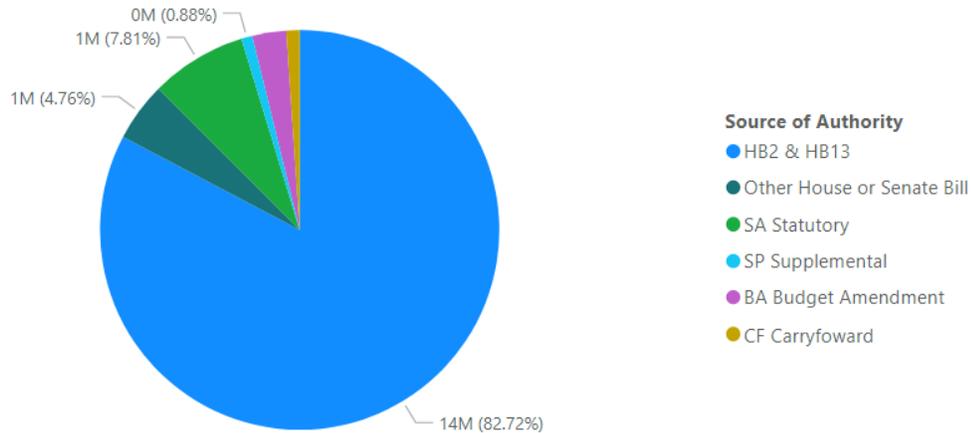


DEPARTMENT OF LIVESTOCK

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 82.7% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	14,058,937	11,450,242	81.4%
BA Budget Amendment	468,035	284,662	60.8%
CF Carryforward	183,117	2,894	1.6%
Other House or Senate Bill	808,659	10,500	1.3%
SA Statutory	1,326,680	849,809	64.1%
SP Supplemental	150,000	146,660	97.8%
Total	16,995,428	12,744,766	75.0%

Other House or Senate Bills

Authority originally budgeted in the Department of Administration totaling \$808,659 was transferred to the Department of Livestock. This is the unexpended authority from the previous biennium to fund the development of an IT interface system (HB 10, 2019 session). Of the original \$500,000 authorized for the project, \$191,341 was expended in FY 2021. The agency anticipates completing the project in the current biennium.

Budget Amendments

Through budget amendments, the agency increased federal appropriations by \$468,035 and expended 60.8% of that amount. Budget amendments include:

- Federal authority for tracking and responding to animal disease accounts for \$139,214 and is 77.3% expended.

- Funds for animal health totaling \$24,221 that have been 100.0% expended.
- Federal authority of \$156,178 for new equipment and training at the Montana Veterinary Diagnostic Laboratory, of which 72.3% or \$112,881 has been expended.
- Funding for elk collaring totaled \$40,000 and has been entirely expended.
- Funding for livestock loss totaling \$108,422 has not yet been expended.

Carryforward

The agency had \$183,117 in appropriation authority that was continued or carried forward from FY 2021. Most of this funding is state special revenue authority totaling \$169,454, which was derived from livestock per capita tax, livestock inspection fees, and taxes on milk distributors. Other authority includes \$9,053 in federal revenue for supporting meat and poultry inspection and \$4,610 in general fund. The agency has expended 1.6% or \$2,984 of carryforward funding.

Statutory Appropriations

Statutory appropriations for the agency are used to compensate for the loss of livestock to predators. Revenue is statutorily appropriated from the general fund and livestock per capita fees. The agency has expended \$848,809 year-to-date in FY 2022.

Supplemental

The agency moved \$150,000 of state special revenue authority from the second year of the biennium to the first to purchase a helicopter for predator control.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through May 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

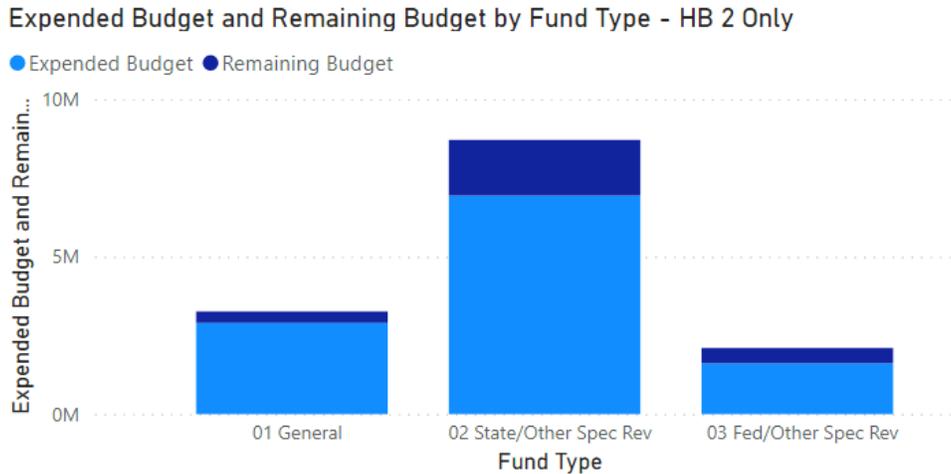
Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	March Modified Budget	June Modified Budget	Net Modifications
Department of Livestock	14,058,937	14,058,937	
ANIMAL HEALTH DIVISION	7,409,071	7,409,071	
BRANDS ENFORCEMENT DIVISION	4,201,002	4,201,002	
CENTRALIZED SERVICES DIVISION	2,448,864	2,448,864	
Total	14,058,937	14,058,937	
Expenditure	March Modified Budget	June Modified Budget	Net Modifications
61000 Personal Services	9,501,657	9,501,657	
62000 Operating Expenses	3,912,799	3,912,799	
63000 Equipment & Intangible Assets	245,000	245,000	
68000 Transfers-out	399,481	399,481	
Fund Type	March Modified Budget	June Modified Budget	Net Modifications
01 General	3,257,365	3,257,365	
02 State/Other Spec Rev	8,703,859	8,703,859	
03 Fed/Other Spec Rev	2,097,713	2,097,713	

In the current report period, the agency has made no modifications to the budget.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 2022.



Expenditures	Modified Budget	Expended Budget	Percent Expended
Personal Services	9,501,657	8,039,068	84.6%
Operating Expenses	3,912,799	3,125,418	79.9%
Equipment & Intangible Assets	245,000	150,000	61.2%
Transfers-out	399,481	135,756	34.0%

Program Name	Modified Budget	Expended Budget	Percent Expended
ANIMAL HEALTH DIVISION	7,409,071	5,997,140	80.9%
BRANDS ENFORCEMENT DIVISION	4,201,002	3,761,219	89.5%
CENTRALIZED SERVICES DIVISION	2,448,864	1,691,883	69.1%
Total	14,058,937	11,450,242	81.4%

State special revenue supports 61.9% of the agency's HB 2 budget, general fund 23.2%, and the remaining 14.9% is from federal revenue. As of the end of May, the agency expended 81.4% of the HB 2 budget, which is in line with average expenditure rate over the previous three biennia of 81.4%.

Personal Services

The budget for personal services of \$9.5 million is 84.6% expended, which is 1.4 percentage points higher than the average for the three previous biennia.

Operating Expenses

The budget for operating expenses of \$3.9 million is 79.9% expended, which compares to an average expenditure rate of 82.2% over the three previous biennia.

Equipment

The budget for equipment is 61.2% expended. Expenditure rates for equipment over the previous biennium are volatile.

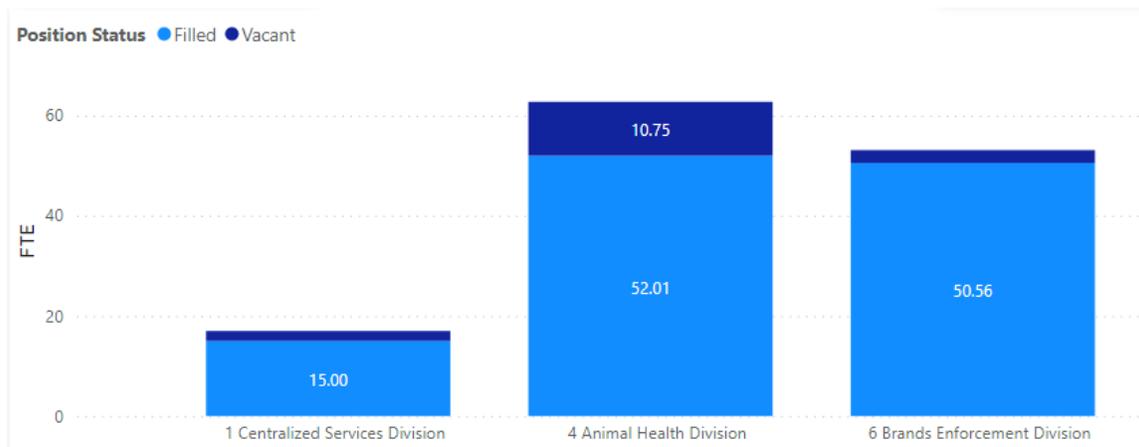
The agency expended \$150,000 of state special revenue for the purchase of a helicopter for predator control. Total expenditures for the helicopter total \$296,660. To fund the purchase, the agency used \$150,000 authorized in the current year and transferred, with legislative approval, \$146,660 in authority from the second year. Appropriations of \$70,000 in general fund and \$25,000 in state special revenue for laboratory equipment in the animal health division have not yet been expended.

Transfers

Federal and state special revenue of \$399,481 is budgeted for animal health and central services. The agency has expended 34.0% or \$135,756 of this authority. Historical expenditure rates for transfer through May average 37.4%.

Personal Services

The following chart shows the filled and vacant FTE within the agency as of May 2022.



The Department of Livestock has 132.87 FTE funded in HB 2:

- Centralized services division – 17.00 FTE
- Animal health division – 62.76 FTE
- Brands enforcement division – 53.11 FTE

Of the total personal hours available, the agency has utilized 94.1%. The brands enforcement division had a utilization rate of 103.3%, the centralized services division and the animal health division had a combined utilization rate of 87.9%.

As of the end of May, the agency has 19.3 FTE vacant, an increase of 5.2 FTE from March 2022. Vacancies are summarized in the following table.

Department of Livestock Vacancies May 2022							
Animal Health Division	<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>	Centralized Services Division	<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>
Animal Health Permit Tech	1.00	21.2	1.8	Milk Control Program Super	1.00	5.3	0.4
Program Manager	1.00	50.3	4.2	Auditing Technician	1.00	28.1	2.3
Veterinarian 1	1.00	2.8	0.2	Division Total ¹	2.00	16.7	1.4
Sanitarian 1	0.50	10.5	0.9				
Sanitarian 1	0.50	28.4	2.4	Brands Enforcement Division	<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>
Regulatory Program Manager	1.00	28.4	2.4	Livestock Inspector 2	1.00	19.1	1.6
Agricultural Inspector 2 Egg	1.00	10.5	0.9	Livestock Investigator 1	1.00	9.9	0.8
Regulatory Program Manager	1.00	1.7	0.1	Livestock Inspector 1	0.50	0.7	0.1
Meat Poultry Inspector 1	1.00	2.4	0.2	Brands Enforcement Admin	1.00	1.0	0.1
Meat Poultry Inspector 1	1.00	11.4	1.0	Livestock Investigator 1	1.00	3.4	0.3
Microbiologist 1	0.50	10.5	0.9	Livestock Inspector 2	1.00	0.8	0.1
Veterinarian 1	1.00	1.0	0.1	Livestock Inspector 1	0.20	24.9	2.1
Program Mgr/Brands Asst Admin	0.50	76.0	6.3	Farm Fish Forest All Other	0.20	4.9	0.4
Veterinarian	0.25	73.3	6.1	STW Brand Insp LEWISTOWN	0.15	27.2	2.3
Division Total ¹	11.25	18.7	1.6	Division Total ¹	6.05	7.4	0.6
					<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>
				Agency Total	19.30	15.0	1.2

¹ Division Totals for months and days vacant are weighted averages

Turnover

Since July 1, the department had nine retirements, and nine persons left state employment.

Pay Adjustments

The agency made 45 pay adjustments increasing personal services expenditures by about \$58,100 annually. The table below details the adjustments to pay;

- Longevity – 34
- Base Pay Differential Adjustment – 6
- Supervisory Adjustment – 2
- Training Assignment Progression – 2
- Promotion - 1

Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019.

OTHER ISSUES

Update on Decision Packages Approved by the 2021 Legislature

The table below summarizes the agency's expenditures against legislative appropriations for decision packages that appear as a line item in HB 2. A detailed discussion of each decision package is provided below.

The Department of Livestock				
Legislative Appropriation and Expenditures Year to Date for FY 2022				
<u>Decision Package</u>	<u>Legislative Appropriation</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Percent Expended</u>
DP 101 - Computer Funding Augment (Restricted/Biennial/One-Time-Only)	\$10,000	\$10,000	\$0	0.0%
DP 103 - Helicopter for Predator Control (One-Time-Only)	300,000	300,000	296,660	98.9%
DP 405 - Lab Equipment (One-Time-Only)	70,000	70,000	0	0.0%
DP 406 - Lab Equipment Histology (One-Time-Only)	25,000	25,000	0	0.0%
DP 411 - Cooperative Interstate Shipping Program (Restricted/One-Time-Only)	200,000	200,000	0	0.0%
DP 601 - Additional Brands Record Staff (One-Time-Only)	48,612	48,612	35,617	73.3%
Total of HB 2 Line Itemed Decision Packages	\$653,612	\$653,612	\$332,277	50.8%

DP 101 - Computer Funding Augment (RST/BIEN/OTO)

FY 2022 10,000, General Fund

FY 2023 10,000, General Fund

The legislature approved a one-time-only appropriation of state special revenue to replace staff computers. The appropriation is funded from livestock per-capita fees. As of May, the agency has not expended against this authority.

DP 103 - Helicopter for Predator Control (OTO)

FY 2022 150,000, State Special Revenue

FY 2023 150,000, State Special Revenue

The legislature approved a one-time-only appropriation of state special revenue to purchase a helicopter for predator control. The purchase will be funded from livestock per capita fees. The agency has purchased a military surplus Bell helicopter. The legislature approved a transfer of appropriation authority from the second year of the biennium to FY 2022 to complete the purchase. The agency has expended \$296,660 or 98.9% of this appropriation.

DP 405 - Lab Equipment (OTO)

FY 2022 \$70,000, General Fund

The legislature approved a one-time-only appropriation of general fund to purchase lab equipment dedicated to chronic wasting disease (CWD) sample preparation and testing. Equipment dedicated to CWD will help prevent cross contamination in the lab. As of May, the agency has not expended against this authority.

DP 406 - Lab Equipment (OTO)

FY 2022 \$25,000, State Special Revenue

FY 2023 \$32,000, State Special Revenue

The legislature approved one-time-only state special revenue for new lab equipment in the histology lab. This will be funded from livestock per capita fees. As of May, the agency has not expended against this authority.

DP 411 - Cooperative Interstate Shipping Program (RST/OTO)

FY 2022 \$80,000, State Special Revenue and \$120,000 Federal Special Revenue

FY 2023 \$80,000, State Special Revenue and \$120,000 Federal Special Revenue

The legislature approved an increase in general fund and matching federal special revenue to support the United States Department of Agriculture Cooperative Interstate Shipping Program. The funding will support expanded levels of inspection and training in the meat and poultry program. As of May, the agency has not expended against this authority.

DP 601 - Additional Brands Rerecord Staff (OTO)

FY 2022 \$48,612, State Special Revenue

The legislature approved a one-time-only increase of 1.00 FTE and state special revenue for temporary employees required for the decennial brands re-record. This will be funded with livestock per capita fees. As of May, the agency has expended 73.3% of this appropriation.