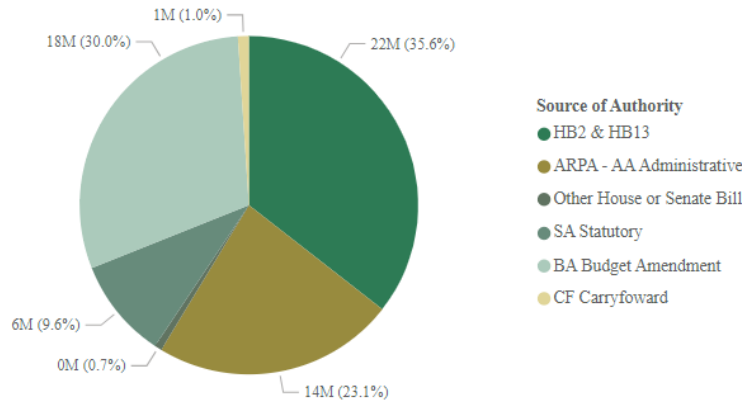


# DEPARTMENT OF AGRICULTURE

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Agriculture is shown in the pie chart below. HB 2 and HB 13 provide 35.6% 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	21,824,469	4,528,749	20.8%
BA Budget Amendment	18,425,576	2,043,690	11.1%
CF Carryforward	639,778	0	0.0%
Other House or Senate Bill	425,000	425,000	100.0%
SA Statutory	5,880,932	3,025,970	51.5%
ARPA	14,191,735	168,094	1.2%
<b>Total</b>	<b>61,387,491</b>	<b>10,191,502</b>	<b>16.6%</b>

## Budget Amendments

Statute allows agencies to amend the budget to access additional federal revenues (17-7-402(1)(a)(i), MCA). Federal authority through budget amendments totals \$18.4 million.

The federal Specialty Crop Block Grant Program (SCBGP) accounted for \$12.0 million. The purpose of the SCBGP is to enhance the competitiveness of specialty crops. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops. This grant was 15.4% expended as of November 2023.

The agency received \$4.4 million in funding for the Resilient Food System Infrastructure (RFSI) Program. This program’s goal is to strengthen the food supply chain as well as provide more and better markets to small farms and food businesses. As of November, \$30,927 has been expended.

The United States Department of Agriculture Regional Food Business Centers (RFBC) grant totaled \$1.2 million. The program strives to create new markets and expand current linkages throughout the supply chain and drive economic opportunities across the region for small and mid-tier food and farm businesses. As of November, \$10,162 of this grant has been expended.

Other funding includes the Food Safety Modernization Act, USDA National Institute of Food and Agriculture (NIFA), federal funds for food safety, noxious weed prevention, and marketing.

### **Other Bills**

Through other bills, the legislature approved expenditures totaling \$425,000 for weed control and long-range information technology all of which has been expended. The legislature approved HB 821, which appropriated \$250,000 from the general fund as one-time-only for weed control grants in Yellowstone, Musselshell, and Stillwater counties. The legislature approved HB 10, which authorized a general fund transfer to the Long-Range IT capital account to be used for various IT projects throughout the state. The Department of Agriculture received \$175,000 from this account, which has been expended on a commodity assessment system.

### **Carryforward Authority**

After each fiscal year, 30% of the unexpended and unencumbered HB 2 appropriations from the prior fiscal year for personal services, operating expenses, and equipment, may be re-appropriated in the two fiscal years following (17-7-304(4)(a), MCA).

The agency had \$639,800 in total authority carried forward from FY 2023. The carryforward authority consists almost entirely of state special revenue for various projects in the Agricultural Sciences Division, and the Agricultural Development Division.

### **Statutory**

Expenditures of statutory appropriations totaled \$2.3 million, of which 5.5% or \$159,600 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 \$2.2 million from state special revenue statutorily appropriated for research and marketing programs for potatoes, pulse crops, and other agriculture development programs. The agency expended \$520,200 in proprietary revenue statutorily appropriated for hail insurance claims.

### **ARPA**

For FY 2024, the established ARPA budget is \$14.2 million, of which \$168,100 has been expended through the end of November. The authority supports infrastructure improvements at the ports in Butte and Shelby and other infrastructure state-wide. The agency has awarded \$400,000 for a new yard locomotive in Butte, and \$1.6 million for the Port of Northern Montana Operating and Storage Track Expansion Project, yet to be expended. This project will construct up to 3.8 miles of new rail and install 18 new switches. Additionally, another \$4.0 million has been awarded, not yet expended, for nearly 30 other agriculture related infrastructure projects around the state.

## 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
<b>MT Dept of Agriculture</b>	<b>21,824,469</b>	<b>21,824,469</b>	<b>0</b>
15 CENTRAL MANAGEMENT DIVISION	2,361,387	2,361,387	0
30 AGRICULTURAL SCIENCES DIVISION	10,982,446	10,982,446	0
50 AGRICULTURAL DEVELOPMENT DIV	8,480,636	8,480,636	0
<b>Total</b>	<b>21,824,469</b>	<b>21,824,469</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	10,063,520	10,163,520	100,000
62000 Operating Expenses	6,021,344	5,921,344	-100,000
63000 Equipment & Intangible Assets	524,889	524,889	0
66000 Grants	4,972,459	4,972,459	0
68000 Transfers-out	164,757	164,757	0
69000 Debt Service	77,500	77,500	0
<b>Total</b>	<b>21,824,469</b>	<b>21,824,469</b>	<b>0</b>

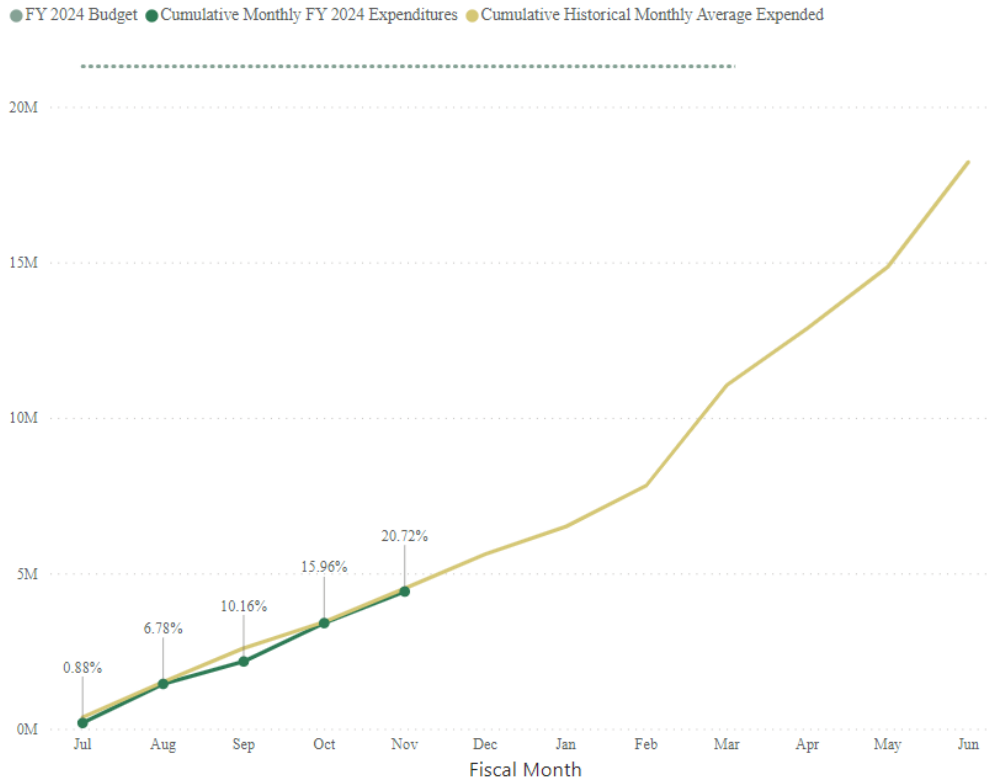
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
02 State/Other Spec Rev	18,117,214	18,117,214	0
03 Fed/Other Spec Rev	1,620,629	1,620,629	0
01 General	1,568,310	1,568,310	0
06 Enterprise	518,316	518,316	0
<b>Total</b>	<b>21,824,469</b>	<b>21,824,469</b>	<b>0</b>

The Department of Agriculture moved \$100,000 in authority from operations to personal services to support inspectors at the grain laboratory. There was no net change in the budget.

## 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
15 CENTRAL MANAGEMENT DIVISION	2,361,387	787,888	33.4%	33.4%
30 AGRICULTURAL SCIENCES DIVISION	10,982,446	2,706,631	24.6%	25.3%
50 AGRICULTURAL DEVELOPMENT DIV	8,480,636	1,034,230	12.2%	14.4%

Expenditure Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
Personal Services	10,163,520	3,288,423	32.4%	33.1%
Operating Expenses	5,921,344	1,202,452	20.3%	22.4%
Equipment & Intangible Assets	524,889	0	0.0%	0.0%
Grants	4,972,459	2,635	0.1%	2.5%
Transfers-out	164,757	0	0.0%	8.6%
Debt Service	77,500	35,238	45.5%	0.0%

Fund Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
01 General	1,568,310	462,040	29.5%	30.3%
02 State/Other Spec Rev	18,117,214	3,613,905	19.9%	20.7%
03 Fed/Other Spec Rev	1,620,629	338,470	20.9%	26.3%
06 Enterprise	518,316	114,333	22.1%	33.3%
<b>Total</b>	<b>21,824,469</b>	<b>4,528,749</b>	<b>20.8%</b>	<b>21.5%</b>

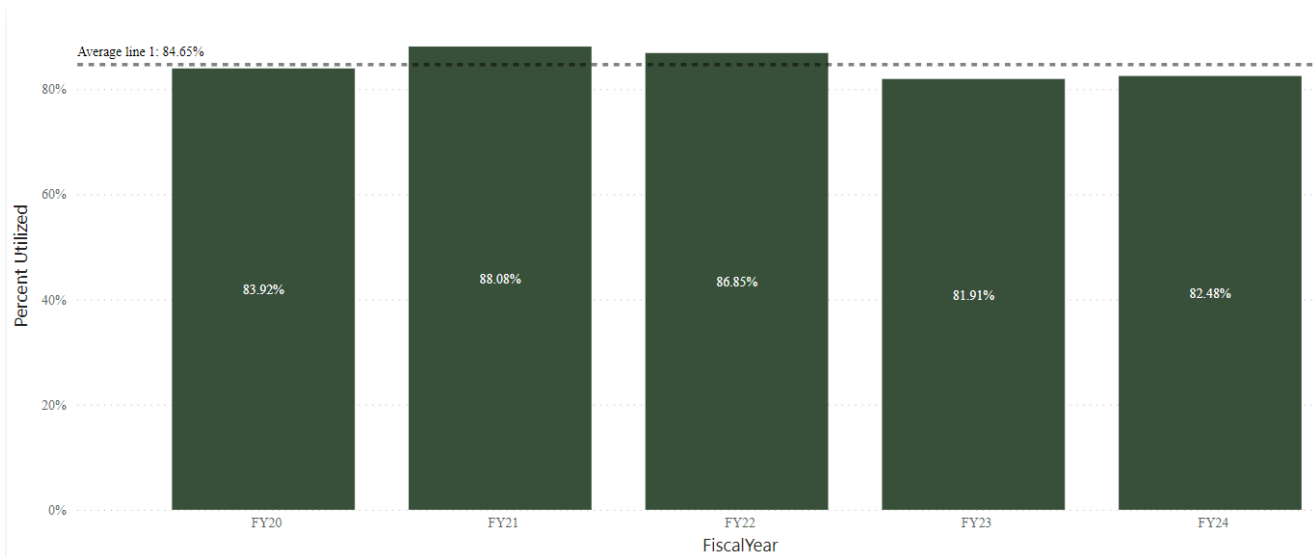
The Department of Agriculture expended 20.8% of its \$21.8 million HB 2 modified budget through November 30, 2023. The agencies expenditure rate through the first five months of the fiscal year are in line with the expenditure rate for the same period in the previous five fiscal years.

### Personal Services

Appropriations for personal services in the Department of Agriculture total \$10.2 million and are 32.4% expended through November 30, 2023. The department has 119.66 HB 2 FTE, of which 14.39 are classified as aggregate positions. Aggregate positions are historically more seasonal or temporary in nature. Multiple people may be employed under these position numbers throughout the year. The table below shows the budgeted FTE for the department.

Department of Agriculture HB 2 FTE			
Program	Regular	Aggregated	Total HB 2
Central Management Division	19.00	-	19.00
Agricultural Sciences Division	57.37	4.42	61.79
Agricultural Development Division	28.90	9.97	38.87
Total	105.27	14.39	119.66

The chart below shows the hourly utilization percentage for the Department of Agriculture between July 1 and November 1 for each fiscal year. Overall, the department has utilized 82.5% of the hours budgeted for FY 2024, as shown in the chart below. The Agricultural Sciences Division utilization rate was 85.3%, while the Central Management and the Agricultural Development Divisions combined had a utilization rate of 79.4%.



Vacant positions total 16.8 FTE, a decrease of 2.4 FTE since June 2023. On average, positions have been open about one 15 months. Since the beginning of FY 2024 for employees have left state government and one has retired.

In the normal course of business, the agency will utilize overtime to account for variations in seasonal workload and contracts for special projects. Vacancies do not contribute significantly to overtime or contracting expenditures.

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 Agriculture 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>	
<b>Central Services Division</b>				<b>Agricultural Development Div</b>				
Business Executive	1.00	22.4	\$75.89	Sampler	1.00	19.2	\$21.76	
Network Administrator	1.00	5.8	46.88	Sampler	1.00	7.0	21.76	
Deputy Attorney	1.00	19.6	41.36	Sampler	1.00	0.2	21.76	
<b>Division Total / Average<sup>1</sup></b>	<b>3.00</b>	<b>15.9</b>	<b>\$54.71</b>	Rural Dev Specialist	1.00	10.0	36.25	
<b>Agricultural Sciences Division</b>				Instructional Coordinator 1	0.23	81.6	30.05	
Nox Weed Free Material Coor	1.00	4.5	\$43.75	Insurance Claims Adjuster	0.30	12.3	18.85	
Plant Science Specialist	1.00	1.6	43.75	Insurance Claims Adjuster	0.25	1.5	18.85	
Agricultural Scientist 1	0.02	106.4	35.00	Insurance Claims Adjuster	0.25	0.7	18.85	
Program Specialist 2	1.00	18.7	36.35	Insurance Claims Adjuster	0.25	1.3	18.85	
Agricultural Science Specialist	1.00	0.1	43.75	Insurance Claims Adjuster	0.25	1.3	18.85	
Compliance Manager	1.00	37.5	51.21	Insurance Claims Adjuster	0.25	0.4	18.85	
Agricultural Science Specialist	0.50	7.7	43.75	Insurance Claims Adjuster	0.25	1.5	18.85	
Apiary Technician	1.00	12.8	21.76	Insurance Claims Adjuster	0.25	61.9	18.85	
<b>Division Total / Average<sup>1</sup></b>	<b>6.52</b>	<b>12.4</b>	<b>\$40.36</b>	Insurance Data Entry Support	0.25	2.2	13.63	
				Claims Examiner 1	0.25	36.6	18.85	
				Claims Examiner 1	0.25	36.6	18.85	
				Claims Examiner 1	0.25	61.0	18.85	
				<b>Division Total / Average<sup>1</sup></b>	<b>7.28</b>	<b>15.1</b>	<b>\$22.61</b>	
				<b>Grand Total<sup>1</sup></b>	<b>16.80</b>	<b>14.2</b>	<b>\$35.23</b>	

<sup>1</sup> Averages for months vacant and pay rate are weighted by FTE

The agency is advertising for 5 positions. On average, the postings have been open for 30 days and typically receive seven responses.

## 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>
Commodity Assessment System	8/14/2023	Executing	370,000	370,000	175,000	47.3%
Grants Management System	9/13/2023	Executing	60,000	60,000	-	-

The commodity assessment system is used for payments and reporting. The grants management system will manage the life cycle of grants.

### 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 Agriculture Legislative Appropriation and Expenditures for the 2023 Biennium				
<u>Decision Package</u>	<u>Legislative Appropriation</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Percent Expended</u>
DP 30003 - Lab Combustion Analyzer (OTO)	\$86,000	\$86,000	\$0	0.0%
DP 30008 - Chromatography Instrument (OTO)	100,000	100,000	-	0.0%
DP 30010 - Hemp Program Resources (OTO)	125,000	125,000	-	0.0%
DP 50001 - State Grain Lab Resources (OTO)	250,000	250,000	185,266	74.1%
DP 50005 - Hail Insurance System HB 10 (OTO)	50,000	50,000	-	0.0%
Total of HB 2 Line Itemed Decision Packages	\$611,000	\$611,000	\$185,266	30.3%

#### DP 30003 - Lab Combustion Analyzer (OTO)

FY 2024 – \$86,000 State Special Revenue

The legislature approved a one-time-only appropriation of state special revenue to replace a combustion analyzer. The combustion analyzer is used to test animal feeds and fertilizer for nutrient content.

#### DP 30008 - Chromatography Instrument (OTO)

FY 2024 – \$100,000 State Special Revenue

The legislature approved a one-time-only increase in state special revenue for a chromatography instrument in the analytical lab. The equipment provides data on the physical properties of the groundwater from wells.

DP 30010 - Hemp Program Resources (OTO)

FY 2024 – \$125,000 General Fund

FY 2025 – \$125,000 General Fund

The legislature approved a one-time-only appropriation of general fund to temporarily mitigate costs paid by hemp producers to ensure they are following federal law. Ongoing revisions of federal law should be in place by 2025 negating the need for this funding on an ongoing basis.

DP 50001 - State Grain Lab Resources (OTO)

FY 2024 – \$250,000 General Fund

FY 2025 – \$250,000 General Fund

The legislature approved a \$500,000 general fund appropriation to supplement the state grain laboratory for two years.

DP 50005 - Hail Insurance System HB 10 (OTO)

FY 2024 – \$50,000 Proprietary Fund

The legislature approved a one-time only \$50,000 increase in proprietary funds for a new hail insurance system.