

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.