

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	18,877,062	19,743,144	866,082	4.59 %
Operating Expenses	7,160,984	7,388,684	227,700	3.18 %
Equipment & Intangible Assets	253,172	427,000	173,828	68.66 %
Transfers	767,962	798,962	31,000	4.04 %
Total Expenditures	\$27,059,180	\$28,357,790	\$1,298,610	4.80 %
General Fund	6,040,214	6,551,280	511,066	8.46 %
State/Other Special Rev. Funds	17,240,927	17,740,564	499,637	2.90 %
Federal Spec. Rev. Funds	3,778,039	4,065,946	287,907	7.62 %
Total Funds	\$27,059,180	\$28,357,790	\$1,298,610	4.80 %
Total Ongoing	\$26,406,697	\$27,881,165	\$1,474,468	5.58 %
Total OTO	\$652,483	\$476,625	(\$175,858)	(26.95)%

Agency Biennium Comparison -

The biennium comparison table shows a total growth of 4.8% or \$1.3 million in total appropriations, ongoing expenditures increase by 5.6% or \$1.5 million.

Mission Statement

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

**Department of Livestock
Major Budget Highlights**

The executive proposes a 4.8% or \$1.3 million increase in total appropriations when compared to the 2021 biennium including:

- OTO appropriations of \$476,600 for the purchase of a helicopter for predator control, lab equipment, and temporary personnel for brands recording.
- A net increase in FTE of 0.50 FTE for the biennium and a temporary increase of 1.50 FTE in FY 2022 in brands enforcement and animal health
- Other executive proposals include:
 - Increased funds for leased vehicles to replace those owned by the agency
 - Additional funding for IT
 - Expanded surveillance for brucellosis
 - Montana veterinary diagnostic laboratory disposal services
 - Meat and poultry inspection training
 - Livestock loss board operations

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	132.87	132.87	134.37	133.37
Personal Services	8,989,772	9,393,276	9,483,786	9,881,508	9,861,636
Operating Expenses	3,031,255	3,528,509	3,632,475	3,716,972	3,671,712
Equipment & Intangible Assets	196,686	223,172	30,000	245,000	182,000
Transfers	346,821	368,481	399,481	399,481	399,481
Total Expenditures	\$12,564,534	\$13,513,438	\$13,545,742	\$14,242,961	\$14,114,829
General Fund	2,879,881	2,979,851	3,060,363	3,306,470	3,244,810
State/Other Special Rev. Funds	7,836,828	8,655,599	8,585,328	8,906,039	8,834,525
Federal Spec. Rev. Funds	1,847,825	1,877,988	1,900,051	2,030,452	2,035,494
Total Funds	\$12,564,534	\$13,513,438	\$13,545,742	\$14,242,961	\$14,114,829
Total Ongoing	\$12,238,417	\$13,141,874	\$13,264,823	\$13,948,336	\$13,932,829
Total OTO	\$326,117	\$371,564	\$280,919	\$294,625	\$182,000

Agency Discussion

FY 2020 Appropriation Compared to FY 2020 Actual Expenditures

The Department of Livestock HB 2 modified budget was 93.0% expended as of the end of FY 2020 leaving about \$948,900 in unspent budget authority at the end of the fiscal year. The unexpended authority is summarized below:

- Operating Expenditures account for \$497,300
- Personal services vacancy savings account for \$403,500
- Other unexpended authority accounts for less than \$48,100

Unexpended authority for operating expense is related to brucellosis surveillance. Personal services were 95.7% expended. The agency has a budget for personal services of \$9.4 million which funds 132.87 FTE. Personal services represent 69.5% of the budget.

FY 2020 Appropriations Compared to FY 2021 Appropriations

Total appropriations in the second year increase by 0.2% or \$32,300. Increases in authority for personal services and operating expense total \$194,500. Equipment purchases of \$223,200 for the animal health division are budgeted in the first year only.

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 included 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.

FY 2021 Legislative Appropriations - Department of Livestock				
	Legislative Action	Per Statutory Authority	Executive Base	% Change from Legislative Action
56030 DEPARTMENT OF LIVESTOCK				
01 CENTRALIZED SERVICES DIVISION				
61000 Personal Services	1,437,390	-	1,437,390	0.0%
62000 Operating Expenses	710,603	-	710,603	0.0%
68000 Transfers-out	102,481	-	102,481	0.0%
01 CENTRALIZED SERVICES DIVISION Total	2,250,474	-	2,250,474	0.0%
04 ANIMAL HEALTH DIVISION				
61000 Personal Services	4,442,106	(31,022)	4,411,084	-0.7%
62000 Operating Expenses	2,043,987	31,022	2,075,009	1.5%
68000 Transfers-out	297,000	-	297,000	0.0%
04 ANIMAL HEALTH DIVISION Total	6,783,093	-	6,783,093	0.0%
06 BRANDS ENFORCEMENT DIVISION				
61000 Personal Services	3,548,843	-	3,548,843	0.0%
62000 Operating Expenses	682,413	-	682,413	0.0%
06 BRANDS ENFORCEMENT DIVISION Total	4,231,256	-	4,231,256	0.0%
56030 DEPARTMENT OF LIVESTOCK Total	13,264,823	-	13,264,823	0.0%

Legislative action for the Department of Livestock 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 executive modified the budget by transferring authority for personal services to operating expense within the Animal health Division. The modified budget did not increase total authority.

Executive Request

The executive proposes an increase for the biennium of 4.8% in total expenditures including a 8.5% or \$511,100 increase in general

fund appropriation. In addition to present law adjustments, the executive proposes an increase of 0.50 FTE over the biennium. Increases in general fund appropriation are for Montana's designated surveillance area (DSA) for brucellosis. Other appropriations funded from state and federal sources are for leased vehicles, a helicopter for predator control, lab

equipment, training, livestock loss board operations, and disposal services at the Montana veterinarian diagnostic lab.

5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2023 biennium 5% plan submitted for this agency can be found Online at the Section C subcommittee page on ["Tab 4 Materials."](#)

The Department of Livestock 5% plan reduces general fund by \$139,057 annually through the elimination of positions in meat and milk inspection and a microbiologist. These reductions would also reduce state special revenue by \$10,742 each year.

Agency Personal Services

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

1. Expected Changes

This category includes those adjustments explicitly approved by the legislature, such as expected changes to 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. 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 between programs.

3. Modifications to the Personal Services Base Budget

Other modifications to the FY 2021 personal services base like operating plan transfers that occurred during the interim may impact the overall size of the personal services present law adjustment (DP 1).

The figure shows the analysis of the proposed changes

Personal Services Present Law DP 1 - FY 2022				
Program	Expected Changes	Management Decisions	Budget Modifications	DP1 SWPL
01 CENTRALIZED SERVICES DIVISION	5,097	(3,900)	-	1,197
04 ANIMAL HEALTH DIVISION	28,032	291,207	31,022	350,261
06 BRANDS ENFORCEMENT DIVISION	26,851	18,367	-	45,218
Agency Total	\$ 59,980	\$ 305,674	\$ 31,022	\$ 396,676

In FY 2021 the Department of Livestock was appropriated \$9.5 million to fund 132.87 FTE, the personal services budget represented 70.0% of total appropriations. The executive proposes SWPL adjustments to increase personal services by \$396,676 in FY 2022 and \$426,407 in FY 2023. Management decision include increase in pay beyond the statutory pay plan, movement of FTE between programs. By transferring \$31,022 in personal services funding to operations, the base budget for operations has been increased, and the funding is then increased by a like amount for personal services in DP 1, based on fully funding existing FTE. Other changes include changes in pay rates due to turnover.

Statewide present law adjustments for FY 2022 are funded as follows:

- General fund: \$164,640

- State special revenue: \$135,181
- Federal sources: \$96,855

The executive proposal includes a 2% reduction for vacancy savings. At the beginning of FY 2021 vacant positions totaled 18.85 FTE.

Funding

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

Total Department of Livestock Funding by Source of Authority 2023 Biennium Budget Request - Department of Livestock						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	6,481,280	70,000	0	0	6,551,280	20.21 %
State Special Total	17,333,939	406,625	0	1,670,000	19,410,564	59.87 %
Federal Special Total	4,065,946	0	0	0	4,065,946	12.54 %
Proprietary Total	0	0	2,394,247	0	2,394,247	7.38 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$27,881,165	\$476,625	\$2,394,247	\$1,670,000	\$32,422,037	
Percent - Total All Sources	85.99 %	1.47 %	7.38 %	5.15 %		

The Department of Livestock is funded with general fund, state special revenue, and federal special revenue. General fund provides 23.1% of total HB 2 funds and 20.2% of total funding. General fund supports some administrative functions, the diagnostic lab, and provides matching funds for federal revenue expended on meat and poultry inspections. State special revenue provides 62.6% of total HB 2 funds and 59.8% of total funding. State special revenue is primarily from taxes and fees assessed to livestock owners. Two state special revenue funds comprise 87.1% of all state special revenues in the HB2 budget, the livestock per capita fee, which is assessed on a per animal basis, and fees charged for inspections and brand recording.

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	2,910,363	2,910,363	5,820,726	88.85 %	13,264,823	13,264,823	26,529,646	93.55 %
SWPL Adjustments	151,962	160,291	312,253	4.77 %	439,289	422,340	861,629	3.04 %
PL Adjustments	11,300	11,300	22,600	0.34 %	21,300	21,300	42,600	0.15 %
New Proposals	232,845	162,856	395,701	6.04 %	517,549	406,366	923,915	3.26 %
Total Budget	\$3,306,470	\$3,244,810	\$6,551,280		\$14,242,961	\$14,114,829	\$28,357,790	

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	2,872,183	2,880,919	8,736	0.30 %
Operating Expenses	1,447,207	1,552,476	105,269	7.27 %
Equipment & Intangible Assets	0	300,000	300,000	0.00 %
Transfers	204,962	204,962	0	0.00 %
Total Expenditures	\$4,524,352	\$4,938,357	\$414,005	9.15 %
General Fund	225,967	258,645	32,678	14.46 %
State/Other Special Rev. Funds	4,298,385	4,679,712	381,327	8.87 %
Total Funds	\$4,524,352	\$4,938,357	\$414,005	9.15 %
Total Ongoing	\$4,524,352	\$4,638,357	\$114,005	2.52 %
Total OTO	\$0	\$300,000	\$300,000	100.00 %

Program Description

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

Program Highlights

Centralized Services Program Major Budget Highlights
<p>The executive proposes a 9.2% or \$414,000 increase in total expenditures compared to the 2021 biennium. In addition to statewide present law adjustments the proposal includes:</p> <ul style="list-style-type: none"> • One-time-only appropriation for a helicopter for predator control funded with livestock fees • An increase in general fund for the operation of the livestock loss board • Increased funding for IT equipment

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	17.00	17.00	17.00	17.00
Personal Services	1,406,418	1,434,793	1,437,390	1,438,587	1,442,332
Operating Expenses	435,129	736,604	710,603	804,656	747,820
Equipment & Intangible Assets	0	0	0	150,000	150,000
Transfers	98,468	102,481	102,481	102,481	102,481
Total Expenditures	\$1,940,015	\$2,273,878	\$2,250,474	\$2,495,724	\$2,442,633
General Fund	108,022	112,386	113,581	129,285	129,360
State/Other Special Rev. Funds	1,831,993	2,161,492	2,136,893	2,366,439	2,313,273
Total Funds	\$1,940,015	\$2,273,878	\$2,250,474	\$2,495,724	\$2,442,633
Total Ongoing	\$1,940,015	\$2,273,878	\$2,250,474	\$2,345,724	\$2,292,633
Total OTO	\$0	\$0	\$0	\$150,000	\$150,000

Program Discussion -

The Central Services Division expended 85.3% of its \$2.3 million HB 2 budget in FY 2020. Unexpended appropriations totaled \$334,900, primarily in state special revenue. Operating expenses budgeted for the central services division, which supports the Board of Livestock, the Milk Control Bureau, Livestock Loss Board and administrative services for the agency, accounted for 90.3% or \$301,500 of the unexpended authority. Personal services were 98.0% expended leaving \$28,400 unexpended. Unexpended authority for transfers totaled \$4,000.

FY 2020 Appropriations Compared to FY 2021 Appropriations

Appropriations decreased by 1.0% or \$23,400 between FY 2020 and FY 2021 due primarily to decreases in appropriations for operating expense. Personal services grew at less than 0.5% or \$2,600.

Executive Request

In addition to statewide present law adjustments the executive proposes using \$300,000 in livestock per capita fees to replace the older of two helicopters used for predator control. The executive proposes to increase base funding for the replacement cycle of staff computers and an increase in general fund for the operation of the Livestock Loss Board. As proposed by the executive the budget would be 94.8% funded with state special revenue and 5.2% general fund.

Personal Services

Personal services appropriation in FY 2021 totaled \$1.4 million or 63.9% of total appropriations. The FY 2021 appropriation funded 17.00 FTE. The executive proposes SWPL adjustments that increase personal services by \$1,197 in FY 2022 and \$4,942 in FY 2023, with no increase in FTE. 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 Livestock, 01-Centralized Services Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	258,645	0	0	0	258,645	3.91 %	
02117 Predatory Animal SSR	0	0	0	850,000	850,000	13.39 %	
02124 LLB Restricted Special Revenue	0	0	0	600,000	600,000	9.45 %	
02426 Lvstk Per Capita	3,811,662	300,000	0	0	4,111,662	64.75 %	
02495 POOL SETTLEMENT FUND	0	0	0	0	0	0.00 %	
02817 Milk Control Bureau	568,050	0	0	0	568,050	8.95 %	
02125 Livestock Loss Reduction	0	0	0	100,000	100,000	1.57 %	
02136 Wolf Mitigation Donation Fund	0	0	0	120,000	120,000	1.89 %	
State Special Total	\$4,379,712	\$300,000	\$0	\$1,670,000	\$6,349,712	96.09 %	
03345 LLRMB Fed Spec Rev Fund	0	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$4,638,357	\$300,000	\$0	\$1,670,000	\$6,608,357		

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

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

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	113,581	113,581	227,162	87.83 %	2,250,474	2,250,474	4,500,948	91.14 %
SWPL Adjustments	4,404	4,479	8,883	3.43 %	73,640	20,549	94,189	1.91 %
PL Adjustments	11,300	11,300	22,600	8.74 %	21,300	21,300	42,600	0.86 %
New Proposals	0	0	0	0.00 %	150,310	150,310	300,620	6.09 %
Total Budget	\$129,285	\$129,360	\$258,645		\$2,495,724	\$2,442,633	\$4,938,357	

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.

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	4,209	(3,012)	0	1,197	0.00	4,286	656	0	4,942
DP 2 - Fixed Costs	0.00	195	72,274	0	72,469	0.00	193	15,430	0	15,623
DP 3 - Inflation Deflation	0.00	0	(26)	0	(26)	0.00	0	(16)	0	(16)
DP 101 - Computer Funding Augment	0.00	0	10,000	0	10,000	0.00	0	10,000	0	10,000
DP 102 - LLB Operations Augment	0.00	11,300	0	0	11,300	0.00	11,300	0	0	11,300
Grand Total All Present Law Adjustments	0.00	\$15,704	\$79,236	\$0	\$94,940	0.00	\$15,779	\$26,070	\$0	\$41,849

*"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 101 - Computer Funding Augment -

The executive proposes an increase of \$20,000 of state special revenue to replace staff computers. The appropriation would be funded from livestock per capita fees.

DP 102 - LLB Operations Augment -

The executive proposes an increase in general fund to support ongoing operations of the Livestock Loss Board.

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 103 - Helicopter for Predator Control (OTO)	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 105 - NRIS/GIS Fixed Costs	0.00	0	310	0	310	0.00	0	310	0	310
Total	0.00	\$0	\$150,310	\$0	\$150,310	0.00	\$0	\$150,310	\$0	\$150,310

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

DP 103 - Helicopter for Predator Control (OTO) -

The executive proposes a one-time-only appropriation of state special revenue to purchase a helicopter for predator control. The purchase would be funded from livestock per capita fees.

DP 105 - NRIS/GIS Fixed Costs -

The executive proposes an increases in state special revenue to pay for natural resource information and geographic information services provided by the Montana State Library.

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	8,839,784	9,615,212	775,428	8.77 %
Operating Expenses	4,342,759	4,510,498	167,739	3.86 %
Equipment & Intangible Assets	253,172	127,000	(126,172)	(49.84)%
Transfers	563,000	594,000	31,000	5.51 %
Total Expenditures	\$13,998,715	\$14,846,710	\$847,995	6.06 %
General Fund	5,814,247	6,292,635	478,388	8.23 %
State/Other Special Rev. Funds	4,406,429	4,488,129	81,700	1.85 %
Federal Spec. Rev. Funds	3,778,039	4,065,946	287,907	7.62 %
Total Funds	\$13,998,715	\$14,846,710	\$847,995	6.06 %
Total Ongoing	\$13,489,143	\$14,719,710	\$1,230,567	9.12 %
Total OTO	\$509,572	\$127,000	(\$382,572)	(75.08)%

Program Description

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

Program Highlights

Animal Health Division Major Budget Highlights
<p>The executive proposes an increase of 6.0% or \$0.8 million in total appropriations compared to the 2021 biennium. In addition to statewide present law adjustments the budget includes:</p> <ul style="list-style-type: none"> • Increase of 0.50 FTE for label specialist for meat inspection • Increased appropriation for leased vehicles • Expanded surveillance for brucellosis • Increased funding for meat and poultry inspection training • One-time-only funding for lab equipment

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	62.76	62.76	63.26	63.26
Personal Services	4,309,207	4,428,700	4,411,084	4,799,235	4,815,977
Operating Expenses	1,989,298	2,112,750	2,230,009	2,251,993	2,258,505
Equipment & Intangible Assets	196,686	223,172	30,000	95,000	32,000
Transfers	248,353	266,000	297,000	297,000	297,000
Total Expenditures	\$6,743,544	\$7,030,622	\$6,968,093	\$7,443,228	\$7,403,482
General Fund	2,771,859	2,867,465	2,946,782	3,177,185	3,115,450
State/Other Special Rev. Funds	2,123,860	2,285,169	2,121,260	2,235,591	2,252,538
Federal Spec. Rev. Funds	1,847,825	1,877,988	1,900,051	2,030,452	2,035,494
Total Funds	\$6,743,544	\$7,030,622	\$6,968,093	\$7,443,228	\$7,403,482
Total Ongoing	\$6,445,640	\$6,706,050	\$6,783,093	\$7,348,228	\$7,371,482
Total OTO	\$297,904	\$324,572	\$185,000	\$95,000	\$32,000

Program Discussion -

FY 2020 Appropriations Compared to FY 2020 Actual Expenditures

The animal health division expended 95.9% of its \$7.0 million HB 2 modified budget in FY 2020. Unexpended appropriation totaled \$287,100 from the general fund, state and federal sources.

Unexpended authority includes operating expenses of \$123,500 and personal services of \$119,500.

FY 2020 Appropriations Compared to FY 2021 Appropriations

The FY 2021 appropriations decreased by less than 1.0% or \$62,500 when compared to FY 2020 appropriations. Increases in operating expenses are offset by decreases in equipment purchases budgeted only in the first year of the biennium.

Executive Request

In addition to statewide present law adjustments the executive proposes an increase in general fund with matching federal funds for personal services to support an additional 0.50 FTE, a meat inspection label specialist. The executive request funding for four leased vehicles to replace existing vehicles owned by the agency for area supervisors, bison management, and sanitarian. One-time-only proposals for general fund and state special revenue to purchase laboratory equipment to detect Chronic Wasting Disease (CWD). Other proposals support training in the meat and poultry program and disposal services at the Montana Veterinarian Diagnostic Laboratory.

Personal Services

The personal services appropriation in FY 2021 totaled \$4.4 million or 63.3% of total appropriations. The FY 2021 appropriation funded 62.76 FTE. The Executive proposes SWPL adjustments that increase personal services by \$350,261 in FY 2022 and \$366,981 in FY 2022, with no increase in FTE. Formula based and management decisions account for all the increase. Adjustments for personal services are funded 43.1% by general fund. Adjustments are partially offset by employee turnover and retirements.

Funding

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

Department of Livestock, 04-Animal Health Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,222,635	70,000	0	0	6,292,635	36.50 %
02262 Egg Shielded Grading Program	693,210	0	0	0	693,210	15.45 %
02426 Lvstk Per Capita	3,020,624	57,000	0	0	3,077,624	68.57 %
02427 Animal Health	11,442	0	0	0	11,442	0.25 %
02701 Milk and Egg Inspection	705,853	0	0	0	705,853	15.73 %
State Special Total	\$4,431,129	\$57,000	\$0	\$0	\$4,488,129	26.03 %
03032 Animal Health Sp. Rev	28,761	0	0	0	28,761	0.71 %
03209 Meat/Poultry Inspection Sp Rev	2,263,672	0	0	0	2,263,672	55.67 %
03427 AH FEDERAL UMBRELLA	1,711,469	0	0	0	1,711,469	42.09 %
03673 Small Federal Grants	62,044	0	0	0	62,044	1.53 %
03710 NAIS	0	0	0	0	0	0.00 %
Federal Special Total	\$4,065,946	\$0	\$0	\$0	\$4,065,946	23.58 %
06026 MT Veterinary Diagnostic Lab	0	0	2,394,247	0	2,394,247	100.00 %
Proprietary Total	\$0	\$0	\$2,394,247	\$0	\$2,394,247	13.89 %
Total All Funds	\$14,719,710	\$127,000	\$2,394,247	\$0	\$17,240,957	

The animal health division is funded from the general fund, state special revenue, and federal sources. State special revenue generated from per head livestock tax and fees charged for milk and egg inspection are matched with federal funds for meat and poultry inspection and animal health. Non-budgeted proprietary funds are generated from fees for service at the Montana Veterinary Diagnostic Laboratory.

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	2,796,782	2,796,782	5,593,564	88.89 %	6,783,093	6,783,093	13,566,186	91.38 %
SWPL Adjustments	147,558	155,812	303,370	4.82 %	342,521	364,333	706,854	4.76 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	232,845	162,856	395,701	6.29 %	317,614	256,056	573,670	3.86 %
Total Budget	\$3,177,185	\$3,115,450	\$6,292,635		\$7,443,228	\$7,403,482	\$14,846,710	

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.

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	160,431	92,975	96,855	350,261	0.00	166,302	102,009	98,670	366,981
DP 2 - Fixed Costs	0.00	(5,798)	11,731	1,653	7,586	0.00	(6,053)	11,621	1,396	6,964
DP 3 - Inflation Deflation	0.00	(7,075)	(837)	(7,414)	(15,326)	0.00	(4,437)	(524)	(4,651)	(9,612)
Grand Total All Present Law Adjustments	0.00	\$147,558	\$103,869	\$91,094	\$342,521	0.00	\$155,812	\$113,106	\$95,415	\$364,333

*"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.

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 401 - DSA Expansion	0.00	125,000	0	0	125,000	0.00	125,000	0	0	125,000
DP 402 - Area Supervisor Leased Vehicle	0.00	0	7,731	0	7,731	0.00	0	8,086	0	8,086
DP 403 - Bison Management Leased Vehicles	0.00	0	0	15,462	15,462	0.00	0	0	16,172	16,172
DP 404 - Sanitarian Leased Vehicle	0.00	0	7,731	0	7,731	0.00	0	8,086	0	8,086
DP 405 - Lab Equipment (OTO)	0.00	70,000	0	0	70,000	0.00	0	0	0	0
DP 406 - Lab Equipment (OTO)	0.00	0	25,000	0	25,000	0.00	0	32,000	0	32,000
DP 407 - MPI Training	0.00	4,900	0	4,900	9,800	0.00	4,900	0	4,900	9,800
DP 408 - Label Specialist Position	0.50	18,945	0	18,945	37,890	0.50	18,956	0	18,956	37,912
DP 409 - MVDL Disposal Services	0.00	0	5,000	0	5,000	0.00	0	5,000	0	5,000
DP 410 - Milk Lab Application Support	0.00	14,000	0	0	14,000	0.00	14,000	0	0	14,000
Total	0.50	\$232,845	\$45,462	\$39,307	\$317,614	0.50	\$162,856	\$53,172	\$40,028	\$256,056

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

DP 401 - DSA Expansion -

The executive proposes an increase in general fund for expansion of the Montana's Designated Surveillance Area for Brucellosis to Madison and Beaverhead counties.

DP 402 - Area Supervisor Leased Vehicle -

The executive proposes to fund one additional leased vehicle to replace one department-owned area supervisor vehicle. The proposal would be funded with livestock per capita fees.

DP 403 - Bison Management Leased Vehicles -

The executive proposes to fund two additional lease vehicles to replace two department-owned bison management vehicles. The proposal would be funded from federal sources.

DP 404 - Sanitarian Leased Vehicle -

The executive proposes to fund one additional lease vehicle to replace one department-owned sanitarian vehicle. The proposal would be funded with milk and egg inspection fees.

DP 405 - Lab Equipment (OTO) -

The executive proposes a one-time-only appropriation of general fund to purchase lab equipment dedicated Chronic Wasting Disease (CWD) sample preparation and testing. Equipment dedicated to (CWD) will help prevent cross contamination in the lab.

DP 406 - Lab Equipment (OTO) -

The executive proposes one-time-only state special revenue for new lab equipment in the histology lab. The proposal would be funded from livestock per capita fees.

DP 407 - MPI Training -

The executive proposes an appropriation of general fund to be matched with federal funds to provide necessary training to meat and poultry inspection supervisors and the label specialist.

DP 408 - Label Specialist Position -

The executive proposes an appropriation of general fund to be matched with federal funds for personal services to support an additional 0.5 FTE to perform labeling functions within the Meat and Poultry Inspection Bureau.

DP 409 - MVDL Disposal Services -

The executive proposes an appropriation for special chemical waste disposal services needed at the lab on an annual recurring basis. The proposal would be funded from livestock per capita fees.

DP 410 - Milk Lab Application Support -

The executive proposes a general fund appropriation for additional onsite technical support and maintenance fees for the milk lab.

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	7,165,095	7,247,013	81,918	1.14 %
Operating Expenses	1,371,018	1,325,710	(45,308)	(3.30)%
Total Expenditures	\$8,536,113	\$8,572,723	\$36,610	0.43 %
State/Other Special Rev. Funds	8,536,113	8,572,723	36,610	0.43 %
Total Funds	\$8,536,113	\$8,572,723	\$36,610	0.43 %
Total Ongoing	\$8,393,202	\$8,523,098	\$129,896	1.55 %
Total OTO	\$142,911	\$49,625	(\$93,286)	(65.28)%

Program Description

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

Program Highlights

Brands Enforcement Division Major Budget Highlights
<p>The executive proposes a 0.4% or \$36,600 increase in total funding compared to the 2021 biennium.</p> <p>In addition to statewide present law adjustments there is a one-time-only increase of 1.00 FTE in FY 2022 to support the decennial brands re-record.</p>

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	53.11	53.11	54.11	53.11
Personal Services	3,274,147	3,529,783	3,635,312	3,643,686	3,603,327
Operating Expenses	606,828	679,155	691,863	660,323	665,387
Total Expenditures	\$3,880,975	\$4,208,938	\$4,327,175	\$4,304,009	\$4,268,714
State/Other Special Rev. Funds	3,880,975	4,208,938	4,327,175	4,304,009	4,268,714
Total Funds	\$3,880,975	\$4,208,938	\$4,327,175	\$4,304,009	\$4,268,714
Total Ongoing	\$3,852,762	\$4,161,946	\$4,231,256	\$4,254,384	\$4,268,714
Total OTO	\$28,213	\$46,992	\$95,919	\$49,625	\$0

Program Discussion -

FY 2020 Appropriations Compared to FY 2020 Actual Expenditures

The Brands Enforcement Division expended 92.2% of the \$4.2 million HB 2 appropriation. Unexpended appropriations totaling \$328,000 include \$255,600 for personal services and \$72,300 for operating expenditures.

FY 2020 Appropriations Compared to FY 2021 Appropriations

FY 2021 appropriations are \$118,200 higher when compared to FY 2020 appropriations. Increases are due, primarily to increases in personal services.

Executive Request

In addition to statewide present law adjustments the Executive proposes to fund a temporary increase of 1.00 FTE to support the decennial brand re-record with livestock per capita fees. The proposal would fund two full-time, temporary employees from July 1, 2021 through March 31, 2022 and another for three months from November 1, 2021 through January 31, 2022. As proposed, the division would be funded entirely with state special revenue.

Personal Services

Personal services appropriations in FY 2021 totaled \$3.6 million or 84.0% of the total. The FY 2021 appropriation funded 53.11 FTE. The executive proposes SWPL adjustments that increase personal services by \$45,218 in FY 2022 and \$54,484 in FY 2023, the Executive proposes a temporary increase of 1.00 FTE in FY 2023.

Funding

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

Department of Livestock, 06-Brands Enforcement Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0	0.00 %	
02425 Inspection and Control	6,107,016	0	0	0	6,107,016	71.24 %	
02426 Lvstck Per Capita	2,416,082	49,625	0	0	2,465,707	28.76 %	
State Special Total	\$8,523,098	\$49,625	\$0	\$0	\$8,572,723	100.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$8,523,098	\$49,625	\$0	\$0	\$8,572,723		

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

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

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	0	0	0	0.00 %	4,231,256	4,231,256	8,462,512	98.71 %
SWPL Adjustments	0	0	0	0.00 %	23,128	37,458	60,586	0.71 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	49,625	0	49,625	0.58 %
Total Budget	\$0	\$0	\$0		\$4,304,009	\$4,268,714	\$8,572,723	

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.

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	0	45,218	0	45,218	0.00	0	54,484	0	54,484
DP 2 - Fixed Costs	0.00	0	(6,073)	0	(6,073)	0.00	0	(6,981)	0	(6,981)
DP 3 - Inflation Deflation	0.00	0	(16,017)	0	(16,017)	0.00	0	(10,045)	0	(10,045)
Grand Total All Present Law Adjustments	0.00	\$0	\$23,128	\$0	\$23,128	0.00	\$0	\$37,458	\$0	\$37,458

**"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.

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 601 - Additional Brands Rerecord Staff (OTO)	1.00	0	49,625	0	49,625	0.00	0	0	0	0
Total	1.00	\$0	\$49,625	\$0	\$49,625	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 601 - Additional Brands Rerecord Staff (OTO) -

The executive proposes a one-time-only increase of 1.00 FTE and state special revenue for temporary employees required for the decennial brands re-record. The proposal is funded with livestock per capita fees.