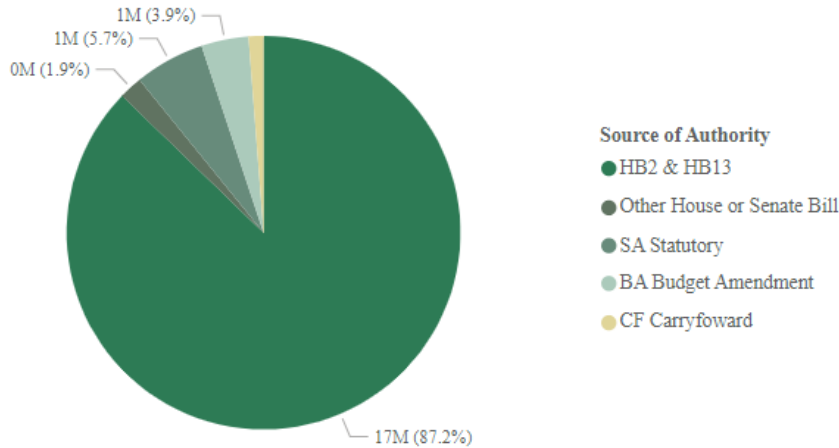


DEPARTMENT OF LIVESTOCK

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Livestock is shown in the pie chart below. HB 2 and HB 13 provide 87.2% 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	% Expended
HB2 & HB13	16,531,561	5,374,789	32.5%
BA Budget Amendment	735,056	346,654	47.2%
CF Carryforward	231,403	0	0.0%
Other House or Senate Bill	364,133	330,948	90.9%
SA Statutory	1,088,958	757,162	69.5%
Total	18,951,111	6,809,554	35.9%

Budget Amendments

Statute allows agencies to amend the budget to access additional federal revenues (17-7-402(1)(a)(xii), MCA). Federal authority through budget amendments totals \$735,000.

The National Animal Health Laboratory Network (NAHLN) accounted for \$337,400 of the authority and was 49.6% expended. The National Animal Health Laboratory Network (NAHLN) is a network of animal disease diagnostic laboratories that provides ongoing disease surveillance, responds quickly to disease events, communicates diagnostic outcomes to decision makers, and has the capability and capacity to meet diagnostic needs during animal disease outbreaks.

Federal authority for tracing animal disease accounted for \$140,500 and was 57.6% expended, with \$98,300 for meat and poultry inspections being 100.0% expended. Funding for the Livestock Loss Board totaled \$75,000 and was unexpended. Other funding for animal health programs totaled \$83,900 and expended \$262.

Other Bills

HB 10 from the 2019 session authorized \$364,100 for information technology interface systems. The agency has expended 90.9% or \$330,900 for this project.

Carryforward Authority

After each fiscal year, 30.0% of the unexpended and unencumbered HB 2 appropriation in the prior fiscal year for personal services, operating expenses, and equipment, may be re-appropriated in the two fiscal years following. The re-appropriated authority may not be used to increase pay (17-7-304(4)(a), MCA).

The agency had \$231,400 in total authority carried forward from FY 2023. The carryforward authority consists of \$145,800 in general fund and \$85,600 in state special revenue budgeted for operations in the Animal Health, and Brands Enforcement Division.

Statutory

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 \$757,200 year-to-date in FY 2024.

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 from July 1, 2023, through November 30, 2023. 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

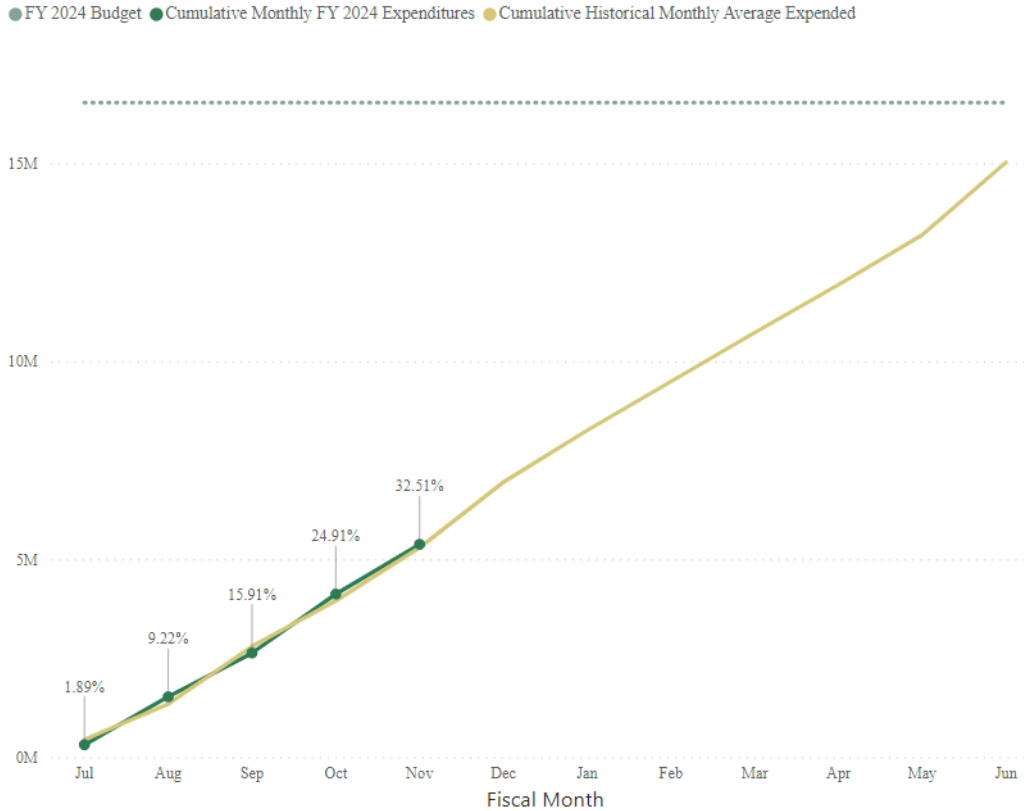
Agency Name	HB 2 Budget	Modified Budget	Net Modifications
Department of Livestock	16,531,561	16,531,561	0
01 CENTRALIZED SERVICES DIVISION	2,581,240	2,581,240	
04 ANIMAL HEALTH DIVISION	8,932,227	8,932,227	0
06 BRANDS ENFORCEMENT DIVISION	5,018,094	5,018,094	
Total	16,531,561	16,531,561	0
Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	10,927,207	10,927,207	
62000 Operating Expenses	4,552,717	4,609,717	57,000
63000 Equipment & Intangible Assets	502,156	502,156	
67000 Benefits & Claims	150,000	150,000	
68000 Transfers-out	399,481	342,481	-57,000
Total	16,531,561	16,531,561	0
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
01 General	4,082,713	4,082,713	
02 State/Other Spec Rev	10,092,264	10,092,264	
03 Fed/Other Spec Rev	2,356,584	2,356,584	0
Total	16,531,561	16,531,561	0

The Department of Livestock moved \$57,000 in authority from transfers to operating expense. There was no net change in the budget. The movement of authority was a required to match the federal work plan agreement.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2023.

Monthly Expenditures Compared to Historical Average



The tables below show expenditure rates through November 2023 for the agency compared to average expenditure rates over the previous five years.

Program Name	Modified Budget	Expended Budget	% Expended	5-Year Avg
01 CENTRALIZED SERVICES DIVISION	2,581,240	890,283	34.5%	29.7%
04 ANIMAL HEALTH DIVISION	8,932,227	2,624,746	29.4%	31.4%
06 BRANDS ENFORCEMENT DIVISION	5,018,094	1,859,760	37.1%	35.6%

Expenditure Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
Personal Services	10,927,207	4,070,286	37.2%	35.1%
Operating Expenses	4,609,717	1,187,337	25.8%	28.8%
Equipment & Intangible Assets	502,156	0	0.0%	4.0%
Benefits & Claims	150,000	79,938	53.3%	0.0%
Transfers-out	342,481	37,228	10.9%	0.0%

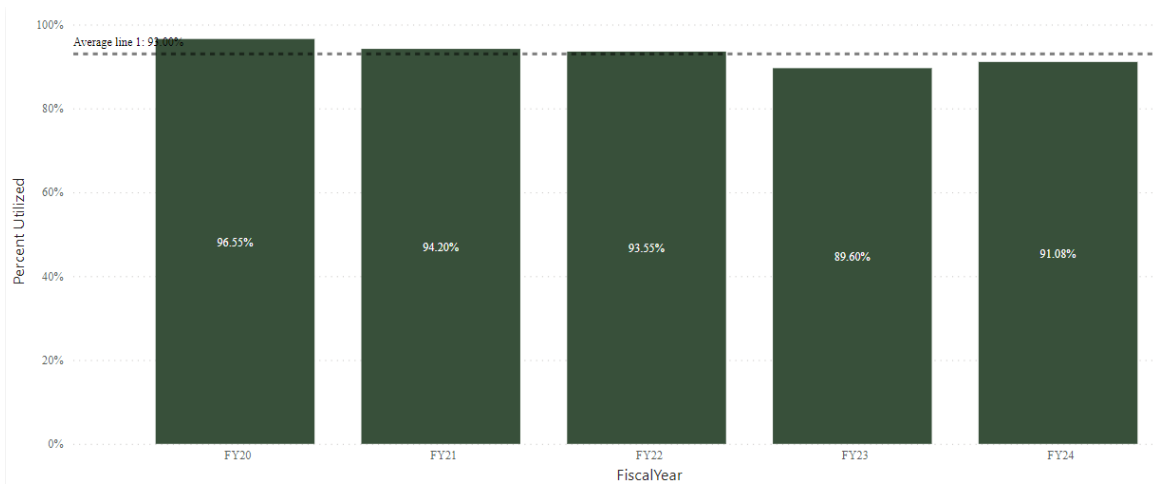
Fund Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
01 General	4,082,713	1,053,552	25.8%	27.3%
02 State/Other Spec Rev	10,092,264	3,659,014	36.3%	34.4%
03 Fed/Other Spec Rev	2,356,584	662,223	28.1%	25.0%
Total	16,531,561	5,374,789	32.5%	32.0%

The Department of Livestock expended 32.5% of its \$16.5 million HB 2 modified budget through November 30, 2023. The agency’s expenditure rate through the first five months of the fiscal year is in line with the expenditure rate in the previous five years.

Personal Services

Appropriations for personal services in the Department of Livestock total \$10.9 million and are 37.2% expended through November 30, 2023. The department has 37.87 HB 2 FTE.

The chart below shows the hourly utilization percentage for the Department of Livestock between July 1 and November 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 91.1% of the hours budgeted for FY 2024, as shown in the chart below. This is slightly less than the average utilization of 93.0% over the previous four years in the same period. Of the 21.01 vacant FTE in the agency, the Animal Health Division has 11.00 of them. The utilization rate in the Animal Health Division is 85.7%. Although the Brands Enforcement Division has 7.00 FTE vacant, it had a utilization rate of 99.0%. The remaining three vacancies were in the Centralized Services Division.



The agency does not contract for labor. Year to date the agency has expended about \$75,200 on overtime of which about 40-50% was over-time to cover for vacant positions. Meat Inspectors and Brand Market Inspectors account for most of the Department’s systemic overtime. Turnover results in considerable travel to ensure requirements for statewide coverage and lengthy supervisor training of new personnel. In addition to vacancies, late Summer and Fall are very busy times for Livestock movements and sales resulting in seasonal increases in overtime and comp time for the Brands Division personnel. Lastly, a significant amount of overtime is attributable to pace of commerce and travel time of our inspectors needed to cover their large geographical areas of responsibilities.

The chart below shows the vacant FTE in each division, the number of months each position has been vacant, and the midpoint hourly pay rate.

Department of Livestock Vacancies As of November 1, 2023							
<u>Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>		<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>
Centralized Services Division				Brands Enforcement Division			
IT Bureau Chief	1.00	4.5	\$42.63	Livestock Inspector 1	0.50	1.1	\$21.76
Milk Control Prgm Spec.	1.00	1.6	36.35	Livestock Inspector 2	1.00	36.6	27.19
Attorney	1.00	12.6	55.14	Livestock Inspector 1	0.50	18.2	21.76
Division Total / Average¹	3.00	6.2	\$44.71	Livestock Inspector 1	1.00	2.7	21.76
Animal Health Division				Livestock Inspector 1	1.00	2.2	21.76
Program Manager	1.00	11.0	\$39.56	Livestock Inspector 1	1.00	0.4	21.76
Compliance Technician 1	0.50	12.0	22.07	Short Term Worker	0.21	4.1	16.05
Sanitarian 1	0.50	28.0	31.77	Livestock Inspector 1	0.20	42.4	21.76
Regulatory Program Manager	1.00	45.9	39.56	Farm Fish Forest All Other	0.20	4.0	19.71
Bison Supervisor/Law Enforce	1.00	1.7	39.56	STW Brand Insp LEWISTOWN	0.15	44.8	15.55
Science Manager	1.00	7.2	56.47	Farm Fish Forest All Other	0.25	4.1	19.71
Meat Poultry Inspector 1	1.00	0.6	21.76	Livestock Inspector 1	1.00	28.0	21.76
Meat Poultry Inspector 1	1.00	0.6	21.76	Division Total / Average¹	7.01	13.9	\$22.10
Meat Poultry Inspector 1	1.00	28.0	21.76				
Meat Poultry Inspector 1	1.00	28.0	21.76				
Meat Poultry Inspector 1	1.00	28.0	21.76				
Meat Poultry Inspector 1	1.00	28.0	21.76				
Division Total / Average¹	11.00	18.1	\$30.24	Grand Total¹	21.01	15.0	\$29.59

¹ Averages for months vacant and pay rate are weighted by FTE

Vacancies

Vacant positions total 21.01 FTE. On average, positions have been open about 15 months. Since the beginning of FY 2024, six employees have left state government, one has transferred to a different agency, and one has retired. The agency is advertising for five positions.

OTHER ISSUES

Information Technology Project Expenditures

Large Information Technology Projects Original and Revised Budgets							
<u>Project</u>	<u>Start Date</u>	<u>Status</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Expended</u>	<u>Percent Expended</u>	
Livestock Interface Systems Upgrade Project	1/1/2020	Executing	1,300,000	1,300,000	1,188,525	91.4%	
Livestock Animal Health System Replacement	7/31/2023	Initiating	450,000	450,000	-	0.0%	
Livestock Google AI Project	7/3/2023	Planning	-	-	-	-	
Livestock Snowflake Integration	7/3/2023	Executing	125,000	125,000	-	0.0%	

The 2023 Legislature approved \$1M in HB10 authority for three department application upgrades: Snowflake, Google AI, and an Animal Health system replacement. Both the Snowflake and Google AI projects are awarded and in the early stages of development. Snowflake is a state enterprise solution that Livestock is leveraging for data storage and integration needs. Google AI is a paper-to-digital data solution to eliminate the backlog of Brand's inspection paperwork and provide timely violation and traceability reporting not currently available.

The Animal Health system replacement project has been initiated. The system to be replaced serves as a key repository for animal identification records, import and animal movement records, and disease testing records

to ensure traceability in the event of a foreign animal disease outbreak, and compliance with state law. The system also provides the capability for Montana veterinarians to utilize electronic methods for issuing health certificates prior to the export of Montana livestock out of state.

The 2019 Legislature approved \$1.3M in HB10 authority to upgrade the Livestock Interface System. The new Brands Enforcement ServiceNow application was put into production September 2023. The remainder of the authority is being expended on application enhancements.

Status of Line-Itemed Decision Packages, 2023 Legislature

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

Department of Livestock				
Legislative Appropriation and Expenditures for the 2025 Biennium				
<u>Decision Package</u>	Legislative <u>Appropriation</u>	<u>Budgeted</u>	<u>Expended</u>	Percent <u>Expended</u>
DP 401 - MVDL Lab Equipment Purchase (RST/BIEN/OTO)	236,951	236,951	-	0.0%
DP 406 - Vet Truck Purchase (RST/BIEN/OTO)	50,000	50,000	-	0.0%
DP 601 - Brands Equipment Upgrades (RST/BIEN/OTO)	180,000	180,000	-	0.0%
<u>Total of HB 2 Line Itemed Decision Packages</u>	\$466,951	\$466,951	\$0	0.0%

DP 401 - MVDL Lab Equipment Purchase (RST/BIEN/OTO)

FY 2024 – \$236,951 State Special Revenue

The legislature approved a one-time-only appropriation of state special revenue to purchase equipment for the diagnostic laboratory. The equipment will be used by the Montana Veterinary Diagnostic Laboratory to identify microorganisms. The equipment will replace obsolete and end of life equipment currently in use.

DP 406 - Vet Truck Purchase (RST/BIEN/OTO)

FY 2024 – \$50,000 State Special Revenue

The legislature approved a one-time-only appropriation of state special revenue to purchase a truck for the Animal Health Bureau Veterinarian. The truck will require extensive modifications which precludes leasing it from the motor pool. This will replace the current vehicle which, is thirteen years old and has high mileage.

DP 601 - Brands Equipment Upgrades (RST/BIEN/OTO)

FY 2024 – \$180,000 State Special Revenue

The legislature approved a one-time-only appropriation of state special revenue to fund equipment upgrades for enforcement and market operations. The funding would purchase law enforcement radios, livestock trailers, and other equipment.