

# DEPARTMENT OF LIVESTOCK

## Section C

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

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-----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-----

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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	137.87	145.87	145.87	8.00	2.9%
General Fund	4,217,138	5,182,868	4,988,795	1,737,387	20.6%
State/Other Special Rev. Funds	10,036,493	11,090,391	10,249,060	1,266,465	6.3%
Federal Spec. Rev. Funds	2,427,305	2,293,665	2,296,494	(264,451)	(5.4%)
<b>Total Funds</b>	<b>16,680,936</b>	<b>18,566,924</b>	<b>17,534,349</b>	<b>2,739,401</b>	<b>8.2%</b>
Personal Services	11,496,736	12,043,181	12,070,917	1,120,626	4.9%
Operating Expenses	4,626,514	4,927,609	4,905,746	580,327	6.3%
Equipment & Intangible Assets	65,205	593,605	65,205	528,400	405.2%
Capital Outlay		510,048		510,048	0.0%
Benefits & Claims	150,000	150,000	150,000		0.0%
Transfers	342,481	342,481	342,481		0.0%
<b>Total Expenditures</b>	<b>16,680,936</b>	<b>18,566,924</b>	<b>17,534,349</b>	<b>2,739,401</b>	<b>8.2%</b>
<b>Total Ongoing</b>	<b>16,680,936</b>	<b>17,503,476</b>	<b>17,534,349</b>	<b>1,675,953</b>	<b>5.0%</b>
<b>Total One-Time-Only</b>		<b>1,063,448</b>		<b>1,063,448</b>	<b>0.0%</b>

Agency Highlights

Department of Livestock Major Budget Highlights
<p>The executive proposes an increase of 8.2% or \$2.7 million in total appropriations above base funding. In addition to statewide present law adjustments of \$298,900, the executive proposes:</p> <ul style="list-style-type: none"> <li>• Laboratory equipment, one-time-only: \$1.1 million</li> <li>• Meat inspection staff 8.00 PB: \$1.2 million</li> <li>• Animal Health software maintenance: \$150,000</li> <li>• Funding Shifts:                             <ul style="list-style-type: none"> <li>◦ Milk inspection fees shifted from State Special Revenue to the General Fund: \$300,000</li> <li>◦ Emergency Preparedness Veterinarian from federal special revenue to state special revenue: \$221,700</li> </ul> </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 Livestock 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>4,217,138</b>	<b>10,036,493</b>	<b>2,427,305</b>	<b>16,680,936</b>	<b>89.8%</b>	<b>4,217,138</b>	<b>10,036,493</b>	<b>2,427,305</b>	<b>16,680,936</b>	<b>95.1%</b>
Statewide PL										
Personal Services	(12,593)	73,950	(24,526)	36,831	0.2%	(6,288)	93,605	(22,751)	64,566	0.4%
Fixed Costs	19,879	91,729	7,208	118,816	0.6%	18,120	90,328	6,491	114,939	0.7%
Inflation Deflation	(5,490)	(10,683)	(5,468)	(21,641)	(0.1%)	(3,710)	(7,220)	(3,697)	(14,627)	(0.1%)
Total Statewide PL	1,796	154,996	(22,786)	134,006	0.7%	8,122	176,713	(19,957)	164,878	0.9%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	963,934	898,902	(110,854)	1,751,982	9.4%	763,535	35,854	(110,854)	688,535	3.9%
<b>Total HB 2 Adjustments</b>	<b>965,730</b>	<b>1,053,898</b>	<b>(133,640)</b>	<b>1,885,988</b>	<b>10.2%</b>	<b>771,657</b>	<b>212,567</b>	<b>(130,811)</b>	<b>853,413</b>	<b>4.9%</b>
<b>Total Requested Budget</b>	<b>5,182,868</b>	<b>11,090,391</b>	<b>2,293,665</b>	<b>18,566,924</b>		<b>4,988,795</b>	<b>10,249,060</b>	<b>2,296,494</b>	<b>17,534,349</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 Livestock DP 1 Personal Services State Wide 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>
Centralized Services	\$6,477	\$116,294		\$0 \$122,771
Animal Health	(69,020)	47,974		- (\$21,046)
Brands Enforcement	(146,400)	81,505		- (\$64,895)
DP 1 - Personal Services	(\$208,943)	\$245,773		\$0 \$36,830

The Department of Livestock has 137.87 Positions Budgeted (PB). Personal services accounted for 68.6% of the total executive request. The Department's 137.87 PB are distributed across three divisions:

- Centralized Services Division: 17.00 PB
- Animal Health Division: 66.26 PB
- Brands Enforcement Division: 54.61 PB

The executive proposes statewide present law adjustments for personal services increasing spending authority by about \$36,800 in fiscal year 2026 and \$64,600 in fiscal year 2027. The difference of \$27,800 between these two years is primarily due to an increase in longevity pay in FY 2027, which accounts for an additional \$24,600 in FY 2027 compared to FY 2026. Other increases between the years include a rise in social security contributions, retirement costs, and other benefits, totaling \$4,600 in the second year of the biennium. Adjustments for vacancy savings account for the remaining difference.

Legislative adjustments for FY 2026 are negative. These reductions were offset by management decisions increasing compensation for promotions and retention incentives.

The executive proposal includes of a 5.0% vacancy savings rate for each year of the biennium. This measure is expected to result in savings of \$594,900 in FY 2026 and \$596,385 in FY 2027. Vacancy savings are typically achieved by leaving positions unfilled or through natural attrition.

*Present Law Adjustments*

The executive proposes statewide present law adjustments totaling \$299,900.

*New Proposals*

As proposed by the executive, new proposals totaling \$2.4 million would increase general fund by \$1.7 million and state special revenue by \$934,800 above base funding. Federal revenues decrease by \$221,700. About \$1.1 million is proposed as one-time-only.

The executive proposes to increase staffing by 8.00 PB. To support these new positions general fund would be increased by \$1.0 million in personal services and \$207,800 in operations expense. These new positions would work in the meat and poultry inspection program. The expansion is intended to meet increased demand for inspection due to the growth in the Cooperative Interstate Shipping program. The Montana Cooperative Interstate Shipping (CIS) program is an agreement between the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) and the State of Montana that allows selected state-inspected meat and poultry processors to ship their products across state lines. coverage in eastern Montana.

The executive proposes to increase state special authority by \$150,000 to fund the annual maintenance contract for Animal Health Software Application. The proposal would replace an anticipated loss of federal funding, and development and maintenance costs for new software.

One-time-only proposals of \$863,000 in state special revenue provide for new lab facility furnishings, equipment, and moving expenses, and \$200,400 in general fund to replace milk laboratory instruments.

**Funding**

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

Total Department of Livestock 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>9,971,263</b>	<b>200,400</b>			<b>10,171,663</b>	<b>24.4%</b>
02426 Lvstck Per Capita	11,544,449	863,048			12,407,497	29.8%
02425 Inspection and Control	7,089,093				7,089,093	17.0%
02117 Predatory Animal SSR				1,150,000	1,150,000	2.8%
02262 Egg Shielded Grading Program	760,450				760,450	1.8%
02124 LLB Restricted Special Revenue				600,000	600,000	1.4%
Other State Special Revenue	1,082,411			420,000	1,502,411	3.6%
<b>State Special Revenue Total</b>	<b>20,476,403</b>	<b>863,048</b>	<b>-</b>	<b>2,170,000</b>	<b>23,509,451</b>	<b>56.4%</b>
03209 Meat/Poultry Inspection Sp Rev	2,946,432				2,946,432	7.1%
03427 AH FEDERAL UMBRELLA	1,564,365				1,564,365	3.8%
03673 Small Federal Grants	43,458				43,458	0.1%
03032 Animal Health Sp. Rev	35,904				35,904	0.1%
<b>Federal Special Revenue Total</b>	<b>4,590,159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,590,159</b>	<b>11.0%</b>
06026 MT Veterinary Diagnostic Lab			3,409,795		3,409,795	8.2%
<b>Proprietary Fund Total</b>	<b>-</b>	<b>-</b>	<b>3,409,795</b>	<b>-</b>	<b>3,409,795</b>	<b>8.2%</b>
<b>Total of All Funds</b>	<b>35,037,825</b>	<b>1,063,448</b>	<b>3,409,795</b>	<b>2,170,000</b>	<b>41,681,068</b>	
<b>Percent of All Sources of Authority</b>	<b>84.1%</b>	<b>2.6%</b>	<b>8.2%</b>	<b>5.2%</b>		

State special revenue funds comprise 59.1% of the HB 2 budget proposal and 56.4% of all funding sources. These funds are primarily generated through fees assessed on livestock, licenses, permits, and charges for market and local inspections. Two state special revenue funds, the Livestock Per Capita and Inspection and Control, make up 91.4% of the state special revenue authority in the HB 2 budget, representing 45.9% of total funds.

The Milk Control Bureau and the Milk Control Board receive funding from fees charged to producers, distributors, and producer-distributors. Meanwhile, general fund allocations support the activities of the Livestock Loss Board.

Statutory appropriations, which do not require re-authorization by the legislature, allow the division to expend state special revenue that is statutorily appropriated to the agency for livestock loss prevention and livestock loss compensation.

**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	137.87	137.87	145.87	145.87
Personal Services	10,347,292	10,852,677	11,496,736	12,043,181	12,070,917
Operating Expenses	3,617,187	4,648,497	4,626,514	4,927,609	4,905,746
Equipment & Intangible Assets	428,983	502,156	65,205	593,605	65,205
Capital Outlay	0	0	0	510,048	0
Benefits & Claims	150,000	150,000	150,000	150,000	150,000
Transfers	370,462	378,231	342,481	342,481	342,481
<b>Total Expenditures</b>	<b>\$14,913,924</b>	<b>\$16,531,561</b>	<b>\$16,680,936</b>	<b>\$18,566,924</b>	<b>\$17,534,349</b>
General Fund	3,624,619	4,082,713	4,217,138	5,182,868	4,988,795
State/Other Special Rev. Funds	9,194,442	10,092,264	10,036,493	11,090,391	10,249,060
Federal Spec. Rev. Funds	2,094,863	2,356,584	2,427,305	2,293,665	2,296,494
<b>Total Funds</b>	<b>\$14,913,924</b>	<b>\$16,531,561</b>	<b>\$16,680,936</b>	<b>\$18,566,924</b>	<b>\$17,534,349</b>
<b>Total Ongoing</b>	<b>\$14,550,829</b>	<b>\$16,064,610</b>	<b>\$16,680,936</b>	<b>\$17,503,476</b>	<b>\$17,534,349</b>
<b>Total OTO</b>	<b>\$363,095</b>	<b>\$466,951</b>	<b>\$0</b>	<b>\$1,063,448</b>	<b>\$0</b>

*Agency Description*

The Department of Livestock is responsible for controlling and eradicating animal diseases; preventing the transmission of animal diseases to humans; protecting the livestock industry from theft and predatory animals; meat, milk, and egg inspection; and regulating the milk industry relative to producer pricing. The department, which is provided for in 2-15-3101, MCA, consists of the Board of Livestock and its appointed Executive Officer, the Milk Control Board, the Livestock Loss Board. The department is organized into three divisions: Animal Health & Food Safety, Centralized Services and Brands Enforcement. The Board of Livestock, which is the statutory head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

*FY 2024 Appropriations Compared to FY 2024 expenditures.*

In FY 2024, the Department of Livestock spent 90.2% of its \$16.5 million HB 2 budget.

The Department of Livestock has appropriated a total of \$10.9 million for personal services, of which \$10.3 million, or 95.3%, was spent in FY 2024. Unexpended personal service totaled \$505,400, of which 79.2% was in the Animal Health Division, primarily supporting inspection programs for meat, poultry, and dairy. The Brands Enforcement and the Centralized Services Divisions combined expended 98.1% of their personal service budget.

Operations was appropriated at \$4.6 million of which 77.8% or \$3.6 million was expended. Of the \$1.0 million in unexpended authority for operations, 44.1% or \$313,800 was budgeted for Brucellosis Designated Surveillance Areas (DSA).

*FY 2024 Appropriations Compared to FY 2025 Appropriations*

Total appropriations in FY 2025 increased by 1.0% or \$149,400 when compared to FY 2024 appropriations. Appropriations for personal services increased by 5.9% or \$644,100 due to the legislative pay plan and management decisions related to promotion and retention. Increases for personal services were funded primarily with state special revenue, \$394,400, federal special revenue, \$203,000, and general fund, \$46,700.

State special revenue appropriations for equipment purchases declined by \$359,000 from FY 2024 to FY 2025 for laboratory equipment and veterinarian trucks that were budgeted as one-time-only in the first year of the biennium. Operating expenditures were budgeted \$61,000 lower in the second due primarily to audit fees budgeted only in the first year of the biennium. Appropriations for transfers were \$35,800 lower in FY 2025. Operating expenditures were budgeted \$61,000 lower in the second due primarily to audit fees budgeted only in the first year of the biennium. Appropriations for transfers were \$35,800 lower in FY 2025.

*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 Livestock</b>				
<b>Comparison of the FY 2025 Legislative Budget to the FY 2025 Base Budget</b>				
<b>Division</b>	<b>Legislative Budget</b>	<b>Excutive Modifications</b>	<b>Base Budget</b>	<b>Percent Change</b>
<b><u>Centralized Services Division</u></b>				
61000 Personal Services	1,543,878	-	1,543,878	0.0%
62000 Operating Expenses	826,608	-	826,608	0.0%
67000 Benefits & Claims	150,000	-	150,000	0.0%
68000 Transfers-out	102,481	-	102,481	0.0%
<b>Centralized Services Division Total</b>	<b>2,622,967</b>	<b>-</b>	<b>2,622,967</b>	<b>0.0%</b>
<b><u>Animal Health Division</u></b>				
61000 Personal Services	5,655,613	-	5,655,613	0.0%
62000 Operating Expenses	2,946,998	57,000	3,003,998	1.9%
63000 Equipment & Intangible Assets	65,205	-	65,205	0.0%
68000 Transfers-out	297,000	(57,000)	240,000	-19.2%
Animal Health division Total	8,964,816	-	8,964,816	0.0%
<b><u>Brands Enforcement Division</u></b>				
61000 Personal Services	4,297,245	-	4,297,245	0.0%
62000 Operating Expenses	795,908	-	795,908	0.0%
	5,093,153	-	5,093,153	0.0%
<b>Agency Total</b>	<b>16,680,936</b>	<b>-</b>	<b>16,680,936</b>	<b>0.0%</b>

The agency moved \$57,000 from operating expense to transfers. There was no net change in the HB 2 budget.

**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	17.00	17.00	17.00	0.00	0.0%	
General Fund	302,589	303,920	303,635	2,377	0.4%	
State/Other Special Rev. Funds	2,320,378	2,477,789	2,484,182	321,215	6.9%	
<b>Total Funds</b>	<b>2,622,967</b>	<b>2,781,709</b>	<b>2,787,817</b>	<b>323,592</b>	<b>6.2%</b>	
Personal Services	1,543,878	1,666,649	1,669,781	248,674	8.1%	
Operating Expenses	826,608	862,579	865,555	74,918	4.5%	
Benefits & Claims	150,000	150,000	150,000	0.00	0.0%	
Transfers	102,481	102,481	102,481	0.00	0.0%	
<b>Total Expenditures</b>	<b>2,622,967</b>	<b>2,781,709</b>	<b>2,787,817</b>	<b>323,592</b>	<b>6.2%</b>	
<b>Total Ongoing</b>	<b>2,622,967</b>	<b>2,781,709</b>	<b>2,787,817</b>	<b>323,592</b>	<b>6.2%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Program Highlights**

<p><b>Centralized Services Division Major Budget Highlights</b></p>
<p>The executive proposes an increase of 0.4% or \$323,600 above base funding 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.

Centralized Services 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>302,589</b>	<b>2,320,378</b>	<b>0</b>	<b>2,622,967</b>	<b>94.3%</b>	<b>302,589</b>	<b>2,320,378</b>	<b>0</b>	<b>2,622,967</b>	<b>94.1%</b>
Statewide PL										
Personal Services	544	122,227	0	122,771	4.4%	544	125,359	0	125,903	4.5%
Fixed Costs	787	35,200	0	35,987	1.3%	502	38,456	0	38,958	1.4%
Inflation Deflation	0	(16)	0	(16)	(0.0%)	0	(11)	0	(11)	(0.0%)
<b>Total Statewide PL</b>	<b>1,331</b>	<b>157,411</b>	<b>0</b>	<b>158,742</b>	<b>5.7%</b>	<b>1,046</b>	<b>163,804</b>	<b>0</b>	<b>164,850</b>	<b>5.9%</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>1,331</b>	<b>157,411</b>	<b>0</b>	<b>158,742</b>	<b>5.7%</b>	<b>1,046</b>	<b>163,804</b>	<b>0</b>	<b>164,850</b>	<b>5.9%</b>
<b>Total Requested Budget</b>	<b>303,920</b>	<b>2,477,789</b>	<b>0</b>	<b>2,781,709</b>		<b>303,635</b>	<b>2,484,182</b>	<b>0</b>	<b>2,787,817</b>	



Funding

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

Department of Livestock, 01-Centralized Services 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	607,555	0	0	0	607,555	7.9%
02117 Predatory Animal SSR	0	0	0	1,150,000	1,150,000	16.2%
02124 LLB Restricted Special Revenue	0	0	0	600,000	600,000	8.4%
02125 Livestock Loss Reduction	0	0	0	200,000	200,000	2.8%
02136 Wolf Mitigation Donation Fund	0	0	0	200,000	200,000	2.8%
02426 Lvstk Per Capita	4,480,272	0	0	0	4,480,272	63.0%
02817 Milk Control Bureau	481,699	0	0	0	481,699	6.8%
<b>State Special Total</b>	<b>\$4,961,971</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,150,000</b>	<b>\$7,111,971</b>	<b>92.1%</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</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>\$5,569,526</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,150,000</b>	<b>\$7,719,526</b>	

The Centralized Services Division’s (CSD) primary funding comes from state special revenue, and the primary source is the livestock per-capita fund. This fund is generated by fees assessed on each head of livestock in the state. For the Milk Control Bureau and the Milk Control Board, funding is derived from fees charged to producers, distributors, and producer-distributors. The Livestock Loss Board's activities are supported by the general fund. Certain state special revenue is statutorily appropriated to the agency, meaning it doesn't require re-authorization by the legislature. The use these statutory funds for two main purposes: livestock loss prevention and livestock loss compensation.

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	17.00	17.00	17.00	17.00
Personal Services	1,489,241	1,505,657	1,543,878	1,666,649	1,669,781
Operating Expenses	532,982	763,102	826,608	862,579	865,555
Benefits & Claims	150,000	150,000	150,000	150,000	150,000
Transfers	162,117	162,481	102,481	102,481	102,481
<b>Total Expenditures</b>	<b>\$2,334,340</b>	<b>\$2,581,240</b>	<b>\$2,622,967</b>	<b>\$2,781,709</b>	<b>\$2,787,817</b>
General Fund	281,312	300,009	302,589	303,920	303,635
State/Other Special Rev. Funds	2,053,028	2,281,231	2,320,378	2,477,789	2,484,182
<b>Total Funds</b>	<b>\$2,334,340</b>	<b>\$2,581,240</b>	<b>\$2,622,967</b>	<b>\$2,781,709</b>	<b>\$2,787,817</b>
<b>Total Ongoing</b>	<b>\$2,334,340</b>	<b>\$2,581,240</b>	<b>\$2,622,967</b>	<b>\$2,781,709</b>	<b>\$2,787,817</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Program Description

The Centralized Services Division manages administrative functions for the department, such as budgeting, accounting, payroll, personnel, IT, and general services. The Milk Control Program and Livestock Loss Board (LLB) are administratively attached to the department. The LLB provides compensation and prevention funding for livestock predation losses caused by wolves, grizzlies, and mountain lions. The Board of Milk Control oversees milk producer pricing and fair-trade practices for dairy products in Montana. The Predator Control Program falls under the administration of the Board of Livestock and the executive officer.

**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.

	-----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	544	122,227	0	122,771	0.00	544	125,359	0	125,903
DP 2 - Fixed Costs	0.00	787	35,200	0	35,987	0.00	502	38,456	0	38,958
DP 3 - Inflation Deflation	0.00	0	(16)	0	(16)	0.00	0	(11)	0	(11)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,331</b>	<b>\$157,411</b>	<b>\$0</b>	<b>\$158,742</b>	<b>0.00</b>	<b>\$1,046</b>	<b>\$163,804</b>	<b>\$0</b>	<b>\$164,850</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

Centralized Services Division	
FY 2026 Statewide Present Law Adjustment for Personal Services	
	<u>FY 2026</u>
Legislative Changes	\$6,478
Management Changes	116,293
Budget Modifications	-
<b>Total</b>	<b>\$122,771</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.

**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	66.26	74.26	74.26	8.00	6.0%
General Fund	3,914,549	4,878,948	4,685,160	1,735,010	22.2%
State/Other Special Rev. Funds	2,622,962	3,568,404	2,708,149	1,030,629	19.6%
Federal Spec. Rev. Funds	2,427,305	2,293,665	2,296,494	(264,451)	(5.4%)
<b>Total Funds</b>	<b>8,964,816</b>	<b>10,741,017</b>	<b>9,689,803</b>	<b>2,501,188</b>	<b>13.9%</b>
Personal Services	5,655,613	6,144,182	6,156,593	989,549	8.7%
Operating Expenses	3,003,998	3,253,182	3,228,005	473,191	7.9%
Equipment & Intangible Assets	65,205	593,605	65,205	528,400	405.2%
Capital Outlay		510,048		510,048	0.0%
Transfers	240,000	240,000	240,000		0.0%
<b>Total Expenditures</b>	<b>8,964,816</b>	<b>10,741,017</b>	<b>9,689,803</b>	<b>2,501,188</b>	<b>13.9%</b>
<b>Total Ongoing</b>	<b>8,964,816</b>	<b>9,677,569</b>	<b>9,689,803</b>	<b>1,437,740</b>	<b>8.0%</b>
<b>Total One-Time-Only</b>		<b>1,063,448</b>		<b>1,063,448</b>	<b>0.0%</b>

**Program Highlights**

<p><b>Animal Health Division Major Budget Highlights</b></p>
<p>The executive proposes an increase of 13.9% or \$2.5 million above base funding. In addition to statewide present law adjustments of \$60,700, the executive includes new proposals totaling \$2.4 million including:</p> <ul style="list-style-type: none"> <li>• Meat inspection staff 8.00 PB: \$1.2 million</li> <li>• Furnishing and equipment for the new Veterinarian Laboratory, one-time-only: \$863,000</li> <li>• Replacement of laboratory equipment at the State Milk Laboratory: \$200,400</li> <li>• Software maintenance contract: \$150,000</li> <li>• Funding shifts:                         <ul style="list-style-type: none"> <li>◦ Veterinarian emergency preparedness from federal to special state special revenue: \$227,700</li> <li>◦ Milk Inspection from state special revenue to general fund: \$300,000</li> </ul> </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.

Animal Health 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>3,914,549</b>	<b>2,622,962</b>	<b>2,427,305</b>	<b>8,964,816</b>	<b>83.5%</b>	<b>3,914,549</b>	<b>2,622,962</b>	<b>2,427,305</b>	<b>8,964,816</b>	<b>92.5%</b>
Statewide PL										
Personal Services	(13,137)	16,618	(24,526)	(21,045)	(0.2%)	(6,832)	20,948	(22,751)	(8,635)	(0.1%)
Fixed Costs	19,092	30,919	7,208	57,219	0.5%	17,618	29,059	6,491	53,168	0.5%
Inflation Deflation	(5,490)	(997)	(5,468)	(11,955)	(0.1%)	(3,710)	(674)	(3,697)	(8,081)	(0.1%)
Total Statewide PL	465	46,540	(22,786)	24,219	0.2%	7,076	49,333	(19,957)	36,452	0.4%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	963,934	898,902	(110,854)	1,751,982	16.3%	763,535	35,854	(110,854)	688,535	7.1%
<b>Total HB 2 Adjustments</b>	<b>964,399</b>	<b>945,442</b>	<b>(133,640)</b>	<b>1,776,201</b>	<b>16.5%</b>	<b>770,611</b>	<b>85,187</b>	<b>(130,811)</b>	<b>724,987</b>	<b>7.5%</b>
<b>Total Requested Budget</b>	<b>4,878,948</b>	<b>3,568,404</b>	<b>2,293,665</b>	<b>10,741,017</b>		<b>4,685,160</b>	<b>2,708,149</b>	<b>2,296,494</b>	<b>9,689,803</b>	

**Funding**

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

Department of Livestock, 04-Animal Health Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	9,363,708	200,400	0	0	9,564,108	40.1%
02262 Egg Shielded Grading Program	760,450	0	0	0	760,450	12.1%
02426 Lvstk Per Capita	4,052,343	863,048	0	0	4,915,391	78.1%
02427 Animal Health	63,590	0	0	0	63,590	1.0%
02701 Milk and Egg Inspection	537,122	0	0	0	537,122	8.5%
02980 INDEMNITY SPECIAL REVENUE	0	0	0	20,000	20,000	0.3%
<b>State Special Total</b>	<b>\$5,413,505</b>	<b>\$863,048</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$6,296,553</b>	<b>26.4%</b>
03032 Animal Health Sp. Rev	35,904	0	0	0	35,904	0.8%
03209 Meat/Poultry Inspection Sp Rev	2,946,432	0	0	0	2,946,432	64.2%
03427 AH FEDERAL UMBRELLA	1,564,365	0	0	0	1,564,365	34.1%
03673 Small Federal Grants	43,458	0	0	0	43,458	0.9%
<b>Federal Special Total</b>	<b>\$4,590,159</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,590,159</b>	<b>19.2%</b>
06026 MT Veterinary Diagnostic Lab	0	0	3,409,795	0	3,409,795	100.0%
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,409,795</b>	<b>\$0</b>	<b>\$3,409,795</b>	<b>14.3%</b>
<b>Total All Funds</b>	<b>\$19,367,372</b>	<b>\$1,063,448</b>	<b>\$3,409,795</b>	<b>\$20,000</b>	<b>\$23,860,615</b>	

General fund supports 46.8% of the HB 2 appropriations and 40.1% of total funding in the Animal Health Division. General fund primarily supports personal services and operations for the diagnostic laboratory, animal health programs, meat and poultry inspection, and information technology. State special revenues support 30.7% of the HB 2 appropriations and 26.4% of total authority. State special revenue is generated from per head livestock tax and fees charged for milk and egg inspection. State special revenues are matched with federal funds for meat and poultry inspection and animal health. Non-budgeted proprietary funds are generated from fees for service at the Montana Veterinary Diagnostic Laboratory.

**Program 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	66.26	66.26	74.26	74.26
Personal Services	4,869,731	5,270,127	5,655,613	6,144,182	6,156,593
Operating Expenses	2,382,495	3,094,194	3,003,998	3,253,182	3,228,005
Equipment & Intangible Assets	306,951	352,156	65,205	593,605	65,205
Capital Outlay	0	0	0	510,048	0
Transfers	208,345	215,750	240,000	240,000	240,000
<b>Total Expenditures</b>	<b>\$7,767,522</b>	<b>\$8,932,227</b>	<b>\$8,964,816</b>	<b>\$10,741,017</b>	<b>\$9,689,803</b>
General Fund	3,343,307	3,782,704	3,914,549	4,878,948	4,685,160
State/Other Special Rev. Funds	2,329,352	2,792,939	2,622,962	3,568,404	2,708,149
Federal Spec. Rev. Funds	2,094,863	2,356,584	2,427,305	2,293,665	2,296,494
<b>Total Funds</b>	<b>\$7,767,522</b>	<b>\$8,932,227</b>	<b>\$8,964,816</b>	<b>\$10,741,017</b>	<b>\$9,689,803</b>
<b>Total Ongoing</b>	<b>\$7,530,571</b>	<b>\$8,645,276</b>	<b>\$8,964,816</b>	<b>\$9,677,569</b>	<b>\$9,689,803</b>
<b>Total OTO</b>	<b>\$236,951</b>	<b>\$286,951</b>	<b>\$0</b>	<b>\$1,063,448</b>	<b>\$0</b>

*Program Description*

The Animal Health & Food Safety Division protects livestock health, prevents animal-to-human disease transmission, and ensures safe animal products. It collaborates with state and federal agencies to monitor, test, and quarantine animals. The division enforces animal health laws, operates a veterinary diagnostic laboratory, and conducts state inspections for meat, poultry, and dairy products.

**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	(13,137)	16,618	(24,526)	(21,045)	0.00	(6,832)	20,948	(22,751)	(8,635)
DP 2 - Fixed Costs	0.00	19,092	30,919	7,208	57,219	0.00	17,618	29,059	6,491	53,168
DP 3 - Inflation Deflation	0.00	(5,490)	(997)	(5,468)	(11,955)	0.00	(3,710)	(674)	(3,697)	(8,081)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$465</b>	<b>\$46,540</b>	<b>(\$22,786)</b>	<b>\$24,219</b>	<b>0.00</b>	<b>\$7,076</b>	<b>\$49,333</b>	<b>(\$19,957)</b>	<b>\$36,452</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

Animal Health Division	
FY 2026 Statewide Present Law Adjustment for Personal Services	
	FY 2026 -
Legislative Changes	(\$65,262)
Management Changes	44,217
Budget Modifications	-
<b>Total</b>	<b>(\$21,045)</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.

**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 40 - Milk Inspection Fee Shift	0.00	150,000	(150,000)	0	0	0.00	150,000	(150,000)	0	0
DP 42 - New Construction Laboratory Expenses (BIEN/OTO)	0.00	0	863,048	0	863,048	0.00	0	0	0	0
DP 43 - Meat Inspection Additional Staff	8.00	613,534	0	0	613,534	8.00	613,535	0	0	613,535
DP 44 - State Milk Laboratory Instruments (BIEN/OTO)	0.00	200,400	0	0	200,400	0.00	0	0	0	0
DP 45 - Animal Health Application Maintenance	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 47 - Laboratory Operations Augment	0.00	0	0	0	0	0.00	0	0	0	0
DP 48 - Emergency Preparedness Veterinarian Funding Shift	0.00	0	110,854	(110,854)	0	0.00	0	110,854	(110,854)	0
<b>Total</b>	<b>8.00</b>	<b>\$963,934</b>	<b>\$898,902</b>	<b>(\$110,854)</b>	<b>\$1,751,982</b>	<b>8.00</b>	<b>\$763,535</b>	<b>\$35,854</b>	<b>(\$110,854)</b>	<b>\$688,535</b>

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

DP 40 - Milk Inspection Fee Shift -

The executive proposes a shift of \$150,000 in each year of the biennium from the Milk and Egg Inspection state special revenue to the general fund. Taxes and fees for milk and egg inspection have declined at an annual rate of 3.2% since FY 2013. This decision package does not change the overall budget.

DP 42 - New Construction Laboratory Expenses (BIEN/OTO) -

The executive proposes a one-time-only appropriation of state special revenue for furnishings and equipment for the new veterinarian laboratory. This appropriation would also fund moving expense and construction.

DP 43 - Meat Inspection Additional Staff -

The executive proposes an increase in general fund to support 5.00 PB(Positions Budgeted) for meat & poultry inspectors, 1.00 PB meat inspection supervisor, 1.00 PB compliance investigator, and 1.00 PB relief meat inspector. These positions would support the growth in the Cooperative Interstate Shipping (CIS) program.

DP 44 - State Milk Laboratory Instruments (BIEN/OTO) -

The executive proposes a one-time-only appropriation of general fund to replace two grade A milk laboratory instruments that are at the end of their effective operational lifespan.

DP 45 - Animal Health Application Maintenance -

The executive proposes an increase in state special revenue to fund the annual maintenance contract for the Animal Health software application.

DP 47 - Laboratory Operations Augment -

The executive proposes an increase for Animal Health Laboratory operations.

DP 48 - Emergency Preparedness Veterinarian Funding Shift -

The executive proposes a shift of about \$110,900 in each year of the biennium from federal to state special revenues that support 1.00 PB veterinarian focused on large scale disease outbreak.

**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	54.61	54.61	54.61	0.00	0.0%	
State/Other Special Rev. Funds	5,093,153	5,044,198	5,056,729	(85,379)	(0.8%)	
<b>Total Funds</b>	<b>5,093,153</b>	<b>5,044,198</b>	<b>5,056,729</b>	<b>(85,379)</b>	<b>(0.8%)</b>	
Personal Services	4,297,245	4,232,350	4,244,543	(117,597)	(1.4%)	
Operating Expenses	795,908	811,848	812,186	32,218	2.0%	
<b>Total Expenditures</b>	<b>5,093,153</b>	<b>5,044,198</b>	<b>5,056,729</b>	<b>(85,379)</b>	<b>(0.8%)</b>	
<b>Total Ongoing</b>	<b>5,093,153</b>	<b>5,044,198</b>	<b>5,056,729</b>	<b>(85,379)</b>	<b>(0.8%)</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Program Highlights**

Brands Enforcement Division Major Budget Highlights
The executive proposes decrease of 0.8% or \$85,400 compared to base funding due entirely to statewide present law adjustments.

**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.

Brands Enforcement 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>0</b>	<b>5,093,153</b>	<b>0</b>	<b>5,093,153</b>	<b>101.0%</b>	<b>0</b>	<b>5,093,153</b>	<b>0</b>	<b>5,093,153</b>	<b>100.7%</b>
Statewide PL										
Personal Services	0	(64,895)	0	(64,895)	(1.3%)	0	(52,702)	0	(52,702)	(1.0%)
Fixed Costs	0	25,610	0	25,610	0.5%	0	22,813	0	22,813	0.5%
Inflation Deflation	0	(9,670)	0	(9,670)	(0.2%)	0	(6,535)	0	(6,535)	(0.1%)
Total Statewide PL	0	(48,955)	0	(48,955)	(1.0%)	0	(36,424)	0	(36,424)	(0.7%)
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>0</b>	<b>(48,955)</b>	<b>0</b>	<b>(48,955)</b>	<b>(1.0%)</b>	<b>0</b>	<b>(36,424)</b>	<b>0</b>	<b>(36,424)</b>	<b>(0.7%)</b>
<b>Total Requested Budget</b>	<b>0</b>	<b>5,044,198</b>	<b>0</b>	<b>5,044,198</b>		<b>0</b>	<b>5,056,729</b>	<b>0</b>	<b>5,056,729</b>	



Funding

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

Department of Livestock, 06-Brands Enforcement Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0	0.0%	
02425 Inspection and Control	7,089,093	0	0	0	7,089,093	70.2%	
02426 Lvstk Per Capita	3,011,834	0	0	0	3,011,834	29.8%	
<b>State Special Total</b>	<b>\$10,100,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,100,927</b>	<b>100.0%</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</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>\$10,100,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,100,927</b>		

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

Program 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	54.61	54.61	54.61	54.61
Personal Services	3,988,320	4,076,893	4,297,245	4,232,350	4,244,543
Operating Expenses	701,710	791,201	795,908	811,848	812,186
Equipment & Intangible Assets	122,032	150,000	0	0	0
<b>Total Expenditures</b>	<b>\$4,812,062</b>	<b>\$5,018,094</b>	<b>\$5,093,153</b>	<b>\$5,044,198</b>	<b>\$5,056,729</b>
State/Other Special Rev. Funds	4,812,062	5,018,094	5,093,153	5,044,198	5,056,729
<b>Total Funds</b>	<b>\$4,812,062</b>	<b>\$5,018,094</b>	<b>\$5,093,153</b>	<b>\$5,044,198</b>	<b>\$5,056,729</b>
<b>Total Ongoing</b>	<b>\$4,685,918</b>	<b>\$4,838,094</b>	<b>\$5,093,153</b>	<b>\$5,044,198</b>	<b>\$5,056,729</b>
<b>Total OTO</b>	<b>\$126,144</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Program Description

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

**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	0	(64,895)	0	(64,895)	0.00	0	(52,702)	0	(52,702)
DP 2 - Fixed Costs	0.00	0	25,610	0	25,610	0.00	0	22,813	0	22,813
DP 3 - Inflation Deflation	0.00	0	(9,670)	0	(9,670)	0.00	0	(6,535)	0	(6,535)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$48,955)</b>	<b>\$0</b>	<b>(\$48,955)</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$36,424)</b>	<b>\$0</b>	<b>(\$36,424)</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

Brands Enforcement Division	
FY 2026 Statewide Present Law Adjustment for Personal Services	
	FY 2026
Legislative Changes	(\$168,050)
Management Changes	103,155
Budget Modifications	-
<b>Total</b>	<b>(\$64,895)</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.