

Budget Director's Proposed Reductions

The following table shows the adopted budget for the 2019 biennium, including SB 261 effects, with the Governor's proposed reductions per 17-7-140, by type of expenditure and source of funding.

Proposed Reductions Budget Item	Approp. Fiscal 2017	Approp. Fiscal 2018	Executive Reductions Fiscal 2018	Budget With Reductions Fiscal 2018	Approp. Fiscal 2019	Executive Reductions Fiscal 2019	Budget With Difference Fiscal 2019	Biennium Reductions Fiscal 18-19
FTE	365.54	366.54	0.00	0.00	366.54	0.00	0.00	0.00
Personal Services	30,512,880	29,065,335	(249,381)	28,815,954	29,397,056	(249,580)	29,147,476	(498,961)
Operating Expenses	31,939,671	29,345,316	(268,938)	29,076,378	30,083,320	(271,036)	29,812,284	(539,974)
Equipment & Intangible Assets	101,740	101,740	0	101,740	101,740	0	101,740	0
Grants	1,635,863	1,635,863	0	1,635,863	1,635,863	0	1,635,863	0
Transfers	2,532,398	3,532,398	0	3,532,398	3,532,398	0	3,532,398	0
Total Costs	\$66,722,552	\$63,680,652	(\$518,319)	\$63,162,333	\$64,750,377	(\$520,616)	\$64,229,761	(\$1,038,935)
General Fund	5,790,643	5,186,062	(518,319)	4,667,743	5,206,095	(520,616)	4,685,479	(1,038,935)
State/other Special Rev. Funds	37,063,594	35,572,064	0	35,572,064	36,486,362	0	36,486,362	0
Federal Spec. Rev. Funds	23,868,315	22,922,526	0	22,922,526	23,057,920	0	23,057,920	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$66,722,552	\$63,680,652	(\$518,319)	\$63,162,333	\$64,750,377	(\$520,616)	\$64,229,761	(\$1,038,935)
Total Ongoing	\$62,972,552	\$63,590,652	(\$518,319)	\$63,072,333	\$64,750,377	(\$520,616)	\$64,229,761	(\$1,038,935)
Total OTO	\$3,750,000	\$90,000	\$0	\$90,000	\$0	\$0	\$0	\$0

Summary of Proposed Spending Reductions**Summary of Proposed Spending Reductions**

OBPP recommends the general fund expenditures for the Department of Environmental Quality be reduced by 10.0% from the HB 2 / SB 294 level. Of the total reductions, 52.0% occurred in operating expense and 48.0% in personal services. Reductions in personal services and operating expense occur in the Enforcement Division, Waste Management & Remediation Division and the Air, Energy & Mining Division. The Water Quality division will reduce personal services expenses. The agency will reduce support for air quality programs in thirteen communities within eight counties.

For a complete narrative description of the proposed reductions see the program narratives that follow.

Legal Issues

None

Cost Shifts

OBPP proposes to shift the \$70,000 per year cost of the state recycling program from the state general fund to solid waste management fees. The agency collects license fees from operators of solid waste management facilities. This may result in a increases in fees charged to the public.

Federal Special Revenue Funds

None

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 20 - 17-7-140 Reductions	0.00	(114,319)	0	0	(114,319)	0.00	(115,615)	0	0	(115,615)
Total	0.00	(\$114,319)	\$0	\$0	(\$114,319)	0.00	(\$115,615)	\$0	\$0	(\$115,615)

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

DP 20 - 17-7-140 Reductions -

The OBPP proposes to reduce general fund expenditures for operations in both years of the biennium. These reductions include, but are not limited to, data collection support, monitoring, technical assistance and training related to the monitoring of water quality. The services identified are not required by state or federal law.

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 30 - 17-7-140 Reductions	0.00	(120,000)	0	0	(120,000)	0.00	(121,000)	0	0	(121,000)
Total	0.00	(\$120,000)	\$0	\$0	(\$120,000)	0.00	(\$121,000)	\$0	\$0	(\$121,000)

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

DP 30 - 17-7-140 Reductions -

The OBPP proposes to reduce general fund expenditures for personal services and operations in each year of the biennium through vacancy savings created by retirement and other attrition. Workload will be shifted to existing managers and staff in other divisions.

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 40 - 17-7-140 Reductions	0.00	(70,000)	0	0	(70,000)	0.00	(70,000)	0	0	(70,000)
Total	0.00	(\$70,000)	\$0	\$0	(\$70,000)	0.00	(\$70,000)	\$0	\$0	(\$70,000)

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

DP 40 - 17-7-140 Reductions -

The OBPP proposes to reduce the general fund expenditures for personal services and operations. The agency plans to shift this general fund expense for the state recycling program to the appropriation from state special revenue, Solid Waste Management Fees (Fund 02157).

LFD COMMENT

The Solid Waste Management Fee fund revenues come from licenses fees collected by the agency from operators of solid waste management systems. The fees are proposed by the agency and approved by the Board of Environmental Review. Assuming that the fee structures remain the same LFD estimates that there are sufficient funds available.

The table below shows the ending fund balance in the solid waste management fund for the last four fiscal years.

02157 Solid Waste Management Fee Fund Balance				
<u>Ledger Account</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Beginning Fund Balance	\$379,190	\$315,992	\$258,864	\$474,640
Revenues	749,758	780,306	987,553	1,072,584
Disbursements	(812,956)	(837,433)	(771,777)	(792,954)
Ending Fund Balance	\$315,992	\$258,864	\$474,640	\$754,269

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 50 - 17-7-140 Reductions	0.00	(214,000)	0	0	(214,000)	0.00	(214,001)	0	0	(214,001)
Total	0.00	(\$214,000)	\$0	\$0	(\$214,000)	0.00	(\$214,001)	\$0	\$0	(\$214,001)

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

DP 50 - 17-7-140 Reductions -

The OBPP proposes to reduce the general fund expenditures for personal services and operations. The agency will generate vacancy savings through the consolidation of responsibility for the following positions: fiscal analyst, open-cut mine permitting, and administrative support position.

The agency will also reduce by 10% grant assistance to the eight delegated county air quality programs in Montana. The counties with delegated programs are Butte-Silver Bow, Cascade, Flathead, Lewis & Clark, Lincoln, Missoula, Ravalli, and Yellowstone. Thirteen communities are the primary focus of these county air programs: Butte, Great Falls, Kalispell, Columbia Falls, Whitefish, Helena, East Helena, Libby, Missoula, Seeley Lake, Hamilton, Billings, and Laurel. These County programs typically involve woodstove burning control, road dust control, open burning control, ambient monitoring, administration of local regulations, technical support studies, and state air pollution control plan support.

Budget Director's Proposed Reductions

The following table shows the adopted budget for the 2019 biennium, including SB 261 effects, with the Governor's proposed reductions per 17-7-140, by type of expenditure and source of funding.

Proposed Reductions								
Budget Item	Approp. Fiscal 2017	Approp. Fiscal 2018	Executive Reductions Fiscal 2018	Budget With Reductions Fiscal 2018	Approp. Fiscal 2019	Executive Reductions Fiscal 2019	Budget With Difference Fiscal 2019	Biennium Reductions Fiscal 18-19
FTE	2.00	131.62	0.00	0.00	131.62	0.00	0.00	0.00
Personal Services	8,607,013	8,884,440	(83,685)	8,800,755	8,987,978	(84,324)	8,903,654	(168,009)
Operating Expenses	3,740,674	2,576,051	(171,497)	2,404,554	2,444,391	(171,910)	2,272,481	(343,407)
Equipment & Intangible Assets	13,000	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	513,481	384,481	0	384,481	384,481	0	384,481	0
Debt Service	19,967	0	0	0	0	0	0	0
Total Costs	\$12,894,135	\$11,844,972	(\$255,182)	\$11,589,790	\$11,816,850	(\$256,234)	\$11,560,616	(\$511,416)
General Fund	2,721,784	2,551,816	(255,182)	2,296,634	2,562,332	(256,234)	2,306,098	(511,416)
State/other Special Rev. Funds	8,183,541	7,468,444	0	7,468,444	7,406,543	0	7,406,543	0
Federal Spec. Rev. Funds	1,988,810	1,824,712	0	1,824,712	1,847,975	0	1,847,975	0
Total Funds	\$12,894,135	\$11,844,972	(\$255,182)	\$11,589,790	\$11,816,850	(\$256,234)	\$11,560,616	(\$511,416)
Total Ongoing	\$734,234	\$11,829,972	(\$255,182)	\$11,574,790	\$11,816,850	(\$256,234)	\$11,560,616	(\$511,416)
Total OTO	\$12,159,901	\$15,000	\$0	\$15,000	\$0	\$0	\$0	\$0

Summary of Proposed Spending Reductions**Summary of Proposed Spending Reductions**

OBPP recommends the general fund expenditures for the Department of Livestock be reduced by 10.0% from the HB 2 / SB 294 level. Of the total reductions, 67.1% occurred in operating expense and 32.9% in personal services. Reductions in personal services and operating expense occur in the Animal Health Division. The Centralized Services Program will reduce operating expenses.

For a complete narrative description of the proposed reductions see the program narratives that follow.

Legal Issues

None

Cost Shifts

A reduction in the general fund appropriation for rent will be shifted to a state special revenue from Per Capita Fees within the central services program. A shift from general fund to a state special fund may result in an increase in fees charged to the public.

Federal Special Revenue Funds

A reduction of general funds totaling \$184,000 for meat and poultry inspection will result in the loss of matching federal funds within the Animal Health Division.

New Proposals

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

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10401 - LLB REDUCTION	0.00	(9,185)	0	0	(9,185)	0.00	(9,307)	0	0	(9,307)
Total	0.00	(\$9,185)	\$0	\$0	(\$9,185)	0.00	(\$9,307)	\$0	\$0	(\$9,307)

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

DP 10401 - LLB REDUCTION -

The OBPP proposes to reduce general fund expenditures for operations in both years of the biennium. Savings will be achieved through a reduction in travel for the agency and the livestock loss board. The agency will shift the some of the expenditures for rent to Livestock Per Capita fund.

LFD COMMENT

A shift from general fund to state special revenue may require an increase in fees or fewer service delivered for existing fees. For the agency to actually expend these funds depends on a sufficient fund balance and the state special appropriation authority granted to the agency. In recent biennia the revenue from the Per Capita fees have exceeded disbursements by an average of about \$670,000 each year. The table below summarizes the Per Capita Fund for the last two biennium.

02426 Livestock Per Capita Fund Balance				
<u>Ledger Account</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Beginning Fund Balance	\$1,111,499	\$729,250	\$1,157,020	\$2,576,331
Revenues	4,599,086	4,765,595	4,926,875	5,167,783
Disbursements	(5,079,696)	(4,396,845)	(3,507,564)	(3,959,850)
Prior Period Adjustments	98,362	59,020	0	0
Ending Fund Balance	\$729,250	\$1,157,020	\$2,576,331	\$3,784,265

New Proposals

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

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 40401 - DSA REDUCTION	0.00	(83,685)	0	0	(83,685)	0.00	(84,324)	0	0	(84,324)
DP 40402 - DIAG LAB REDUCTION	0.00	(70,577)	0	0	(70,577)	0.00	(70,564)	0	0	(70,564)
DP 40403 - MEAT INS REDUCTION	0.00	(91,735)	0	0	(91,735)	0.00	(92,039)	0	0	(92,039)
Total	0.00	(\$245,997)	\$0	\$0	(\$245,997)	0.00	(\$246,927)	\$0	\$0	(\$246,927)

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

DP 40401 - DSA REDUCTION -

The OBPP proposes to reduce expenditures for testing for brucellosis in the Designated Surveillance Area in the vicinity of Yellowstone National Park.

LFD COMMENT	The proposed level of funding would not support increased testing of cattle should there be an outbreak of brucellosis.
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DP 40402 - DIAG LAB REDUCTION -

The OBPP proposes to reduce general fund expenditures for operating expenses in each year of the biennium through the reduction of testing supplies in the Animal Health Division.

LFD COMMENT	The diagnostic laboratory is used to test for brucellosis and other animal diseases affecting public health. A reduction in general fund for testing supplies may put more pressure on other sources of funding such as the Per Capita fee and lab fees charged to the public.
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DP 40403 - MEAT INS REDUCTION -

The OBPP proposes to reduce general fund expenditures for operating expense in each year of the biennium by reducing vehicle leases and travel.

LFD COMMENT	The meat and poultry inspection program is matched with federal funds. This reduction will result in a loss of an equal amount of federal funds.
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Budget Director's Proposed Reductions

The following table shows the adopted budget for the 2019 biennium, including SB 261 effects, with the Governor's proposed reductions per 17-7-140, by type of expenditure and source of funding.

Proposed Reductions								
Budget Item	Approp. Fiscal 2017	Approp. Fiscal 2018	Executive Reductions Fiscal 2018	Budget With Reductions Fiscal 2018	Approp. Fiscal 2019	Executive Reductions Fiscal 2019	Budget With Difference Fiscal 2019	Biennium Reductions Fiscal 18-19
FTE	524.36	527.62	0.00	0.00	527.62	0.00	0.00	0.00
Personal Services	40,225,843	38,799,286	(379,655)	38,419,631	39,122,875	(369,804)	38,753,071	(749,459)
Operating Expenses	20,212,320	18,538,917	(723,173)	17,815,744	18,467,846	(731,165)	17,736,681	(1,454,338)
Equipment & Intangible Assets	1,353,066	1,353,066	(195,303)	1,157,763	1,353,066	(195,303)	1,157,763	(390,606)
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	3,058,090	3,874,477	0	3,874,477	3,890,936	0	3,890,936	0
Grants	1,640,262	1,575,792	(133,000)	1,442,792	1,521,288	(133,000)	1,388,288	(266,000)
Benefits & Claims	200,000	200,000	0	200,000	200,000	0	200,000	0
Transfers	1,483,743	1,683,743	(18,125)	1,665,618	1,703,743	(18,125)	1,685,618	(36,250)
Debt Service	785,341	785,341	(16,216)	769,125	785,341	(16,216)	769,125	(32,432)
Total Costs	\$68,958,665	\$66,810,622	(\$1,465,472)	\$65,345,150	\$67,045,095	(\$1,463,613)	\$65,581,482	(\$2,929,085)
General Fund	30,450,041	27,136,779	(1,465,472)	25,671,307	27,203,033	(1,463,613)	25,739,420	(2,929,085)
State/other Special Rev. Funds	36,161,767	37,183,670	0	37,183,670	37,342,974	0	37,342,974	0
Federal Spec. Rev. Funds	2,346,857	2,490,173	0	2,490,173	2,499,088	0	2,499,088	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$68,958,665	\$66,810,622	(\$1,465,472)	\$65,345,150	\$67,045,095	(\$1,463,613)	\$65,581,482	(\$2,929,085)
Total Ongoing	\$68,033,358	\$65,148,716	(\$1,465,472)	\$63,683,244	\$65,483,189	(\$1,463,613)	\$64,019,576	(\$2,929,085)
Total OTO	\$925,307	\$1,661,906	\$0	\$1,661,906	\$1,561,906	\$0	\$1,561,906	\$0

Summary of Proposed Spending Reductions**Summary of Proposed Spending Reductions**

OBPP recommends the general fund expenditures for the Department of Natural Resources and Conservation decrease by 5.4% from the HB 2 / SB 294 level. Of the total reductions, 25.6% occurred in personal services, 49.7% in operating expense, 13.3% in equipment and intangible assets, 9.1% in grants and, 1.1% in debt service. Reductions in personal services occur in the Director's Office and the Water Resources Division. Reductions in operating expenses occur in the Conservation and Resources Development Division, Forestry & Trust Lands Management Division and Water Resources Division. Reductions in grants occur in the Forestry and Trust Lands Management Division.

For a complete narrative description of the proposed reductions see the program narratives that follow.

Legal Issues

None

Cost Shifts

None

Federal Special Revenue Funds

None

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2101 - DNRC-DIRECTORS OFFICE 10% Reduction	0.00	(370,425)	0	0	(370,425)	0.00	(360,574)	0	0	(360,574)
Total	0.00	(\$370,425)	\$0	\$0	(\$370,425)	0.00	(\$360,574)	\$0	\$0	(\$360,574)

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

DP 2101 - DNRC-DIRECTORS OFFICE 10% Reduction -

The OBPP proposes to reduce the general fund expenditures through reductions in personal services, equipment purchase, and will allow certain leases to expire. Of the total reduction, 78% will occur in personal services through vacancy savings, voluntary furloughs without pay, and other reductions to staff hours.

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2301 - DNRC-CARDD 10% Reduction	0.00	(172,275)	0	0	(172,275)	0.00	(172,943)	0	0	(172,943)
Total	0.00	(\$172,275)	\$0	\$0	(\$172,275)	0.00	(\$172,943)	\$0	\$0	(\$172,943)

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

DP 2301 - DNRC-CARDD 10% Reduction -

The OBPP proposes to reduce the general fund expenditures through reductions in operations and grants. Reductions will occur in conservation districts support through the Sheridan Groundwater study, permitting of projects that impact the natural flow of streams and rivers (310 permitting), and Montana Salinity Control program.

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2401 - DNRC-WRD 10% Reduction	0.00	(907,036)	0	0	(907,036)	0.00	(914,355)	0	0	(914,355)
Total	0.00	(\$907,036)	\$0	\$0	(\$907,036)	0.00	(\$914,355)	\$0	\$0	(\$914,355)

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

DP 2401 - DNRC-WRD 10% Reduction -

The OBPP proposes to reduce the general fund expenditures through reductions in personal services, operations, equipment and tangible assets, and transfers. Savings will be achieved by reducing shared cost for USGS stream gauges and other water measurement work. Other savings in operating expenses will be through reduction in staff training and travel. The agency will forego the replacement of equipment.

LFD COMMENT Currently DNRC shares the cost with USGS on 43 stream gauges across the state. The average cost to maintain and operate these gauges is about \$13,000 of which the agency pays 57%. DNRC will not budget for 7 of these gauges. The USGS will not subsidize the balance, as a result these gauges are inactive and unsupported as of September 2017. The affected gauges are;

- Pryor Creek near Huntley, MT
- Big Spring Creek near Lewistown, MT
- Blackfoot River above Nevada Creek near Helmville, MT
- Stillwater River at Lawrence Park at Kalispell, MT
- Whitefish River near mouth at Kalispell, MT
- Flathead River at Flathead BC
- Flathead River at Columbia Falls

57060 - Natural Resources and Conservation 35-Forestry & Trust Lands Management Division

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 350102 - DNRC-TLMD 10% Reduction	0.00	(15,736)	0	0	(15,736)	0.00	(15,741)	0	0	(15,741)
Total	0.00	(\$15,736)	\$0	\$0	(\$15,736)	0.00	(\$15,741)	\$0	\$0	(\$15,741)

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

DP 350102 - DNRC-TLMD 10% Reduction -

The OBPP proposes to reduce the general fund expenditures through reductions in operating expenses for the management of the Montana State University-Morrill Trust lands.

LFD COMMENT

Federal statute prohibits the use of interest and income from the Morrill Trust lands to be used for the cost of managing the trust lands. The 2007 legislature passed HB 19 which prohibited the use of interest and income from the Morrill Trust for the management of the trust lands and created a statutory appropriation of \$80,000 to a state special revenue account each biennium from the general fund for the management of these lands. The table below summarizes the ending fund balance in this account for the last two biennia.

Morrill Trust Land Administration (02297) Ending Fund Balance				
	FY 2014	FY 2015	FY 2016	FY 2017
Beginning Balance	\$462	\$54,796	\$30,590	\$57,450
Revenue (statutory approp. from GF)	80,000	-	80,000	-
Expenditures	(25,947)	(24,206)	(53,140)	(52,656)
Prior Period Adjustments	281	-	-	-
Ending Balance	\$54,796	\$30,590	\$57,450	\$4,794

The agency received an \$80,000 general fund appropriation in each year of the 2019 biennium to augment the state special revenue summarized in the table above. OBPP proposes to reduce this appropriation by \$15,736 in FY 2018 and \$15,741 in FY 2019. This would reduce total funding available for management of the trust lands by 13.1%. Expenditures are, in part, required to prepare for the sale of timber and or grazing leases and as such, a reduction in expenditures may result in lower revenues in future years.

Budget Director's Proposed Reductions

The following table shows the adopted budget for the 2019 biennium, including SB 261 effects, with the Governor's proposed reductions per 17-7-140, by type of expenditure and source of funding.

Proposed Reductions								
Budget Item	Approp. Fiscal 2017	Approp. Fiscal 2018	Executive Reductions Fiscal 2018	Budget With Reductions Fiscal 2018	Approp. Fiscal 2019	Executive Reductions Fiscal 2019	Budget With Difference Fiscal 2019	Biennium Reductions Fiscal 18-19
FTE	114.74	114.42	0.00	0.00	114.42	0.00	0.00	0.00
Personal Services	8,232,774	7,848,339	(68,158)	7,780,181	7,931,041	(63,810)	7,867,231	(131,968)
Operating Expenses	4,557,285	5,003,840	0	5,003,840	4,318,764	0	4,318,764	0
Equipment & Intangible Assets	363,889	413,889	0	413,889	413,889	0	413,889	0
Grants	4,816,778	6,164,385	(10,046)	6,154,339	4,840,761	(10,044)	4,830,717	(20,090)
Transfers	129,757	129,757	0	129,757	129,757	0	129,757	0
Total Costs	\$18,100,483	\$19,560,210	(\$78,204)	\$19,482,006	\$17,634,212	(\$73,854)	\$17,560,358	(\$152,058)
General Fund	959,700	782,043	(78,204)	703,839	738,543	(73,854)	664,689	(152,058)
State/other Special Rev. Funds	15,167,533	17,108,832	0	17,108,832	15,209,293	0	15,209,293	0
Federal Spec. Rev. Funds	1,324,589	1,194,885	0	1,194,885	1,208,050	0	1,208,050	0
Other	648,661	474,450	0	474,450	478,326	0	478,326	0
Total Funds	\$18,100,483	\$19,560,210	(\$78,204)	\$19,482,006	\$17,634,212	(\$73,854)	\$17,560,358	(\$152,058)
Total Ongoing	\$17,867,925	\$17,560,210	(\$78,204)	\$17,482,006	\$17,634,212	(\$73,854)	\$17,560,358	(\$152,058)
Total OTO	\$232,558	\$2,000,000	\$0	\$2,000,000	\$0	\$0	\$0	\$0

Summary of Proposed Spending Reductions**Summary of Proposed Spending Reductions**

OBPP recommends the general fund expenditures for the Department of Agriculture be reduced by 10.0% from the HB 2 level. Of the total reductions, 86.8% occurred in personal service and 13.2% in grants. Reductions in personal services occur in the Central Services Division, Agricultural Sciences Division and, Agricultural Development Division. Grants for noxious weed management will be reduced in the Agricultural Sciences Division.

For a complete narrative description of the proposed reductions see the program narratives that follow.

Legal Issues

None

Cost Shifts

Reductions in IT costs, inspection of grain and animal feed will be shifted from the general fund to various state special revenue funds.

Federal Special Revenue Funds

None

New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1501 - Program 15, 17-7-140 reductions	0.00	(15,664)	0	0	(15,664)	0.00	(11,035)	0	0	(11,035)
Total	0.00	(\$15,664)	\$0	\$0	(\$15,664)	0.00	(\$11,035)	\$0	\$0	(\$11,035)

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

DP 1501 - Program 15, 17-7-140 reductions -

The OBPP proposes to reduce general fund expenditures for personal services and shift expenses to existing appropriations for various state special revenue funds.

LFD COMMENT	A shift from general fund to state special revenue may require an increase in fees or fewer services delivered for existing fees. For the agency to actually expend these funds depends on a sufficient fund balance and the state special appropriation authority granted to the agency.
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New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3001 - Program 30, 17-7-140 reductions	0.00	(22,890)	0	0	(22,890)	0.00	(22,945)	0	0	(22,945)
Total	0.00	(\$22,890)	\$0	\$0	(\$22,890)	0.00	(\$22,945)	\$0	\$0	(\$22,945)

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

DP 3001 - Program 30, 17-7-140 reductions -

The OBPP proposes to reduce the general fund expenditures for personal services and grants for noxious weed management in each year of the biennium. Personal services expenses will be shifted to the existing appropriation for state special revenue. Grants for noxious weeds are not mandated by statute and will be reduced by 10%. The agency will reduce and shift a portion of the cost of the department's BSE program (mad cow disease) for the inspection of foreign and domestic feed from general fund to feed program state special revenues, fees collected from the agricultural industry.

LFD COMMENT	A shift from general fund to state special revenue may require an increase in fees or fewer service delivered for existing fees. For the agency to actually expend these funds depends on a sufficient fund balance and the state special appropriation authority granted to the agency.
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New Proposals

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

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5001 - Program 50, 17-7-140 reductions	0.00	(39,650)	0	0	(39,650)	0.00	(39,874)	0	0	(39,874)
Total	0.00	(\$39,650)	\$0	\$0	(\$39,650)	0.00	(\$39,874)	\$0	\$0	(\$39,874)

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

DP 5001 - Program 50, 17-7-140 reductions -

The OBPP proposes to reduce general fund expenditures for personal services and shift expenses to the existing appropriation for state special revenue, sampling and grading fees paid by producers and elevators.

LFD COMMENT	A shift from general fund to state special revenue may require an increase in fees or fewer service delivered for existing fees. For the agency to actually expend these funds depends on sufficient fund balance and the state special appropriation authority granted to the agency.
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