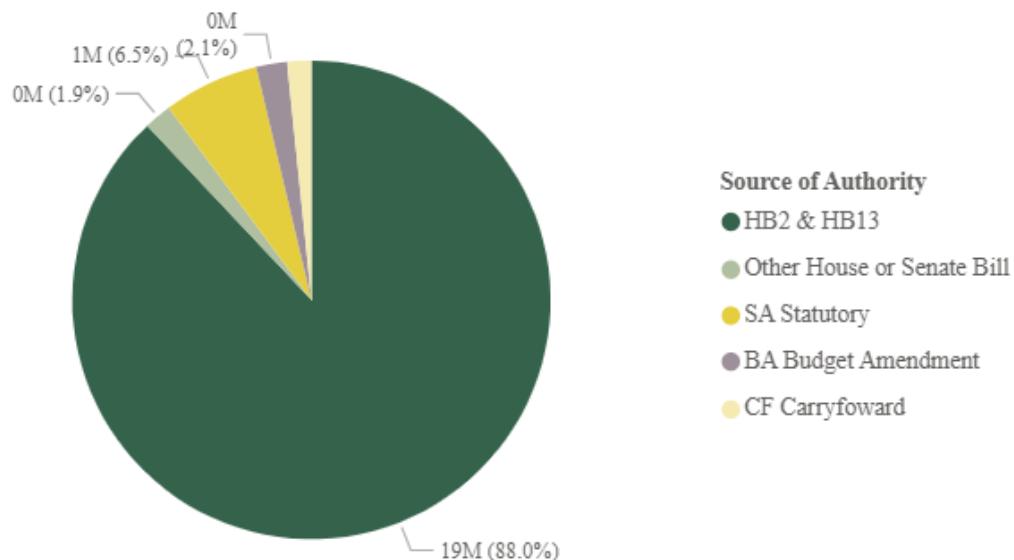


# DEPARTMENT OF LIVESTOCK

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Livestock is shown in the pie chart below. HB 2 and HB 13 provide 88.0% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

**Total Modified Budget by Source of Authority**



Source of Authority	Modified Budget	Expenditure	% Expenditure
HB2 & HB13	18,662,678	5,732,326	30.7%
BA Budget Amendment	439,364	58,233	13.3%
CF Carryforward	347,934		
Other House or Senate Bill	395,152	75,232	19.0%
SA Statutory	1,372,100	837,310	61.0%
<b>Total</b>	<b>21,217,228</b>	<b>6,703,100</b>	<b>31.6%</b>

## Budget Amendments

Statute allows agencies to amend the budget to access additional federal revenues (17-7-402(1)(a)(xii), MCA). Federal authority through budget amendments totals \$439,400 and was 13.3% expended as of November 30, 2025.

The National Animal Health Laboratory Network (NAHLN) represented the largest portion of the budget amendment authority at \$317,700, or 72.3%, and was 17.0% expended through November. NAHLN functions as a network of diagnostic laboratories that monitor animal diseases and support outbreak response by delivering timely diagnostic results to decision-makers. It plays a critical role by providing the capacity, expertise, and resources needed during disease emergencies.

Federal grants totaling about \$78,200 will be used to conduct statewide outreach to train veterinarians and other stakeholders on procedures and communications to follow during an animal disease outbreak. This additional federal funding will cover portions of department veterinarian salaries, meeting space costs, printed materials, and consulting fees from various boards and councils. Through November 2025 the agency has expended about \$1,400 or 1.8% of this funding.

Federal funds totaling about \$16,000 are budgeted for detection of Highly Pathogenic Avian Influenza (HPAI). HPAI is a bird disease that has spread to dairy cattle and has the potential to enter the milk supply in Montana and neighboring states. This federal funding will cover much of the testing required to protect the health and safety of Montana's citizens. As of November 30, 2025, \$632 or 4.0% of this authority has been expended.

Remaining funding will support training for milk and egg inspectors and swine fever programs.

The table below summarizes budget amendments for federal grants.

Department of Livestock Budget Amendment Authority			
November FY2026			
<b>Federal Grants</b>	<u>Budgeted</u>	<u>Expended</u>	<u>% Expended</u>
National Animal Health Laboratory Network (NAHLN)	\$317,650	\$53,923	17.0%
Animal Disease outbreak Training	78,178	1,369	1.8%
High Pathology Avian Influenza (HPAI)	15,987	632	4.0%
Milk and Egg Training	14,589	-	0.0%
Swine Fever	12,960	2,309	17.8%
<b>Total Federal Budget Amendments</b>	<b>\$439,364</b>	<b>\$58,233</b>	<b>13.3%</b>

## Other Bills

HB 10 – Long-Range Information Technology, passed during the 2023 Session, authorized \$575,000 for the department to support IT initiatives. This included \$450,000 for replacing animal health systems and \$125,000 for integrating Snowflake, a cloud-based data platform used for data warehousing, analytics, and secure data sharing. For these long-range projects, in the current fiscal year, the agency has budgeted \$112,400 for Snowflake integration and \$282,800 for the animal health system. As of November 30, 2025, the agency has expended about \$75,200 on the animal health system.

## **Carryforward Authority**

After each fiscal year, 30.0% of the unexpended and unencumbered HB 2 appropriation in the prior fiscal year for personal services, operating expenses, and equipment, may be re-appropriated in the two fiscal years following. The re-appropriated authority may not be used to increase pay (17-7-304(4)(a), MCA).

The agency has roughly \$347,900 in total carryforward authority, including \$137,400 from the general fund and \$210,500 from state special revenue. These funds are budgeted to support operations within the Animal Health and Brands Enforcement Division. During the first quarter, none of this authority was expended.

## **Statutory Appropriations**

The Department of Livestock has expended \$837,300 in statutory authority as of November 30, 2025.

Statutorily appropriated funds can be spent for a specific purpose and amounts provided for in statute. The agency does not need annual approval from the legislature to use the money.

Statutory appropriations for the agency are used to compensate livestock producers for losses caused by predators and for animals culled under the direction of animal health authorities. The funds come from the state general fund, livestock per capita fees, and voluntary donations from hunters and anglers when purchasing licenses for wolf mitigation.

There are five state special revenue accounts that are statutorily appropriated to the Department of Livestock. A description of each fund as well as revenues, fund balances, and expenditures through November 2025 are provided below.

### ***Livestock Loss Compensation State Special Revenue Account (81-1-112, MCA)***

Fund Balance as of November 2025: \$686,100

FY 2026 year-to-date expenditures: (\$75,000), a reimbursement to the fund

This special revenue account provides compensation to livestock producers for confirmed or probable losses caused by wolves, mountain lions, black bears, and grizzly bears, as administered by the Montana Livestock Loss Board. It receives an annual transfer of \$300,000 from the state general fund, and any amount exceeding \$300,000 at the end of a fiscal year must be transferred to the Livestock Loss Reduction state special revenue account.

***Livestock Loss Reduction Restricted Special Revenue Account (81-1-113, MCA)***

Fund Balance as of November 2025: \$380,700

FY 2026 year-to-date expenditures: \$216,300

Funds in this account are dedicated to reducing livestock predation by wolves and grizzly bears and to reimbursing livestock owners for related expenses, such as veterinary costs. At the end of each fiscal year \$100,000 from the general fund must be transferred into the fund. Also, at the end of each fiscal year, any balance over \$300,000 from the Livestock Loss Compensation State Special Revenue Account is transferred into this fund. Additional revenue may come from gifts, grants, reimbursements, and other designated allocations. The Livestock Loss Board must use at least half of the account for non-lethal prevention efforts and may use up to half to contract with the U.S. Department of Agriculture Wildlife Services. Up to 10.0% of the account may be used for administrative costs.

***Indemnity Special Revenue Account (81-2-201, MCA)***

Fund Balance as of November 2025: \$25,200

FY 2026 year-to-date expenditures: \$0

The indemnity state special revenue account provides compensation when animals or property are destroyed under an order of the Department of Livestock. The department may transfer from an appropriate source, such as per capita fees, \$10,000 into the account each year. The fund's principal cannot exceed \$100,000, and all interest earned remains in the account. Eligible animals include cattle, domestic bison, sheep, goats, swine, alternative livestock, and poultry. Qualifying diseases include USDA-classified foreign animal diseases, bovine tuberculosis, brucellosis, and chronic wasting disease. If an animal is injured or killed during testing or inspection through no fault of the owner, the owner may receive its full appraised value.

***Voluntary Wolf Mitigation State Special Revenue Account (81-7-123, MCA)***

Fund Balance as of November 2025: \$41,500

FY 2026 year-to-date expenditures: \$133,500

This account is funded entirely by private donations, including donations made during the purchase of a conservation license or through the websites of the Departments of Livestock or Fish, Wildlife, and Parks. The Department of Livestock uses these funds to contract with the U.S. Department of Agriculture Wildlife Services for wolf management activities, including flight operations, collaring wolves, and lethal control.

***Predatory Animal State Special Revenue Account (81-7-106, MCA)***

Fund Balance as of November 2025: \$12,495

FY 2026 year-to-date expenditures: \$562,500

This account is statutorily appropriated for controlling predatory animals, including coyotes, red foxes, and any species that threaten or harm livestock or poultry. The department implements practical control programs, adopts rules, and collaborates with federal agencies, the Department of Fish, Wildlife, and Parks, county governments, and livestock owners. Funds may be used to protect livestock on private, state, or federal lands through hunting, trapping, or approved bounty payments. Each fiscal year, at least \$350,000 from per capita fees must be deposited into this account. The department is not required to spend all money allocated to this account by the end of each fiscal year.

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB modified budget from July 1, 2025, through November 30, 2025. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

### Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
<b>Department of Livestock</b>	<b>18,662,678</b>	<b>18,662,678</b>	<b>0</b>
01 CENTRALIZED SERVICES DIVISION	2,829,674	2,829,674	
04 ANIMAL HEALTH DIVISION	10,640,579	10,640,579	0
06 BRANDS ENFORCEMENT DIVISION	5,192,425	5,192,425	
<b>Total</b>	<b>18,662,678</b>	<b>18,662,678</b>	<b>0</b>
Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	12,185,047	12,185,047	0
62000 Operating Expenses	4,881,497	4,881,497	0
63000 Equipment & Intangible Assets	593,605	593,605	
64000 Capital Outlay	510,048	510,048	
67000 Benefits & Claims	150,000	150,000	
68000 Transfers-out	342,481	342,481	
<b>Total</b>	<b>18,662,678</b>	<b>18,662,678</b>	<b>0</b>
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
01 General	4,971,984	4,971,984	0
02 State/Other Spec Rev	11,343,257	11,343,257	
03 Fed/Other Spec Rev	2,347,437	2,347,437	0
<b>Total</b>	<b>18,662,678</b>	<b>18,662,678</b>	<b>0</b>

No modifications were made to the budget as of November 30, 2025.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2025.

### Monthly Expenditures Compared to Historical Average

● FY 2026 Budget ● Cumulative Monthly FY 2026 Expenditures ● Cumulative Historical Monthly Average Expended

20.0M

15.0M

10.0M

5.0M

0.0M

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Fiscal Month

2.5%  
7.1%  
17.4%  
23.0%  
30.7%

The table below shows expenditure rates for the agency through November 30, 2025, compared to average expenditure rates over the last five years.

Department of Livestock				
July 1 through November 30, FY 2026				
<b>Program Name</b>	Modified	Expended	Percent Expended	
	<u>Budget</u>	<u>Budget</u>	<u>FY 2025</u>	<u>Last 5 Years</u>
Centralized Services Division	\$2,829,674	\$1,089,235	38.5%	33.7%
Animal Health Division	10,640,579	2,670,130	25.1%	30.6%
Brands Enforcement Division	5,192,425	1,972,960	38.0%	38.0%
Total	\$18,662,678	\$5,732,326	30.7%	33.4%
Percent Expended				
<b>Expenditure Category</b>			<u>FY 2025</u>	<u>Last 5 Years</u>
	Personal Services	\$4,293,004	35.2%	37.2%
Operating Expenses	4,881,497	1,246,483	25.5%	27.0%
Equipment & Intangible Assets	593,605	-	0.0%	15.8%
Capital Outlay	510,048	-	0.0%	0.0%
Benefits & Claims	150,000	161,952	108.0%	72.3%
Transfers-Out	342,481	30,887	9.0%	3.8%
Total	\$18,662,678	\$5,732,326	30.7%	33.4%
Percent Expended				
<b>Funding Source</b>			<u>FY 2025</u>	<u>Last 5 Years</u>
	General Fund	\$1,063,779	21.4%	32.7%
State/Other Spec Rev	11,343,257	3,970,470	35.0%	35.9%
Fed/Other Spec Rev	2,347,437	698,078	29.7%	23.9%
Total	\$18,662,678	\$5,732,326	30.7%	33.4%

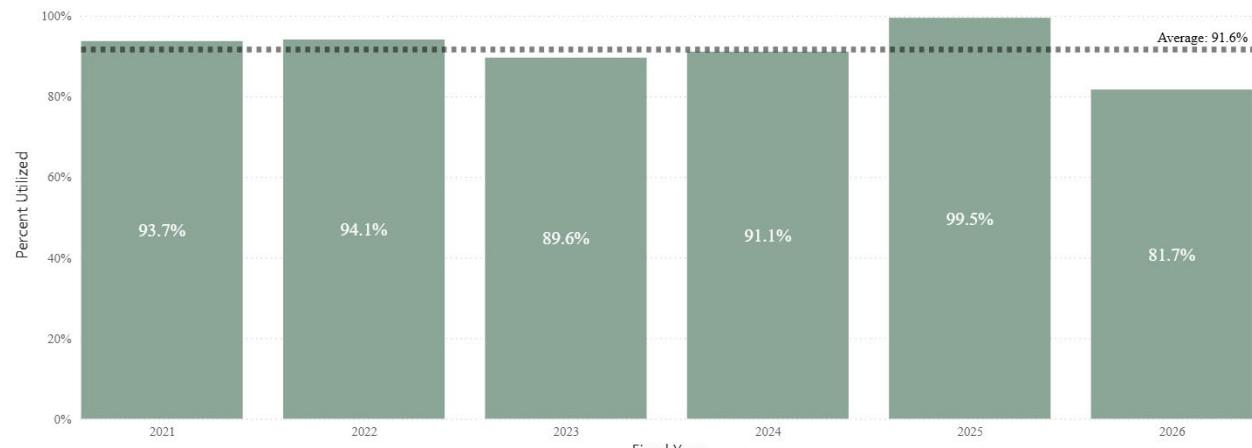
During the first five months of FY 2026, the Department of Livestock spent \$5.7 million, or 30.7% of its \$18.7 million modified HB 2 budget. This was roughly \$500,000 below expectations, based on the historical five-year average expenditure rate of 33.4% for the same period. The department's largest program, the Animal Health Division, spent at a rate 5.6% below its historical trend. The Brands Enforcement Division remained in line with its five-year average, while the Centralized Services Division spent 4.8% above historical levels.

Personal services expenditures were \$4.3 million or 35.2% of the personal services budget, 2.0% below the five-year average of 37.2%. Operating expenses were lower than typical, at 25.5% compared to the historical average of 27.0%.

## Personal Services

The department is authorized for 141.87 Positions Budgeted (PB) under HB 2.

The chart below shows the hourly utilization rate of budgeted hours through October FY 2026 and the five preceding fiscal years for the same period. The department utilized 81.7% of its budgeted hours, which is below the five-year average of 91.6%.



## Vacancies

As of November 1, 2025, a total of 18.20 positions budgeted (PB) were vacant, compared to 15.55 vacant positions at the beginning of the fiscal year. The length of these vacancies ranges from three months to two years, with an average vacancy duration of approximately ten months. The table below provides a breakdown of the number of vacant HB 2 positions in each division, the duration of each vacancy (in months), and the midpoint hourly pay rate for those positions.

Department of Livestock Vacancies							
November 1, 2025							
<u>Division</u>	<u>PB</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>	<u>Division</u>	<u>PB</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>
<b>Animal Health Division</b>							
Auditing Technician	1.00	22.4	\$12.44	Farm Fish Forest All Other	0.45	25.2	\$19.71
Compliance Technician 1	1.50	18.2	22.07	Livestock Inspector 1	3.35	6.2	21.76
Meat Inspector Supervisor	1.00	4.0	27.19	Livestock Market Auditor	1.00	22.0	25.55
Meat Poultry Inspector 1	5.50	4.0	21.76	Short Term Worker	0.45	7.3	15.80
Program Manager	1.00	35.0	39.56	STW Brand Insp LEWISTOWN	0.15	3.2	21.76
Relief Meat Poultry Inspector	1.00	4.0	21.76	STW Livestock Inspector 1	0.30	5.0	21.76
Sanitarian 1	0.50	4.0	31.77	<b>Division Total / Average<sup>1</sup></b>	5.70	10.4	\$21.79
Veterinarian Supervisor	1.00	6.0	64.08	<b>Grand Total<sup>1</sup></b>	18.20	10.0	\$25.16
<b>Division Total / Average<sup>1</sup></b>	12.50	9.8	\$26.69				

<sup>1</sup> Averages for months vacant and pay rate are weighted by PB

## OTHER ISSUES

### Information Technology Project Expenditures

Currently there are three IT projects in various stages of development.

The Animal Health Upgrade project will replace outdated systems used to track animal ID, movement, and disease testing—critical for disease traceability and legal compliance. It also enables Montana veterinarians to issue electronic health certificates for livestock exports. Google AI for Livestock will extract data from inspection forms into the database. Snowflake is a cloud data platform used for storing, processing, and analyzing large-scale data.

The table below summarizes the IT projects.

Large Information Technology Projects Original and Revised Budgets						
<u>Project</u>	<u>Start Date</u>	<u>Status</u>	Original <u>Budget</u>	Revised <u>Budget</u>	<u>Expended</u>	Percent <u>Expended</u>
Livestock Animal Health System Replacement	07/31/23	Executing	450,000	450,000	180,456	40.1%
Livestock Google AI Project	07/03/23	Post	-	465,000	465,000	100.0%
Livestock Snowflake Integration	07/03/23	Executing	125,000	125,000	50,000	40.0%

### Status of Line-Itemed Decision Packages, 2025 Legislature

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

Department of Livestock					
Legislative Appropriation and Expenditures for the 2027 Biennium					
<u>Decision Package</u>	Legislative <u>Appropriation</u>	Budgeted	<u>Expended</u>	<u>Expended</u>	Percent <u>Expended</u>
DP 42 - New Construction Laboratory Expenses (BIEN/OTO)	\$863,048	\$863,048	\$0	\$0	0.0%
DP 44 - State Milk Laboratory Instruments (BIEN/OTO)	200,400	200,400	-	-	0.0%
Total of HB 2 Line Itemed Decision Packages	\$1,063,448	\$1,063,448	\$0	\$0	0.0%

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

FY 2026 – \$863,048 State Special Revenue

The legislature approved 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 44 - State Milk Laboratory Instruments (BIEN/OTO)***

FY 2026 – \$200,400 General Fund

The legislature approved 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.

## **Required Reports**

Required reports for the agency can be found by clicking the link below.

[Required Reports](#)