

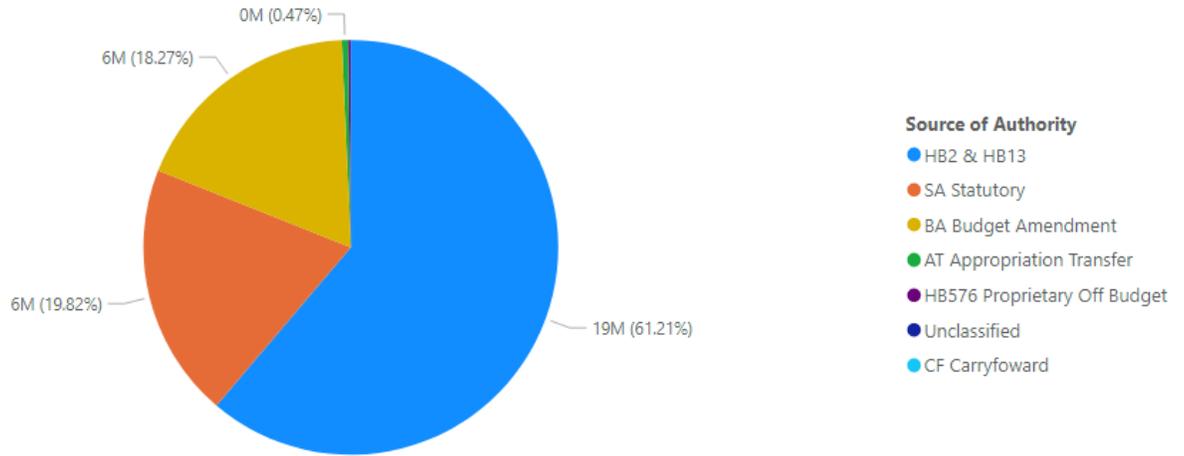
DEPARTMENT OF AGRICULTURE

TOTAL APPROPRIATION AUTHORITY

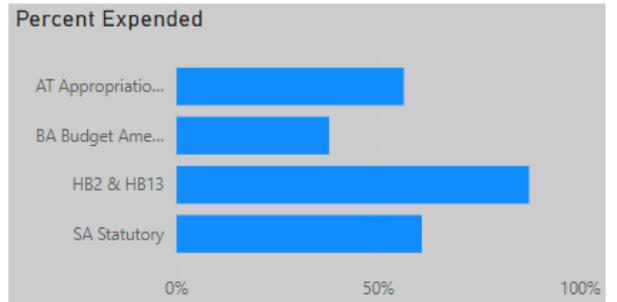
The total appropriation authority for the agency is shown in the pie chart below. HB 2 consists of 61.2% of the total authority, but this agency has other types of authority which are described below.

MT Dept of Agriculture

Total Appropriation Authority



Fiscal Year	2021		
LFD_src_auth_descr	Budget	FYE Expended	Percent Expended
AT Appropriation Transfer	146,828	82,745	56.4%
BA Budget Amendment	5,654,091	2,140,370	37.9%
CF Carryforward	0		
HB2 & HB13	18,941,187	16,553,103	87.4%
HB576 Proprietary Off Budget	58,200		
SA Statutory	6,134,540	3,729,887	60.8%
Unclassified	9,427		
Total	30,944,273	22,506,105	72.7%



Appropriation Transfers

Authority originally budgeted in the Governor’s Office totaling \$147,000 was transferred to the Department of Agriculture. HB 443 and SB 176 appropriated \$147,000 in state special revenue to the Governor’s office for hemp and apiary programs. State special revenue authority for the hemp and apiary programs were only 56.4% expended due to lower than anticipated personal services costs.

Budget Amendments

Budget amendments increased federal authority by \$5.7 million. The federal Specialty Crop Block Grant Program (SCBGP) accounted for \$5.1 million of the increase, and this appropriation was 34.1% expended. The purpose of the SCBG is to enhance the competitiveness of specialty crops. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops. Other budget amendments include federal funds for food safety, noxious weed prevention, marketing, and farm to school programs.

Non-Budgeted Proprietary Funding

The agency has non-budgeted proprietary funding of \$58,000 for the Beginning Farm Loan Program. This program has been inactive for several biennia. The Department of Agriculture is currently evaluating this program.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations was allocated to the agency by the Governor’s Office. Administration authority is not an appropriation and thus is not included in the total appropriation authority shown on the previous page. The appropriation authority for CARES I and ARPA shown below remains with the Governor’s Office.

Coronavirus Stimulus Appropriations MT Dept of Agriculture

Stimulus Authority	Budget	FYE Expended	Percent Expended
CARES I	15,334,518	15,334,518	100.0%

Federal COVID-19 funds were allocated to the following three programs within the Department of Agriculture.

The Montana Innovation Grant program (\$2.3 million)

This program is intended to help companies scale up, improve capabilities, or drive expanded distribution of products or services developed in response to COVID-19. Projects should demonstrate significant impact in improving public health, safety, and economic impact. Eligible companies include non-profit and for-profit

businesses of less than 150 employees that have created an innovative product or service intended to directly confront the COVID-19 emergency.

The Montana Meat Processing Improvement Grant (\$12.1 million)

This program was created to aid small and medium-sized meat processors in responding to the COVID-19 crisis through the adaptation and expansion of meat processing infrastructure and capacity in Montana. Applicants must demonstrate how financial assistance will help develop and increase meat processing infrastructure and capacity in Montana. Projects should aim to increase community resilience to pandemics and other economic disruptions, while also creating additional economic activity and bolstering food security. Examples of eligible projects include but are not limited to: those focused on accessing new markets, projects that strengthen and expand local food systems, and other business adaptations that increase meat processing infrastructure and capacity in Montana.

The Montana Food and Agriculture Market Adaptability Program (\$849,000)

This program aids small and medium-sized food and agriculture businesses in responding to the COVID-19 crisis through business adaptation and diversification. Grants are available to food and agriculture businesses to help increase community resilience amid the COVID-19 pandemic and other economic disruptions. Grants are intended to create additional economic activity and bolster food security. Examples of eligible projects include but are not limited to: those focused on accessing new markets, projects which strengthen and expand local food systems, and other business adaptations that decrease food and agricultural waste. The need for such innovations must be driven by the COVID-19 pandemic.

COVID-19 Administrative costs (\$92,000)

The agency expended \$92,000 to administer the above grants.

Statutory Appropriations

Expenditures from statutory appropriations totaled \$3.7 million, of which 41.8% or \$1.6 million is general fund. General fund is statutorily appropriated for the Growth Through Agriculture programs, Montana Cooperative Development Center, and food development programs. The agency expended \$1.6 million from state special revenue statutorily appropriated for research and marketing programs for potatoes, pulse crops, and other agriculture development programs. The agency expended \$528,000 in proprietary revenue statutorily appropriated for hail insurance claims.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the ending FYE modified budget. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The following graphic shows total expenditures and remaining budget by source of authority.

HB 2 Modifications MT Dept of Agriculture

Agency Program	HB2 Budget	FYE Modified Budget	Net Modifications	
15 CENTRAL MANAGEMENT DIVISION	1,566,813	2,055,024	488,211	
30 AGRICULTURAL SCIENCES DIVISION	9,451,856	9,288,287	-163,569	
50 AGRICULTURAL DEVELOPMENT DIV	7,775,516	7,597,876	-177,640	
Total	18,794,185	18,941,187	147,002	147,001.98

Expenditure Account	HB2 Budget	FYE Modified Budget	Net Modifications	
61000 Personal Services	8,801,978	8,925,551	123,573	
62000 Operating Expenses	4,496,694	4,537,623	40,929	
63000 Equipment & Intangible Assets	423,889	340,889	-83,000	
66000 Grants	4,931,367	4,931,702	335	
68000 Transfers-out	140,257	194,922	54,665	
69000 Debt Service		10,500	10,500	

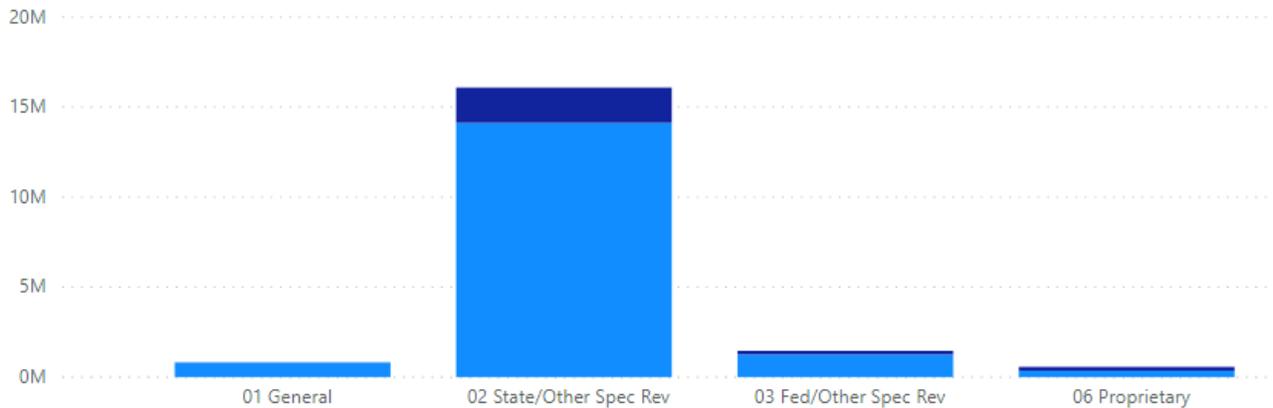
Fund Type	HB2 Budget	FYE Modified Budget	Net Modifications	
01 General	815,517	821,144	5,627	
02 State/Other Spec Rev	16,076,122	16,085,626	9,504	
03 Fed/Other Spec Rev	1,332,345	1,464,444	132,099	
06 Proprietary	570,201	569,973	-228	

Modifications to the \$18.8 million HB 2 budget increased total authority by \$147,000 or 0.8%. Federal funds for personal services contingency budgeted in the Central Management Division account for almost all of the increase. Program transfers moved \$333,500 in authority from the Agricultural Sciences and Development Divisions to the Central Management Division. Changes to the operating plan moved \$17,000 in personal services authority and \$83,000 in authority for equipment purchases to operating expenditure, transfers, and debt service.

HB 2 APPROPRIATION AUTHORITY

HB 2 Expenditures

● FYE Expended ● Remaining Budget



Expenditure Account	FYE Modified Budget	FYE Expended	Percent Expended
61000 Personal Services	8,925,551	8,133,075	91.1%
62000 Operating Expenses	4,537,623	3,319,151	73.1%
63000 Equipment & Intangible Assets	340,889	119,645	35.1%
66000 Grants	4,931,702	4,883,546	99.0%
68000 Transfers-out	194,922	88,393	45.3%
69000 Debt Service	10,500	9,293	88.5%

Agency Program	FYE Modified Budget	FYE Expended	Percent Expended
15 CENTRAL MANAGEMENT DIVISION	2,055,024	2,022,290	98.4%
30 AGRICULTURAL SCIENCES DIVISION	9,288,287	8,517,649	91.7%
50 AGRICULTURAL DEVELOPMENT DIV	7,597,876	6,013,164	79.1%
Total	18,941,187	16,553,103	87.4%

State special revenue supports 85.6% of the agencies HB 2 budget, federal sources support 7.0%, general fund 4.4%, and the remaining 3.0% is proprietary revenue.

Personal Services

The budget for personal services was 91.1% expended which is 2.0% lower than the three previous biennia. The personal services budget for the Central Management and Agricultural Sciences Divisions were 96.0% expended, which is in line with previous biennium. Only 76.6% of the personal services budget for the Agricultural Development Division (ADD) was expended. The agency decided not to fill two marketing positions that were vacated just prior to the pandemic due to the difficulty of marketing during the pandemic. The agency is currently interviewing for the positions and intends to fill them in FY 2022.

Operating Expenses

The budget for operating expenses in the Agricultural Development Division was 58.6% expended in FY 2021; over the last three biennium this rate has ranged between 47.8% and 97.7% with an average of 69.1%. Expenditure rates for other divisions are in line with historical averages.