	13,953	0.00	6,977	0	6,976	13,953
DP 7101 - Fuel Inflation Reduction	0.00	(276)	(3)	(276)	(555)	0.00	(317)	(3)	(317)	(637)
Total Other Present Law Adjustments										
	0.00	\$18,412	(\$3)	\$18,412	\$36,821	0.00	\$18,371	(\$3)	\$18,371	\$36,739
Grand Total All Present Law Adjustments										
	0.00	\$52,557	\$4,213	\$91,147	\$147,917	0.00	\$54,891	\$4,207	\$93,481	\$152,579

DP 1001 - Meat Inspection - Computers-OTO - The legislature approved \$8,750 one-time only general fund and federal special revenue each year of the biennium for replacement computers. The federal government requires that the computers and software used by the state meat inspectors be equal in status to the USDA Food Safety Inspection Program.

DP 1002 - Meat Inspection - Lab Sampling - The legislature approved an increase in base funding to cover the cost of additional microbiological sampling and testing required by the USDA. The increase is equally split between federal funds and general fund.

DP 1003 - Meat Inspection - Out of State Travel - The legislature approved appropriation authority to increase out-of-state travel for inspection professionals by \$3,147 each year of the biennium. This decision package adjusts the base to \$3,894 per year, enough to fund three out-of-state trips.

DP 1004 - PHPCIS - Maintenance Contracts & Service - The legislature approved \$6,977 general fund and federal special revenue authority each year of the biennium for computer hardware and software maintenance contracts for the meat inspection program.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				Total Funds
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	
DP 6013 - 2011 Biennium Pay Plan HB 13										
10	0.00	3,360	0	3,423	6,783	0.00	10,164	0	10,332	20,496
DP 6014 - Pay Plan Lump Sum Payment - OTO										
10	0.00	5,080	0	5,180	10,260	0.00	0	0	0	0
DP 8101 - Increase Vacancy Savings to 7%										
10	0.00	(14,503)	0	(14,503)	(29,006)	0.00	(14,547)	0	(14,547)	(29,094)
Total	0.00	(\$6,063)	\$0	(\$5,900)	(\$11,963)	0.00	(\$4,383)	\$0	(\$4,215)	(\$8,598)

DP 6013 - 2011 Biennium Pay Plan HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These amounts represent this program's allocation of costs to fund this pay plan. The costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment - OTO - This DP funds this program's cost of providing one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half time employees making \$21.635 per hour or less.

DP 8101 - Increase Vacancy Savings to 7% - This adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.