

Agency Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	17,725,921	17,666,426	(59,495)	(0.34)%
Operating Expenses	9,082,015	9,521,127	439,112	4.83 %
Equipment & Intangible Assets	827,028	1,257,778	430,750	52.08 %
Grants	9,845,484	9,862,734	17,250	0.18 %
Transfers	280,514	280,514	0	0.00 %
Debt Service	6,000	0	(6,000)	(100.00)%
Total Expenditures	\$37,766,962	\$38,588,579	\$821,617	2.18 %
General Fund	1,668,369	1,969,600	301,231	18.06 %
State/Other Special Rev. Funds	32,316,083	33,121,183	805,100	2.49 %
Federal Spec. Rev. Funds	2,652,185	2,529,232	(122,953)	(4.64)%
Proprietary Funds	1,130,325	968,564	(161,761)	(14.31)%
Total Funds	\$37,766,962	\$38,588,579	\$821,617	2.18 %
Total Ongoing	\$37,766,962	\$38,114,277	\$347,315	0.92 %
Total OTO	\$0	\$474,302	\$474,302	100.00 %

Agency Description

Agency Mission: The mission of the Montana Department of Agriculture is to protect producers and consumers, and to enhance and develop agriculture and allied industries.

The Department of Agriculture, required by Article XII, Section 1, of the Montana Constitution, was established to encourage and promote the interests of agricultural and allied industries in Montana. To this end, the department:

- o Strengthens and diversifies the Montana agriculture industry through private-public partnerships for the betterment of agricultural industries of the state, improvement of rural life, and promotion of equality of opportunity for the farmers of the state.
- o Collects and publishes agricultural production and statistics relating to agricultural production and products
- o Assists, encourages, and promotes the organization of farmers' institutes, agricultural societies, fairs, and other exhibitions of agriculture
- o Adopts standards for grade and other classifications of farm products
- o Coordinates the planning and maintenance of economical and efficient marketing distribution systems
- o Gathers, distributes, and markets information concerning domestic and international trade of farm products
- o Regulates production and marketing of food and fiber products
- o Registers and licenses pesticides and fertilizers, and enforces laws pertaining to them
- o Works to prevent the spread of invasive species and noxious weeds that may negatively impact the industry

Agency Highlights

**Department of Agriculture
Major Budget Highlights**

The legislature approved a budget of \$38.6 million, an increase of 2.2% or \$821,600 when compared to the 2021 biennium appropriation. Legislative adjustments include:

- A one-time-only appropriation of \$350,000 from state special revenues and federal sources for the purchase of laboratory equipment at the Bozeman analytical laboratory
- Statewide present law reductions for personal services: \$312,900
- Statewide present law adjustments for increases in fixed costs, inflation, and rent: \$320,540
- An appropriation of \$175,600, of which \$145,900 is one-time-only from the general fund for improvements at the state grain laboratory
- An increase of 1.00 FTE for a grain sampler, funded with general fund: \$106,100
- An appropriation of state special revenue to fund organic certification services: \$100,000
- One-time-only reduction in general fund of \$21,600 for state share holiday
- Other reductions in appropriations for operations: \$11,200

Agency Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	118.06	118.06	119.06	119.06
Personal Services	7,767,887	8,777,115	8,948,806	8,809,970	8,856,456
Operating Expenses	3,742,813	4,585,321	4,496,694	4,816,984	4,704,143
Equipment & Intangible Assets	17,556	403,139	423,889	483,889	773,889
Grants	5,151,135	4,914,117	4,931,367	4,931,367	4,931,367
Transfers	12,062	140,257	140,257	140,257	140,257
Debt Service	4,749	6,000	0	0	0
Total Expenditures	\$16,696,202	\$18,825,949	\$18,941,013	\$19,182,467	\$19,406,112
General Fund	838,579	852,852	815,517	1,058,543	911,057
State/Other Special Rev. Funds	14,305,011	16,093,133	16,222,950	16,396,481	16,724,702
Federal Spec. Rev. Funds	1,172,227	1,319,840	1,332,345	1,243,458	1,285,774
Proprietary Funds	380,385	560,124	570,201	483,985	484,579
Total Funds	\$16,696,202	\$18,825,949	\$18,941,013	\$19,182,467	\$19,406,112
Total Ongoing	\$16,696,202	\$18,825,949	\$18,941,013	\$19,058,165	\$19,056,112
Total OTO	\$0	\$0	\$0	\$124,302	\$350,000

Summary of Legislative Action

The legislature approved a total budget of \$38.6 million, an increase of 2.2% or \$821,600. General fund appropriations increased by 18.1% or \$301,200. In addition to base funding of \$37.9 million the legislature approved \$706,600 in present

law adjustments and new proposals, of which \$338,600 was general fund. The legislature also approved an increase of 1.0 FTE. Funding from general fund and state special revenue increased by approximately \$1.1 million while proprietary and federal sources decreased by \$284,700.

The legislature approved appropriations of \$302,500, primarily general fund, for the state grain lab; this includes an increase of 1.00 FTE for a grain sampler. In the Agricultural Science Division, the legislature approved \$452,400 primarily state special revenue, for laboratory equipment and organic certification services.

Statewide present law adjustments, which includes a total of 4.0% vacancy savings and one-time-only general fund reductions for the state shared holiday, reduced the agency budget by \$48,300.

Funding

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

Total Department of Agriculture Funding by Source of Authority 2023 Biennium Budget Request - Department of Agriculture						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,845,298	124,302	0	3,115,927	5,085,527	11.00 %
State Special Total	32,812,783	308,400	0	2,751,312	35,872,495	77.63 %
Federal Special Total	2,487,632	41,600	0	0	2,529,232	5.47 %
Proprietary Total	968,564	0	116,400	1,640,000	2,724,964	5.90 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$38,114,277	\$474,302	\$116,400	\$7,507,239	\$46,212,218	
Percent - Total All Sources	82.48 %	1.03 %	0.25 %	16.25 %		

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 funding 85.8% of HB 2 and 77.6% of total funding. HB 2 state special revenue appropriations come from 28 different funds with 75.0% coming from the following six funds:

- Wheat and barley research and marketing account
- Noxious weed admin account
- Pesticide accounts
- Grain services account
- Pulse crop research and marketing account
- Commercial feed account

General fund comprises 5.1% of the HB 2 appropriation and 11.0% of all sources of funding. HB 2 general fund appropriations 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. General fund statutory appropriations support Growth Through Agriculture Programs and the Montana Cooperative Development Center. Statutorily appropriated state special revenue supports research and marketing programs for Montana grown potatoes, cherries, and pulse crops.

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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	815,517	815,517	1,631,034	82.81 %	18,941,013	18,941,013	37,882,026	98.17 %
SWPL Adjustments	71,677	21,574	93,251	4.73 %	111,512	81,973	193,485	0.50 %
PL Adjustments	192,947	73,966	266,913	13.55 %	97,511	329,097	426,608	1.11 %
New Proposals	(21,598)	0	(21,598)	(1.10)%	32,431	54,029	86,460	0.22 %
Total Budget	\$1,058,543	\$911,057	\$1,969,600		\$19,182,467	\$19,406,112	\$38,588,579	

Other Legislation

HB 681 - "Create Agricultural Transportation Enhancement Account for Port Authorities"

HB 681 creates a new state special revenue account and appropriates \$2.0 million from that account for grants to port authorities with a truck and train transloading facility. It is the intent of the bill to enhance the transportation of agricultural products to and from the state.

HB 235 - "Create Nutrition Incentive Program for SNAP Participants"

HB 235 appropriates general fund to the Department of Agriculture to create a nutrition incentives program.

Executive Budget Comparison

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	118.06	119.06	119.06	0.00	119.06	119.06	0.00	0.00
Personal Services	8,948,806	8,902,775	8,809,970	(92,805)	8,949,524	8,856,456	(93,068)	(185,873)
Operating Expenses	4,496,694	4,819,831	4,816,984	(2,847)	4,707,019	4,704,143	(2,876)	(5,723)
Equipment & Intangible Assets	423,889	483,889	483,889	0	773,889	773,889	0	0
Grants	4,931,367	4,931,367	4,931,367	0	4,931,367	4,931,367	0	0
Transfers	140,257	140,257	140,257	0	140,257	140,257	0	0
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$18,941,013	\$19,278,119	\$19,182,467	(\$95,652)	\$19,502,056	\$19,406,112	(\$95,944)	(\$191,596)
General Fund	815,517	1,066,761	1,058,543	(8,218)	918,503	911,057	(7,446)	(15,664)
State/other Special Rev. Funds	16,222,950	16,465,863	16,396,481	(69,382)	16,794,920	16,724,702	(70,218)	(139,600)
Federal Spec. Rev. Funds	1,332,345	1,257,532	1,243,458	(14,074)	1,300,042	1,285,774	(14,268)	(28,342)
Other	570,201	487,963	483,985	(3,978)	488,591	484,579	(4,012)	(7,990)
Total Funds	\$18,941,013	\$19,278,119	\$19,182,467	(\$95,652)	\$19,502,056	\$19,406,112	(\$95,944)	(\$191,596)
Total Ongoing	\$18,941,013	\$19,299,717	\$19,058,165	(\$241,552)	\$19,152,056	\$19,056,112	(\$95,944)	(\$337,496)
Total OTO	\$0	(\$21,598)	\$124,302	\$145,900	\$350,000	\$350,000	\$0	\$145,900

The legislature approved total appropriations \$191,596 lower than the executive request, the legislature approved further reductions of \$5,723 to fixed costs and an additional 1% vacancy savings of \$185,873.

Language and Statutory Authority

There is no language for this department.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	3,142,830	3,306,564	163,734	5.21 %
Operating Expenses	472,669	485,328	12,659	2.68 %
Equipment & Intangible Assets	10,000	10,000	0	0.00 %
Transfers	1,000	1,000	0	0.00 %
Debt Service	1,500	0	(1,500)	(100.00)%
Total Expenditures	\$3,627,999	\$3,802,892	\$174,893	4.82 %
General Fund	465,814	539,827	74,013	15.89 %
State/Other Special Rev. Funds	2,728,979	2,737,791	8,812	0.32 %
Federal Spec. Rev. Funds	196,798	256,253	59,455	30.21 %
Proprietary Funds	236,408	269,021	32,613	13.80 %
Total Funds	\$3,627,999	\$3,802,892	\$174,893	4.82 %
Total Ongoing	\$3,627,999	\$3,805,355	\$177,356	4.89 %
Total OTO	\$0	(\$2,463)	(\$2,463)	100.00 %

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
<p>The legislature approved a budget of approximately \$3.8 million, an increase of 4.8% or \$174,900 when compared to the 2021 biennium appropriation. Legislative adjustments include:</p> <ul style="list-style-type: none"> • Statewide present law adjustments for personal services: \$83,300 • Adjustments for fixed costs, inflation and operating expenses: \$61,400 • One-time-only reduction in general fund for state shared holiday: \$2,500

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	19.00	19.00	19.00	19.00
Personal Services	1,494,673	1,529,990	1,612,840	1,650,024	1,656,540
Operating Expenses	210,799	260,711	211,958	269,086	216,242
Equipment & Intangible Assets	0	5,000	5,000	5,000	5,000
Transfers	0	500	500	500	500
Debt Service	793	1,500	0	0	0
Total Expenditures	\$1,706,265	\$1,797,701	\$1,830,298	\$1,924,610	\$1,878,282
General Fund	229,506	236,004	229,810	294,287	245,540
State/Other Special Rev. Funds	1,256,915	1,341,153	1,387,826	1,367,370	1,370,421
Federal Spec. Rev. Funds	112,452	112,514	84,284	128,571	127,682
Proprietary Funds	107,392	108,030	128,378	134,382	134,639
Total Funds	\$1,706,265	\$1,797,701	\$1,830,298	\$1,924,610	\$1,878,282
Total Ongoing	\$1,706,265	\$1,797,701	\$1,830,298	\$1,927,073	\$1,878,282
Total OTO	\$0	\$0	\$0	(\$2,463)	\$0

Funding

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

Department of Agriculture, 15-Central Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	539,827	0	28,842	568,669	14.82 %
02040 Wheat & Barley Research & Mktg	294,898	0	0	294,898	10.75 %
02068 Noxious Weed Admin Account	152,255	0	0	152,255	5.55 %
02071 Anhydrous Ammonia Account	4,210	0	0	4,210	0.15 %
02093 Alfalfa Leaf Cutting Bee	1,978	0	0	1,978	0.07 %
02178 Cherry Research & Marketing	0	0	680	680	0.02 %
02192 Pesticide Groundwater Account	252,876	0	0	252,876	9.22 %
02193 Pesticide Account	359,059	0	0	359,059	13.09 %
02198 Fert. Groundwater Account	15,361	0	0	15,361	0.56 %
02205 Pulse Crop Research&Marketing	162,371	0	0	162,371	5.92 %
02264 Organic Certification	118,010	0	0	118,010	4.30 %
02265 FSI Produce	120,472	0	0	120,472	4.39 %
02266 Commodity Dealer/Warehouse	33,029	0	0	33,029	1.20 %
02267 Nursery Account	23,134	0	0	23,134	0.84 %
02268 Produce Account	233,124	0	0	233,124	8.50 %
02269 Seed Account	40,378	0	0	40,378	1.47 %
02341 Weed Seed Free Forage Account	22,479	0	0	22,479	0.82 %
02452 Commercial Fertilizer	125,101	0	0	125,101	4.56 %
02453 Grain Services	335,368	0	0	335,368	12.22 %
02454 Commercial Feed	308,149	0	0	308,149	11.23 %
02461 Alfalfa Seed Assessment	406	0	0	406	0.01 %
02792 Apiary Account	42,162	0	0	42,162	1.54 %
02793 Potato Research & Marketing	0	0	5,328	5,328	0.19 %
02272 Plant Export Certification	65,974	0	0	65,974	2.40 %
02465 Industrial Hemp	2,248	0	0	2,248	0.08 %
02062 Growth Through Agriculture	24,749	0	0	24,749	0.90 %
State Special Total	\$2,737,791	\$0	\$6,008	\$2,743,799	71.50 %
03120 Agriculture CMD Federal	256,253	0	0	256,253	100.00 %
Federal Special Total	\$256,253	\$0	\$0	\$256,253	6.68 %
06052 Hail Insurance	269,021	0	0	269,021	100.00 %
Proprietary Total	\$269,021	\$0	\$0	\$269,021	7.01 %
Total All Funds	\$3,802,892	\$0	\$34,850	\$3,837,742	

The division 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 fund and federal revenue support personal services and associated operating expenses. Proprietary revenue is generated through premiums charged to participants in the Hail Insurance Program and support personal services for staff to administer the 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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	229,810	229,810	459,620	85.14 %	1,830,298	1,830,298	3,660,596	96.26 %
SWPL Adjustments	74,346	23,151	97,497	18.06 %	210,780	162,252	373,032	9.81 %
PL Adjustments	(7,406)	(7,421)	(14,827)	(2.75)%	(114,005)	(114,268)	(228,273)	(6.00)%
New Proposals	(2,463)	0	(2,463)	(0.46)%	(2,463)	0	(2,463)	(0.06)%
Total Budget	\$294,287	\$245,540	\$539,827		\$1,924,610	\$1,878,282	\$3,802,892	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	21,617	51,657	49,259	132,452	0.00	22,983	55,210	48,392	136,768
DP 2 - Fixed Costs	0.00	53,533	17,134	8,852	79,519	0.00	177	16,936	8,925	26,038
DP 3 - Inflation Deflation	0.00	(8)	0	0	(8)	0.00	(5)	0	0	(5)
DP 50 - Fixed Cost Reductions	0.00	(796)	(255)	(132)	(1,183)	0.00	(4)	(357)	(188)	(549)
DP 51 - Additional 1% Vacancy Savings	0.00	(7,406)	(67,792)	(13,692)	(92,805)	0.00	(7,421)	(67,994)	(13,731)	(93,068)
DP 1004 - Service Now Reduction	0.00	0	(21,200)	0	(21,200)	0.00	0	(21,200)	0	(21,200)
Grand Total All Present Law Adjustments	0.00	\$66,940	(\$20,456)	\$44,287	\$96,775	0.00	\$15,730	(\$17,405)	\$43,398	\$47,984

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted 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 legislature adopted 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 50 - Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms and information technology.

DP 51 - Additional 1% Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings reducing personal services by \$185,873, consisting of \$14,827 in general fund, \$135,786 in state special revenue, \$27,423 in federal special revenue, and \$7,837 in proprietary funds.

DP 1004 - Service Now Reduction -

The legislature approved a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The executive is anticipating operating efficiencies and other savings by using ServiceNow.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(2,463)	0	0	(2,463)	0.00	0	0	0	0
Total	0.00	(\$2,463)	\$0	\$0	(\$2,463)	0.00	\$0	\$0	\$0	\$0

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

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, remain in agency personal services budgets.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	9,959,351	9,784,865	(174,486)	(1.75)%
Operating Expenses	3,736,143	3,975,879	239,736	6.42%
Equipment & Intangible Assets	657,274	1,028,024	370,750	56.41%
Grants	4,567,320	4,566,570	(750)	(0.02)%
Debt Service	3,000	0	(3,000)	(100.00)%
Total Expenditures	\$18,923,088	\$19,355,338	\$432,250	2.28%
General Fund	430,650	418,720	(11,930)	(2.77)%
State/Other Special Rev. Funds	16,260,344	16,945,244	684,900	4.21%
Federal Spec. Rev. Funds	2,232,094	1,991,374	(240,720)	(10.78)%
Total Funds	\$18,923,088	\$19,355,338	\$432,250	2.28%
Total Ongoing	\$18,923,088	\$19,008,498	\$85,410	0.45%
Total OTO	\$0	\$346,840	\$346,840	100.00%

Program Description

The Agricultural Sciences Division (ASD) administers and coordinates the major activities related to:

- o Pesticide management
- o Pest management
- o Analytical laboratory services
- o Noxious weed management
- o Agricultural chemical groundwater program
- o Seed, feed and fertilizer program
- o Organic certification
- o Nursery program
- o Apiary program
- o Commodity programs
- o Invasive species

ASD also 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.

Program Highlights

Agricultural Sciences Division Major Budget Highlights
<p>The legislature approved a budget of approximately \$19.4 million, an increase of 2.3% or \$432,300 when compared to the 2021 biennium appropriation. Legislative adjustments include:</p> <ul style="list-style-type: none"> • A one-time-only appropriation of state special and federal revenues for equipment at the Bozeman analytical laboratory: \$350,000 • Statewide present law adjustments reducing personal services: \$241,400 • An increase in appropriations for fixed costs, inflation, and operating expenses: \$178,300 • An appropriation of state special revenue for organic certification services: \$100,000 • One-time-only reduction in general fund for state shared holiday: \$3,200

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	61.79	61.79	61.79	61.79
Personal Services	4,498,394	4,944,663	5,014,688	4,881,851	4,903,014
Operating Expenses	1,554,900	1,887,332	1,848,811	1,988,439	1,987,440
Equipment & Intangible Assets	17,556	318,262	339,012	339,012	689,012
Grants	2,352,303	2,284,035	2,283,285	2,283,285	2,283,285
Debt Service	2,814	3,000	0	0	0
Total Expenditures	\$8,425,967	\$9,437,292	\$9,485,796	\$9,492,587	\$9,862,751
General Fund	207,095	214,670	215,980	207,504	211,216
State/Other Special Rev. Funds	7,253,685	8,110,774	8,149,570	8,310,969	8,634,275
Federal Spec. Rev. Funds	965,187	1,111,848	1,120,246	974,114	1,017,260
Total Funds	\$8,425,967	\$9,437,292	\$9,485,796	\$9,492,587	\$9,862,751
Total Ongoing	\$8,425,967	\$9,437,292	\$9,485,796	\$9,495,747	\$9,512,751
Total OTO	\$0	\$0	\$0	(\$3,160)	\$350,000

Funding

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

Department of Agriculture, 30-Agricultural Sciences Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	418,720	0	0	418,720	2.15 %	
02068 Noxious Weed Admin Account	4,321,177	0	0	4,321,177	25.34 %	
02071 Anhydrous Ammonia Account	20,509	0	0	20,509	0.12 %	
02072 Manuals & Training Account	122,800	0	0	122,800	0.72 %	
02093 Alfalfa Leaf Cutting Bee	17,682	0	0	17,682	0.10 %	
02192 Pesticide Groundwater Account	2,614,698	0	0	2,614,698	15.33 %	
02193 Pesticide Account	2,707,475	0	0	2,707,475	15.88 %	
02198 Fert. Groundwater Account	92,536	0	0	92,536	0.54 %	
02264 Organic Certification	921,169	0	0	921,169	5.40 %	
02265 FSI Produce	672,335	0	0	672,335	3.94 %	
02266 Commodity Dealer/Warehouse	256,731	0	108,000	364,731	2.14 %	
02267 Nursery Account	272,885	0	0	272,885	1.60 %	
02268 Produce Account	859,881	0	0	859,881	5.04 %	
02269 Seed Account	310,937	0	0	310,937	1.82 %	
02341 Weed Seed Free Forage Account	225,240	0	0	225,240	1.32 %	
02452 Commercial Fertilizer	572,059	0	0	572,059	3.35 %	
02454 Commercial Feed	1,547,254	0	0	1,547,254	9.07 %	
02782 Reverted Weed Grant Fund	132,000	0	0	132,000	0.77 %	
02792 Apiary Account	449,674	0	0	449,674	2.64 %	
02272 Plant Export Certification	402,959	0	0	402,959	2.36 %	
02465 Industrial Hemp	425,243	0	0	425,243	2.49 %	
State Special Total	\$16,945,244	\$0	\$108,000	\$17,053,244	87.62 %	
03118 Agriculture ASD Federal	1,991,374	0	0	1,991,374	100.00 %	
Federal Special Total	\$1,991,374	\$0	\$0	\$1,991,374	10.23 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$19,355,338	\$0	\$108,000	\$19,463,338		

The division is funded with general fund, state special revenue, and federal funds. 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 United States 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.

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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	215,980	215,980	431,960	103.16 %	9,485,796	9,485,796	18,971,592	98.02 %
SWPL Adjustments	(5,316)	(4,764)	(10,080)	(2.41)%	(44,873)	(28,684)	(73,557)	(0.38)%
PL Adjustments	0	0	0	0.00 %	795	351,610	352,405	1.82 %
New Proposals	(3,160)	0	(3,160)	(0.75)%	50,869	54,029	104,898	0.54 %
Total Budget	\$207,504	\$211,216	\$418,720		\$9,492,587	\$9,862,751	\$19,355,338	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on

these items were applied globally to all agencies.

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(7,870)	39,421	(161,228)	(129,677)	0.00	(7,262)	54,938	(159,350)	(111,674)
DP 2 - Fixed Costs	0.00	2,592	68,170	15,417	86,179	0.00	2,552	67,143	15,142	84,837
DP 3 - Inflation Deflation	0.00	0	0	(92)	(92)	0.00	0	0	(58)	(58)
DP 50 - Fixed Cost Reductions	0.00	(38)	(1,016)	(229)	(1,283)	0.00	(54)	(1,415)	(320)	(1,789)
DP 3004 - Analytical Lab System Replacement (OTO)	0.00	0	0	0	0	0.00	0	308,400	41,600	350,000
DP 3006 - MT Plants Acclaim Contract Increase	0.00	0	795	0	795	0.00	0	1,610	0	1,610
Grand Total All Present Law Adjustments	0.00	(\$5,316)	\$107,370	(\$146,132)	(\$44,078)	0.00	(\$4,764)	\$430,676	(\$102,986)	\$322,926

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted 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 legislature adopted 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 50 - Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms and information technology.

DP 3004 - Analytical Lab System Replacement (OTO) -

The legislature approved a one-time-only appropriation of \$350,000 from state and federal sources to replace laboratory equipment at the Bozeman analytical laboratory.

DP 3006 - MT Plants Acclaim Contract Increase -

The legislature approved an increase in state special revenue to support the MT Plants system which provides online licensing, registration, e-payments and other ag-related services.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - NRIS/GIS Fixed Costs	0.00	0	4,029	0	4,029	0.00	0	4,029	0	4,029
DP 3005 - Organic Certification Services	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(3,160)	0	0	(3,160)	0.00	0	0	0	0
Total	0.00	(\$3,160)	\$54,029	\$0	\$50,869	0.00	\$0	\$54,029	\$0	\$54,029

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

DP 99 - NRIS/GIS Fixed Costs -

The legislature approved an increase in state special revenue to pay for Natural Resource Information (NRIS) and Geographic Information Services (GIS) provided by the Montana State Library.

DP 3005 - Organic Certification Services -

The legislature approved an increase in funding for operating costs related to increased demand for organic certification services for Montana agriculture. Fees from organic certification services have increased at an annual rate of 16.5% over the previous five years.

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, remain in agency personal services budgets.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	4,623,740	4,574,997	(48,743)	(1.05)%
Operating Expenses	4,873,203	5,059,920	186,717	3.83 %
Equipment & Intangible Assets	159,754	219,754	60,000	37.56 %
Grants	5,278,164	5,296,164	18,000	0.34 %
Transfers	279,514	279,514	0	0.00 %
Debt Service	1,500	0	(1,500)	(100.00)%
Total Expenditures	\$15,215,875	\$15,430,349	\$214,474	1.41 %
General Fund	771,905	1,011,053	239,148	30.98 %
State/Other Special Rev. Funds	13,326,760	13,438,148	111,388	0.84 %
Federal Spec. Rev. Funds	223,293	281,605	58,312	26.11 %
Proprietary Funds	893,917	699,543	(194,374)	(21.74)%
Total Funds	\$15,215,875	\$15,430,349	\$214,474	1.41 %
Total Ongoing	\$15,215,875	\$15,300,424	\$84,549	0.56 %
Total OTO	\$0	\$129,925	\$129,925	100.00 %

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, mediation services and administration of agricultural commodity research and market development programs. The division provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Board, the Montana Agricultural Development Council, the Board of Hail Insurance, and advisory committees of potatoes and pulse crops.

Program Highlights

Agricultural Development Division Major Budget Highlights
<p>The legislature approved a budget of approximately \$15.4 million, an increase of 1.4% or \$214,500 when compared to the 2021 biennium appropriation. Legislative adjustments include:</p> <ul style="list-style-type: none"> • State grain lab improvements: \$281,700 <ul style="list-style-type: none"> ◦ One-time-only appropriation for an inventory management system: \$145,900 ◦ State grain sampler, 1.00 FTE: \$106,100 ◦ Ongoing costs for efficiency improvements: \$29,700 • An increase in statewide present law adjustments of fixed cost and inflation: \$48,900 • Wheat and Barley Committee office rent increase: \$20,700 • One-time-only reduction in general fund for state shared holiday: \$16,000

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	37.27	37.27	38.27	38.27
Personal Services	1,774,820	2,302,462	2,321,278	2,278,095	2,296,902
Operating Expenses	1,977,114	2,437,278	2,435,925	2,559,459	2,500,461
Equipment & Intangible Assets	0	79,877	79,877	139,877	79,877
Grants	2,798,832	2,630,082	2,648,082	2,648,082	2,648,082
Transfers	12,062	139,757	139,757	139,757	139,757
Debt Service	1,142	1,500	0	0	0
Total Expenditures	\$6,563,970	\$7,590,956	\$7,624,919	\$7,765,270	\$7,665,079
General Fund	401,978	402,178	369,727	556,752	454,301
State/Other Special Rev. Funds	5,794,411	6,641,206	6,685,554	6,718,142	6,720,006
Federal Spec. Rev. Funds	94,588	95,478	127,815	140,773	140,832
Proprietary Funds	272,993	452,094	441,823	349,603	349,940
Total Funds	\$6,563,970	\$7,590,956	\$7,624,919	\$7,765,270	\$7,665,079
Total Ongoing	\$6,563,970	\$7,590,956	\$7,624,919	\$7,635,345	\$7,665,079
Total OTO	\$0	\$0	\$0	\$129,925	\$0

Funding

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

Department of Agriculture, 50-Agricultural Development Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,011,053	0	3,087,085	4,098,138	17.89 %	
02040 Wheat & Barley Research & Mktg	9,499,376	0	0	9,499,376	59.09 %	
02066 Agriculture In MT Schools Act.	183,530	0	0	183,530	1.14 %	
02132 GTA Seed Capital Account	0	0	140,000	140,000	0.87 %	
02178 Cherry Research & Marketing	0	0	49,704	49,704	0.31 %	
02205 Pulse Crop Research&Marketing	120,800	0	2,218,900	2,339,700	14.55 %	
02453 Grain Services	2,462,916	0	0	2,462,916	15.32 %	
02461 Alfalfa Seed Assessment	75,587	0	0	75,587	0.47 %	
02466 Misc Ag Donations	10,058	0	0	10,058	0.06 %	
02582 Certified Natural Beef	5,908	0	0	5,908	0.04 %	
02793 Potato Research & Marketing	0	0	228,700	228,700	1.42 %	
02465 Industrial Hemp	26,763	0	0	26,763	0.17 %	
02062 Growth Through Agriculture	1,053,210	0	0	1,053,210	6.55 %	
State Special Total	\$13,438,148	\$0	\$2,637,304	\$16,075,452	70.16 %	
03225 Agriculture ADD Federal	281,605	0	0	281,605	100.00 %	
Federal Special Total	\$281,605	\$0	\$0	\$281,605	1.23 %	
06016 Beginning Farm Loans	0	116,400	0	116,400	4.74 %	
06052 Hail Insurance	699,543	0	1,640,000	2,339,543	95.26 %	
Proprietary Total	\$699,543	\$116,400	\$1,640,000	\$2,455,943	10.72 %	
Total All Funds	\$15,430,349	\$116,400	\$7,364,389	\$22,911,138		

The division is funded with general fund, state special revenue, federal special revenue, and proprietary funds. General fund supports division administration personal services and associated operating expenses. State special revenue, the primary source of funding, is mainly comprised of the wheat and barley research and 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 and marketing fund. Federal special revenue is from federal grants and is 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.

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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	369,727	369,727	739,454	73.14 %	7,624,919	7,624,919	15,249,838	98.83 %
SWPL Adjustments	2,647	3,187	5,834	0.58 %	(54,395)	(51,595)	(105,990)	(0.69)%
PL Adjustments	200,353	81,387	281,740	27.87 %	210,721	91,755	302,476	1.96 %
New Proposals	(15,975)	0	(15,975)	(1.58)%	(15,975)	0	(15,975)	(0.10)%
Total Budget	\$556,752	\$454,301	\$1,011,053		\$7,765,270	\$7,665,079	\$15,430,349	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	4,722	1,247	11,594	(78,861)	0.00	5,078	3,252	11,672	(76,063)
DP 2 - Fixed Costs	0.00	(1,562)	21,556	1,385	25,646	0.00	(1,588)	21,449	1,374	25,507
DP 3 - Inflation Deflation	0.00	(535)	(264)	0	(799)	0.00	(336)	(165)	0	(501)
DP 50 - Fixed Cost Reductions	0.00	22	(319)	(21)	(381)	0.00	33	(452)	(29)	(538)
DP 5003 - Efficiency Improvements State Grain Lab Ongoing	0.00	0	0	0	0	0.00	29,700	0	0	29,700
DP 5004 - Efficiency Improvements State Grain Lab (OTO)	0.00	145,900	0	0	145,900	0.00	0	0	0	0
DP 5005 - State Grain Lab Sampler	1.00	54,453	0	0	54,453	1.00	51,687	0	0	51,687
DP 5007 - Rent Increase for Wheat & Barley	0.00	0	10,368	0	10,368	0.00	0	10,368	0	10,368
Grand Total All Present Law Adjustments	1.00	\$203,000	\$32,588	\$12,958	\$156,326	1.00	\$84,574	\$34,452	\$13,017	\$40,160

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted 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 legislature adopted 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 50 - Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms and information technology.

DP 5003 - Efficiency Improvements State Grain Lab Ongoing -

The legislature approved a general fund appropriation of \$29,700 for ongoing expense for the license of the inventory management system.

DP 5004 - Efficiency Improvements State Grain Lab (OTO) -

The legislature approved a one-time-only appropriation of \$145,900 from the general fund to purchase a laboratory inventory management system and one-time-only maintenance/safety improvements.

DP 5005 - State Grain Lab Sampler -

The legislature approved an increase of 1.00 FTE and general fund appropriation to add an additional grain sampler at the state grain lab.

DP 5007 - Rent Increase for Wheat & Barley -

The legislature approved an increase of state special revenue for the current lease on office space for the Wheat & Barley Committee in Great Falls.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(15,975)	0	0	(15,975)	0.00	0	0	0	0
Total	0.00	(\$15,975)	\$0	\$0	(\$15,975)	0.00	\$0	\$0	\$0	\$0

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

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, remain in agency personal services budgets.