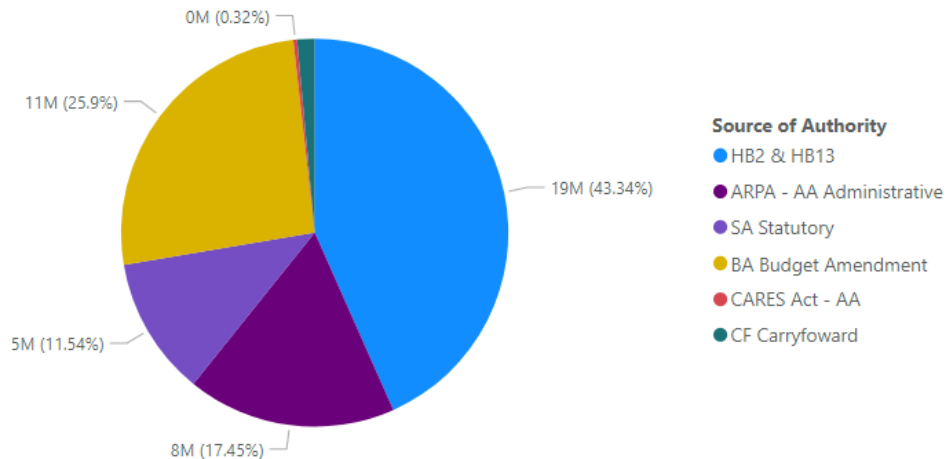


DEPARTMENT OF AGRICULTURE

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 43.3% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	19,189,765	6,960,758	36.3%
BA Budget Amendment	11,468,528	1,437,012	12.5%
CF Carryforward	644,831	20,525	3.2%
SA Statutory	5,110,464	2,102,795	41.1%
CARES	139,937	139,937	100.0%
ARPA	7,725,000	28,286	0.4%
Total	44,278,525	10,689,313	24.1%

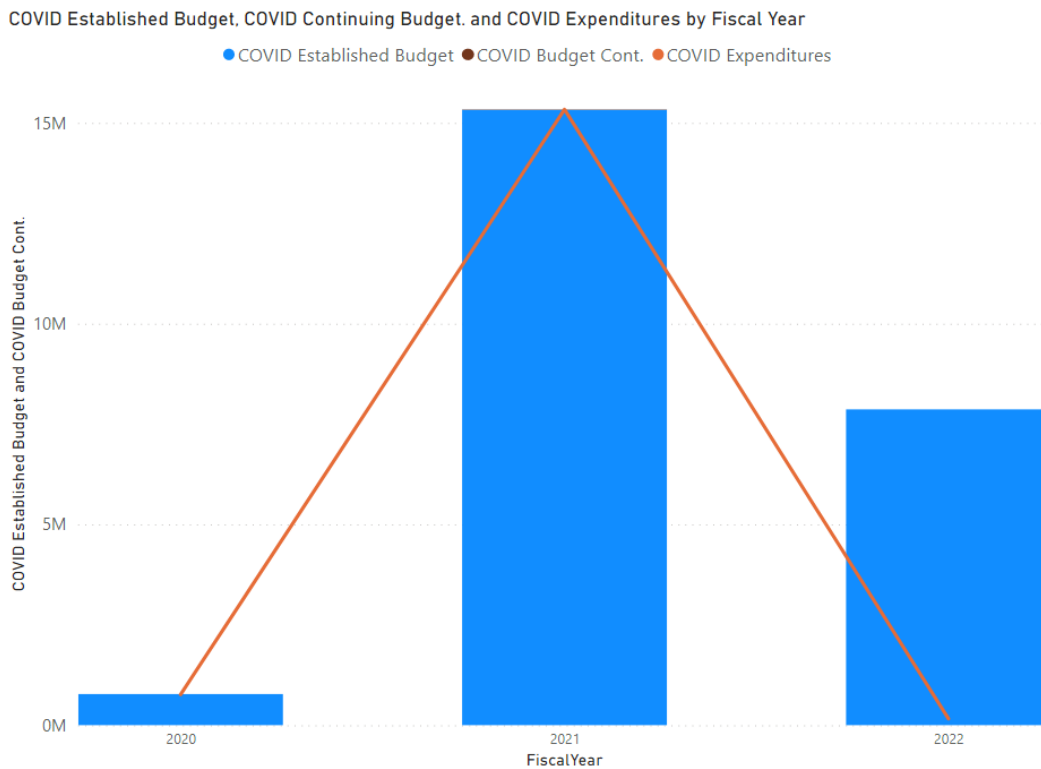
Budget Amendments

Budget amendments increased federal authority by \$4.1 million in the last quarter to a total of \$11.5 million year-to-date.

The federal Specialty Crop Block Grant Program (SCBGP) accounted for \$10.4 million or 90.0% of the year-to-date total and is 10.8% expended. The purpose of the SCBGP is to enhance the competitiveness of specialty crops. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops. The agency received a \$500,000 grant from the USDA National Institute of Food and Agriculture (NIFA) to address mental health concerns in the agriculture community; the agency has expended 4.2% of this grant. Funding for the Food Safety Modernization Act totals \$367,500 and was 56.5% expended. Other budget amendments include federal funds for food safety, noxious weed prevention, and marketing.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.



For FY 2022, the established COVID budget is \$7.9 million, of which \$162,100 has been expended. The authority supports two programs.

- 1) Agricultural business improvement grants are budgeted at \$7.5 million, unexpended. Currently, twenty-five applications are in process; applications will be considered by the Economic Transformation, Stabilization, and Workforce Commission in mid-March.

Matching funds are required for all grants and may not come from another federal grant award. Eligible costs include, but are not limited to:

- Equipment
- Facilities Upgrades
- Consultant Services
- Advertising and Promotion
- Supplies and Materials

- 2) Cares Act and ARPA funding totaling \$365,000 is budgeted for meat processing grants and administrative cost. As of February, the agency has expended \$140,000 on meat processing grants and \$225,000 on administrative costs.

Statutory Appropriations

Expenditures of statutory appropriations totaled \$2.1 million, of which 20.0% or \$420,500 is general fund. General fund is statutorily appropriated for the Growth Through Agriculture programs, Montana Cooperative Development Center, and food development programs. The agency expended \$1.1 million from state special revenue statutorily appropriated for research and marketing programs for potatoes, pulse crops, and other agriculture development programs. The agency expended \$598,200 in proprietary revenue statutorily appropriated for hail insurance claims.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through February 28, 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	December Modified Budget	March Modified Budget	Net Modifications
MT Dept of Agriculture	19,189,765	19,189,765	0
AGRICULTURAL DEVELOPMENT DIV	7,734,664	7,734,664	0
AGRICULTURAL SCIENCES DIVISION	9,451,458	9,451,458	0
CENTRAL MANAGEMENT DIVISION	2,003,643	2,003,643	0
Total	19,189,765	19,189,765	0

Expenditure	December Modified Budget	March Modified Budget	Net Modifications
61000 Personal Services	8,726,286	8,756,286	30,000
62000 Operating Expenses	4,856,381	4,868,881	12,500
63000 Equipment & Intangible Assets	456,389	398,889	-57,500
66000 Grants	4,971,952	4,986,952	15,000
68000 Transfers-out	164,757	164,757	0
69000 Debt Service	14,000	14,000	0

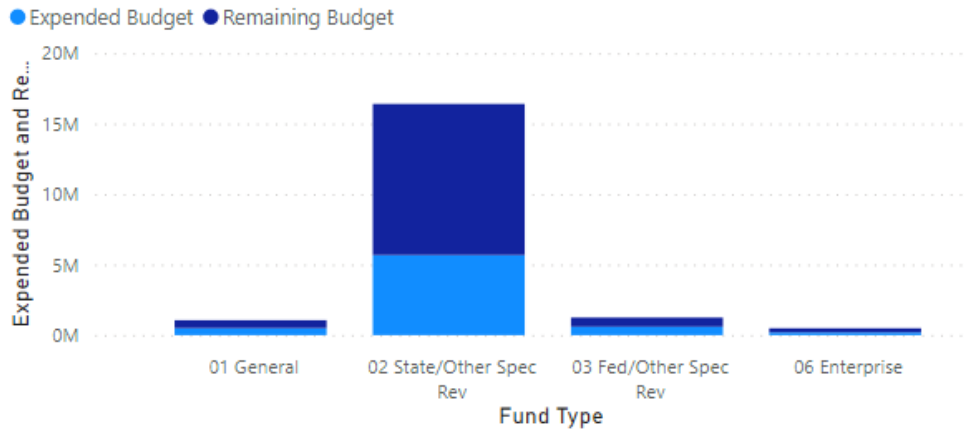
Fund Type	December Modified Budget	March Modified Budget	Net Modifications
01 General	1,058,725	1,058,725	0
02 State/Other Spec Rev	16,403,060	16,403,060	0
03 Fed/Other Spec Rev	1,243,940	1,243,940	0
06 Enterprise	484,040	484,040	0

Modifications to the \$19.2 million HB 2 budget did not increase total authority. The agency moved \$57,500 in authority from equipment & intangible assets to personal services, operating expenses and grants.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 2022.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



Expenditure	Modified Budget	Expended Budget	Percent Expended
Personal Services	8,756,286	4,841,113	55.3%
Operating Expenses	4,868,881	1,774,308	36.4%
Equipment & Intangible Assets	398,889	39,149	9.8%
Grants	4,986,952	277,294	5.6%
Transfers-out	164,757	28,894	17.5%
Debt Service	14,000		

Program Name	Modified Budget	Expended Budget	Percent Expended
CENTRAL MANAGEMENT DIVISION	2,003,643	1,117,893	55.8%
AGRICULTURAL DEVELOPMENT DIV	7,734,664	1,819,847	23.5%
AGRICULTURAL SCIENCES DIVISION	9,451,458	4,023,019	42.6%
Total	19,189,765	6,960,758	36.3%

State special revenue supports 85.5% of the agency's HB 2 budget, federal sources support 6.5%, general fund 5.5%, and the remaining 2.5% is proprietary revenue.

Personal Services

The budget for personal services was 55.3% expended through the end of February, 2.3% lower than the average for the three previous biennia of 57.6% over the same time period.

Operating Expenses

The budget for operating expenses was 36.4% expended through February of FY 2022; during the same time period in the last three biennia, this rate has ranged between 36.7% and 56.0% with an average of 44.8%.

Equipment and Intangible Assets

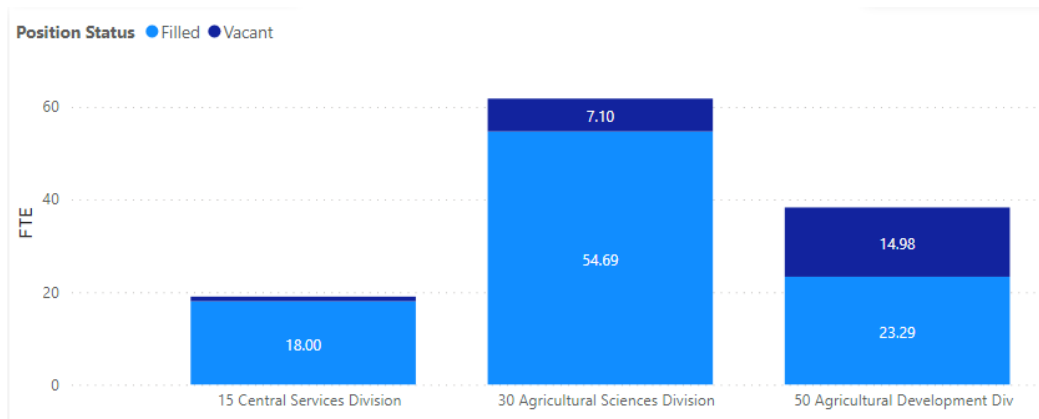
The budget for equipment and intangible assets was 9.8% expended through February of FY 2022; expenditures for this category vary widely from year to year.

Grants

The budget for grants was 5.6% expended through of FY 2022; during the same time period in the last three biennia, this rate has ranged between 0.0% and 24.3% with an average of 11.5%. State special revenue funds 94.2% of the HB 2 grant authority. The agency awards grants for wheat and barley research and marketing programs, growth through agriculture programs, education programs in Montana Schools, and other programs. In previous biennia, grant funding is typically 95.0% expended by the end of the fiscal year.

Personal Services

The following chart shows the filled and vacant FTE within the agency as of November 1, 2021.



Total FTE

The Department of Agriculture has 119.06 FTE funded in HB 2

- Centralized services division – 19.00 FTE
- Agricultural sciences division – 61.79 FTE
- Agricultural development division – 38.27 FTE

Utilization Rate

Of the total personal services hours available, the agency has utilized 85.0%. The centralized services division utilization rate is 93.7%; the agricultural sciences division rate is 84.5%; and the rate for the agricultural development division is 80.0%. The agency has had some issues recruiting, resulting in positions being open longer. Other positions are held open to meet the 5.0% vacancy savings established in HB 2.

Vacancies

Vacant positions total 23.7 FTE. Vacant full-time positions total 9.8 FTE, and part-time positions total 13.9 FTE.

Full-time positions totaling 2.3 FTE have been vacant for more than a year, the longest vacancy being four years. Vacant part-time positions include scientists, inspectors, instructors, and claims examiners positions. Part-time positions totaling 3.80 FTE have been vacant for more than a year, the longest vacancy being 6.6 years.

Department of Agriculture Vacancies February 2022							
Agricultural Development Div	FTE	Months Vacant	Years Vacant	Central Services Division	FTE	Months Vacant	Years Vacant
Business Executive	1.00	0.3	0.0	Business Executive	1.00	1.7	0.1
Seasonal Sampler	8.70	1.2	0.1	Division Total ¹	1.00	1.7	0.1
Insurance Claims Examiner	0.30	3.5	0.3	Agricultural Sciences Division	FTE	Months Vacant	Years Vacant
Insurance Claims Adjuster	0.30	3.8	0.3	Agricultural Science Specialis	0.60	0.3	0.0
Insurance Claims Adjuster	0.30	4.6	0.4	Commodity Svc Bur Chief	1.00	2.2	0.2
Insurance Claims Adjuster	0.30	4.7	0.4	Analytical Chemist	1.00	2.2	0.2
Insurance Claims Adjuster	0.30	5.1	0.4	Apiary Technician	1.00	3.1	0.3
Customer Service Assistant	0.30	5.6	0.5	Agricultural Field Technician	1.00	4.5	0.4
Claims Examiner 1	0.30	15.9	1.3	Agricultural Inspector 2	0.50	8.1	0.7
Claims Examiner 1	0.30	15.9	1.3	Agricultural Scientist 1	1.00	16.3	1.4
Insurance Claims Adjuster	0.30	15.9	1.3	Compliance Manager	1.00	16.8	1.4
Insurance Claims Adjuster	0.30	17.1	1.4	Agricultural Scientist 1	0.00	85.7	7.1
Claims Examiner 1	0.30	40.3	3.4	Division Total ¹	7.10	6.9	0.6
Insurance Claims Adjuster	0.30	41.2	3.4				
Statistical Assistant	0.70	55.0	4.6		FTE	Months Vacant	Years Vacant
Instructional Coordinator 1	0.90	60.9	5.1	Agency Total	23.70	11.1	0.9
Agricultural Inspector 3	0.70	79.1	6.6				
Division Total ¹	15.60	13.6	1.1				

¹ Division Totals for months and days vacant are weighted averages

Turnover and payroll adjustments

Since July 1, thirteen employees have left the agency. Eight employees have left state employment; three have retired; and two employees transferred to a different agency.

The agency adjusted pay for twenty positions detailed below. Combined, all pay adjustments increased the annual personnel costs by about \$18,300.

- Thirteen positions received increases in pay for longevity
- Five positions received adjustments in pay for retention
- One position completed initial training
- One position had a correction for inaccurate pay

Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019. This story map was created with the Story Map Cascade application in ArcGIS Online.

AGRICULTURE LINE ITEMED DECISION PACKAGES

Update on Decision Packages Approved by the 2021 Legislature

The table below summarizes the agency’s expenditures against legislative appropriations for decision packages that appear as a line item in HB 2. A detailed discussion of each decision package is provided below.

Department of Agriculture

Legislative Appropriation and Expenditures Year to Date for FY 2022

<u>Decision Package</u>	<u>Legislative Appropriation</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Percent Expended</u>
DP 3004 - Analytical Lab System Replacement One-Time-Only	\$350,000	\$0	\$0	0.0%
DP 5004 - Efficiency Improvements State Grain Lab One-Time-Only	145,900	145,900	14,411	9.9%
Total of HB 2 Line Itemed Decision Packages	\$495,900	\$145,900	\$14,411	2.9%

DP 3004 - Analytical Lab System Replacement (OTO)

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

DP 5004 - Efficiency Improvements State Grain Lab (OTO)

The legislature approved a one-time-only appropriation of \$145,900 from the general fund to purchase a laboratory inventory management system and one-time-only maintenance/safety improvements. As of November, the agency has expended 9.9% or \$14,411 of this appropriation.