

**Agency Biennium Comparison**

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

Agency Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	17,725,921	18,245,749	519,828	2.93 %
Operating Expenses	9,082,015	9,526,850	444,835	4.90 %
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)%
<b>Total Expenditures</b>	<b>\$37,766,962</b>	<b>\$39,173,625</b>	<b>\$1,406,663</b>	<b>3.72 %</b>
General Fund	1,668,369	2,038,365	369,996	22.18 %
State/Other Special Rev. Funds	32,316,083	33,530,931	1,214,848	3.76 %
Federal Spec. Rev. Funds	2,652,185	2,612,331	(39,854)	(1.50)%
Proprietary Funds	1,130,325	991,998	(138,327)	(12.24)%
<b>Total Funds</b>	<b>\$37,766,962</b>	<b>\$39,173,625</b>	<b>\$1,406,663</b>	<b>3.72 %</b>
<b>Total Ongoing</b>	<b>\$37,766,962</b>	<b>\$38,823,625</b>	<b>\$1,056,663</b>	<b>2.80 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>100.00 %</b>

**Agency Biennium Comparison -**

The biennium comparison table shows a total increase of 3.7%, or \$1.4 million.

**Mission Statement**

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

**Agency Highlights**

**Department of Agriculture  
Major Budget Highlights**

The executive proposes an increase of 3.7% in total appropriation when compared to the 2021 biennium.

State special revenue increase of \$1.1 million includes:

- One-time-only purchase of laboratory equipment: \$308,400
- Expansion of the organic certification program: \$100,000
- Present law adjustments for personal services: \$475,900
- Other present law adjustments: \$200,800

General fund increases of \$407,300 includes:

- An Increase of 1.00 FTE in the state grain lab: \$108,300
- A one-time-only purchase of equipment for the state grain lab: \$145,900
- Present law adjustments for personal services: \$68,600
- Other present law adjustments: \$84,500

Reduction in proprietary funds of \$138,500 are due to statewide present law adjustments

### Agency Actuals and Budget Comparison

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	117.07	117.07	118.07	118.07
Personal Services	7,767,887	8,777,115	8,948,806	9,110,037	9,135,712
Operating Expenses	3,742,813	4,585,321	4,496,694	4,819,831	4,707,019
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
<b>Total Expenditures</b>	<b>\$16,696,202</b>	<b>\$18,825,949</b>	<b>\$18,941,013</b>	<b>\$19,485,381</b>	<b>\$19,688,244</b>
General Fund	838,579	852,852	815,517	1,104,093	934,272
State/Other Special Rev. Funds	14,305,011	16,093,133	16,222,950	16,600,737	16,930,194
Federal Spec. Rev. Funds	1,172,227	1,319,840	1,332,345	1,284,873	1,327,458
Proprietary Funds	380,385	560,124	570,201	495,678	496,320
<b>Total Funds</b>	<b>\$16,696,202</b>	<b>\$18,825,949</b>	<b>\$18,941,013</b>	<b>\$19,485,381</b>	<b>\$19,688,244</b>
<b>Total Ongoing</b>	<b>\$16,696,202</b>	<b>\$18,825,949</b>	<b>\$18,941,013</b>	<b>\$19,485,381</b>	<b>\$19,338,244</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$350,000</b>

### Agency Discussion

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Department of Agriculture HB 2 modified budget was 88.7% expended as of the end of FY 2020 leaving about \$2.1 million in unspent budget authority at the end of the fiscal year, including:

- Personal services vacancy savings account for \$1.0 million of the total unexpended authority
- Operating expenses totaled \$842,500 of unexpended authority
- Equipment accounts for \$385,600 the unexpended authority
- Unexpended appropriations include grants and transfers totaling \$108,800

The agency has a budget for personal services was \$8.8 million which funded 117.07 FTE. Personal services represent 46.6% of the budget and were 88.5% expended in FY 2020.

Of the operating expenditures budgeted for the agriculture sciences division and the agriculture development division, \$776,200 were unexpended. Operating expenditures in the sciences division are funded with revenue from license, permits, and regulatory fees for pesticides and other state special revenue sources. Operating expenditures in the development division are funded with taxes on wheat and barley, fees charged for grain inspection and other state special revenue sources.

#### *FY 2020 Appropriations Compared to FY 2021 Appropriations*

Total appropriations in the second year increase by less than 1.0% or \$115,100 due primarily to increases in personal services.

#### *Executive Request*

The executive requests an increase in total appropriation of 3.7% or \$1.4 million for the biennium and a 2.8% or \$1.1 million increase in ongoing appropriations. In addition to statewide present law adjustments the executive proposes an increase of 1.00 FTE to fund a new grain sampler position funded with \$108,300 in general fund. One-time-only appropriations include, \$350,000 from state special revenue and federal sources to replace lab equipment at the Bozeman analytical lab, and \$145,900 in general fund to purchase an inventory management system for the grain lab. The executive proposes to fund the agency 85.6% with state special revenue, general fund 5.2%, federal sources 6.7%, and proprietary funds 2.5%.

#### *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 three categories, as follows:

#### *1. Expected Changes*

Formula based changes are calculated independent of agency choices, such as: annualize personal services costs including FY 2021 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.

#### *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. Budget Modifications*

This category includes modifications to the FY 2021 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 table below shows the analysis of the proposed changes.

Personal Services Present Law DP 1 - FY 2022					
Program	Expected Changes	Management Decisions	Budget Modifications	DP1 SWPL	
15 CENTRAL MANAGEMENT DIVISION	20,597	148,215	-	168,812	
30 AGRICULTURAL SCIENCES DIVISION	(5,614)	(27,375)	5,000	(27,989)	
50 AGRICULTURAL DEVELOPMENT DIV	(6,208)	(27,113)	1,000	(32,321)	
Agency Total	\$ 8,774	\$ 93,728	\$ 6,000	\$ 108,502	

In FY 2021 the Department of Agriculture was appropriated \$8.9 million to fund 117.7 FTE and the personal services budget represented 47.2% of the total appropriations. The executive proposes present law adjustments for personal services of \$108,502 in FY 2022 and \$134,142 in FY 2023. Management decisions include increases in pay beyond the statutory pay plan and movement of FTE between programs. Budget modifications include the reinstatement of \$6,000 in personal services authority used for other purposes in the base year. Other changes include changes in pay rates due to turnover.

Statewide present law adjustments for the agency include a funding shift from federal and proprietary funds to general and state special funds. The \$108,502 increase in personal services is funded as follows:

- Increase in general fund: \$33,127
- Increase in state special revenue: \$227,199
- Decrease from federal sources: \$73,034
- Decrease in proprietary funds: \$78,790

The executive proposal includes a 2% reduction for vacancy savings. In FY 2020 the agency utilized 84.8% of the total personal services hours budgeted. At the beginning of FY 2021 vacant positions totaled 18.85 FTE.

#### Comparison of FY 2021 Legislative Budget to FY 2021 Base

Figure 1 illustrates the beginning FY 2021 budget as adopted by the 2019 Legislature compared to the finalized FY 2021 base budget, which includes modifications as approved by the executive during the interim. The FY 2021 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2023 biennium budgeting process.

Figure 1

FY 2021 Legislative Appropriations - Department of Agriculture				
	Legislative Action	Per Statutory Authority	Executive Base	% Change from Legislative Action
15 CENTRAL MANAGEMENT DIVISION				
61000 Personal Services	1,350,473	262,367	1,612,840	19.4%
62000 Operating Expenses	210,840	1,118	211,958	0.5%
63000 Equipment & Intangible Assets	5,000	-	5,000	0.0%
68000 Transfers-out	500	-	500	0.0%
15 CENTRAL MANAGEMENT DIVISION Total	1,566,813	263,485	1,830,298	16.8%
30 AGRICULTURAL SCIENCES DIVISION				
61000 Personal Services	5,119,076	(104,388)	5,014,688	-2.0%
62000 Operating Expenses	1,857,311	(8,500)	1,848,811	-0.5%
63000 Equipment & Intangible Assets	339,012	-	339,012	0.0%
66000 Grants	2,283,285	-	2,283,285	0.0%
30 AGRICULTURAL SCIENCES DIVISION Total	9,598,684	(112,888)	9,485,796	-1.2%
50 AGRICULTURAL DEVELOPMENT DIV				
61000 Personal Services	2,473,257	(151,979)	2,321,278	-6.1%
62000 Operating Expenses	2,434,543	1,382	2,435,925	0.1%
63000 Equipment & Intangible Assets	79,877	-	79,877	0.0%
66000 Grants	2,648,082	-	2,648,082	0.0%
68000 Transfers-out	139,757	-	139,757	0.0%
50 AGRICULTURAL DEVELOPMENT DIV Total	7,775,516	(150,597)	7,624,919	-1.9%
62010 DEPARTMENT OF AGRICULTURE Total	18,941,013	-	18,941,013	0.0%

Legislative action for the department of agriculture includes base appropriations contained in HB 2, plus other appropriations passed by the 2019 Legislature that were designated to be included in the base.

The budget modifications moved \$263,000 from the agriculture sciences division and the agricultural development division to the central management division. The agency also moved \$6,000 in authority from operations to personal services.

**Funding**

The following table shows proposed 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	2,038,365	0	0	3,130,000	5,168,365	10.39 %	
State Special Total	33,222,531	308,400	0	5,703,080	39,234,011	78.84 %	
Federal Special Total	2,570,731	41,600	0	0	2,612,331	5.25 %	
Proprietary Total	991,998	0	116,400	1,640,000	2,748,398	5.52 %	
Other Total	0	0	0	0	0	0.00 %	
<b>Total All Funds</b>	<b>\$38,823,625</b>	<b>\$350,000</b>	<b>\$116,400</b>	<b>\$10,473,080</b>	<b>\$49,763,105</b>		
<b>Percent - Total All Sources</b>	<b>78.02 %</b>	<b>0.70 %</b>	<b>0.23 %</b>	<b>21.05 %</b>			

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

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

General fund appropriations total 10.4% or \$5.2 million of all funds of which 60.7% or \$3.1 million is statutorily appropriated for:

- Growth through agriculture: \$1.9 million
- Montana food and agriculture development program: \$1.2 million
- Cooperative development centers: \$130,000

HB 2 general fund appropriation supports personal services, operating expenses, and grants. Proprietary non-budgeted funds support the administration of the hail insurance program; the remaining proprietary funding is statutorily appropriated hail insurance benefits and claims. Other state special statutory appropriations support agriculture development and marketing programs. State special revenue is specific revenue from state sources legally restricted to expenditures for specific purposes. Balances in state special revenue funds may only be used their specific purpose. The table below shows the eleven funds that comprise 90.0% of the state special revenue appropriation, the forecasted beginning and ending balance as proposed by the executive.

Executive Proposal for Major State Special Funds 2023 Biennium (The funds listed below constitute 90% of agency state special funding)				
	Beginning <sup>1</sup>		Expenditures <sup>2</sup>	Ending
	Balance	Revenues	Appropriation	Balance <sup>3</sup>
Wheat & Barley Research & Mktg	\$927,579	\$8,760,100	(\$9,814,530)	(\$126,851)
Pulse Crop Research & Marketing	1,125,405	4,882,000	(5,310,481)	696,924
Noxious Weed Admin Account	273,374	4,270,600	(4,482,162)	61,812
Pesticide Account	2,463,725	3,945,920	(3,238,427)	3,171,218
Pesticide Groundwater Account	1,204,531	2,552,400	(3,205,208)	551,723
Grain Services	(214,919)	2,728,710	(2,838,995)	(325,204)
Commercial Feed	129,988	1,807,924	(1,878,424)	59,488
Produce Account	864,367	1,072,000	(1,108,983)	827,384
Growth thru Agriculture	840,372	1,078,000	(1,083,906)	834,466
Organic Certification	388,427	810,320	(1,054,283)	144,464
FSI Produce	16,344	710,100	(806,478)	(80,034)
Commercial Fertilizer	937,030	1,764,600	(708,048)	1,993,582
Apiary Account	126,960	241,620	(498,556)	(129,976)
<b>Total funding</b>	<b>\$9,083,183</b>	<b>\$34,624,294</b>	<b>(\$36,028,481)</b>	<b>\$7,678,996</b>

Notes  
<sup>1</sup> The beginning balance is calculated using FY 2020 actual revenues and expenditures and FY 2021 forecast revenues and appropriations  
<sup>2</sup> Appropriations include HB 2 and non-HB 2 appropriations to all agencies  
<sup>3</sup> The ending balance includes encumbered funds

**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	815,517	815,517	1,631,034	80.02 %	18,941,013	18,941,013	37,882,026	96.70 %
SWPL Adjustments	87,147	36,291	123,438	6.06 %	298,947	269,960	568,907	1.45 %
PL Adjustments	201,429	82,464	283,893	13.93 %	191,392	423,242	614,634	1.57 %
New Proposals	0	0	0	0.00 %	54,029	54,029	108,058	0.28 %
<b>Total Budget</b>	<b>\$1,104,093</b>	<b>\$934,272</b>	<b>\$2,038,365</b>		<b>\$19,485,381</b>	<b>\$19,688,244</b>	<b>\$39,173,625</b>	

**HB 2 Language**

This agency did not request any HB 2 language.

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	3,142,830	3,567,711	424,881	13.52 %
Operating Expenses	472,669	487,060	14,391	3.04 %
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)%
<b>Total Expenditures</b>	<b>\$3,627,999</b>	<b>\$4,065,771</b>	<b>\$437,772</b>	<b>12.07 %</b>
General Fund	465,814	569,800	103,986	22.32 %
State/Other Special Rev. Funds	2,728,979	2,902,586	173,607	6.36 %
Federal Spec. Rev. Funds	196,798	311,074	114,276	58.07 %
Proprietary Funds	236,408	282,311	45,903	19.42 %
<b>Total Funds</b>	<b>\$3,627,999</b>	<b>\$4,065,771</b>	<b>\$437,772</b>	<b>12.07 %</b>
<b>Total Ongoing</b>	<b>\$3,627,999</b>	<b>\$4,065,771</b>	<b>\$437,772</b>	<b>12.07 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**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**

<b>Central Services Division Major Budget Highlights</b>
The executive proposes an increase of 12.1% or \$437,700 in total appropriations when compared to the 2021 biennium. Increases are primarily for personal services which is influenced by the transfer of positions from other programs to the central services division.

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	19.00	19.00	19.00	19.00
Personal Services	1,494,673	1,529,990	1,612,840	1,781,652	1,786,059
Operating Expenses	210,799	260,711	211,958	270,269	216,791
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
<b>Total Expenditures</b>	<b>\$1,706,265</b>	<b>\$1,797,701</b>	<b>\$1,830,298</b>	<b>\$2,057,421</b>	<b>\$2,008,350</b>
General Fund	229,506	236,004	229,810	310,886	258,914
State/Other Special Rev. Funds	1,256,915	1,341,153	1,387,826	1,449,598	1,452,988
Federal Spec. Rev. Funds	112,452	112,514	84,284	155,917	155,157
Proprietary Funds	107,392	108,030	128,378	141,020	141,291
<b>Total Funds</b>	<b>\$1,706,265</b>	<b>\$1,797,701</b>	<b>\$1,830,298</b>	<b>\$2,057,421</b>	<b>\$2,008,350</b>
<b>Total Ongoing</b>	<b>\$1,706,265</b>	<b>\$1,797,701</b>	<b>\$1,830,298</b>	<b>\$2,057,421</b>	<b>\$2,008,350</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2020 Appropriations Compared to FY 2020 Actual Expenditures*

The central services division expended 94.9% of its \$1.8 million HB 2 modified budget in FY 2020. Unexpended appropriation totaled \$91,400, primarily general fund and state special revenue. Personal services and operating expenses account for most of the unexpended authority. Personal services were 97.7% expended while operating expenses were 80.9% expended.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Appropriations grew 1.8% or \$32,600 between FY 2020 and FY 2021. Appropriations for personal services increased by 5.4% or \$82,900. Increases in personal services were offset by decreases in operating expenses totaling \$48,800 and debt service of \$1,500.

*Executive Request*

The executive proposes statewide present law adjustments total \$568,900 of which \$242,600 is for personal services, \$326,300 is for fixed costs and inflation. As proposed, the program would be funded 71.4% with state special revenue, general fund 14.0%, federal sources 7.7%, and proprietary 6.9%.

*Personal Services*

The personal services appropriation in FY 2021 totaled \$1.6 million or 88.1% of total appropriations. The FY 2021 appropriation funded 19.00 FTE. The Executive proposes SWPL adjustments that increase personal services by \$168,812 in FY 2022 and \$173,219 in FY 2023 with no increase in FTE. During the 2021 biennium 3.90 FTE were transferred from other divisions to central services. All employees received statutory adjustments, several positions received market adjustments, and adjustments for longevity. Adjustments are partially offset by employee turnover and retirements.

**Funding**

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



Department of Agriculture, 15-Central Services Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	569,800	0	0	28,842	598,642	14.60 %	
02040 Wheat & Barley Research & Mktg	296,702	0	0	0	296,702	10.20 %	
02068 Noxious Weed Admin Account	155,253	0	0	0	155,253	5.34 %	
02071 Anhydrous Ammonia Account	4,292	0	0	0	4,292	0.15 %	
02093 Alfalfa Leaf Cutting Bee	2,016	0	0	0	2,016	0.07 %	
02178 Cherry Research & Marketing	0	0	0	680	680	0.02 %	
02192 Pesticide Groundwater Account	389,776	0	0	0	389,776	13.40 %	
02193 Pesticide Account	361,113	0	0	0	361,113	12.42 %	
02198 Fert. Groundwater Account	15,663	0	0	0	15,663	0.54 %	
02205 Pulse Crop Research&Marketing	163,580	0	0	0	163,580	5.62 %	
02264 Organic Certification	120,334	0	0	0	120,334	4.14 %	
02265 FSI Produce	122,845	0	0	0	122,845	4.22 %	
02266 Commodity Dealer/Warehouse	33,680	0	0	0	33,680	1.16 %	
02267 Nursery Account	23,589	0	0	0	23,589	0.81 %	
02268 Produce Account	235,293	0	0	0	235,293	8.09 %	
02269 Seed Account	41,173	0	0	0	41,173	1.42 %	
02341 Weed Seed Free Forage Account	22,922	0	0	0	22,922	0.79 %	
02452 Commercial Fertilizer	127,564	0	0	0	127,564	4.39 %	
02453 Grain Services	337,969	0	0	0	337,969	11.62 %	
02454 Commercial Feed	310,614	0	0	0	310,614	10.68 %	
02461 Alfalfa Seed Assessment	414	0	0	0	414	0.01 %	
02792 Apiary Account	42,993	0	0	0	42,993	1.48 %	
02793 Potato Research & Marketing	0	0	0	5,328	5,328	0.18 %	
02272 Plant Export Certification	67,273	0	0	0	67,273	2.31 %	
02465 Industrial Hemp	2,292	0	0	0	2,292	0.08 %	
02062 Growth Through Agriculture	25,236	0	0	0	25,236	0.87 %	
<b>State Special Total</b>	<b>\$2,902,586</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,008</b>	<b>\$2,908,594</b>	<b>70.93 %</b>	
03120 Agriculture CMD Federal	311,074	0	0	0	311,074	100.00 %	
<b>Federal Special Total</b>	<b>\$311,074</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$311,074</b>	<b>7.59 %</b>	
06052 Hail Insurance	282,311	0	0	0	282,311	100.00 %	
<b>Proprietary Total</b>	<b>\$282,311</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$282,311</b>	<b>6.88 %</b>	
<b>Total All Funds</b>	<b>\$4,065,771</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,850</b>	<b>\$4,100,621</b>		

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

**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 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	80.66 %	1,830,298	1,830,298	3,660,596	90.03 %
SWPL Adjustments	81,076	29,104	110,180	19.34 %	248,323	199,252	447,575	11.01 %
PL Adjustments	0	0	0	0.00 %	(21,200)	(21,200)	(42,400)	(1.04)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$310,886</b>	<b>\$258,914</b>	<b>\$569,800</b>		<b>\$2,057,421</b>	<b>\$2,008,350</b>	<b>\$4,065,771</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	27,551	65,838	62,781	168,812	0.00	28,932	69,426	61,948	173,219
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 1004 - Service Now Reduction	0.00	0	(21,200)	0	(21,200)	0.00	0	(21,200)	0	(21,200)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$81,076</b>	<b>\$61,772</b>	<b>\$71,633</b>	<b>\$227,123</b>	<b>0.00</b>	<b>\$29,104</b>	<b>\$65,162</b>	<b>\$70,873</b>	<b>\$178,052</b>

\*"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
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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 1004 - Service Now Reduction -

The executive requests 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.

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	9,959,351	9,991,775	32,424	0.33 %
Operating Expenses	3,736,143	3,978,951	242,808	6.50 %
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)%
<b>Total Expenditures</b>	<b>\$18,923,088</b>	<b>\$19,565,320</b>	<b>\$642,232</b>	<b>3.39 %</b>
General Fund	430,650	425,602	(5,048)	(1.17)%
State/Other Special Rev. Funds	16,260,344	17,124,304	863,960	5.31 %
Federal Spec. Rev. Funds	2,232,094	2,015,414	(216,680)	(9.71)%
<b>Total Funds</b>	<b>\$18,923,088</b>	<b>\$19,565,320</b>	<b>\$642,232</b>	<b>3.39 %</b>
<b>Total Ongoing</b>	<b>\$18,923,088</b>	<b>\$19,215,320</b>	<b>\$292,232</b>	<b>1.54 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>100.00 %</b>

**Program Description**

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

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

**Program Highlights**

<b>Agricultural Sciences Division Major Budget Highlights</b>
<p>The executive proposes an increase in total appropriation of 5.2% or \$1.0 million, ongoing expenditures increase by 1.5% or \$0.3 million. The executive proposes:</p> <ul style="list-style-type: none"> <li>• One-time-only appropriation for laboratory equipment: \$0.7 million</li> <li>• Statewide present law adjustments: \$0.1 million</li> <li>• New proposal for organic certification services \$0.1 million</li> </ul>

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	61.80	61.80	61.80	61.80
Personal Services	4,498,394	4,944,663	5,014,688	4,986,699	5,005,076
Operating Expenses	1,554,900	1,887,332	1,848,811	1,989,722	1,989,229
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
<b>Total Expenditures</b>	<b>\$8,425,967</b>	<b>\$9,437,292</b>	<b>\$9,485,796</b>	<b>\$9,598,718</b>	<b>\$9,966,602</b>
General Fund	207,095	214,670	215,980	212,511	213,091
State/Other Special Rev. Funds	7,253,685	8,110,774	8,149,570	8,400,138	8,724,166
Federal Spec. Rev. Funds	965,187	1,111,848	1,120,246	986,069	1,029,345
<b>Total Funds</b>	<b>\$8,425,967</b>	<b>\$9,437,292</b>	<b>\$9,485,796</b>	<b>\$9,598,718</b>	<b>\$9,966,602</b>
<b>Total Ongoing</b>	<b>\$8,425,967</b>	<b>\$9,437,292</b>	<b>\$9,485,796</b>	<b>\$9,598,718</b>	<b>\$9,616,602</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$350,000</b>

### Program Discussion -

#### *FY 2020 Appropriations Compared to FY 2020 Actual Expenditures*

The agricultural sciences division expended 89.3% of its \$9.4 million HB 2 modified budget in FY 2020. Unexpended appropriations totaled \$1.0 million. Unexpended authority is summarized as follows:

- Personal Services was 91.0% expended, leaving \$446,300 unexpended
- Operating Expenses 82.4% expended , leaving \$332,400 unexpended
- Equipment & Intangible Assets 5.5% expended, leaving \$300,700 unexpended

#### *FY 2020 Appropriations Compared to FY 2021 Appropriations*

The FY 2021 appropriations increase by 0.5% or \$48,500 when compared to FY 2020 appropriations. Personal service increases of \$70,000 are partially offset by decreases in other expenditure categories. Increases in appropriation are funded primarily with state special revenue.

#### *Executive proposal*

The executive proposes a one-time-only expenditure of state special revenue to replace equipment at the Bozeman analytical laboratory and increased funding for organic certification services. The executive proposes to fund the agricultural sciences division with 87.5% with state special revenue, 2.2% general fund, and 10.3% from federal sources.

#### *Personal Services*

Personal services appropriation in FY 2021 totaled \$5.0 million or 52.9% of total appropriations. The FY 2021 appropriation funded 61.8 FTE. The executive proposes SWPL adjustments that decrease personal services by \$27,989 in FY 2022 and \$9,612 in FY 2023 with no increase in FTE. The SWPL adjustment for this program reflects a shift in funding source away from the general fund and federal sources towards state special revenue. All employees received statutory adjustments, several positions received market adjustments, and adjustments for longevity. Adjustments are partially offset by employee turnover and retirements.

### Funding

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

Department of Agriculture, 30-Agricultural Sciences Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	425,602	0	0	0	425,602	2.16 %
02068 Noxious Weed Admin Account	4,327,033	0	0	0	4,327,033	25.11 %
02071 Anhydrous Ammonia Account	20,848	0	0	0	20,848	0.12 %
02072 Manuals & Training Account	122,800	0	0	0	122,800	0.71 %
02093 Alfalfa Leaf Cutting Bee	17,974	0	0	0	17,974	0.10 %
02192 Pesticide Groundwater Account	2,473,614	175,000	0	0	2,648,614	15.37 %
02193 Pesticide Account	2,608,235	133,400	0	0	2,741,635	15.91 %
02198 Fert. Groundwater Account	95,776	0	0	0	95,776	0.56 %
02264 Organic Certification	933,993	0	0	0	933,993	5.42 %
02265 FSI Produce	683,665	0	0	0	683,665	3.97 %
02266 Commodity Dealer/Warehouse	260,277	0	0	108,000	368,277	2.14 %
02267 Nursery Account	276,428	0	0	0	276,428	1.60 %
02268 Produce Account	873,730	0	0	0	873,730	5.07 %
02269 Seed Account	314,480	0	0	0	314,480	1.82 %
02341 Weed Seed Free Forage Account	230,159	0	0	0	230,159	1.34 %
02452 Commercial Fertilizer	580,519	0	0	0	580,519	3.37 %
02454 Commercial Feed	1,567,896	0	0	0	1,567,896	9.10 %
02782 Reverted Weed Grant Fund	132,000	0	0	0	132,000	0.77 %
02792 Apiary Account	455,581	0	0	0	455,581	2.64 %
02272 Plant Export Certification	408,863	0	0	0	408,863	2.37 %
02465 Industrial Hemp	432,033	0	0	0	432,033	2.51 %
<b>State Special Total</b>	<b>\$16,815,904</b>	<b>\$308,400</b>	<b>\$0</b>	<b>\$108,000</b>	<b>\$17,232,304</b>	<b>87.59 %</b>
03118 Agriculture ASD Federal	1,973,814	41,600	0	0	2,015,414	100.00 %
<b>Federal Special Total</b>	<b>\$1,973,814</b>	<b>\$41,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,015,414</b>	<b>10.24 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$19,215,320</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$108,000</b>	<b>\$19,673,320</b>	

The division is funded with general fund, state special revenue, and federal funds. At 87.6% of total funding, state special revenue is the largest source of funding for the division. State special revenue is derived primarily from fees assessed for regulatory activities, product registration, and technical services. Federal funds come from the U.S. Department of Agriculture, FDA, and the EPA. They 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. Statutory revenues are generated from the liquidation of grain and fees are statutorily appropriated for the correction of storage deficiencies.

**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 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	101.49 %	9,485,796	9,485,796	18,971,592	96.97 %
SWPL Adjustments	(3,469)	(2,889)	(6,358)	(1.49)%	58,098	75,167	133,265	0.68 %
PL Adjustments	0	0	0	0.00 %	795	351,610	352,405	1.80 %
New Proposals	0	0	0	0.00 %	54,029	54,029	108,058	0.55 %
<b>Total Budget</b>	<b>\$212,511</b>	<b>\$213,091</b>	<b>\$425,602</b>		<b>\$9,598,718</b>	<b>\$9,966,602</b>	<b>\$19,565,320</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	(6,061)	127,574	(149,502)	(27,989)	0.00	(5,441)	143,414	(147,585)	(9,612)
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 3004 - Analytical Lab End-of-Life System Replacement	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
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$3,469)</b>	<b>\$196,539</b>	<b>(\$134,177)</b>	<b>\$58,893</b>	<b>0.00</b>	<b>(\$2,889)</b>	<b>\$520,567</b>	<b>(\$90,901)</b>	<b>\$426,777</b>

\*\*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
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 3004 - Analytical Lab End-of-Life System Replacement -

The executive proposes 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 executive proposes 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
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$54,029</b>	<b>\$0</b>	<b>\$54,029</b>	<b>0.00</b>	<b>\$0</b>	<b>\$54,029</b>	<b>\$0</b>	<b>\$54,029</b>

\*"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 executive proposes an increases 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 executive proposes an increase in funding for operating cost 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.

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	4,623,740	4,686,263	62,523	1.35 %
Operating Expenses	4,873,203	5,060,839	187,636	3.85 %
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)%
<b>Total Expenditures</b>	<b>\$15,215,875</b>	<b>\$15,542,534</b>	<b>\$326,659</b>	<b>2.15 %</b>
General Fund	771,905	1,042,963	271,058	35.12 %
State/Other Special Rev. Funds	13,326,760	13,504,041	177,281	1.33 %
Federal Spec. Rev. Funds	223,293	285,843	62,550	28.01 %
Proprietary Funds	893,917	709,687	(184,230)	(20.61)%
<b>Total Funds</b>	<b>\$15,215,875</b>	<b>\$15,542,534</b>	<b>\$326,659</b>	<b>2.15 %</b>
<b>Total Ongoing</b>	<b>\$15,215,875</b>	<b>\$15,542,534</b>	<b>\$326,659</b>	<b>2.15 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The agriculture development division 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**

<b>Agricultural Development Division Major Budget Highlights</b>
<p>The executive proposes a 2.2% or \$326,700 increase in appropriation when compared to the 2021 biennium. The executive proposes:</p> <ul style="list-style-type: none"> <li>• Increase of 1.00 FTE funded with in general fund: \$108,300</li> <li>• OTO general fund appropriations for an inventory management system at the state grain lab: \$145,900</li> <li>• Other present law adjustments for operations: \$72,500</li> </ul>

**Program Actuals and Budget Comparison**

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



Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	36.27	36.27	37.27	37.27
Personal Services	1,774,820	2,302,462	2,321,278	2,341,686	2,344,577
Operating Expenses	1,977,114	2,437,278	2,435,925	2,559,840	2,500,999
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
<b>Total Expenditures</b>	<b>\$6,563,970</b>	<b>\$7,590,956</b>	<b>\$7,624,919</b>	<b>\$7,829,242</b>	<b>\$7,713,292</b>
General Fund	401,978	402,178	369,727	580,696	462,267
State/Other Special Rev. Funds	5,794,411	6,641,206	6,685,554	6,751,001	6,753,040
Federal Spec. Rev. Funds	94,588	95,478	127,815	142,887	142,956
Proprietary Funds	272,993	452,094	441,823	354,658	355,029
<b>Total Funds</b>	<b>\$6,563,970</b>	<b>\$7,590,956</b>	<b>\$7,624,919</b>	<b>\$7,829,242</b>	<b>\$7,713,292</b>
<b>Total Ongoing</b>	<b>\$6,563,970</b>	<b>\$7,590,956</b>	<b>\$7,624,919</b>	<b>\$7,829,242</b>	<b>\$7,713,292</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Program Discussion -

#### *FY 2020 Appropriations Compared to FY 2020 Actual Expenditures*

The agricultural development division expended 86.5% of its \$7.6 million HB 2 modified budget in FY 2020. Unexpended appropriation totaled \$1.0 million primarily from state and proprietary sources. Unexpended authority is summarized as follows:

- Personal services were 77.1% expended, leaving \$527,600 unexpended
- Unexpended operating expenses of \$460,200 were designated primarily for wheat and barley research

#### *FY 2020 Appropriations Compared to FY 2021 Appropriations*

The FY 2021 appropriations grew by less than 0.5% or \$34,000 when compared to FY 2020 appropriations. Increase in expenditures are primarily personal services and grants.

#### *Executive Request*

In addition to statewide present law adjustments for personal services, fixed costs, and inflation, the executive proposes increase in general fund and FTE for the grain lab. Other present law proposals include an increase in state special revenue for Wheat & Barely Committee office space. As proposed the budget would be funded 85.4% by state special revenue, 8.3% by general fund, 1.8% from federal sources and 4.5% proprietary funds.

#### *Personal Services*

Personal services appropriation in FY 2021 totaled \$2.3 million or 30.4% of total appropriations. The FY 2021 appropriation funded 36.27 FTE. The Executive proposes SWPL adjustments that decrease personal services by \$32,321 in FY 2022 and \$29,465 in FY 2023. The SWPL adjustments for this program reflect a shift away from proprietary funds towards the general fund, state special revenue and federal sources. All employees received statutory adjustments, twenty positions received market adjustments, and eight positions had adjustments for longevity. Adjustments are partially offset by employee turnover and retirements.

Funding

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

Department of Agriculture, 50-Agricultural Development Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,042,963	0	0	3,101,158	4,144,121	15.95 %	
02040 Wheat & Barley Research & Mktg	9,518,350	0	0	0	9,518,350	49.85 %	
02066 Agriculture In MT Schools Act.	186,087	0	0	0	186,087	0.97 %	
02132 GTA Seed Capital Account	0	0	0	284,584	284,584	1.49 %	
02178 Cherry Research & Marketing	0	0	0	49,704	49,704	0.26 %	
02205 Pulse Crop Research&Marketing	120,817	0	0	5,026,084	5,146,901	26.96 %	
02453 Grain Services	2,501,174	0	0	0	2,501,174	13.10 %	
02461 Alfalfa Seed Assessment	75,593	0	0	0	75,593	0.40 %	
02466 Misc Ag Donations	10,222	0	0	0	10,222	0.05 %	
02582 Certified Natural Beef	5,908	0	0	0	5,908	0.03 %	
02793 Potato Research & Marketing	0	0	0	228,700	228,700	1.20 %	
02465 Industrial Hemp	27,168	0	0	0	27,168	0.14 %	
02062 Growth Through Agriculture	1,058,722	0	0	0	1,058,722	5.54 %	
<b>State Special Total</b>	<b>\$13,504,041</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,589,072</b>	<b>\$19,093,113</b>	<b>73.47 %</b>	
03225 Agriculture ADD Federal	285,843	0	0	0	285,843	100.00 %	
<b>Federal Special Total</b>	<b>\$285,843</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$285,843</b>	<b>1.10 %</b>	
06016 Beginning Farm Loans	0	0	116,400	0	116,400	4.72 %	
06052 Hail Insurance	709,687	0	0	1,640,000	2,349,687	95.28 %	
<b>Proprietary Total</b>	<b>\$709,687</b>	<b>\$0</b>	<b>\$116,400</b>	<b>\$1,640,000</b>	<b>\$2,466,087</b>	<b>9.49 %</b>	
<b>Total All Funds</b>	<b>\$15,542,534</b>	<b>\$0</b>	<b>\$116,400</b>	<b>\$10,330,230</b>	<b>\$25,989,164</b>		

The division is funded with general fund, state special revenue, and federal special revenue. General fund supports division administration personal services and associated operating expense. State special revenue supports 86.9% of HB 2 appropriations and 73.5% of all sources of funding. The primary source of state special revenue is the wheat & barley research & marketing account which is supported by levies on each bushel of wheat and barley produced in the state. Other sources of revenue include grain testing fees and alfalfa seed assessments. Levies on the net revenue of pulse crops produced in the state are statutorily appropriated to the pulse crop research & marketing fund. Federal special revenue is from federal grants used to develop agriculture markets, marketing projects, and for related operating costs. Proprietary funding supports beginning farm loans and expenditures from the hail insurance program. Statutory appropriations support growth through agriculture seed programs, hail insurance, research and marketing for agricultural products.

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 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	70.90 %	7,624,919	7,624,919	15,249,838	98.12 %
SWPL Adjustments	9,540	10,076	19,616	1.88 %	(7,474)	(4,459)	(11,933)	(0.08)%
PL Adjustments	201,429	82,464	283,893	27.22 %	211,797	92,832	304,629	1.96 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$580,696</b>	<b>\$462,267</b>	<b>\$1,042,963</b>		<b>\$7,829,242</b>	<b>\$7,713,292</b>	<b>\$15,542,534</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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	11,637	33,787	13,687	(32,321)	0.00	12,000	35,834	13,767	(29,465)
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 5004 - Efficiency Improvements State Grain Lab	0.00	145,900	0	0	145,900	0.00	29,700	0	0	29,700
DP 5005 - State Grain Lab Sampler	1.00	55,529	0	0	55,529	1.00	52,764	0	0	52,764
DP 5007 - Rent Increase for Wheat & Barley	0.00	0	10,368	0	10,368	0.00	0	10,368	0	10,368
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$210,969</b>	<b>\$65,447</b>	<b>\$15,072</b>	<b>\$204,323</b>	<b>1.00</b>	<b>\$92,540</b>	<b>\$67,486</b>	<b>\$15,141</b>	<b>\$88,373</b>

\*"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
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 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 5004 - Efficiency Improvements State Grain Lab -

The executive proposes OTO appropriation of \$145,900 from the general fund to purchase a laboratory inventory management system and one-time-only maintenance/safety improvements. The executive also proposes an ongoing general fund appropriation of \$29,700 for ongoing expense for license of the inventory management system.

DP 5005 - State Grain Lab Sampler -

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