

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	16,627,287	18,512,951	1,885,664	11.34 %
Operating Expenses	5,537,625	7,500,613	1,962,988	35.45 %
Equipment & Intangible Assets	0	249,572	249,572	0.00 %
Transfers	774,954	798,962	24,008	3.10 %
Total Expenditures	\$22,939,866	\$27,062,098	\$4,122,232	17.97 %
General Fund	4,810,777	6,223,484	1,412,707	29.37 %
State/Other Special Rev. Funds	14,666,504	17,107,208	2,440,704	16.64 %
Federal Spec. Rev. Funds	3,460,579	3,731,406	270,827	7.83 %
Proprietary Funds	2,006	0	(2,006)	(100.00)%
Total Funds	\$22,939,866	\$27,062,098	\$4,122,232	17.97 %
Total Ongoing	\$22,924,866	\$26,659,615	\$3,734,749	16.29 %
Total OTO	\$15,000	\$402,483	\$387,483	2,583.22 %

Agency Biennium Comparison -

The biennium comparison table shows a total growth of 18.0%, which for the agency is influenced by the FY 2018 appropriations reductions. Compared to the FY 2019 base appropriation, the growth is 15.5%

Mission Statement

The Department of Livestock exercises general supervision over and, so far as possible, protects the livestock interests of the state from theft and disease and recommends legislation that in the judgment of the department fosters the livestock industry.

Agency Highlights

Department Livestock Major Budget Highlights
<p>The executive proposes a 18.0% or \$4.1 million increase in total appropriations when compared to the 2019 biennium including:</p> <ul style="list-style-type: none"> • The executive propose OTO appropriations of state special revenue for equipment purchases, network upgrades, and temporary personnel • The executive proposes a net reduction of 4.00 FTE from HB 2 funding: <ul style="list-style-type: none"> ◦ Move 4.75 FTE from HB 2 funding to proprietary funding within the Animal Health Division ◦ A OTO increase of 0.75 FTE within the Brand Enforcement Division • The executive includes new proposals for: <ul style="list-style-type: none"> ◦ Contracts for public information services ◦ Increased funding for legal services ◦ Increased funding for staff training ◦ Increased funding to replace safety equipment for law enforcement ◦ Replace four agency owned vehicles with vehicles from the state motor pool

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	137.63	137.63	133.63	134.38
Personal Services	7,488,372	7,726,300	8,900,987	9,241,490	9,271,461
Operating Expenses	3,018,840	3,109,097	2,428,528	3,764,465	3,736,148
Equipment & Intangible Assets	0	0	0	219,572	30,000
Transfers	394,834	390,473	384,481	399,481	399,481
Total Expenditures	\$10,902,046	\$11,225,870	\$11,713,996	\$13,625,008	\$13,437,090
General Fund	2,228,890	2,248,445	2,562,332	3,112,088	3,111,396
State/Other Special Rev. Funds	7,004,224	7,270,776	7,395,728	8,647,704	8,459,504
Federal Spec. Rev. Funds	1,668,932	1,704,643	1,755,936	1,865,216	1,866,190
Proprietary Funds	0	2,006	0	0	0
Total Funds	\$10,902,046	\$11,225,870	\$11,713,996	\$13,625,008	\$13,437,090
Total Ongoing	\$10,890,167	\$11,210,870	\$11,713,996	\$13,353,444	\$13,306,171
Total OTO	\$11,879	\$15,000	\$0	\$271,564	\$130,919

Agency Discussion

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

The agency expended 99.1% of the FY 2018 general fund appropriation and 97.1% of total appropriations. Personal services were 96.9% expended. The agency budget includes one-time-only state special revenue appropriations of \$15,000 for laboratory equipment, of which the agency expended 79.2%.

FY 2018 Appropriations Compared to FY 2019 Appropriations

Total appropriations are 4.3% or \$488,000 higher in FY 2019 when compared to FY 2018. Increases include

- \$256,000 - Special session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019
- \$72,000 - SB 294 pay plan increases for FY 2019
- \$160,000 - Initial appropriations were higher in FY 2019 compared to FY 2018

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.

Figure 1

FY 2019 Legislative Appropriations - Department of Corrections				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change From Legislative Action
01 Centralized Services Division				
61000 Personal Services	1,278,578	-	1,278,578	0.0%
62000 Operating Expenses	600,868	-	600,868	0.0%
68000 Transfers-out	87,481	-	87,481	0.0%
Program Total	1,966,927	-	1,966,927	0.0%
04 Animal Health Division				
61000 Personal Services	4,748,476	(84,324)	4,664,152	-1.8%
62000 Operating Expenses	1,152,351	84,324	1,236,675	7.3%
68000 Transfers-out	297,000	-	297,000	0.0%
Program Total	6,197,827	-	6,197,827	0.0%
06 Brands Enforcement Division				
61000 Personal Services	2,958,257	-	2,958,257	0.0%
62000 Operating Expenses	590,985	-	590,985	0.0%
Program Total	3,549,242	-	3,549,242	0.0%
Grand Total	\$11,713,996	\$0	\$11,713,996	0.0%

The executive modification was a single transfer of appropriation authority from personal services to operating expense.

Executive Request

The executive proposes an increase of 18.0% in total expenditures including a 29.4% or \$1.4 million increase in general fund appropriation. In addition to present law adjustments, the executive proposes moving 4.75 FTE from HB 2 general fund appropriation to proprietary funding. The executive proposes an increase in general fund appropriation for Montana's designated surveillance area (DSA) for brucellosis. State special revenue appropriations increase by 16.6% or \$2.4 million. The executive proposes to increase state special revenue authority within central services, brands enforcement, the milk control bureau, and animal health.

These requests will be discussed in further detail at the program level.

5% Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2019 biennium 5% plan submitted for this agency is in the Budget Analysis Appendix.

The department of livestock 5% plan reduces general fund by \$177,470 through the reduction of meat inspectors and a microbiologist in the Animal Health Division. The 5% plan also reduces state special revenue by \$27,068 by reducing one milk inspection position to 0.25 FTE.

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.

Figure 2

Personal Services Present Law DP 1 - FY 2020					
Program	Proposed				
	Formula Based	Management Decisions	Reinstatement of Personal Services	Budget Modifications	DP 1 SWPL
Centralized Services Div.	\$55,427	\$46,559	\$21,635	\$2,667	\$126,288
Animal Health Division	137,437	(246,364)	15,891	84,324	(8,712)
Brands Enforcement Div.	145,030	350,286	2,029	-	497,345
Agency Total	\$337,893	\$150,482	\$39,555	86,991	\$614,921

In addition to the 1% statutory pay raise provided in FY 2018, the agency made the following pay adjustments

- Nine reclassifications due to Board of Personnel Appeals wage appeal settlements
- Six adjustments to market rate

The agency has difficulties filling highly specialized positions within the diagnostic lab for which offers have been made but rejected. Reasons for rejection include, pay, cost of living in Bozeman, or the lack of affiliation with college or university. Within the Brands Enforcement Division, the agency is experiencing high turnover in brands inspectors. Postings for brands inspectors at \$29,000 per year did not yield qualified applicant pools, re-posting at \$31,000 per year resulted in a stronger pool of applicants. Currently the agency has one open inspector position in Billings.

The agency has identified 25 employees that are likely to retire before 2021 and anticipates payouts for the biennium to be \$154,000 annually. In previous biennium the agency typically had retirement payouts of \$173,000 per year. To replace the knowledge and skills lost to retirement the agency often needs to send employees out of area for specialized training from the U.S. Department of Agriculture as well as cross training within the agency.

Funding

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

Total Department of Livestock Funding by Source of Authority 2021 Biennium Budget Request - Department of Livestock						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	6,223,484	0	0	0	6,223,484	20.21 %
State Special Total	16,704,725	402,483	0	1,349,954	18,457,162	59.94 %
Federal Special Total	3,731,406	0	0	0	3,731,406	12.12 %
Proprietary Total	0	0	2,379,875	0	2,379,875	7.73 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$26,659,615	\$402,483	\$2,379,875	\$1,349,954	\$30,791,927	
Percent - Total All Sources	86.58 %	1.31 %	7.73 %	4.38 %		

The Department of Livestock is funded with general fund, state special revenue, and federal special revenue. General fund provides 23.0% of total HB 2 funds and 20.2% of total funding. General fund supports some administrative functions, the diagnostic lab, and provides matching funds for federal revenue expended on meat and poultry inspections.

State special revenue provides 63.2% of total HB 2 funds and 59.9% of total funding. State special revenue is primarily from taxes and fees assessed to livestock owners. Two state special revenue funds comprise 87.1% of HB 2. The livestock per capita fee, which is assessed on a per animal basis, and fees charged for inspections and brand recording fees.

Federal special revenue provides 13.8% of the total HB 2 budget and 12.1% of total funding. Over 96.0% of federal funds are U.S. Department of Agriculture matching funds for meat and poultry inspections and federal support for animal health programs. Other federal sources include the bison operations cooperative agreement and the Greater Yellowstone Interagency Brucellosis Committee grant for contracted research.

Proprietary revenue provides 7.7% of the total funding and is not included in HB 2. Proprietary revenues are generated by fee-for-service laboratory testing.

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	2,562,332	2,562,332	5,124,664	82.34 %	11,713,996	11,713,996	23,427,992	86.57 %
SWPL Adjustments	(176,664)	(177,136)	(353,800)	(5.68)%	824,645	777,488	1,602,133	5.92 %
PL Adjustments	602,240	602,240	1,204,480	19.35 %	737,203	737,480	1,474,683	5.45 %
New Proposals	124,180	123,960	248,140	3.99 %	349,164	208,126	557,290	2.06 %
Total Budget	\$3,112,088	\$3,111,396	\$6,223,484		\$13,625,008	\$13,437,090	\$27,062,098	

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	2,567,362	2,809,610	242,248	9.44 %
Operating Expenses	1,388,810	1,562,585	173,775	12.51 %
Transfers	252,954	204,962	(47,992)	(18.97)%
Total Expenditures	\$4,209,126	\$4,577,157	\$368,031	8.74 %
General Fund	175,726	223,164	47,438	27.00 %
State/Other Special Rev. Funds	4,033,400	4,353,993	320,593	7.95 %
Total Funds	\$4,209,126	\$4,577,157	\$368,031	8.74 %
Total Ongoing	\$4,209,126	\$4,577,157	\$368,031	8.74 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Biennium Comparison -

The biennium comparison table shows a total growth of 8.7%, which for the division is influenced by the FY 2018 appropriations reductions. Compared to the FY 2019 base appropriation, the growth is 16.4%

Program Description

The Centralized Services Division is responsible for overall department administration, budgeting, accounting, payroll, personnel, legal services, purchasing, information technology, public information, risk management, contract administration, and general services for the department. The Board of Milk Control and the Livestock Loss Board are administratively attached to the department. The Milk Control Bureau staff and the Livestock Loss Board (LLB) staff are part of the Centralized Services Division. The Livestock Loss Board provides compensation and prevention funding for predation losses to livestock producers from wolves and grizzlies. The Board of Milk Control regulates producer pricing of milk (prices paid to dairy farmers) and fair-trade practices for the sale of all dairy products in Montana. The Predator Control Program is administered by the Board of Livestock and the executive officer. The Livestock Crime Stoppers Commission and the Beef Research and Marketing Committee are also administratively attached to the department.

Program Highlights

Centralized Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The executive proposes a 8.7% or \$0.4 million increase in total expenditures compared to the 2019 biennium • The executive proposes increased funding to support fees paid to the Department of Revenue for collection of the per-capita fee • The executive proposes a new appropriation of state special revenue for public information services • The executive proposes an increase in appropriation for legal fees

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	17.00	17.00	17.00	17.00
Personal Services	1,153,029	1,288,784	1,278,578	1,404,866	1,404,744
Operating Expenses	738,483	787,942	600,868	803,793	758,792
Transfers	175,977	165,473	87,481	102,481	102,481
Total Expenditures	\$2,067,489	\$2,242,199	\$1,966,927	\$2,311,140	\$2,266,017
General Fund	82,252	82,661	93,065	111,655	111,509
State/Other Special Rev. Funds	1,985,237	2,159,538	1,873,862	2,199,485	2,154,508
Total Funds	\$2,067,489	\$2,242,199	\$1,966,927	\$2,311,140	\$2,266,017
Total Ongoing	\$2,067,489	\$2,242,199	\$1,966,927	\$2,311,140	\$2,266,017
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -*FY 2018 Appropriation Compared to FY 2018 Actual Expenditures*

The division expended 92.2% of total appropriations in FY 2018. Together personal services and related operating expenditures represent 92.6% of the program budget. Personal services were 89.5% expended and operating expense 93.7% expended. The primary source of funding is state special revenue which accounts for 96.3% of total appropriations, state special revenue which was 91.9% expended. General funds, the only other source of funding, supports personal services and related operating expense for the Livestock Loss Board and rent for Capitol complex offices. General fund was 99.5% expended.

FY 2018 Appropriations Compared to FY 2019 Appropriations

The total appropriation decreases by 12.3% or \$275,000 in FY 2019 when compared to FY 2018.

Increases include

- \$9,000 - November 2017 Special Session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019
- \$9,000 - SB 294 pay plan increase in FY 2019

Increases are offset by lower appropriations in FY 2019 compared to FY 2018 for:

- \$100,000 - Milk control study appropriated entirely in FY 2018
- \$42,000 - Audit fees budgeted in the first year
- \$151,000 - Other appropriations lower in FY 2019

Executive Request

In addition to statewide present law adjustments, the executive proposes present law increases in state special revenue of \$30,000 to fund increased fees paid to the Department of Revenue for collection of per-capita fees. New proposals include \$100,000 in state special revenue for public information services and \$13,000 for legal services for the Milk Control Bureau. As proposed the budget would be funded 95.1% by state special revenue, and 4.9% by general fund.

Personal Services

Personal services comprise 61.4% of the budget for the division. Increases in personal services of 9.4% or \$242,000, funded primarily with state special revenue, are due primarily to statewide present law adjustments. The agency experienced a vacancy saving rate of 1.8% in hours expended compared to hours budgeted. The executive has included a 2% vacancy savings reduction in its budget submission for the 2021 biennium. At the end of FY 2018 the division had no vacant positions.

Funding

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

Department of Livestock, 01-Centralized 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	223,164	0	0	0	223,164	3.77 %	
02117 Predatory Animal SSR	0	0	0	849,954	849,954	14.90 %	
02124 LLB Restricted Special Revenue	0	0	0	400,000	400,000	7.01 %	
02426 Lvstk Per Capita	3,779,418	0	0	0	3,779,418	66.26 %	
02817 Milk Control Bureau	574,575	0	0	0	574,575	10.07 %	
02125 LL Restricted	0	0	0	100,000	100,000	1.75 %	
State Special Total	\$4,353,993	\$0	\$0	\$1,349,954	\$5,703,947	96.23 %	
03345 LLRMB Fed Spec Rev Fund	0	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$4,577,157	\$0	\$0	\$1,349,954	\$5,927,111		

The program is funded primarily with state special revenue, of which the primary source are fees assessed on each head of livestock in the state commonly known as the livestock per-capita fund. The Milk Control Bureau and the Milk Control Board are funded from fees charged to producers, distributors, and producer-distributors. General fund supports the activities of the Livestock Loss Board. Statutory appropriations do not require re-authorization by the legislature, the division expends state special revenue that is statutorily appropriated to the agency for livestock loss prevention and livestock loss compensation.

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	93,065	93,065	186,130	83.40 %	1,966,927	1,966,927	3,933,854	85.95 %
SWPL Adjustments	18,590	18,444	37,034	16.60 %	272,713	227,590	500,303	10.93 %
PL Adjustments	0	0	0	0.00 %	15,000	15,000	30,000	0.66 %
New Proposals	0	0	0	0.00 %	56,500	56,500	113,000	2.47 %
Total Budget	\$111,655	\$111,509	\$223,164		\$2,311,140	\$2,266,017	\$4,577,157	

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	18,674	107,614	0	126,288	0.00	18,424	107,742	0	126,166
DP 2 - Fixed Costs	0.00	(84)	146,484	0	146,400	0.00	20	101,373	0	101,393
DP 3 - Inflation Deflation	0.00	0	25	0	25	0.00	0	31	0	31
DP 101 - DOR Fee Increase	0.00	0	15,000	0	15,000	0.00	0	15,000	0	15,000
Grand Total All Present Law Adjustments	0.00	\$18,590	\$269,123	\$0	\$287,713	0.00	\$18,444	\$224,146	\$0	\$242,590

**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 101 - DOR Fee Increase -

The executive proposes an increase in appropriation of state special revenue for administrative fees paid to the Department of Revenue (DOR) for administering the per-capita fee account. The agency pays DOR an administrative fee of 2.0% to collect per capita-fee revenues.

LFD COMMENT	The agency transfers 2.0% of the per-capita fee collected to the Department of Revenue for administrative costs. The budget for these transfers was last set in 2015. Since FY 2015 per-capita revenue has grown at a 2.8% annual rate. This decision package adjust the appropriation to the higher revenue.
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New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 103 - Public Information Services	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 104 - Milk Bureau Legal Costs	0.00	0	6,500	0	6,500	0.00	0	6,500	0	6,500
Total	0.00	\$0	\$56,500	\$0	\$56,500	0.00	\$0	\$56,500	\$0	\$56,500

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

DP 103 - Public Information Services -

The executive proposes an increase in state special revenue appropriation to contract for a public information officer.

DP 104 - Milk Bureau Legal Costs -

The executive proposes an increase in state special revenue appropriation for legal expense.

Program Biennium Comparison

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Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	8,039,165	8,676,366	637,201	7.93 %
Operating Expenses	3,073,884	4,582,184	1,508,300	49.07 %
Equipment & Intangible Assets	0	249,572	249,572	0.00 %
Transfers	522,000	594,000	72,000	13.79 %
Total Expenditures	\$11,635,049	\$14,102,122	\$2,467,073	21.20 %
General Fund	4,635,051	6,000,320	1,365,269	29.46 %
State/Other Special Rev. Funds	3,537,413	4,370,396	832,983	23.55 %
Federal Spec. Rev. Funds	3,460,579	3,731,406	270,827	7.83 %
Proprietary Funds	2,006	0	(2,006)	(100.00)%
Total Funds	\$11,635,049	\$14,102,122	\$2,467,073	21.20 %
Total Ongoing	\$11,620,049	\$13,842,550	\$2,222,501	19.13 %
Total OTO	\$15,000	\$259,572	\$244,572	1,630.48 %

Program Biennium Comparison -

The biennium comparison table shows a total growth of 21.2%, which for the division is influenced by the FY 2018 appropriations reductions. Compared to the FY 2019 base appropriation, the growth is 13.8%

Program Description

The Animal Health & Food Safety Division (State Veterinarian Office) works with animal owners and veterinarians to prevent, control, and eradicate animal diseases, including those in bison and alternative livestock animals. The program cooperates with the Departments of Public Health and Human Services and Fish, Wildlife and Parks and the U.S. Department of Agriculture to protect human health from animal diseases transmissible to humans including rabies and brucellosis by monitoring testing and enforcing animal quarantines. The division also regulates the importation of animals into Montana; ensures the production and sale of safe and wholesome products of animal agriculture including meat, poultry, and milk and their products; and enforces the laws of Montana relating to animal health and producing a safe and wholesome food supply.

Program Highlights

Program Highlights

Animal Health Division Major Budget Highlights
<p>The executive proposes an increase of 21.2% or \$2.5 million in total appropriations compared to the 2019 biennium, \$1.4million of the increase is general fund, including:</p> <ul style="list-style-type: none"> • Moving 4.75 FTE from HB 2 general fund and state special appropriation to proprietary revenue sources • Increasing the general fund appropriation to expand Montana's Designated Surveillance Area (DSA) for brucellosis to include Beaverhead County • Capital expenditures for a new veterinary vehicle, lab equipment, and network upgrades in the Animal Health Division

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	67.52	67.52	62.77	62.77
Personal Services	3,285,817	3,375,013	4,664,152	4,341,476	4,334,890
Operating Expenses	1,796,378	1,837,209	1,236,675	2,289,104	2,293,080
Equipment & Intangible Assets	0	0	0	219,572	30,000
Transfers	218,857	225,000	297,000	297,000	297,000
Total Expenditures	\$5,301,052	\$5,437,222	\$6,197,827	\$7,147,152	\$6,954,970
General Fund	2,146,638	2,165,784	2,469,267	3,000,433	2,999,887
State/Other Special Rev. Funds	1,485,482	1,564,789	1,972,624	2,281,503	2,088,893
Federal Spec. Rev. Funds	1,668,932	1,704,643	1,755,936	1,865,216	1,866,190
Proprietary Funds	0	2,006	0	0	0
Total Funds	\$5,301,052	\$5,437,222	\$6,197,827	\$7,147,152	\$6,954,970
Total Ongoing	\$5,289,173	\$5,422,222	\$6,197,827	\$6,922,580	\$6,919,970
Total OTO	\$11,879	\$15,000	\$0	\$224,572	\$35,000

Program Discussion -

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

The division expended 97.5% of total appropriations and 99.1% of the general fund appropriation. Together personal services and related operating expenditures represent 95.8% of the division budget and were 97.5% expended. The division is funded with general fund, state and federal special revenue. The general fund supports personal services and operating expenditures.

FY 2018 Appropriations Compared to FY 2019 Appropriations

Total appropriation increased by 14.0% or \$761,000 in FY 2019 when compared to FY 2018.

Increases include:

- \$247,000 - November 2017 Special Session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019
- \$34,000 - SB 294 pay plan increase in FY 2019
- \$334,000 - Higher appropriations in FY 2019 due to transfers of authority from animal health to centralized services and brands enforcement in FY 2018
- \$146,000 - Other appropriations higher in FY 2019

Executive Request

In addition to statewide present law adjustments the executive proposes a present law increase of \$1.2 million in general fund and \$0.2 million in state special and federal revenue to offset SWPL reductions for Brucellosis surveillance. New proposals include moving 4.75 FTE in the diagnostic laboratory from HB 2 to proprietary funding, reducing the need for general fund by \$352,000 and \$276,000 in state special revenue. Other new proposals expand brucellosis surveillance to Beaverhead County to be funded with \$0.6 million in general fund. The executive includes OTO proposals funded with state special revenue to purchase equipment for the diagnostic lab, upgrade IT network and hardware, and purchase a new veterinary truck. As proposed by the executive the HB 2 budget would be funded 42.5% general fund, 31.0% state special revenue 26.5% federal sources.

Personal Services

Personal services comprise 61.5% of the budget for the division. The executive proposes increases in personal services of 7.9% or \$637,000. Higher appropriations in the base year of \$1.3 million compared to FY 2018 are offset by the reduction of 4.75 FTE from HB 2 saving \$628,000 in general fund and state special revenue.

The agency experienced a vacancy saving rate of 1.2% in hours expended compared to hours budgeted. The executive has included a 2% vacancy savings reduction in its budget submission for the 2021 biennium. At the end of FY 2018 the division had no vacant positions.

Funding

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

Department of Livestock, 04-Animal Health 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	6,000,320	0	0	0	6,000,320	36.41 %	
02262 Egg Shielded Grading Program	695,267	0	0	0	695,267	15.91 %	
02426 Lvstck Per Capita	2,552,698	259,572	0	0	2,812,270	64.35 %	
02427 Animal Health	11,434	0	0	0	11,434	0.26 %	
02701 Milk and Egg Inspection	851,425	0	0	0	851,425	19.48 %	
State Special Total	\$4,110,824	\$259,572	\$0	\$0	\$4,370,396	26.52 %	
03032 Animal Health Sp. Rev	45,867	0	0	0	45,867	1.23 %	
03209 Meat/Poultry Inspection Sp Rev	2,069,815	0	0	0	2,069,815	55.47 %	
03427 AH Federal Umbrella	1,554,554	0	0	0	1,554,554	41.66 %	
03673 Small Federal Grants	61,170	0	0	0	61,170	1.64 %	
03710 NAIS	0	0	0	0	0	0.00 %	
Federal Special Total	\$3,731,406	\$0	\$0	\$0	\$3,731,406	22.64 %	
06026 MT Veterinary Diagnostic Lab	0	0	2,379,875	0	2,379,875	100.00 %	
Proprietary Total	\$0	\$0	\$2,379,875	\$0	\$2,379,875	14.44 %	
Total All Funds	\$13,842,550	\$259,572	\$2,379,875	\$0	\$16,481,997		

Animal Health Division is primarily funded with federal funds supporting bison operations and the Greater Yellowstone Interagency Brucellosis Committee (GYIBC) research and cooperative efforts. Animal health is also supported with a state

special revenue fund via the per-capita livestock fee to support disease control, import/export activities, and alternative livestock activities.

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	2,469,267	2,469,267	4,938,534	82.30 %	6,197,827	6,197,827	12,395,654	87.90 %
SWPL Adjustments	(195,254)	(195,580)	(390,834)	(6.51)%	16,514	14,020	30,534	0.22 %
PL Adjustments	602,240	602,240	1,204,480	20.07 %	722,203	722,480	1,444,683	10.24 %
New Proposals	124,180	123,960	248,140	4.14 %	210,608	20,643	231,251	1.64 %
Total Budget	\$3,000,433	\$2,999,887	\$6,000,320		\$7,147,152	\$6,954,970	\$14,102,122	

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	(206,225)	216,424	(18,911)	(8,712)	0.00	(208,203)	213,175	(19,877)	(14,905)
DP 2 - Fixed Costs	0.00	4,306	4,626	1,563	10,495	0.00	4,352	4,673	1,620	10,645
DP 3 - Inflation Deflation	0.00	6,665	1,401	6,665	14,731	0.00	8,271	1,738	8,271	18,280
DP 401 - DSA Budget Correction	0.00	602,240	0	119,963	722,203	0.00	602,240	0	120,240	722,480
Grand Total All Present Law Adjustments	0.00	\$406,986	\$222,451	\$109,280	\$738,717	0.00	\$406,660	\$219,586	\$110,254	\$736,500

*"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 401 - DSA Budget Correction -

The executive proposes an increase to general fund and federal fund appropriations to align the budget with anticipated expenditures for Montana’s Designated Surveillance Area (DSA) for Brucellosis. Increases in general and federal fund for operations are offset by reductions in general and federal fund budgeted for personal services in DP 1 – Personal services.

LFD COMMENT

The executive proposes to adjust SWPL adjustments to fund ongoing operating expenditures.

The previous legislature utilized a zero based budget as a starting point and restructured the program from six programs to three. As a result, personal service appropriations were not based on the 2016 snapshot but were appropriated as unallocated personal services. In that process, personal services were over-allocated at the expense of operations. In FY 2018, the agency transferred \$900,000 in operating authority for personal services to cover ongoing operating expense to correct the imbalance, the agency anticipates similar transfers of authority in FY 2019. As shown in the table below the executive proposes to offset SWPL reductions in personal services with a net increase of \$47,000 in general fund, and \$4,000 in federal revenue for operations in each year of the biennium.

Net Offset of SWPL-1 Adjustments		
SWPL-1	FY 2020	FY 2021
Personal Services (General Fund)	(\$578,461)	(\$578,606)
Personal Services (Federal Revenue)	(118,034)	(118,332)
SWPL-1 Offset Total	(\$696,495)	(\$696,938)
DSA Budget Correction	FY 2020	FY 2021
Operating Expense (General Fund)	\$602,240	\$602,240
Operating Expense (Federal Revenue)	119,963	120,240
DSA Budget Correction Total	\$722,203	\$722,480
Net Offset		
General Fund	\$23,779	\$23,634
Federal Revenue	1,929	1,908
Net Offset Total	\$25,708	\$25,542

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 402 - Proprietary Positions Reallocation	(4.75)	(175,820)	(138,144)	0	(313,964)	(4.75)	(176,040)	(138,317)	0	(314,357)
DP 403 - DSA Expansion	0.00	300,000	0	0	300,000	0.00	300,000	0	0	300,000
DP 404 - Lab Equipment (OTO)	0.00	0	159,572	0	159,572	0.00	0	30,000	0	30,000
DP 405 - MVDL Network Upgrade (OTO)	0.00	0	40,000	0	40,000	0.00	0	5,000	0	5,000
DP 406 - Vet Truck Purchase (OTO)	0.00	0	25,000	0	25,000	0.00	0	0	0	0
Total	(4.75)	\$124,180	\$86,428	\$0	\$210,608	(4.75)	\$123,960	(\$103,317)	\$0	\$20,643

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

DP 402 - Proprietary Positions Reallocation -

The executive proposes to remove 4.75 FTE and associated expenditures from HB 2 and fund them with proprietary revenue from the department's diagnostic laboratory.

DP 403 - DSA Expansion -

The executive proposes an increase in general fund appropriation for Montana's Designated Surveillance Area (DSA) for brucellosis. This decision package addresses the proposed DSA expansion in Beaverhead County that will include \$100,000 to test an additional 12,000 animals. An additional \$200,000 is requested to address annual increases in testing.

DP 404 - Lab Equipment (OTO) -

The executive proposes a one-time-only increase in state special revenue to purchase laboratory equipment at the Montana Veterinary Diagnostic Lab. New lab equipment is required to adhere to American Association of Veterinary Laboratory Diagnostics accreditation.

DP 405 - MVDL Network Upgrade (OTO) -

The executive proposes a one-time-only increase of state special revenue to update the Montana Veterinary Diagnostic Lab (MVDL) to MSU Bozeman's new fiber network. This hardware and licensing update onto MSU's new network will allow for speeds necessary to correct lab connectivity problems.

DP 406 - Vet Truck Purchase (OTO) -

The executive proposes a one-time-only increase in state special revenue to replace one of their Vet Trucks.

Other Issues -

Proprietary Rates

06026 - Montana Veterinary Diagnostic Lab

The Montana Veterinary Diagnostic Laboratory is the only accredited, full-service veterinary laboratory in Montana. The division provides disease diagnostic support to veterinarians, livestock producers, companion animal owners, and the Department of Fish, Wildlife, & Parks as well as many other state and federal agencies. The Division provides laboratory support to the department's Animal Health Division and Milk & Egg Bureau, and helps protect public health by testing dairy products and testing for zoonotic diseases.

The 2017 legislature approved HB 648 which established a proprietary fund credited to the Department of Livestock Animal Health Division.

Proprietary Proposed Budget

The 2021 Biennium Report on Internal Service and Enterprise Funds for fund 06540 shows the financial information for the fund from FY 2016 through FY 2021. The report is provided as submitted by the executive, LFD has edited and reconfigured the table for clarity.

06026 - Montana Veterinary Diagnostic Lab			
	FY 2019	FY 2020	FY 2021
	<u>Budgeted</u>	<u>Budgeted</u>	<u>Budgeted</u>
Beginning Fund Balance	(\$38,083)	(\$20,089)	(\$9,138)
Revenue	1,200,667	1,200,667	1,200,667
Expenditures	<u>(1,182,673)</u>	<u>(1,189,716)</u>	<u>(1,190,159)</u>
Ending Fund Balance	(\$20,089)	(\$9,138)	\$1,370

Revenues and Expenses

Lab testing fees and charges for services collected from veterinarians and other users/customers of the lab make up the total enterprise fund revenue for the MVDL program. Enterprise funds from lab operations support nearly half of all lab operations including 4.75 employees (\$314,000) and \$850,000 in related testing expenses. The balance of revenue and expenses are budgeted in general and state special revenue funds in HB 2. The lab, in FY 2018, performed 172,137 total tests that generated \$1,109,299 in proprietary revenue. Outside of inflationary adjustments, there are no major expected changes in services or fees from lab operations.

Proprietary Rates

Statute gives authority to the agency to set and impose fees (81-2-102, MCA). The agency published the fee structure in the Administrative Rules of Montana (ARM), under rule 32.2.403.

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	6,020,760	7,026,975	1,006,215	16.71 %
Operating Expenses	1,074,931	1,355,844	280,913	26.13 %
Total Expenditures	\$7,095,691	\$8,382,819	\$1,287,128	18.14 %
State/Other Special Rev. Funds	7,095,691	8,382,819	1,287,128	18.14 %
Total Funds	\$7,095,691	\$8,382,819	\$1,287,128	18.14 %
Total Ongoing	\$7,095,691	\$8,239,908	\$1,144,217	16.13 %
Total OTO	\$0	\$142,911	\$142,911	100.00 %

Program Biennium Comparison -

The biennium comparison table shows a total growth of 18.1%. The agency only source of funding is state special revenue from brand recording, market inspection, and per-capita fees; therefore, the division was not significantly influenced by the FY 2018 appropriations reductions.

Program Description

The Brands Enforcement Division provides the livestock industry with professional law enforcement and investigative work in tracking livestock ownership and in the deterrence and/or resolution of related criminal activities. It conducts, collects, documents, audits, and evaluates compliance on brand inspections and permits for Montana livestock. It also maintains the official record of Montana brands and security interest filings of branded livestock, and licenses livestock markets and dealers. The Livestock Crimestoppers Commission is administratively attached to the department.

Program Highlights

Brands Enforcement Division Major Budget Highlights
<ul style="list-style-type: none"> • The executive proposes a 18.1% or \$1.3 million increase in appropriation compared to the 2019 biennium appropriated budget • The executive proposes new funding for replacing safety equipment, replacing agency owned vehicles with state leased vehicles, brands enforcement training, and hiring temporary workers

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	53.11	53.11	53.86	54.61
Personal Services	3,049,526	3,062,503	2,958,257	3,495,148	3,531,827
Operating Expenses	483,979	483,946	590,985	671,568	684,276
Total Expenditures	\$3,533,505	\$3,546,449	\$3,549,242	\$4,166,716	\$4,216,103
State/Other Special Rev. Funds	3,533,505	3,546,449	3,549,242	4,166,716	4,216,103
Total Funds	\$3,533,505	\$3,546,449	\$3,549,242	\$4,166,716	\$4,216,103
Total Ongoing	\$3,533,505	\$3,546,449	\$3,549,242	\$4,119,724	\$4,120,184
Total OTO	\$0	\$0	\$0	\$46,992	\$95,919

Program Discussion -

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

The division expended 99.6% of total appropriations. Personal services is 86.3% which was 99.6% expended. Operating expenditures are the balance of the budget and were 100.0% expended. State special revenue is the only source of funding.

FY 2018 Appropriations Compared to FY 2019 Appropriations

Total appropriation increased by 0.1% or \$2,793 in FY 2019 when compared to FY 2018.

Executive Request

The executive has several proposals funded with state special revenue. A proposal to replace law enforcement equipment such as, handguns and ballistic vests for law enforcement. The current handguns were purchased in 2008 and the recommended replacement rate is not to exceed 10 years. The recommended replacement rate for ballistic vests is 5-years. A proposal to replace four department owned district investigator vehicles with vehicles leased from the state motor pool. A proposal for an additional one-time-only 0.75 FTE to assist with manual data entry work while the bureau implements an automated data entry system. This position would allow temporary staffing until electronic means are implemented. The executive also proposes temporary staff for the brand recording that occurs every 10 years. One full-time, temporary employee from October 1, 2020 through June 30, 2021 and one full-time temporary through a staffing agency from January 1- March 31, 2021.

Program Personal Services

Personal services comprise 83.8% of the budget for the division. Increases in personal services of 16.7% or \$1.0 million are due primarily to statewide present law adjustments. The agency experienced a vacancy saving rate of 3.1% in hours expended compared to hours budgeted. The executive has included a 2% vacancy savings reduction in its budget submission for the 2021 biennium. At the end of FY 2018 the division had no vacant positions.

Funding

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

Department of Livestock, 06-Brands Enforcement Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0	0.00 %
02425 Inspection and Control	7,032,191	0	0	0	7,032,191	83.89 %
02426 Lvstck Per Capita	1,207,717	142,911	0	0	1,350,628	16.11 %
State Special Total	\$8,239,908	\$142,911	\$0	\$0	\$8,382,819	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$8,239,908	\$142,911	\$0	\$0	\$8,382,819	

The program is funded with revenue generated from fee charged for brand recording and market and local inspections as well as fees charged to stockowners on each head of livestock commonly referred to as per-capita fees.

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	0	0	0	0.00 %	3,549,242	3,549,242	7,098,484	84.68 %
SWPL Adjustments	0	0	0	0.00 %	535,418	535,878	1,071,296	12.78 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	82,056	130,983	213,039	2.54 %
Total Budget	\$0	\$0	\$0		\$4,166,716	\$4,216,103	\$8,382,819	

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	0	497,345	0	497,345	0.00	0	494,641	0	494,641
DP 2 - Fixed Costs	0.00	0	25,637	0	25,637	0.00	0	25,804	0	25,804
DP 3 - Inflation Deflation	0.00	0	12,436	0	12,436	0.00	0	15,433	0	15,433
Grand Total All Present Law Adjustments	0.00	\$0	\$535,418	\$0	\$535,418	0.00	\$0	\$535,878	\$0	\$535,878

**"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.

New Proposals

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 601 - Law Enforcement Safety Equipment (OTO)	0.00	0	7,446	0	7,446	0.00	0	9,450	0	9,450
DP 602 - Brands Temp Workers (OTO)	0.75	0	39,546	0	39,546	1.50	0	86,469	0	86,469
DP 603 - Brands Enforcement Training	0.00	0	10,900	0	10,900	0.00	0	10,900	0	10,900
DP 604 - Leased Vehicles	0.00	0	24,164	0	24,164	0.00	0	24,164	0	24,164
Total	0.75	\$0	\$82,056	\$0	\$82,056	1.50	\$0	\$130,983	\$0	\$130,983

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

DP 601 - Law Enforcement Safety Equipment (OTO) -

The executive proposes a one-time-only increase in state special revenue to replace handguns and ballistic vests for law enforcement.

DP 602 - Brands Temp Workers (OTO) -

The executive proposes a one-time-only increase of 0.75 FTE in FY 2020 and 0.75 FTE in FY 2021 (an increase of 1.50 FTE for the biennium). The additional FTE will assist with data entry work while the bureau implements new electronic inspection methods. Also in the Brands office, temporary staff are required for the decennial brands re-record. One full-time, temporary employee from October 1, 2020 through June 30, 2021 and one full-time temporary through a staffing agency from January 1- March 31, 2021.

DP 603 - Brands Enforcement Training -

The executive proposes an increase in state special revenue to fund training for law enforcement staff. Training is required for staff to be certified by the Peace Officers Standards and Training Council, commonly referred to as POST.

DP 604 - Leased Vehicles -

The executive proposes an increase in state special revenue to fund four leased vehicles to replace four vehicles owned by the department.

**LFD
COMMENT**

The legislature may wish to explore with the agency any potential savings in maintenance costs as a result in leasing from the state motor pool.