

Agency Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	15,581,958	17,269,732	1,687,774	10.83 %
Operating Expenses	9,481,127	9,014,991	(466,136)	(4.92)%
Equipment & Intangible Assets	871,713	847,778	(23,935)	(2.75)%
Grants	10,995,056	9,761,434	(1,233,622)	(11.22)%
Transfers	280,514	280,514	0	0.00 %
Total Expenditures	\$37,210,368	\$37,174,449	(\$35,919)	(0.10)%
General Fund	1,417,366	1,669,328	251,962	17.78 %
State/Other Special Rev. Funds	32,479,407	31,767,872	(711,535)	(2.19)%
Federal Spec. Rev. Funds	2,373,330	2,627,168	253,838	10.70 %
Proprietary Funds	940,265	1,110,081	169,816	18.06 %
Total Funds	\$37,210,368	\$37,174,449	(\$35,919)	(0.10)%
Total Ongoing	\$35,210,368	\$37,174,449	\$1,964,081	5.58 %
Total OTO	\$2,000,000	\$0	(\$2,000,000)	(100.00)%

Agency Biennium Comparison -

The biennium comparison table shows a total decrease of 0.1%, which for the agency is influenced by the FY 2018 appropriations reductions. Compared to the FY 2019 base appropriation, the growth is 4.2%

Mission Statement

The mission of the Department of Agriculture is to protect producers and consumers and to enhance and develop agriculture and allied industries.

Agency Highlights

Department of Agriculture Major Budget Highlights
<p>The executive proposes a decrease of less than 1.0% in total appropriation when compared to the 2019 biennium, due primarily to a decrease in state special revenue OTO appropriation to the Wheat and Barley Board.</p> <ul style="list-style-type: none"> • Increases in general fund, federal special revenue, and proprietary funds are driven primarily by SWPL adjustments • Decreases in state special revenue are due to SWPL adjustments offset by the elimination of a \$2.0 million OTO appropriation to the Wheat and Barley Commission approved by the 2017 Legislature • The executive proposes to increase grant authority for noxious weed control • In addition to SWPL adjustments the executive proposes present a law adjustments for an increase in rent

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	115.04	115.04	116.04	116.04
Personal Services	7,248,643	7,551,373	8,030,585	8,632,338	8,637,394
Operating Expenses	3,040,516	5,066,174	4,414,953	4,533,009	4,481,982
Equipment & Intangible Assets	203,851	447,824	423,889	423,889	423,889
Grants	5,590,802	6,164,339	4,830,717	4,880,717	4,880,717
Transfers	90,218	140,257	140,257	140,257	140,257
Total Expenditures	\$16,174,030	\$19,369,967	\$17,840,401	\$18,610,210	\$18,564,239
General Fund	675,726	679,829	737,537	858,313	811,015
State/Other Special Rev. Funds	14,000,890	17,061,357	15,418,050	15,883,946	15,883,926
Federal Spec. Rev. Funds	1,094,598	1,166,382	1,206,948	1,312,962	1,314,206
Proprietary Funds	402,816	462,399	477,866	554,989	555,092
Total Funds	\$16,174,030	\$19,369,967	\$17,840,401	\$18,610,210	\$18,564,239
Total Ongoing	\$16,174,030	\$17,369,967	\$17,840,401	\$18,610,210	\$18,564,239
Total OTO	\$0	\$2,000,000	\$0	\$0	\$0

Agency Discussion

FY 2018 Appropriations Compared to FY 2018 Actual Expenditures

The agency expended 93.1% of the ongoing appropriation and 83.5% of the total appropriation. The agency is funded primarily with state special revenue which was 82.1% expended. General fund, which is 3.5% of the budget, was 99.4% expended. Unexpended state special revenue is due primarily to an unexpended \$2.0 million OTO appropriation to the Wheat and Barley Commission for grants. Since this is a biennial appropriation the entire \$2.0 million is available to the Wheat and Barley Commission in FY 2019. Personal services were 96.0% expended and operating expenses 60.0% expended. Unexpended state special, federal revenue, and proprietary funds can only be spent in accordance with state statute and federal regulations.

FY 2018 Appropriations Compared to FY 2019 Appropriations

The one-time-only appropriation of \$2.0 million to the Wheat & Barley Commission budgeted in FY 2018 but not FY 2019 accounts for most of the decrease in total appropriation between years. OTO appropriations are, by definition, not ongoing expenditures. Although the total appropriation between years decreases by \$1.5 million, ongoing expenditure increase by \$0.5 million.

The total appropriation decreased by 7.9% or \$1.5 million in FY 2019 when compared to FY 2018. Increases in personal services of 6.3% or \$0.5 million are driven primarily by the pay plan (SB 294) and restoration of special session reductions.

Executive Request

The executive requests a slight decrease in total appropriation and a 5.6% increase in ongoing appropriations. The decrease in total appropriations is due to the decrease in OTO appropriations. Personal services increase 10.8% compared to the previous biennium, while all other expenditures decrease. As proposed the budget is funded 4.5% general fund, 85.5% state special revenue, 7.0% Federal sources, and 3.0% proprietary sources. The executive request will be discussed in detail at the program level.

Comparison of FY 2019 Legislative Budget to FY 2019 Base

Figure 1 illustrates the beginning FY 2019 budget as adopted by the 2017 Legislature compared to the finalized 2019 Base Budget, which includes modifications done by the executive (as authorized in statute) during the interim. The 2019 Base Budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2021 biennium budgeting process.

FY 2019 Legislative Appropriations - Department of Agriculture				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
15 Central Management Division				
61000 Personal Services	\$1,290,668	\$0	\$1,290,668	0.0%
62000 Operating Expenses	201,487	-	201,487	0.0%
63000 Equipment & Intangible Assets	5,000	-	5,000	0.0%
68000 Transfers-out	500	-	500	0.0%
Program Total	\$1,497,655	\$0	\$1,497,655	0.0%
30 Agricultural Sciences Division				
61000 Personal Services	\$4,527,510	\$10,044	\$4,537,554	0.2%
62000 Operating Expenses	1,801,116	-	1,801,116	0.0%
63000 Equipment & Intangible Assets	339,012	-	339,012	0.0%
6000 Grants	2,243,329	(10,044)	2,233,285	-0.4%
Program Total	\$8,910,967	-	\$8,910,967	0.0%
50 Agricultural Development Div				
61000 Personal Services	\$2,202,363	\$0	\$2,202,363	0.0%
62000 Operating Expenses	2,422,350	(10,000)	2,412,350	-0.4%
63000 Equipment & Intangible Assets	79,877	-	79,877	0.0%
66000 Grants	2,597,432	-	2,597,432	0.0%
68000 Transfers-out	129,757	10,000	139,757	7.7%
Program Total	\$7,431,779	-	\$7,431,779	0.0%
Grand Total	\$17,840,401	\$0	\$17,840,401	0.0%

The executive modified the operating plan by transferring authority from grants and operating expenses to personal services and transfers. These modifications did not change the total base.

5% Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. A summary of the entire 2019 biennium 5.0% plan submitted for this agency is in the Budget Analysis Appendix.

The Department of Agriculture 5.0% plan reduces general fund by \$31,505 through the reduction of personal services in the Agricultural Development Division. The plan also reduces state special revenue appropriation across all programs by \$75,601. Reductions in state special revenue reduce funding for operations and grants for pulse crop development, wheat and barley, and weed control.

Agency Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into four categories, as follows:

1. Formula Based

Formula based changes are calculated independent of agency choices, such as: annualize personal services costs including FY 2019 statewide pay plan adjustments, changes to benefit rates, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot, plus rate changes for workers' compensation and unemployment insurance.

A detailed illustration of this methodology is included in the Budget Analysis Appendix.

2. Personal Services Management Decisions

Any agency management decisions that adjusted employee pay or transferred personal services authority between programs. This includes raises or position changes that may increase or reduce a budget, such as hiring FTE at a lower rate to replace retired senior staff or moving FTE and funding between programs.

3. Proposed Reinstatement of Personal Services Base Budget Reductions

Most agencies requested reinstatement of personal services budget reductions taken last session. The single largest reinstatement is due to the lower vacancy savings rate requested by the executive. The FY 2019 personal services base included approximately 6.0% vacancy savings reduction as part of the funding adopted in HB 2. Generally, the executive requested a 2.0% vacancy savings reduction for 2021 biennium.

Agencies funded with general fund may have additional personal services reductions such as those reduced from the triggers in SB 261 from last session.

In some instances, the lower personal services budgets caused agencies to make management decisions that lowered the ongoing cost of personal services. When this occurred, the LFD reflected the lower reinstatement requested rather than the total of all personal services reductions made by the previous legislature.

4. Budget Modifications

This category includes modifications to the FY 2019 personal services budget such as transfer of personal services authority to operating expenses that occurred during the interim. These transfers may impact the overall size of the personal services present law adjustment (DP 1).

The Figure shows the analysis of the proposed changes.

Personal Services Present Law DP 1 - FY 2020					
Program	Proposed				
	Formula Based	Management Decisions	Reinstatement of Personal Services	Budget Modifications	DP 1 SWPL
Central Management Div.	\$4,295	(\$8,127)	\$56,786	\$0	\$52,954
Agricultural Sciences Div.	44,966	24,121	196,116	(10,044)	255,159
Agricultural Development Div.	33,954	(15,994)	186,432	-	204,392
Agency Total	\$83,215	\$0	\$439,334	(\$10,044)	\$512,505

The agency hires at 80.0% of market rate established by the state salary survey. In addition to the 1.0% pay raise and any longevity increases, the agency had a total of seven adjustments related to retention issues.

Funding

The following table shows proposed agency funding by source of authority.

Total Department of Agriculture Funding by Source of Authority 2021 Biennium Budget Request - Department of Agriculture						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,669,328	0	0	2,043,483	3,712,811	7.95 %
State Special Total	31,767,872	0	0	5,703,074	37,470,946	80.28 %
Federal Special Total	2,627,168	0	0	0	2,627,168	5.63 %
Proprietary Total	1,110,081	0	116,400	1,640,000	2,866,481	6.14 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$37,174,449	\$0	\$116,400	\$9,386,557	\$46,677,406	
Percent - Total All Sources	79.64 %	0.00 %	0.25 %	20.11 %		

The Department of Agriculture is funded from general fund, state special revenue, federal special revenue, and proprietary funds. State special revenue is the predominant funding source. Major funds include

- Wheat and barley research and marketing account
- Noxious weed admin account
- Pesticide account

General fund, which comprises 4.5% of the HB 2 appropriation and 8.0% of all sources of funding. HB 2 general fund appropriation supports personal services, operating expenses, and grants. Proprietary non-budgeted funds support the administration of the hail insurance program; the remaining proprietary funding is statutorily appropriated hail insurance benefits and claims. Other state special statutory appropriations support agriculture development programs.

State special revenue is specific revenue from state sources legally restricted to expenditures for specific purposes. Balances in state special revenue funds may only be used their specific purpose. The table below shows the eleven funds that comprise 90.0% of the state special revenue appropriation, the forecasted beginning and ending balance as proposed by the executive.

Executive Proposal for Major State Special Funds 2021 Biennium (The funds listed below constitute 90.0% of agency state special funding)					
	Beginning ¹ Balance	Revenues	Expenditures ² HB 2 Approp.	Ending Balance ³	Other Agencies
Wheat & Barley Research & Mktg	(\$405,766)	\$8,830,100	(\$9,705,509)	(\$1,281,175)	
Noxious Weed Admin Account	348,688	4,270,000	(4,413,721)	204,967	Transportation
Pesticide Account	1,506,137	3,945,920	(3,036,643)	2,415,414	
Pesticide Groundwater Account	998,388	2,552,400	(2,724,117)	826,671	
Grain Services	(7,888)	2,728,710	(2,697,451)	23,371	
Commercial Feed	116,106	1,807,924	(1,832,824)	91,206	
Produce Account	673,808	1,070,000	(1,132,272)	611,536	
Growth thru Agriculture	349,951	880,000	(847,206)	382,745	
Organic Certification	229,965	810,320	(802,180)	238,105	
Commercial Fertilizer	724,925	1,764,600	(796,753)	1,692,772	
FSI Produce	101,977	710,100	(681,696)	130,381	
Total funding	\$4,636,290	\$29,370,074	(\$28,670,372)	\$5,335,992	

Notes

¹ The beginning balance is calculated using FY 2018 actual revenues and expenditures and FY 2019 forecast revenues and appropriations

² HB 2 appropriated includes appropriations to other agencies and non-HB 2 appropriations

³ The ending balance includes encumbered funds

**LFD
COMMENT**Wheat and Barley Fund Negative Balance

As shown in the table above, 33.9% of the proposed appropriation is from the Wheat and Barley Research and Marketing fund, which receives revenues from assessments levied on the initial sale of wheat and barley. The 2017 Legislature approved a \$2.0 million OTO appropriation from this fund for grants to help in the transition from a fiscal year to a calendar year grant cycle, the table above includes this appropriation as part of the calculation. LFD has been informed by OBPP that this appropriation will not be expended in the 2019 biennium.

As of the end of November 2018 the total expenditures against this appropriation were zero. Assuming the appropriation remains unexpended at the end of the current biennium the ending balance in the wheat and barley research and marketing account would be \$0.7 million FY 2021, sufficient to support the executive proposal.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	737,537	737,537	1,475,074	88.36 %	17,840,401	17,840,401	35,680,802	95.98 %
SWPL Adjustments	120,776	73,478	194,254	11.64 %	623,652	576,092	1,199,744	3.23 %
PL Adjustments	0	0	0	0.00 %	146,157	147,746	293,903	0.79 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$858,313	\$811,015	\$1,669,328		\$18,610,210	\$18,564,239	\$37,174,449	

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,522,035	2,688,309	166,274	6.59 %
Operating Expenses	442,239	470,342	28,103	6.35 %
Equipment & Intangible Assets	10,000	10,000	0	0.00 %
Transfers	1,000	1,000	0	0.00 %
Total Expenditures	\$2,975,274	\$3,169,651	\$194,377	6.53 %
General Fund	249,895	280,852	30,957	12.39 %
State/Other Special Rev. Funds	2,421,809	2,561,360	139,551	5.76 %
Federal Spec. Rev. Funds	151,428	164,669	13,241	8.74 %
Proprietary Funds	152,142	162,770	10,628	6.99 %
Total Funds	\$2,975,274	\$3,169,651	\$194,377	6.53 %
Total Ongoing	\$2,975,274	\$3,169,651	\$194,377	6.53 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Biennium Comparison -

The biennium comparison table shows a total growth of 6.5%, which for the division is influenced by the FY 2018 appropriation reductions. Compared to the FY 2019 base appropriation, the growth is 5.8%

Program Description

The Central Services Division provides support services essential to the effective operation of the department, including financial, human resource, information technology, public information, legal, and administrative support activities. Included in this division is the Director's Office, which provides overall guidance and policy development for the department as well as coordination with the agricultural industry and other branches of government.

Program Highlights

Central Services Division Major Budget Highlights
<ul style="list-style-type: none"> The executive proposes and increase of 6.5% or \$194,000 in total appropriations when compared to the 2019 biennium

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	15.10	15.10	15.10	15.10
Personal Services	1,199,815	1,231,367	1,290,668	1,343,622	1,344,687
Operating Expenses	215,235	240,752	201,487	259,784	210,558
Equipment & Intangible Assets	0	5,000	5,000	5,000	5,000
Transfers	45	500	500	500	500
Total Expenditures	\$1,415,095	\$1,477,619	\$1,497,655	\$1,608,906	\$1,560,745
General Fund	138,206	139,550	110,345	165,011	115,841
State/Other Special Rev. Funds	1,137,994	1,191,900	1,229,909	1,280,239	1,281,121
Federal Spec. Rev. Funds	64,919	72,172	79,256	82,304	82,365
Proprietary Funds	73,976	73,997	78,145	81,352	81,418
Total Funds	\$1,415,095	\$1,477,619	\$1,497,655	\$1,608,906	\$1,560,745
Total Ongoing	\$1,415,095	\$1,477,619	\$1,497,655	\$1,608,906	\$1,560,745
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

Together personal services and related operating expenditures represent over 99.0% of the program budget. Personal services were 97.4% expended and operating expense 89.4% expended. The program expended 99.0% of the FY 2018 general fund appropriation and 95.8% of total appropriations. State special revenue which constitutes 80.7% of the budget was 95.5% expended. The program expended 90.0% of federal funds and all proprietary funds.

FY 2018 Appropriations Compared to FY 2019 Appropriations

Total appropriations increased by 1.4% or \$20,036 in FY 2019 when compared to FY 2018.

Increases include

- \$11,035 - 2017 special session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019
- \$15,203 - SB 294 pay plan increase in FY 2019
- \$6,202 – other reductions

Executive Request

The executive proposes only statewide present law adjustments for personal services, fixed costs, and inflation. As proposed the budget would be funded 80.8% by state special revenue, 8.9% by general fund, and the remaining from federal and proprietary sources.

Personal Services

Personal services comprise 84.8% of the budget for the division. Increases in personal services of 6.6% or \$166,000 are due to statewide present law adjustments and higher appropriations in the base year. The agency experienced a vacancy saving rate of 4.3% in hours expended compared to hours budgeted. The executive has included a 2.0% vacancy savings reduction in its budget submission for the 2021 biennium. At the end of FY 2018 the division had 1.00 FTE vacant.

Funding

The following table shows proposed program funding by source of authority.

Department of Agriculture, 15-Central Services Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	280,852	0	0	0	280,852	8.84 %	
02040 Wheat & Barley Research & Mktg	280,127	0	0	0	280,127	10.91 %	
02068 Noxious Weed Admin Account	141,144	0	0	0	141,144	5.50 %	
02071 Anhydrous Ammonia Account	3,903	0	0	0	3,903	0.15 %	
02093 ALFALFA LEAF CUTTING BEE	1,834	0	0	0	1,834	0.07 %	
02178 Cherry Research & Marketing	0	0	0	680	680	0.03 %	
02192 Pesticide Groundwater Account	345,728	0	0	0	345,728	13.47 %	
02193 Pesticide Account	324,562	0	0	0	324,562	12.64 %	
02198 Fert. Groundwater Account	14,241	0	0	0	14,241	0.55 %	
02205 Pulse Crop Research&Marketing	110,373	0	0	0	110,373	4.30 %	
02264 Organic Certification	109,399	0	0	0	109,399	4.26 %	
02265 FSI Produce	111,682	0	0	0	111,682	4.35 %	
02266 Commodity Dealer/Warehouse	30,620	0	0	0	30,620	1.19 %	
02267 Nursery Account	21,445	0	0	0	21,445	0.84 %	
02268 Produce Account	185,753	0	0	0	185,753	7.24 %	
02269 Seed Account	37,431	0	0	0	37,431	1.46 %	
02341 Weed Seed Free Forage Account	20,839	0	0	0	20,839	0.81 %	
02452 Commercial Fertilizer	115,972	0	0	0	115,972	4.52 %	
02453 Grain Services	325,439	0	0	0	325,439	12.68 %	
02454 Commercial Feed	255,219	0	0	0	255,219	9.94 %	
02461 Alfalfa Seed Assessment	376	0	0	0	376	0.01 %	
02792 Apiary Account	39,087	0	0	0	39,087	1.52 %	
02793 Potato Research & Marketing	0	0	0	5,328	5,328	0.21 %	
02272 Plant Export Certification	61,160	0	0	0	61,160	2.38 %	
02465 Industrial Hemp	2,083	0	0	0	2,083	0.08 %	
02062 Growth thru Agriculture	22,943	0	0	0	22,943	0.89 %	
State Special Total	\$2,561,360	\$0	\$0	\$6,008	\$2,567,368	80.85 %	
03120 Agriculture CMD Federal	164,669	0	0	0	164,669	100.00 %	
Federal Special Total	\$164,669	\$0	\$0	\$0	\$164,669	5.19 %	
06052 Hail Insurance	162,770	0	0	0	162,770	100.00 %	
Proprietary Total	\$162,770	\$0	\$0	\$0	\$162,770	5.13 %	
Total All Funds	\$3,169,651	\$0	\$0	\$6,008	\$3,175,659		

The agency is funded primarily with state special revenue generated from user fees. State special revenue funds are used to administer programs that promote Montana agriculture. General funds and federal revenue supports personal services and associated operating expenses. Proprietary revenue is generated through premiums charged to participants in the hail insurance program. Proprietary funds support personal services for staff that administer the hail insurance program.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	110,345	110,345	220,690	78.58 %	1,497,655	1,497,655	2,995,310	94.50 %
SWPL Adjustments	54,666	5,496	60,162	21.42 %	111,251	63,090	174,341	5.50 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$165,011	\$115,841	\$280,852		\$1,608,906	\$1,560,745	\$3,169,651	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,621	44,078	3,048	52,954	0.00	2,674	44,963	3,109	54,019
DP 2 - Fixed Costs	0.00	52,038	6,252	0	58,290	0.00	2,813	6,249	0	9,062
DP 3 - Inflation Deflation	0.00	7	0	0	7	0.00	9	0	0	9
Grand Total All Present Law Adjustments	0.00	\$54,666	\$50,330	\$3,048	\$111,251	0.00	\$5,496	\$51,212	\$3,109	\$63,090

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

LFD COMMENT	Fixed cost are significantly lower in the second year of the biennium due to \$46,000 in audit fees budgeted only in the first year of the biennium.
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DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	8,787,947	9,761,829	973,882	11.08 %
Operating Expenses	3,597,866	3,686,259	88,393	2.46 %
Equipment & Intangible Assets	678,024	678,024	0	0.00 %
Grants	4,476,583	4,566,570	89,987	2.01 %
Total Expenditures	\$17,540,420	\$18,692,682	\$1,152,262	6.57 %
General Fund	430,286	456,609	26,323	6.12 %
State/Other Special Rev. Funds	15,086,039	16,024,100	938,061	6.22 %
Federal Spec. Rev. Funds	2,024,095	2,211,973	187,878	9.28 %
Total Funds	\$17,540,420	\$18,692,682	\$1,152,262	6.57 %
Total Ongoing	\$17,540,420	\$18,692,682	\$1,152,262	6.57 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Biennium Comparison -

The biennium comparison table shows a total growth of 6.6%, which for the division is influenced by the FY 2018 appropriations reductions. Compared to the FY 2019 base appropriation, the growth is 4.9%

Program Description

The Agricultural Sciences Division (ASD) administers agricultural programs related to the production, manufacturing, certification, and marketing of commodities exported from or distributed in the state. The division provides support to the Montana Noxious Weed Management Advisory Council, Noxious Weed Seed Free Forage Advisory Council, Montana Noxious Weed Summit Advisory Council, and the Montana Organic Commodity Advisory Council.

Through the cooperative agreements with federal agencies, ASD provides services and jurisdiction in the areas of interstate and international movement of plant materials, produce and feed, enforcement of rules to prevent transmission of Bovine spongiform encephalopathy, commonly known as mad cow disease, and the regulation of pesticide sales, use and production in Montana.

Program Highlights

Agricultural Sciences Division Major Budget Highlights
<ul style="list-style-type: none"> • The executive proposes an increase in total appropriation of 6.6% or \$1.2 million primarily through increases in state special and federal revenue • The executive proposes an increase of \$279,000 in state special revenue for: <ul style="list-style-type: none"> ◦ Increase of \$179,000 for a statewide pesticide coordinator. ◦ Increase of \$100,000 in grant authority for control of noxious weeds

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	61.42	61.42	62.42	62.42
Personal Services	4,234,720	4,250,393	4,537,554	4,881,961	4,879,868
Operating Expenses	1,376,839	1,796,750	1,801,116	1,843,590	1,842,669
Equipment & Intangible Assets	106,884	339,012	339,012	339,012	339,012
Grants	2,379,325	2,243,298	2,233,285	2,283,285	2,283,285
Total Expenditures	\$8,097,768	\$8,629,453	\$8,910,967	\$9,347,848	\$9,344,834
General Fund	200,068	201,156	229,130	228,290	228,319
State/Other Special Rev. Funds	6,959,573	7,431,663	7,654,376	8,013,613	8,010,487
Federal Spec. Rev. Funds	938,127	996,634	1,027,461	1,105,945	1,106,028
Total Funds	\$8,097,768	\$8,629,453	\$8,910,967	\$9,347,848	\$9,344,834
Total Ongoing	\$8,097,768	\$8,629,453	\$8,910,967	\$9,347,848	\$9,344,834
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

The agency expended 99.5% of the FY 2018 general fund appropriation and 93.8% of total appropriations. Personal services were 99.6% expended. State and federal funding sources make up 97.7% of the budget and were 93.7% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

Total appropriation increased by 3.3% or \$282,000 in FY 2019 when compared to FY 2018.

Increases include

- \$23,000 - 2017 special session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019
- \$52,000 - SB 294 Pay plan increase in FY 2019
- \$207,000 – Legislative Appropriations higher in the FY 2019 compared to FY 2018

Executive Request

The executive proposes to increase total FTE by 1.00 and increase appropriation for grants to control noxious weeds, and online services. The executive proposed increase of 1.00 FTE for a statewide noxious weed coordinator to be funded from increased fees that resulted from the passage of HB 126 during the 2017 session. This is currently a modified position, the executive proposes the position be made permanent. As proposed the budget would be funded 85.7% by state special revenue, 2.4% by general fund, and 11.8% from federal sources.

Personal Services

Personal services comprise 52.2% of the budget for the division. Increases in personal services of 11.1% or \$1.0 million are due to statewide present law adjustments of \$0.5 million, addition of 1.00 FTE totaling \$0.2 million and appropriations \$0.3 million higher in the base year. The division experienced a vacancy saving rate of 5.0% in hours expended compared to hours budgeted. The executive has included a 2.0% vacancy savings reduction in its budget submission for the 2021 biennium. At the end of FY 2018 the division had 4.65 FTE vacant.

Funding

The following table shows proposed program funding by source of authority.

Department of Agriculture, 30-Agricultural Sciences Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	456,609	0	0	0	456,609	2.43 %
02068 Noxious Weed Admin Account	4,272,578	0	0	0	4,272,578	26.48 %
02071 Anhydrous Ammonia Account	21,402	0	0	0	21,402	0.13 %
02072 Manuals & Training Account	122,800	0	0	0	122,800	0.76 %
02093 ALFALFA LEAF CUTTING BEE	16,476	0	0	0	16,476	0.10 %
02192 Pesticide Groundwater Account	2,378,389	0	0	0	2,378,389	14.74 %
02193 Pesticide Account	2,715,537	0	0	0	2,715,537	16.83 %
02198 Fert. Groundwater Account	69,033	0	0	0	69,033	0.43 %
02264 Organic Certification	692,780	0	0	0	692,780	4.29 %
02265 FSI Produce	570,014	0	0	0	570,014	3.53 %
02266 Commodity Dealer/Warehouse	329,312	0	0	108,000	437,312	2.71 %
02267 Nursery Account	215,217	0	0	0	215,217	1.33 %
02268 Produce Account	946,519	0	0	0	946,519	5.87 %
02269 Seed Account	302,126	0	0	0	302,126	1.87 %
02341 Weed Seed Free Forage Account	263,107	0	0	0	263,107	1.63 %
02452 Commercial Fertilizer	680,781	0	0	0	680,781	4.22 %
02454 Commercial Feed	1,577,605	0	0	0	1,577,605	9.78 %
02782 Reverted Weed Grant Fund	132,000	0	0	0	132,000	0.82 %
02792 Apiary Account	275,616	0	0	0	275,616	1.71 %
02272 Plant Export Certification	402,312	0	0	0	402,312	2.49 %
02465 Industrial Hemp	40,496	0	0	0	40,496	0.25 %
State Special Total	\$16,024,100	\$0	\$0	\$108,000	\$16,132,100	85.81 %
03118 Agriculture ASD Federal	2,211,973	0	0	0	2,211,973	100.00 %
Federal Special Total	\$2,211,973	\$0	\$0	\$0	\$2,211,973	11.77 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$18,692,682	\$0	\$0	\$108,000	\$18,800,682	

The division is funded with general fund, state special revenue, and federal funds. At 85.8% of total funding, state special revenue is the largest source of funding for the division. State special revenue is derived primarily from fees assessed for regulatory activities, product registration, and technical services. Federal funds come from the U.S. Department of Agriculture and support noxious weed mitigation. Federal funds also support portions of the Bovine Spongiform Encephalopathy (BSE), commonly known as “mad cow disease,” feed sampling program. General fund supports inspection and testing for prohibited materials in feed related to BSE and noxious weed control grants.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	229,130	229,130	458,260	100.36 %	8,910,967	8,910,967	17,821,934	95.34 %
SWPL Adjustments	(840)	(811)	(1,651)	(0.36)%	291,442	286,839	578,281	3.09 %
PL Adjustments	0	0	0	0.00 %	145,439	147,028	292,467	1.56 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$228,290	\$228,319	\$456,609		\$9,347,848	\$9,344,834	\$18,692,682	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(1,399)	179,509	77,049	255,159	0.00	(1,398)	176,775	77,292	252,669
DP 2 - Fixed Costs	0.00	559	34,201	1,435	36,195	0.00	587	32,198	1,275	34,060
DP 3 - Inflation Deflation	0.00	0	88	0	88	0.00	0	110	0	110
DP 3004 - MT Plants Contract	0.00	0	795	0	795	0.00	0	1,610	0	1,610
DP 3005 - State Pesticide Weed Coordinator	1.00	0	89,248	0	89,248	1.00	0	89,645	0	89,645
DP 3006 - Noxious Weed Grant Authority	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 3007 - ASD Rent	0.00	0	5,396	0	5,396	0.00	0	5,773	0	5,773
Grand Total All Present Law Adjustments	1.00	(\$840)	\$359,237	\$78,484	\$436,881	1.00	(\$811)	\$356,111	\$78,567	\$433,867

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 3004 - MT Plants Contract -

The executive proposes an increase in state special revenue to support contract increase for the online one-stop-shop for licensing, registration, e-payments and other agricultural related services.

DP 3005 - State Pesticide Weed Coordinator -

The executive proposes to increase state special revenue for a state weed coordinator. Revenue is from the pesticide account and will be budgeted for personal services. This proposal increases FTE by 1.00.

LFD COMMENT	The executive proposes funding for a state pesticide weed coordinator as a present law adjustment. The 2015 Legislature approved funding for this position as one-time-only for the 2017 biennium. Based on
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statutory requirements, items that are one-time-only in previous biennium are not considered ongoing expenditures and are considered new proposals in subsequent budgets.

This request is more appropriately categorized as a new proposal and should be evaluated by the legislature as they would consider a new proposal.

DP 3006 - Noxious Weed Grant Authority -

The executive proposes additional grant authority for the department's noxious weed programs. This proposal would be for grants funded from the noxious weed administration account, a state special revenue account.

**LFD
COMMENT**

The executive proposes funding for a Noxious Weed Grant Authority as a present law adjustment. This proposal represents an increase above ongoing expenditures (base funding) which is currently \$2.0 million. Based on statutory requirements, items that are not considered ongoing expenditures are considered new proposals in subsequent budgets.

This request is more appropriately categorized as a new proposal and should be evaluated by the legislature as they would consider a new proposal.

DP 3007 - ASD Rent -

The executive proposes inflationary increases for lease contracts already in place. The leases are for office space in various counties.

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	4,271,976	4,819,594	547,618	12.82 %
Operating Expenses	5,441,022	4,858,390	(582,632)	(10.71)%
Equipment & Intangible Assets	183,689	159,754	(23,935)	(13.03)%
Grants	6,518,473	5,194,864	(1,323,609)	(20.31)%
Transfers	279,514	279,514	0	0.00 %
Total Expenditures	\$16,694,674	\$15,312,116	(\$1,382,558)	(8.28)%
General Fund	737,185	931,867	194,682	26.41 %
State/Other Special Rev. Funds	14,971,559	13,182,412	(1,789,147)	(11.95)%
Federal Spec. Rev. Funds	197,807	250,526	52,719	26.65 %
Proprietary Funds	788,123	947,311	159,188	20.20 %
Total Funds	\$16,694,674	\$15,312,116	(\$1,382,558)	(8.28)%
Total Ongoing	\$14,694,674	\$15,312,116	\$617,442	4.20 %
Total OTO	\$2,000,000	\$0	(\$2,000,000)	(100.00)%

Program Biennium Comparison -

The biennium comparison table shows a total decrease of 8.3%, which for the division is influenced by the FY 2018 appropriations reductions. Compared to the FY 2019 base appropriation, the growth is 3.0%

Program Description

The Agriculture Development Division (ADD) assists the Montana agricultural industry by providing services which include market and agribusiness development, Growth Through Agriculture grants and loans, wheat and barley research and marketing, agriculture loans including beginning farmer/rancher loans, hail insurance, grain grading and inspection, agriculture literacy and curriculum development, domestic and international marketing and trade assistance, collect and publish agricultural statistics, and administration of agricultural commodity research and market development programs. The division provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, the Board of Hail Insurance, and advisory committees of cherries, potatoes, and pulse crops.

Program Highlights

**Agricultural Developmental Division
Major Budget Highlights**

- The executive proposes a decrease in total appropriation of 8.3% or \$1.4 million primarily through decreases in state special revenue. The OTO appropriation of \$2.0 million for the Wheat and Barley Commission was not renewed for the 2021 biennium.
- The executive proposes an increase in ongoing expenditures of 4.2% or \$0.6 million

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	38.52	38.52	38.52	38.52
Personal Services	1,814,108	2,069,613	2,202,363	2,406,755	2,412,839
Operating Expenses	1,448,442	3,028,672	2,412,350	2,429,635	2,428,755
Equipment & Intangible Assets	96,967	103,812	79,877	79,877	79,877
Grants	3,211,477	3,921,041	2,597,432	2,597,432	2,597,432
Transfers	90,173	139,757	139,757	139,757	139,757
Total Expenditures	\$6,661,167	\$9,262,895	\$7,431,779	\$7,653,456	\$7,658,660
General Fund	337,452	339,123	398,062	465,012	466,855
State/Other Special Rev. Funds	5,903,323	8,437,794	6,533,765	6,590,094	6,592,318
Federal Spec. Rev. Funds	91,552	97,576	100,231	124,713	125,813
Proprietary Funds	328,840	388,402	399,721	473,637	473,674
Total Funds	\$6,661,167	\$9,262,895	\$7,431,779	\$7,653,456	\$7,658,660
Total Ongoing	\$6,661,167	\$7,262,895	\$7,431,779	\$7,653,456	\$7,658,660
Total OTO	\$0	\$2,000,000	\$0	\$0	\$0

Program Discussion -

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

The division expended 99.5% of the FY 2018 general fund appropriation and 71.9% of total appropriations. Personal services were 87.7% expended, operating expenses were 47.8% expended. State special revenue, which constitutes most of funding at 91.1% of the total budget, was 70.0% expended leaving an unexpended balance of \$2.5 million. Most of the unexpended state special appropriation was an unexpended \$2.0 million OTO appropriation for grants from the Wheat and Barley Committee. Since the wheat and barley OTO grant was designated as biennial the unexpended balance is available to the agency in the second year of the biennium. Federal sources were 93.8% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

Total appropriation decreased by 19.8% or \$1.8 million in FY 2019 when compared to FY 2018. Most of the decrease is attributed to a \$2.0 million OTO appropriation to the Wheat and Barley Commission in FY 2018 but not FY 2019. Personal services increased by 6.4% or \$0.1 million funded by general fund as well as state and federal revenue sources. All other expenditure categories saw significant decreases related to the wheat and barley OTO discussed above.

Increases include

- \$40,000- 2017 special session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019
- \$15,000 - SB 294 Pay plan increase in FY 2019
- \$108,000 – Other Legislative Appropriations higher in the FY 2019 compared to FY 2018

Decreases include

- \$2.0 million - OTO for Wheat and Barely Commission budgeted in the first year of the biennium

Executive Request

In addition to statewide present law adjustments for personal services, fixed costs, and inflation, the executive proposes a present law increase for office space leased in various counties throughout the state. As proposed the budget would be funded 86.1% by state special revenue, 6.1% by general fund, 1.6% from federal sources and the remaining 6.2% proprietary funds.

Personal Services

Personal services comprise 31.5% of the budget for the division. Increases in personal services of 12.8% or \$0.5 million are due to statewide present law adjustments of \$0.4 million, and appropriations \$0.1 million higher in the base year. The division experienced a vacancy saving rate of 18.7% in hours expended compared to hours budgeted; vacant positions include agricultural inspectors, insurance claims specialist, budget analyst, and business development specialist. The executive has included a 2.0% vacancy savings reduction in its budget submission for the 2021 biennium. At the end of FY 2018 the division had 4.28 FTE vacant.

Funding

The following table shows the proposed program funding by source of authority.

Department of Agriculture, 50-Agricultural Development Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	931,867	0	0	2,043,483	2,975,350	12.05 %
02040 Wheat & Barley Research & Mktg	9,425,384	0	0	0	9,425,384	50.21 %
02066 Agriculture In MT Schools Act.	177,590	0	0	0	177,590	0.95 %
02127 Food & Ag Development Program	0	0	0	0	0	0.00 %
02132 GTA Seed Capital Account	10	0	0	284,584	284,594	1.52 %
02178 Cherry Research & Marketing	0	0	0	49,704	49,704	0.26 %
02205 Pulse Crop Research&Marketing	290,000	0	0	5,030,078	5,320,078	28.34 %
02340 Coal Sev. Tax Shared SSR	0	0	0	0	0	0.00 %
02453 Grain Services	2,372,012	0	0	0	2,372,012	12.64 %
02461 Alfalfa Seed Assessment	77,352	0	0	0	77,352	0.41 %
02466 Misc Ag Donations	10,000	0	0	0	10,000	0.05 %
02582 Certified Natural Beef	5,801	0	0	0	5,801	0.03 %
02793 Potato Research & Marketing	0	0	0	224,700	224,700	1.20 %
02062 Growth thru Agriculture	824,263	0	0	0	824,263	4.39 %
State Special Total	\$13,182,412	\$0	\$0	\$5,589,066	\$18,771,478	75.99 %
03225 Agriculture ADD Federal	250,526	0	0	0	250,526	100.00 %
Federal Special Total	\$250,526	\$0	\$0	\$0	\$250,526	1.01 %
06016 Beginning Farm Loans	0	0	116,400	0	116,400	4.31 %
06052 Hail Insurance	947,311	0	0	1,640,000	2,587,311	95.69 %
Proprietary Total	\$947,311	\$0	\$116,400	\$1,640,000	\$2,703,711	10.95 %
Total All Funds	\$15,312,116	\$0	\$116,400	\$9,272,549	\$24,701,065	

The division is funded with general fund, state special revenue, and federal special revenue. General fund supports division administration personal services and associated operating expense. State special revenue supports 86.1% of HB 2 appropriations and 76.0% of all sources of funding. The primary source of state special revenue is the wheat & barley research & marketing account which is supported by levies on each bushel of wheat and barley produced in the state. Other sources of revenue include grain testing fees and alfalfa seed assessments. Levies on the net revenue of pulse crops produced in the state are statutorily appropriated to the pulse crop research & marketing fund. Federal special revenue is from federal grants used to develop agriculture markets, marketing projects, and for related operating costs. Proprietary funding supports beginning farm loans and expenditures from the hail insurance program.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	398,062	398,062	796,124	85.43 %	7,431,779	7,431,779	14,863,558	97.07 %
SWPL Adjustments	66,950	68,793	135,743	14.57 %	220,959	226,163	447,122	2.92 %
PL Adjustments	0	0	0	0.00 %	718	718	1,436	0.01 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$465,012	\$466,855	\$931,867		\$7,653,456	\$7,658,660	\$15,312,116	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	60,248	48,019	23,847	204,392	0.00	61,895	51,315	24,964	210,476
DP 2 - Fixed Costs	0.00	6,393	7,592	635	16,258	0.00	6,515	6,520	618	15,304
DP 3 - Inflation Deflation	0.00	309	0	0	309	0.00	383	0	0	383
DP 5007 - ADD Rent	0.00	0	718	0	718	0.00	0	718	0	718
Grand Total All Present Law Adjustments	0.00	\$66,950	\$56,329	\$24,482	\$221,677	0.00	\$68,793	\$58,553	\$25,582	\$226,881

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced

Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 5007 - ADD Rent -

The executive proposes an increase in appropriation to pay for lease contracts already in place. These leases are for office space located in various counties.