

# DEPARTMENT OF AGRICULTURE

## Section C

---

### JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

---

---

-----Agencies-----

Dept. of Fish, Wildlife, & Parks  
Dept. of Environmental Quality  
Dept. of Transportation

Dept. of Livestock  
Dept. of Natural Resources & Conservation  
Dept. of Agriculture

-----Committee Members-----

House

Representative Jerry Schillinger (Chair)  
Representative Eric Albus  
Representative Debo Powers

Senate

Senator Mike Cuffe (Vice Chair)  
Senator Kenneth Bogner  
Senator Jane Ellis

-----Fiscal Division Staff-----

Rob Miller  
Alice Hecht  
Barb Wagner

Agency Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Agency Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	119.56	119.56	119.56	0.00	0.0%	
General Fund	1,219,145	1,138,166	1,095,991	(204,133)	(8.4%)	
State/Other Special Rev. Funds	18,414,266	18,984,188	19,388,120	1,543,776	4.2%	
Federal Spec. Rev. Funds	1,654,350	1,820,538	1,863,332	375,170	11.3%	
Proprietary Funds	496,487	636,547	639,958	283,531	28.6%	
<b>Total Funds</b>	<b>21,784,248</b>	<b>22,579,439</b>	<b>22,987,401</b>	<b>1,998,344</b>	<b>4.6%</b>	
Personal Services	10,585,843	10,541,897	10,566,890	(62,899)	(0.3%)	
Operating Expenses	5,549,403	6,088,540	5,910,509	900,243	8.1%	
Equipment & Intangible Assets	338,889	338,889	899,889	561,000	82.8%	
Grants	5,042,856	5,342,856	5,342,856	600,000	5.9%	
Transfers	189,757	189,757	189,757		0.0%	
Debt Service	77,500	77,500	77,500		0.0%	
<b>Total Expenditures</b>	<b>21,784,248</b>	<b>22,579,439</b>	<b>22,987,401</b>	<b>1,998,344</b>	<b>4.6%</b>	
<b>Total Ongoing</b>	<b>21,784,248</b>	<b>22,272,939</b>	<b>22,301,401</b>	<b>1,005,844</b>	<b>2.3%</b>	
<b>Total One-Time-Only</b>	<b>375,000</b>	<b>306,500</b>	<b>686,000</b>	<b>242,500</b>	<b>32.3%</b>	

Agency Highlights

Department of Agriculture Major Budget Highlights
<p>The executive proposes a 4.6% or \$2.0 million in total appropriations above base funding. In addition to statewide present law adjustments of \$85,800 the executive proposes:</p> <ul style="list-style-type: none"> <li>• Equipment purchases for analytical laboratory and pesticide program, one-time-only: \$811,000</li> <li>• Increase grant authority for noxious weeds programs: \$600,000</li> <li>• Increase operating authority for seed and pesticide groundwater programs: \$300,000</li> <li>• Produce inspection operations, one-time-only: \$132,500</li> <li>• Customer Relationship Management (CRM) grant system maintenance: \$69,000.</li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Department of Agriculture 2027 Biennium Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>1,219,145</b>	<b>18,414,266</b>	<b>1,654,350</b>	<b>21,784,248</b>	<b>96.5%</b>	<b>1,219,145</b>	<b>18,414,266</b>	<b>1,654,350</b>	<b>21,784,248</b>	<b>94.8%</b>
Statewide PL										
Personal Services	(200,365)	(151,279)	166,718	(43,946)	(0.2%)	(194,743)	(136,757)	168,027	(18,953)	(0.1%)
Fixed Costs	60,424	14,059	(530)	73,033	0.3%	61,615	16,453	(645)	76,374	0.3%
Inflation Deflation	(38)	(358)	0	(396)	(0.0%)	(26)	(242)	0	(268)	(0.0%)
<b>Total Statewide PL</b>	<b>(139,979)</b>	<b>(137,578)</b>	<b>166,188</b>	<b>28,691</b>	<b>0.1%</b>	<b>(133,154)</b>	<b>(120,546)</b>	<b>167,382</b>	<b>57,153</b>	<b>0.2%</b>
Present Law (PL)	10,000	450,000	0	460,000	2.0%	10,000	450,000	0	460,000	2.0%
New Proposals	49,000	257,500	0	306,500	1.4%	0	644,400	41,600	686,000	3.0%
<b>Total HB 2 Adjustments</b>	<b>(80,979)</b>	<b>569,922</b>	<b>166,188</b>	<b>795,191</b>	<b>3.5%</b>	<b>(123,154)</b>	<b>973,854</b>	<b>167,382</b>	<b>1,203,153</b>	<b>5.2%</b>
<b>Total Requested Budget</b>	<b>1,138,166</b>	<b>18,984,188</b>	<b>1,820,538</b>	<b>22,579,439</b>		<b>1,095,991</b>	<b>19,388,120</b>	<b>1,821,732</b>	<b>22,987,401</b>	

**Statewide Present Law Adjustment for 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:

- Legislatively approved changes – This category includes adjustments explicitly approved by the legislature, such as expected changes to annualize personal services costs included in the FY 2025 statewide pay plan adjustments, changes to benefit rates, increases in pay approved by the legislature, longevity adjustments required by statute, and changes in rates for workers’ compensation and unemployment insurance
- Management decisions – This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring positions budgeted (PB) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications – This category includes other modifications to the FY 2025 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or transfers to move personal funding to or from other expenditure category (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program.

Department of Agriculture DP 1 Personal Services Statewide Present Law Adjustments FY 2026				
<u>Division</u>	<u>Legislative Changes</u>	<u>Management Decisions</u>	<u>Budget Modifications</u>	<u>DP 1 Total</u>
Central Management	71,117	(\$117,714)	\$105,000	\$58,403
Agricultural Sciences	98,226	(70,642)	(100,000)	(\$72,416)
Agricultural Development	39,691	100,376	(170,000)	(\$29,933)
<b>DP 1 - Personal Services</b>	<b>\$209,034</b>	<b>(\$87,980)</b>	<b>(\$165,000)</b>	<b>(\$43,946)</b>

The Department of Agriculture has 137.87 positions budgeted (PB). Personal services accounts for 68.6% of the total executive request. The Department's 137.87 PB are distributed across three divisions:

- Central Management Division: 19.00 PB
- Agricultural Sciences Division: 61.79 PB
- Agricultural Developmental Division: 38.77 PB

Statewide present law adjustments for FY 2026 are negative, primarily due to budget modifications that shifted operating expenses to personal services in FY 2025. Increases due to management decisions included increases for promotions, retention incentives, changes to exempt status, and vacancy savings.

The executive proposes statewide present law adjustments for personal services that reduce expenditures by \$43,946 in FY 2026 and \$18,953 in FY 2027. The difference between these two fiscal years is largely attributed to a \$22,400 increase in personal service expenditures for longevity in FY 2027 compared to FY 2026. Additionally, social security and retirement costs are projected to rise by \$3,400 in the second year of the biennium.

The executive proposal includes a 5.0% vacancy savings rate for each year of the biennium. This measure is expected to result in savings of \$553,900 in FY 2026 and \$555,200 in FY 2027. Vacancy savings are typically achieved by leaving positions unfilled or through natural attrition.

#### *Present Law Adjustments*

As proposed by the executive, present law adjustments total \$920,000. State special revenue supports 97.8% or \$900,000 of the total increase, and general fund supports \$20,000.

Under the executive proposal, the pesticide groundwater program state special revenue authority is increased by \$200,000 to fund an increasing number of projects undertaken in recent years. Authority for the Noxious Weed Program increases by \$600,000 from the noxious weed administration state special revenue account for the biennium, allowing the department to award more grants when funds are available.

The executive proposes an increase in state special revenue authority totaling \$100,000 for the biennium in the seed program to offset rising operating costs experienced in recent years. Additionally, the executive proposes an ongoing general fund allocation of \$20,000 for the biennium to maintain a customer relationship management system.

Statewide present law adjustments total \$85,900 and are funded primarily with federal special revenue and proprietary funds.

#### *New proposals*

As proposed by the executive, new proposals total \$992,500, all one-time-only. State special revenue funds 90.9% or \$901,900 of the new proposals. General fund supports 4.9% or \$49,000, and federal sources support 4.2% or \$41,600.

The proposed budget includes \$561,000 in state and federal special revenue to replace three pieces of equipment at the Bozeman Analytical Laboratory. This new equipment is to be used in the department's pesticide enforcement, groundwater monitoring, fertilizer regulations, and feed regulations programs.

State special revenue totaling \$87,500 is appropriated to digitize the paper-based produce inspection process and \$250,000 for the biennium for stationary granulator stations for the pesticide container recycling program to be used in the safe disposal of containers.

The organic inspection program will receive a state special revenue appropriation of \$45,000 to fund increased operations. The executive budget includes a proposal for a general fund appropriation of \$49,000 to develop and implement a customer relationship management system.

## Funding

The following table shows proposed agency funding for all sources of authority.

Total Department of Agriculture Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>2,185,157</b>	<b>49,000</b>	<b>8,218</b>	<b>3,206,244</b>	<b>5,448,619</b>	<b>9.5%</b>
02040 Wheat & Barley Research & Mktg	9,388,109				9,388,109	16.4%
02205 Pulse Crop Research&Marketing	58,258			6,122,406	6,180,664	10.8%
02068 Noxious Weed Admin Account	4,783,432				4,783,432	8.4%
02193 Pesticide Account	3,732,998	209,200			3,942,198	6.9%
02453 Grain Services	3,579,898				3,579,898	6.3%
Other State Special Revenue	15,927,713	692,700		552,174	17,172,587	30.0%
<b>State Special Revenue Total</b>	<b>37,470,408</b>	<b>901,900</b>	<b>-</b>	<b>6,674,580</b>	<b>45,046,888</b>	<b>78.7%</b>
03118 Agriculture ASD Federal	2,529,628	41,600			2,571,228	4.5%
03225 Agriculture ADD Federal	591,486				591,486	1.0%
03120 Agriculture CMD Federal	521,156				521,156	0.9%
<b>Federal Special Revenue Total</b>	<b>3,642,270</b>	<b>41,600</b>	<b>-</b>	<b>-</b>	<b>3,683,870</b>	<b>6.4%</b>
06052 Hail Insurance	1,276,505			1,640,000	2,916,505	5.1%
06016 Beginning Farm Loans			116,400		116,400	0.2%
<b>Proprietary Fund Total</b>	<b>1,276,505</b>	<b>-</b>	<b>116,400</b>	<b>1,640,000</b>	<b>3,032,905</b>	<b>5.3%</b>
<b>Total of All Funds</b>	<b>44,574,340</b>	<b>992,500</b>	<b>124,618</b>	<b>11,520,824</b>	<b>57,212,282</b>	
<b>Percent of All Sources of Authority</b>	<b>77.9%</b>	<b>1.7%</b>	<b>0.2%</b>	<b>20.1%</b>		

The predominant funding source for the Department of Agriculture is state special revenue, which supports 78.7% of the total authority. Other funding sources are the general fund, federal special revenue, and proprietary funds.

Major state special revenue funds in HB 2 include:

- Wheat and barley research and marketing account - The Wheat and Barley Research and Marketing state special revenue account is primarily used to support and promote the state's wheat and barley industry through various initiatives such as research, market development, industry development, education, outreach, and the operation of the Montana Wheat and Barley Committee.
- Noxious weed administration account - Noxious weed administration account is used primarily to grant funds to local counties, cities, and tribal governments for the control of noxious weeds. The funding source comes from interest earned on the noxious weed trust fund and transfers from the general fund. The fund also receives a portion of the gasoline tax.
- Pesticide account – The pesticide account is used to administer pesticide-related activities, including equipment and facility costs, as well as expenses related to inspecting, investigating, and analyzing pesticide products, applicators, dealers, and facilities. The primary source of revenue comes from license and permit fees, and charges for service.
- Grain Services Account – Supports grain quality inspections and grading activities. Revenues in the fund are from fees charged for service.

General fund appropriations total 9.5% or \$5.4 million of all funds, of which 58.9% or \$3.2 million is statutorily appropriated, primarily to growth through agriculture programs.

The HB 2 general fund appropriation supports personal services, operating expenses, and grants. Proprietary non-budgeted funds support the administration of the hail insurance program, and the remaining proprietary funding is statutorily appropriated hail insurance benefits and claims. Other state special statutory appropriations support agriculture development and marketing programs. State special revenue is specific revenue from state sources legally restricted to expenditures for specific purposes. Balances in state special revenue funds may only be used for their specific purpose.

**Agency Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	119.56	119.56	119.56	119.56
Personal Services	8,496,859	10,248,520	10,685,843	10,541,897	10,566,890
Operating Expenses	3,662,504	5,725,947	5,824,403	6,088,540	5,910,509
Equipment & Intangible Assets	317,349	524,889	338,889	338,889	899,889
Grants	5,189,332	5,048,979	5,042,856	5,342,856	5,342,856
Transfers	129,196	198,634	189,757	189,757	189,757
Debt Service	77,672	77,500	77,500	77,500	77,500
<b>Total Expenditures</b>	<b>\$17,872,912</b>	<b>\$21,824,469</b>	<b>\$22,159,248</b>	<b>\$22,579,439</b>	<b>\$22,987,401</b>
General Fund	1,392,949	1,568,310	1,594,145	1,138,166	1,095,991
State/Other Special Rev. Funds	14,950,003	18,117,214	18,414,266	18,984,188	19,388,120
Federal Spec. Rev. Funds	1,105,195	1,620,629	1,654,350	1,820,538	1,863,332
Proprietary Funds	424,765	518,316	496,487	636,547	639,958
<b>Total Funds</b>	<b>\$17,872,912</b>	<b>\$21,824,469</b>	<b>\$22,159,248</b>	<b>\$22,579,439</b>	<b>\$22,987,401</b>
<b>Total Ongoing</b>	<b>\$17,262,865</b>	<b>\$21,213,469</b>	<b>\$21,784,248</b>	<b>\$22,272,939</b>	<b>\$22,301,401</b>
<b>Total OTO</b>	<b>\$610,047</b>	<b>\$611,000</b>	<b>\$375,000</b>	<b>\$306,500</b>	<b>\$686,000</b>

*Agency Description*

The Montana Department of Agriculture, established by the state constitution, promotes and supports agriculture through public-private partnerships, regulatory oversight, and various programs. It collects statistics, supports farmers' organizations, sets product standards, develops marketing systems, and enforces agricultural laws. The department is organized into three divisions: Agricultural Development, Agricultural Sciences, and Central Services.

*FY 2024 Appropriations Compared to FY 2024 expenditures.*

In FY 2024, the Department of Agriculture spent 81.9% of its \$21.8 million HB 2 budget.

The department expended 82.9% or \$8.5 million of the \$10.2 million budgeted for personal services in FY 2024 leaving \$1.7 million unexpended. Overall, the department utilized 81.9% of the hours budgeted. Utilization rates reflect the portion of total hours allocated versus used, and vary by division, with Agricultural Development Division at 69.9% (\$906,900 unexpended), Agricultural Sciences at 88.9% (\$483,000 unexpended), Central Management at 83.8% (\$361,700 unexpended).

In FY 2024 operating expenses were 64% expended leaving \$2.1 million of the \$5.7 million budget for operations unexpended, with \$1.0 million of this amount in the Agricultural Development Division, \$972,100 in the Agricultural Sciences Division, and \$75,000 in the Central Management Division.

Appropriations for FY 2025 increased by \$334,800 or 1.5% compared to FY 2024. Ongoing expenditures increased by \$570,800 while one-time-only appropriations decreased by \$236,000. Authority for personal services increased by 4.3% or \$437,300. Authority for equipment decreased by \$236,000, with one-time-only authority for laboratory equipment and the hail insurance program being budgeted only in the first year. Other expenditure categories increased by \$133,500. Increases were funded primarily with state special revenues.

*Comparison of FY 2025 Legislative Budget to FY 2025 Base*

The figure below illustrates the beginning FY 2025 budget as adopted by the 2023 Legislature compared to the FY 2025 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2025 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2027 biennium budgeting process.

<b>Department of Agriculture</b>				
<b>Comparison of the FY 2025 Legislative Budget to the FY 2025 Base Budget</b>				
<b>Division</b>	<b>Legislative Budget</b>	<b>Executive Modifications</b>	<b>Base Budget</b>	<b>Percent Change</b>
<b><u>Central Management Division</u></b>				
Personal Services	2,057,246	(5,000)	2,052,246	-0.2%
Operating Expenses	371,805	13,000	384,805	3.5%
Transfers		5,000	5,000	100.0%
<b>Central Management Division Total</b>	<b>2,429,051</b>	<b>13,000</b>	<b>2,442,051</b>	<b>0.5%</b>
<b><u>Agricultural Sciences Division</u></b>				
Personal Services	5,679,301		5,679,301	0.0%
Operating Expenses	2,746,837	(72,397)	2,674,440	-2.6%
Equipment & Intangible Assets	259,012		259,012	0.0%
Grants	2,258,285	70,397	2,328,682	3.1%
Transfers	25,000	15,000	40,000	60.0%
Debt Service	35,500		35,500	0.0%
<b>Agricultural Sciences Division Total</b>	<b>11,003,935</b>	<b>13,000</b>	<b>11,016,935</b>	<b>0.1%</b>
<b><u>Agricultural Development Div</u></b>				
Personal Services	2,854,296		2,854,296	0.0%
Operating Expenses	2,518,948	(31,000)	2,487,948	-1.2%
Equipment & Intangible Assets	79,877		79,877	0.0%
Grants	2,714,174		2,714,174	0.0%
Transfers	139,757	5,000	144,757	3.6%
Debt Service	42,000		42,000	0.0%
<b>Agricultural Development Div Total</b>	<b>8,349,052</b>	<b>(26,000)</b>	<b>8,323,052</b>	<b>-0.3%</b>
<b>Agency Total</b>	<b>21,782,038</b>	<b>-</b>	<b>21,782,038</b>	<b>0.0%</b>

The agency transferred \$26,000 from the agricultural development division to the central management and sciences divisions. These transfers also moved \$90,400 in operating expenses, and \$5,000 in personal services expenses to grants and transfers.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget		Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	19.00	19.00	19.00	0.00	0.0%	
General Fund	307,235	426,311	432,847	244,688	39.8%	
State/Other Special Rev. Funds	1,716,277	1,716,277	1,716,277		0.0%	
Federal Spec. Rev. Funds	260,578	260,578	260,578		0.0%	
Proprietary Funds	157,961	157,961	157,961		0.0%	
<b>Total Funds</b>	<b>2,442,051</b>	<b>2,561,127</b>	<b>2,567,663</b>	<b>244,688</b>	<b>5.0%</b>	
Personal Services	2,052,246	2,110,649	2,115,840	121,997	3.0%	
Operating Expenses	384,805	445,478	446,823	122,691	15.9%	
Transfers	5,000	5,000	5,000		0.0%	
<b>Total Expenditures</b>	<b>2,442,051</b>	<b>2,561,127</b>	<b>2,567,663</b>	<b>244,688</b>	<b>5.0%</b>	
<b>Total Ongoing</b>	<b>2,442,051</b>	<b>2,561,127</b>	<b>2,567,663</b>	<b>244,688</b>	<b>5.0%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Program Highlights**

<p><b>Central Management Division Major Budget Highlights</b></p>
<p>The executive proposes a 5.0% or \$244,700 in total appropriations above base funding. The proposed increases are due entirely to statewide present law adjustments.</p>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Central Management Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>307,235</b>	<b>1,716,277</b>	<b>260,578</b>	<b>2,442,051</b>	<b>95.4%</b>	<b>307,235</b>	<b>1,716,277</b>	<b>260,578</b>	<b>2,442,051</b>	<b>95.1%</b>
Statewide PL										
Personal Services	58,403	0	0	58,403	2.3%	63,594	0	0	63,594	2.5%
Fixed Costs	60,673	0	0	60,673	2.4%	62,018	0	0	62,018	2.4%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total Statewide PL</b>	<b>119,076</b>	<b>0</b>	<b>0</b>	<b>119,076</b>	<b>4.6%</b>	<b>125,612</b>	<b>0</b>	<b>0</b>	<b>125,612</b>	<b>4.9%</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>119,076</b>	<b>0</b>	<b>0</b>	<b>119,076</b>	<b>4.6%</b>	<b>125,612</b>	<b>0</b>	<b>0</b>	<b>125,612</b>	<b>4.9%</b>
<b>Total Requested Budget</b>	<b>426,311</b>	<b>1,716,277</b>	<b>260,578</b>	<b>2,561,127</b>		<b>432,847</b>	<b>1,716,277</b>	<b>260,578</b>	<b>2,567,663</b>	



Funding

The following table shows proposed program funding for all sources of authority.

Department of Agriculture, 15-Central Management 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	859,158	0	0	36,400	895,558	17.3%
02238 CSD Admin Indirect Costs	3,432,554	0	0	0	3,432,554	100.0%
<b>State Special Total</b>	<b>\$3,432,554</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,432,554</b>	<b>66.5%</b>
03120 Agriculture CMD Federal	521,156	0	0	0	521,156	100.0%
<b>Federal Special Total</b>	<b>\$521,156</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$521,156</b>	<b>10.1%</b>
06052 Hail Insurance	315,922	0	0	0	315,922	100.0%
<b>Proprietary Total</b>	<b>\$315,922</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$315,922</b>	<b>6.1%</b>
<b>Total All Funds</b>	<b>\$5,128,790</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,400</b>	<b>\$5,165,190</b>	

The Central Management Division is primarily funded by state special revenue generated from licenses, permits, and user fees. These funds are used to administer programs that promote Montana agriculture. General funds and federal revenue support personal services and associated operating expenses. Proprietary revenue is generated through premiums charged to participants in the Hail Insurance Program, which supports personal services for the program's staff. Statutory appropriations, mainly from the general fund, provide administrative support for agricultural research and marketing programs.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	19.00	19.00	19.00	19.00
Personal Services	1,579,742	1,941,475	2,052,246	2,110,649	2,115,840
Operating Expenses	342,871	417,912	384,805	445,478	446,823
Transfers	15,000	15,000	5,000	5,000	5,000
<b>Total Expenditures</b>	<b>\$1,937,613</b>	<b>\$2,374,387</b>	<b>\$2,442,051</b>	<b>\$2,561,127</b>	<b>\$2,567,663</b>
General Fund	299,033	299,036	307,235	426,311	432,847
State/Other Special Rev. Funds	1,235,559	1,665,769	1,716,277	1,716,277	1,716,277
Federal Spec. Rev. Funds	259,113	259,112	260,578	260,578	260,578
Proprietary Funds	143,908	150,470	157,961	157,961	157,961
<b>Total Funds</b>	<b>\$1,937,613</b>	<b>\$2,374,387</b>	<b>\$2,442,051</b>	<b>\$2,561,127</b>	<b>\$2,567,663</b>
<b>Total Ongoing</b>	<b>\$1,937,613</b>	<b>\$2,374,387</b>	<b>\$2,442,051</b>	<b>\$2,561,127</b>	<b>\$2,567,663</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Program Description

The Central Services Division provides business support to the department, covering areas such as finance, human resources, information technology, public information, legal matters, and administrative functions. This division also includes the Director's Office, which is responsible for providing overall guidance and developing policies for the department. Additionally, the office coordinates efforts with the agricultural industry and collaborates with other government branches.

**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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	58,403	0	0	58,403	0.00	63,594	0	0	63,594
DP 2 - Fixed Costs	0.00	60,673	0	0	60,673	0.00	62,018	0	0	62,018
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$119,076</b>	<b>\$0</b>	<b>\$0</b>	<b>\$119,076</b>	<b>0.00</b>	<b>\$125,612</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,612</b>

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Central Management Division	
FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	71,117
Management Changes	(117,714)
Budget Modifications	105,000
<b>Total</b>	<b>58,403</b>

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, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	61.79	61.79	61.79	0.00	0.0%
General Fund	401,812	397,858	398,079	(7,687)	(1.0%)
State/Other Special Rev. Funds	9,517,094	9,993,121	10,395,188	1,354,121	7.1%
Federal Spec. Rev. Funds	1,098,029	1,264,217	1,307,011	375,170	17.1%
<b>Total Funds</b>	<b>11,016,935</b>	<b>11,655,196</b>	<b>12,100,278</b>	<b>1,721,604</b>	<b>7.8%</b>
Personal Services	5,679,301	5,606,885	5,621,675	(130,042)	(1.1%)
Operating Expenses	2,674,440	3,085,117	2,954,409	690,646	12.9%
Equipment & Intangible Assets	259,012	259,012	820,012	561,000	108.3%
Grants	2,328,682	2,628,682	2,628,682	600,000	12.9%
Transfers	40,000	40,000	40,000		0.0%
Debt Service	35,500	35,500	35,500		0.0%
<b>Total Expenditures</b>	<b>11,016,935</b>	<b>11,655,196</b>	<b>12,100,278</b>	<b>1,721,604</b>	<b>7.8%</b>
<b>Total Ongoing</b>	<b>11,016,935</b>	<b>11,397,696</b>	<b>11,414,278</b>	<b>778,104</b>	<b>3.5%</b>
<b>Total One-Time-Only</b>	<b>125,000</b>	<b>257,500</b>	<b>686,000</b>	<b>693,500</b>	<b>277.4%</b>

**Program Highlights**

<p><b>Agricultural Sciences Division Major Budget Highlights</b></p>
<p>The executive proposes a 7.8% or \$1.7 million in total appropriations above base funding. In addition to a reduction due to statewide present law adjustments of \$121,900, the executive proposes:</p> <ul style="list-style-type: none"> <li>• One-time-only equipment purchases, operations, and IT costs - \$943,500</li> <li>• Increase grant authority for noxious weeds programs - \$600,000</li> <li>• Increase operating authority for pesticide groundwater programs - \$200,000</li> <li>• Increase in authority for seed programs - \$100,000</li> </ul>

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Agricultural Sciences Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>401,812</b>	<b>9,517,094</b>	<b>1,098,029</b>	<b>11,016,935</b>	<b>94.5%</b>	<b>401,812</b>	<b>9,517,094</b>	<b>1,098,029</b>	<b>11,016,935</b>	<b>91.0%</b>
Statewide PL										
Personal Services	(5,160)	(233,974)	166,718	(72,416)	(0.6%)	(4,985)	(220,668)	168,027	(57,626)	(0.5%)
Fixed Costs	1,206	2,501	(530)	3,177	0.0%	1,252	4,362	(645)	4,969	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total Statewide PL</b>	<b>(3,954)</b>	<b>(231,473)</b>	<b>166,188</b>	<b>(69,239)</b>	<b>(0.6%)</b>	<b>(3,733)</b>	<b>(216,306)</b>	<b>167,382</b>	<b>(52,657)</b>	<b>(0.4%)</b>
Present Law (PL)	0	450,000	0	450,000	3.9%	0	450,000	0	450,000	3.7%
New Proposals	0	257,500	0	257,500	2.2%	0	644,400	41,600	686,000	5.7%
<b>Total HB 2 Adjustments</b>	<b>(3,954)</b>	<b>476,027</b>	<b>166,188</b>	<b>638,261</b>	<b>5.5%</b>	<b>(3,733)</b>	<b>878,094</b>	<b>167,382</b>	<b>1,083,343</b>	<b>9.0%</b>
<b>Total Requested Budget</b>	<b>397,858</b>	<b>9,993,121</b>	<b>1,264,217</b>	<b>11,655,196</b>		<b>398,079</b>	<b>10,395,188</b>	<b>1,265,411</b>	<b>12,100,278</b>	

Funding

The following table shows proposed program funding for all sources of authority.

Department of Agriculture, 30-Agricultural Sciences Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	795,937	0	0	0	795,937	3.3%	
02068 Noxious Weed Admin Account	4,783,432	0	0	0	4,783,432	23.3%	
02071 Anhydrous Ammonia Account	26,374	0	0	0	26,374	0.1%	
02072 Manuals & Training Account	122,662	0	0	0	122,662	0.6%	
02093 Alfalfa Leaf Cutting Bee	21,700	0	0	0	21,700	0.1%	
02192 Pesticide Groundwater Account	2,525,008	459,200	0	0	2,984,208	14.6%	
02193 Pesticide Account	3,732,998	209,200	0	0	3,942,198	19.2%	
02198 Fert. Groundwater Account	100,981	0	0	0	100,981	0.5%	
02264 Organic Certification	1,219,200	45,000	0	0	1,264,200	6.2%	
02265 FSI Produce	707,964	0	0	0	707,964	3.5%	
02266 Commodity Dealer/Warehouse	247,585	0	0	108,000	355,585	1.7%	
02267 Nursery Account	342,161	0	0	0	342,161	1.7%	
02268 Produce Account	1,039,973	87,500	0	0	1,127,473	5.5%	
02269 Seed Account	406,850	0	0	0	406,850	2.0%	
02272 Plant Export Certification	398,279	0	0	0	398,279	1.9%	
02341 Weed Seed Free Forage Account	267,248	0	0	0	267,248	1.3%	
02452 Commercial Fertilizer	953,515	58,000	0	0	1,011,515	4.9%	
02454 Commercial Feed	1,658,933	43,000	0	0	1,701,933	8.3%	
02465 Industrial Hemp	477,659	0	0	0	477,659	2.3%	
02782 Reverted Weed Grant Fund	132,000	0	0	0	132,000	0.6%	
02792 Apiary Account	321,887	0	0	0	321,887	1.6%	
<b>State Special Total</b>	<b>\$19,486,409</b>	<b>\$901,900</b>	<b>\$0</b>	<b>\$108,000</b>	<b>\$20,496,309</b>	<b>85.9%</b>	
03118 Agriculture ASD Federal	2,529,628	41,600	0	0	2,571,228	100.0%	
<b>Federal Special Total</b>	<b>\$2,529,628</b>	<b>\$41,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,571,228</b>	<b>10.8%</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Total All Funds</b>	<b>\$22,811,974</b>	<b>\$943,500</b>	<b>\$0</b>	<b>\$108,000</b>	<b>\$23,863,474</b>		

The Agricultural Sciences Division is primarily funded by state special revenue, which accounts for 85.9% of its total funding. This revenue is mainly derived from fees assessed for regulatory activities, product registration, technical services, and interest earned on the weed trust fund. The division also receives federal revenue from the U.S. Department of Agriculture, Federal Drug Administration (FDA), and the Environmental Protection Agency (EPA). These federal funds are utilized for noxious weed mitigation and to support portions of the Bovine Spongiform Encephalopathy (BSE), commonly known as "mad cow disease", feed sampling program. A small portion of the division's funding comes from the general fund, which supports inspection and testing for prohibited materials in feed related to BSE and noxious weed control grants. Additionally, statutory appropriations are funded by the liquidation of grain, and the fees collected are used for the correction of storage deficiencies.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	61.79	61.79	61.79	61.79
Personal Services	5,022,949	5,505,993	5,779,301	5,606,885	5,621,675
Operating Expenses	1,663,155	2,635,259	2,699,440	3,085,117	2,954,409
Equipment & Intangible Assets	264,612	445,012	259,012	259,012	820,012
Grants	1,973,668	2,334,805	2,328,682	2,628,682	2,628,682
Transfers	38,877	38,877	40,000	40,000	40,000
Debt Service	35,827	35,500	35,500	35,500	35,500
<b>Total Expenditures</b>	<b>\$8,999,088</b>	<b>\$10,995,446</b>	<b>\$11,141,935</b>	<b>\$11,655,196</b>	<b>\$12,100,278</b>
General Fund	345,679	520,984	526,812	397,858	398,079
State/Other Special Rev. Funds	7,821,124	9,397,231	9,517,094	9,993,121	10,395,188
Federal Spec. Rev. Funds	832,285	1,077,231	1,098,029	1,264,217	1,307,011
<b>Total Funds</b>	<b>\$8,999,088</b>	<b>\$10,995,446</b>	<b>\$11,141,935</b>	<b>\$11,655,196</b>	<b>\$12,100,278</b>
<b>Total Ongoing</b>	<b>\$8,689,042</b>	<b>\$10,684,446</b>	<b>\$11,016,935</b>	<b>\$11,397,696</b>	<b>\$11,414,278</b>
<b>Total OTO</b>	<b>\$310,046</b>	<b>\$311,000</b>	<b>\$125,000</b>	<b>\$257,500</b>	<b>\$686,000</b>

*Program Description*

The Agricultural Sciences Division (ASD) oversees and coordinates a wide range of agricultural activities and programs. These include pesticide and pest management, analytical laboratory services, noxious weed management, and an agricultural chemical groundwater program. The division also manages programs related to seed, feed, and fertilizer, as well as organic certification, nursery operations, and apiary regulation. Additionally, ASD is responsible for commodity programs, invasive species control, produce safety, hemp cultivation, and export certification.

In addition to the specific programs listed above, ASD administers agricultural initiatives that encompass the production, manufacturing, certification, and marketing of commodities exported from or distributed within the state. The division extends its support to two advisory bodies: the Montana Noxious Weed Management Advisory Council and the Montana Organic Commodity Advisory Council.

**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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(5,160)	(233,974)	166,718	(72,416)	0.00	(4,985)	(220,668)	168,027	(57,626)
DP 2 - Fixed Costs	0.00	1,206	2,501	(530)	3,177	0.00	1,252	4,362	(645)	4,969
DP 30002 - Pesticide Groundwater Authority Increase	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 30005 - Noxious Weed Grant Authority Increase	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 30006 - Seed Program Authority Increase	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$3,954)</b>	<b>\$218,527</b>	<b>\$166,188</b>	<b>\$380,761</b>	<b>0.00</b>	<b>(\$3,733)</b>	<b>\$233,694</b>	<b>\$167,382</b>	<b>\$397,343</b>

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Agricultural Sciences Division	
FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	98,226
Management Changes	(70,642)
Budget Modifications	(100,000)
<b>Total</b>	<b>(72,416)</b>

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, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 30002 - Pesticide Groundwater Authority Increase -

The executive proposes increasing state special revenue for the operation of the pesticide groundwater program. The proposal is funded primarily from groundwater pesticide registration fees.

DP 30005 - Noxious Weed Grant Authority Increase -

The executive proposes an increase in state special revenue grant authority for the noxious weed program. This increase is from the state special revenue account for noxious weed administration, which receives funding through transfers from both the noxious weed trust fund and the general fund. funded with revenue generated from seed licenses and assessment fees.

**New Proposals**

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 30001 - Analytical Lab Equipment (OTO)	0.00	0	0	0	0	0.00	0	519,400	41,600	561,000
DP 30003 - Produce Digital Inspections (OTO)	0.00	0	87,500	0	87,500	0.00	0	0	0	0
DP 30004 - Organic Program System (OTO)	0.00	0	45,000	0	45,000	0.00	0	0	0	0
DP 30009 - Stationary Granulator Locations (OTO)	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$257,500</b>	<b>\$0</b>	<b>\$257,500</b>	<b>0.00</b>	<b>\$0</b>	<b>\$644,400</b>	<b>\$41,600</b>	<b>\$686,000</b>

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

DP 30001 - Analytical Lab Equipment (OTO) -

The executive proposes a one-time-only increase in state and federal special revenue to fund the replacement of equipment at the Bozeman Analytical Laboratory. This new equipment will support the department's programs in pesticide enforcement, groundwater monitoring, fertilizer regulations, and feed regulations.

DP 30003 - Produce Digital Inspections (OTO) -

The executive proposes a one-time increase in state special revenue to transition the produce inspection process from paper to digital. This proposal would be primarily funded by revenue generated from produce assessment fees.

DP 30004 - Organic Program System (OTO) -

The executive proposes a one-time-only increase in state special revenue to support the operations of the organic inspection program. This program ensures compliance with organic regulations, allowing products to be sold, labeled, and represented as organic. The proposal will be funded from licensing and permit fees for organic certification.

DP 30009 - Stationary Granulator Locations (OTO) -

The executive proposes a one-time-only increase in state special revenue to set up granulator stations. Granulators are used in the pesticide container recycling program. This proposal would be funded primarily with groundwater pesticide registration fees.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	38.77	38.77	38.77	0.00	0.0%
General Fund	510,098	313,997	265,065	(441,134)	(43.2%)
State/Other Special Rev. Funds	7,180,895	7,274,790	7,276,655	189,655	1.3%
Federal Spec. Rev. Funds	295,743	295,743	295,743		0.0%
Proprietary Funds	338,526	478,586	481,997	283,531	41.9%
<b>Total Funds</b>	<b>8,325,262</b>	<b>8,363,116</b>	<b>8,319,460</b>	<b>32,052</b>	<b>0.2%</b>
Personal Services	2,854,296	2,824,363	2,829,375	(54,854)	(1.0%)
Operating Expenses	2,490,158	2,557,945	2,509,277	86,906	1.7%
Equipment & Intangible Assets	79,877	79,877	79,877		0.0%
Grants	2,714,174	2,714,174	2,714,174		0.0%
Transfers	144,757	144,757	144,757		0.0%
Debt Service	42,000	42,000	42,000		0.0%
<b>Total Expenditures</b>	<b>8,325,262</b>	<b>8,363,116</b>	<b>8,319,460</b>	<b>32,052</b>	<b>0.2%</b>
<b>Total Ongoing</b>	<b>8,325,262</b>	<b>8,314,116</b>	<b>8,319,460</b>	<b>(16,948)</b>	<b>(0.1%)</b>
<b>Total One-Time-Only</b>	<b>250,000</b>	<b>49,000</b>		<b>(451,000)</b>	<b>(90.2%)</b>

**Program Highlights**

<p><b>Agricultural Development Division Major Budget Highlights</b></p>
<p>The executive proposes an increase of 0.2%, or \$32,100, in total appropriations above the base funding. This includes a reduction of \$36,900 due to statewide present law adjustments.</p>
<p>In addition to statewide present law adjustments, the executive proposes a one-time-only general fund appropriation of \$49,000 to develop a new Customer Relations Management (CRM) system and ongoing general fund support of \$20,000 for the operation of the CRM system.</p>



**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Agricultural Development Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>510,098</b>	<b>7,180,895</b>	<b>295,743</b>	<b>8,325,262</b>	<b>99.5%</b>	<b>510,098</b>	<b>7,180,895</b>	<b>295,743</b>	<b>8,325,262</b>	<b>100.1%</b>
Statewide PL										
Personal Services	(253,608)	82,695	0	(29,933)	(0.4%)	(253,352)	83,911	0	(24,921)	(0.3%)
Fixed Costs	(1,455)	11,558	0	9,183	0.1%	(1,655)	12,091	0	9,387	0.1%
Inflation Deflation	(38)	(358)	0	(396)	(0.0%)	(26)	(242)	0	(268)	(0.0%)
Total Statewide PL	(255,101)	93,895	0	(21,146)	(0.3%)	(255,033)	95,760	0	(15,802)	(0.2%)
Present Law (PL)	10,000	0	0	10,000	0.1%	10,000	0	0	10,000	0.1%
New Proposals	49,000	0	0	49,000	0.6%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>(196,101)</b>	<b>93,895</b>	<b>0</b>	<b>37,854</b>	<b>0.5%</b>	<b>(245,033)</b>	<b>95,760</b>	<b>0</b>	<b>(5,802)</b>	<b>(0.1%)</b>
<b>Total Requested Budget</b>	<b>313,997</b>	<b>7,274,790</b>	<b>295,743</b>	<b>8,363,116</b>		<b>265,065</b>	<b>7,276,655</b>	<b>295,743</b>	<b>8,319,460</b>	

**Funding**

The following table shows proposed program funding for all sources of authority.

Department of Agriculture, 50-Agricultural Development Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	530,062	49,000	8,218	3,169,844	3,757,124	13.3%
02040 Wheat & Barley Research & Mktg	9,388,109	0	0	0	9,388,109	44.5%
02062 Growth Through Agriculture	1,311,638	0	0	0	1,311,638	6.2%
02066 Agriculture In MT Schools Act.	90,890	0	0	0	90,890	0.4%
02132 GTA Seed Capital Account	0	0	0	140,000	140,000	0.7%
02205 Pulse Crop Research&Marketing	58,258	0	0	6,122,406	6,180,664	29.3%
02453 Grain Services	3,579,898	0	0	0	3,579,898	17.0%
02461 Alfalfa Seed Assessment	75,988	0	0	0	75,988	0.4%
02465 Industrial Hemp	34,068	0	0	0	34,068	0.2%
02466 Misc Ag Donations	12,596	0	0	0	12,596	0.1%
02793 Potato Research & Marketing	0	0	0	304,174	304,174	1.4%
<b>State Special Total</b>	<b>\$14,551,445</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,566,580</b>	<b>\$21,118,025</b>	<b>74.9%</b>
03225 Agriculture ADD Federal	591,486	0	0	0	591,486	100.0%
<b>Federal Special Total</b>	<b>\$591,486</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$591,486</b>	<b>2.1%</b>
06016 Beginning Farm Loans	0	0	116,400	0	116,400	4.3%
06052 Hail Insurance	960,583	0	0	1,640,000	2,600,583	95.7%
<b>Proprietary Total</b>	<b>\$960,583</b>	<b>\$0</b>	<b>\$116,400</b>	<b>\$1,640,000</b>	<b>\$2,716,983</b>	<b>9.6%</b>
<b>Total All Funds</b>	<b>\$16,633,576</b>	<b>\$49,000</b>	<b>\$124,618</b>	<b>\$11,376,424</b>	<b>\$28,183,618</b>	

The Agricultural Development Division's funding is primarily derived from state special revenue, which constitutes 74.9% of its total funding. General fund contributes 13.3%, proprietary funds account 9.6%, and federal funding makes up 2.1% of the division's budget.

The main source of state special revenue is the wheat and barley research and marketing account, supported by levies on each bushel of wheat and barley produced in Montana. Additional revenue streams include grain testing fees and alfalfa seed assessments. Levies on the net revenue of pulse crops produced in the state are statutorily appropriated to the pulse crop research and marketing fund.

The general fund authority support division administration through personal services and associated operating expenses.

Federal special revenue, obtained from federal grants, is used to develop agriculture markets, fund marketing projects, and cover related operating costs.

Proprietary funding is used for beginning farm loans. Statutory appropriations support growth through agriculture seed programs, hail insurance, research, and marketing for agricultural products.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	38.77	38.77	38.77	38.77
Personal Services	1,894,168	2,801,052	2,854,296	2,824,363	2,829,375
Operating Expenses	1,656,478	2,672,776	2,740,158	2,557,945	2,509,277
Equipment & Intangible Assets	52,737	79,877	79,877	79,877	79,877
Grants	3,215,664	2,714,174	2,714,174	2,714,174	2,714,174
Transfers	75,319	144,757	144,757	144,757	144,757
Debt Service	41,845	42,000	42,000	42,000	42,000
<b>Total Expenditures</b>	<b>\$6,936,211</b>	<b>\$8,454,636</b>	<b>\$8,575,262</b>	<b>\$8,363,116</b>	<b>\$8,319,460</b>
General Fund	748,237	748,290	760,098	313,997	265,065
State/Other Special Rev. Funds	5,893,320	7,054,214	7,180,895	7,274,790	7,276,655
Federal Spec. Rev. Funds	13,797	284,286	295,743	295,743	295,743
Proprietary Funds	280,857	367,846	338,526	478,586	481,997
<b>Total Funds</b>	<b>\$6,936,211</b>	<b>\$8,454,636</b>	<b>\$8,575,262</b>	<b>\$8,363,116</b>	<b>\$8,319,460</b>
<b>Total Ongoing</b>	<b>\$6,636,210</b>	<b>\$8,154,636</b>	<b>\$8,325,262</b>	<b>\$8,314,116</b>	<b>\$8,319,460</b>
<b>Total OTO</b>	<b>\$300,001</b>	<b>\$300,000</b>	<b>\$250,000</b>	<b>\$49,000</b>	<b>\$0</b>

*Program Description*

The Agricultural Development Division (ADD) supports Montana's agricultural industry through various services and programs. It manages the Growth Through Agriculture program, oversees wheat and barley research and marketing initiatives, and coordinates pulse crop research and marketing efforts. The division is responsible for awarding and managing various agricultural loans, including those for beginning farmers and ranchers. ADD provides services such as hail insurance, grain grading and inspection, and promotes agricultural literacy through curriculum development.

The division fosters marketing and trade initiatives by facilitating both domestic and international opportunities by organizing inbound and outbound trade missions. The division offers support to producers through farm and ranch stress assistance programs, mediation services, and administration of agricultural commodity research and market development initiatives. ADD also provides administrative support to several key agricultural committees and boards, including the Alfalfa Seed Committee, Montana Wheat and Barley Board, Montana Pulse Crop Committee, Agriculture Development Council, Board of Hail Insurance, and an advisory potato committee.

**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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(253,608)	82,695	0	(29,933)	0.00	(253,352)	83,911	0	(24,921)
DP 2 - Fixed Costs	0.00	(1,455)	11,558	0	9,183	0.00	(1,655)	12,091	0	9,387
DP 3 - Inflation Deflation	0.00	(38)	(358)	0	(396)	0.00	(26)	(242)	0	(268)
DP 50008 - Ag Development CRM System Maintenance	0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$245,101)</b>	<b>\$93,895</b>	<b>\$0</b>	<b>(\$11,146)</b>	<b>0.00</b>	<b>(\$245,033)</b>	<b>\$95,760</b>	<b>\$0</b>	<b>(\$5,802)</b>

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Agricultural Development Division	
FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	39,691
Management Changes	100,376
Budget Modifications	(170,000)
<b>Total</b>	<b>(29,933)</b>

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, information technology services, 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 in-state state motor pool and motor pool leased vehicles.

DP 50008 - Ag Development CRM System Maintenance -

The executive proposes increasing general fund authority to support ongoing maintenance customer relationship management system.

This proposal is related to DP 50007 - Agriculture Development CRM System.

**New Proposals**

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 50007 - Ag Development CRM System (OTO)	0.00	49,000	0	0	49,000	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$49,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

DP 50007 - Ag Development CRM System (OTO) -

The executive proposes a one-time-only increase in general fund allocation to support the implementation of a Customer Relationship Management (CRM) system. This system would assist in marketing grants and enable the analysis and tracking of data related to customer interactions.

This decision package is related to DP 50008 - Ag Development CRM System Maintenance.