

## **Milk Control Bureau Submission for Board of Livestock April 3, 2018 Meeting Consent Agenda**

### Update on Milk Control Study

The bureau has continued to assist Dairy Technomics and is aware that the firm is working diligently on the study. The target time for a draft report of the study was mid to late March 2018. The draft report is now behind schedule; however Dairy Technomics anticipates that the draft report will be submitted in April.

### Montana Dairy Closures

One dairy that delivers milk to the Darigold - Bozeman plant closed in March. One dairy that delivers milk to the Meadow Gold – Billings plant has decreased its herd size, is working to sell its quota, and intends to close but has not closed yet.

### Future Online Payment Capability for Milk Control Assessments and Licenses

The bureau is working with Montana Interactive to set up online payment (ACH debit and credit card) of milk control assessments and licenses, as well as milk inspection assessment payments that have been historically processed by the Milk Control Bureau. Testing will be performed soon to assure that the system is launched before May so that it is available for annual milk control license renewals. This will be helpful to some licensees that have restrictions on how small a check they can write. The milk control license fee is \$2.00.

### Conceptual 2019 Legislation

The Board of Milk Control chair is aware of the deadline for submitting conceptual legislation to the Governor's Office. The Board of Milk Control does not have conceptual legislation to submit for consideration.

### Annual Quota Readjustment Analysis

Per ARM 32.24.505(2), the bureau is required to complete an analysis each year by April 1 to determine if the quantity of outstanding quota needs to be increased. No quota readjustment is required because Montana market needs did not exceed current established quota as defined by the administrative rule.

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# STATE OF MONTANA

STEVE BULLOCK, GOVERNOR

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## **Recommendation #1**

**We recommend the Department of Livestock improve its oversight of brucellosis testing compliance by:**

- A. Using the brand inspection process to better monitor movements and testing of DSA livestock, and incorporating this information into DSA compliance monitoring.**
- B. Developing and implementing a consistent response to cases of noncompliance with DSA program requirements.**

## **Implementation Status – Implemented**

The Department of Livestock (DOL) has taken several actions in response to this audit recommendation. First, DOL has designed an updated BE-10 form, which is the form used for field brand inspections. The updated BE-10 has been distributed in the four counties that incorporate the DSA and the form includes a check box for inspectors to indicate if cattle are standing in the DSA at the time of inspection. The check box will eliminate confusion about the location at which an inspection was conducted and make it easier for DOL to monitor movements out of the DSA. Second, staff have also prioritized BE-10s from the DSA counties for data entry so that information on movements of DSA animals is more quickly available for evaluation of compliance. Third, starting with the Fiscal Year 17 (FY 17) compliance evaluation, DOL has matched every field inspection and every market sale on record for each DSA producer with the brucellosis testing history for the producer. The same reconciliation will be done for each DSA producer regardless of the amount of testing they conduct during the year.

Dr. Eric Liska, Brucellosis Program Veterinarian, has also conducted several local brand inspector education and outreach meetings. Local inspectors have been asked to contact DOL if they conduct an inspection on cattle leaving the DSA and at any time if they have questions about DSA requirements. DOL has produced a quick-reference insert for local inspectors to keep with their BE-10 books. The insert contains a map of the DSA and a summary of all of the DSA regulations.

Additionally, DOL has developed a standardized response to animal health violations. Enforcement personnel in the field will now always issue written warnings or tickets for the first animal health violation a producer commits and will always issue tickets for additional violations. This will ensure a written record of animal health, including DSA rule, violations. Starting with FY 17 producers that were found out of compliance during the annual DSA compliance evaluation received both a phone call from DOL and a written letter notifying them of the violation. Producers that are repeatedly found out of compliance in future evaluations will receive tickets from enforcement personnel.

## **Recommendation #2**

**We recommend the Department of Livestock improve oversight and accountability of DSA herd management plans through the following steps:**

- A. Develop criteria that provide the basis for herd management plans and use these criteria as the basis of documented risk assessments for the creation of herd management plans.**
- B. Comply with administrative rule regarding the review of herd management plans on an annual basis, or seek changes to administrative rules in order to modify the review period for herd management plans.**
- C. Document review and update of DSA herd plans when completed.**

### **Implementation Status – Implemented**

To satisfy this audit requirement, DOL has formalized department policy and made changes to administrative rule. It is the policy of DOL that DSA herd management agreements be available to any DSA producer who requests such an agreement. Producers may seek a management agreement because they need a variance to DSA regulations or simply because they wish to document their management practices. DOL recognizes that livestock within the DSA are at risk of exposure to brucellosis and will only grant variances to DSA requirements when doing so poses negligible risk to livestock outside the DSA.

DOL has changed Administrative Rule of Montana 32.3.401 so that management agreements are to be reviewed every 5 years, or sooner if requested by the producer. The department is currently in the process of contacting producers whose plans are more than 5 years old and updating plans as necessary. DOL also updated the language in 32.3.401 to reflect the convention that “management agreements” are the voluntary agreements between the department and producers while “management plans” are those that are required as part of an epidemiologic investigation.

DOL has implemented a system to track herd management agreements, document contact with producers concerning the agreements, and record renewal dates for the agreements.

## **Recommendation #3**

**We recommend the Department of Livestock maintain full supporting documentation for oversight and approval of brucellosis vaccination reimbursement payments.**

### **Implementation Status – Implemented**

Upon receipt of the initial audit findings DOL implemented the policy to maintain the entire adult vaccination certificate with all requests for reimbursement. These certificates are maintained as a copy with the reimbursement request, and the official copy of the certificate remains on file w DOL Animal Health records.

## **Recommendation #4**

**We recommend that the Department of Livestock, when dealing with bison that have breached the tolerance boundaries:**

- A. Use IBMP adaptive management documents as the guidelines for determining when to conduct hazing and lethal removals, or**

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- B. Document circumstances that require department staff to conduct hazing and lethal removals in cases that deviate from IBMP adaptive management guidelines, and**
- C. Emphasize cooperation with FWP through the use of public hunters to remove bison in nontolerance areas.**

## **Implementation Status – Implemented**

Since the adoption of the IBMP, DOL has consistently used the adaptive management guidelines to determine the parameters for all bison hazing and lethal removal operations. The IBMP adaptive management guidelines clearly lay out options for reactions to bison that breach tolerance boundaries but do not specify the order in which actions must be taken. The audit findings seek to impose a higher standard than the adaptive management guidelines by specifying that hazing and non-lethal options must be attempted before a lethal removal is undertaken. DOL has always, and will continue to, consider non-lethal options first. DOL has also consistently coordinated with FWP on bison operations and removals. DOL has updated procedures to improve documentation of the steps that occur prior to lethal removal, including contact with FWP.

**Montana Code Annotated (MCA):**

**81-8-271**

**Requested Change:**

**License To Operate As Livestock Dealer -- Application**

**81-8-271. License to operate as livestock dealer -- application.** (1) A person may not operate as a livestock dealer without a license. A person who wishes to operate as a livestock dealer shall file with the department an application for a license to transact business on a form prescribed by the department, stating the type of license sought and the following information:

(a) the names of the persons applying for the license, together with their permanent addresses and, if the applicant is a firm, association, partnership, or corporation, the names of its directors, officers, and members, if applicable;

(b) the post-office address and principal place of business of the applicant;

(c) if the applicant is a foreign corporation, its principal place of business outside the state, the name of the state in which it is incorporated, and a statement showing that it has complied with the laws of this state relating to foreign corporations and its right to do business in this state; and

(d) proof of acquisition of a bond or its equivalent from the packers and stockyards administration of the United States department of agriculture.

(2) An application fee of ~~\$50~~ established by the department must be submitted with each application for a livestock dealer's license. The fee is the first annual fee if the license is granted.

(3) A person who purports to act as an agent for a livestock dealer in the purchase or sale of livestock may not engage in those business activities without a livestock dealer's license.

**Remove fee amount from statute, and establish a fee commensurate with cost in Administrative Rule.**

**Reason:**

- Per 81-1-102, Duties And Powers Of Department -- Fees Based On Costs -- Notice Of Rules And Orders, the department shall establish fees commensurate with cost.
- 81-8-271 MCA was last amended in 1995. The fee described in 81-8-271(2) does not reflect cost of establishing a dealer license.

**Montana Code Annotated (MCA):**

**81-4-601**

**Requested Change:**

**Estray Defined**

**81-4-601. Estray defined.** In this part, "estrays" means a horse, mule, mare, gelding, colt, llama, alpaca, bison, cow, ox, bull, stag, steer, heifer, calf, goat, sheep, or lamb:

Add goats to estray animals.

**Reason:**

- Per 81-4-201, it is unlawful for an owner or person in control of swine, sheep, llamas, alpacas, bison, ostriches, rheas, emus, or goats to willfully permit the animals to run at large.
- There are brands currently registered for use on cattle, horses, bison, goats, sheep and llamas.
- Not all livestock markets accept goats, therefore implementation of this change may present some difficulties for department staff to find expedient outlets to auction estray goats.

**Montana Code Annotated (MCA):**

**81-3-205**

**Requested Change:**

**Fees For Inspection And Livestock Transportation Permits**

**81-3-205. Fees for inspection and livestock transportation permits.** (1) For the service of inspection of all livestock except horses, mules, or asses before removal from a county or before change of ownership, the inspector making the inspections must receive a fee established by the department for each head inspected. For the issuance of a market consignment permit or transportation permit, other than a permanent permit, before removal from a county for all livestock, the inspector issuing the permits must receive a fee established by the department for each permit issued and ~~must~~ may receive in addition the inspector's necessary actual expenses, to be paid by the owner or the person for whom the inspection is made or permit issued. For the issuance of a permanent horse transportation permit, the state stock inspector taking the application for permit shall receive a fee established by the department for each permit issued. All inspection and permit fees and expenses must be collected by the inspector at the time of inspection or issuance of permit, all the fees and expenses collected by a deputy state stock inspector must be retained by the deputy, and all fees and expenses collected by a state stock inspector must be sent by the inspector to the department for deposit in

the state treasury to the credit of the state special revenue fund for the use of the department.

(2) For the service of inspection before any livestock except a horse, mule, or ass is sold or offered for sale at a licensed livestock market or slaughtered at a licensed slaughterhouse, a state stock inspector or deputy state stock inspector making the inspection must receive a fee established by the department for each head inspected. All fees must be paid by the owner or by the person for whom the inspection is made. For releasing an animal so that it may be removed from the premises of a licensed livestock market, the state stock inspector making the release must receive a fee established by the department for each head inspected from the owner or the person for whom the release is made. All fees for inspection and release at the market must be collected at the time the inspection or release is made by the state stock inspector making the inspection or release and must be sent by the inspector to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department. All fees for preslaughter inspection made at a licensed slaughterhouse by the state stock inspector must be paid to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department. Preslaughter inspection fees paid to a deputy state stock inspector must be retained by the deputy.

(3) (a) For the service of inspection of horses, mules, or asses before removal from a county or before change of ownership, the inspector making the inspection must receive a fee established by the department for each head inspected and ~~must~~ may receive in addition the inspector's necessary actual expenses, to be paid by the owner or the person for whom the inspection is made. All fees and expenses collected by a state stock inspector must be sent by the inspector to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department.

(b) For the service of inspection before a horse, mule, or ass is sold or offered for sale at a licensed livestock market, a state stock inspector making the inspection must receive a fee established by the department for each head inspected. All fees must be paid by the owner or the person for whom the inspection is made to the state stock inspector.

(4) All inspection and release fees and expenses must be paid to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department unless paid to a deputy state stock inspector. State stock inspectors must be ~~paid for their services and receive their expenses as fixed by the department~~ an employee of the department.

	<b><u>Reason:</u></b>
	<ul style="list-style-type: none"><li>• Under current practices, the department does not charge fees for expenses in addition to the inspection fee.</li><li>• The language of this statute is very outdated and may need further revisions.</li></ul>



**Montana Code Annotated (MCA):**

Title 15  
Chapter 24  
Part 9  
  
15-24-921  
  
15-24-921 (2) (a)  
Per Capita Fee to  
Pay Expenses of  
Enforcing  
Livestock Laws

**Requested Change:**

15-24-921. Per capita fee to pay expenses of enforcing livestock laws.  
(1) A per capita fee is authorized and directed to be imposed by the department on all poultry and honey bees, all swine 3 months of age or older, and all other livestock 9 months of age or older in each county of this state. The fee is in addition to appropriations and is to help pay the salaries and all expenses connected with the enforcement of the livestock laws of the state and bounties on wild animals as provided in 81-7-104.

(2) The per capita fee is due on May 31 of each year. The penalty and interest provisions contained in 15-1-216 apply to late payments of the fee.

**(Add) (a) Per capita fees due on May 31 are to fund the Department's subsequent fiscal year expenses.**

(3) As used in this section, "livestock" means cattle, sheep, swine, poultry, honey bees, goats, horses, mules, asses, llamas, alpacas, domestic bison, ostriches, rheas, emus, and domestic ungulates.

**Reason:**

- Prior to calendar year 2016, livestock reports were due March 1 and the per capita fee was due November 30 of the same year. Per capita fee revenue was received and recognized as revenue in the same fiscal year. The per capita fees were then used to fund the Department's fiscal year expenses in the year received.
- After calendar year 2015, livestock reports were due March 1 and the per capita fee were due May 31 of the same year. These revenues are available to be spent as soon as they are received.
- Since the revenues are received at the end of the fiscal year, the Department could over spend per capita fee collections because the Department may not have accurate revenue projections.
- Since livestock reporting forms are received eight months after the fiscal year begins, the Department may not have accurate revenue projections. For the Department to budget properly, the Department should have accurate revenue estimates. If the fees due May 31<sup>st</sup> are deferred until July 1<sup>st</sup> of the following fiscal year, the Department can manage the budget more effectively.
- Management will be able to calculate and recommend any per capita fee changes more effectively also.
- By requiring the per capita fees to fund subsequent fiscal year, the Department will be able to manage expenses and set per capita fee revenues more effectively.

**Montana Code Annotated (MCA):**

Title 15  
Chapter 24  
Part 9  
  
15-24-922 (3)(a)  
Definitions  
  
15-24-922 Board  
of Livestock To  
Prescribe Per  
Capita Fee --  
Refunds

**Requested Change:**

(3) (a) A livestock owner who moves livestock between states is entitled to a refund of the per capita fee collected under 15-24-921 based on the number of months that the livestock have situs in Montana. The amount of the refund is equal to the ratio of the number of months that the livestock do not have situs in the state to the number of months in the year, multiplied by the original per capita fee due. A taxpayer shall apply to the board of livestock on a form prescribed by the board for a refund allowed under this subsection by ~~January~~ **March** 31 of the following year. The application must include a statement showing the date when the livestock were moved out of the state. **The applicant shall provide documentation of transfers such as inspection forms.**  
**Change date from January 31 of the following year to March 31 of the following year. Add transfer documentation sentence.**

**Reason:**

- The Department is requesting the due date for the refund be changed to after the livestock reporting forms are filed.
- MCA 15-24-922(3)(a) requires that refund requests be submitted to the department for approval by January 31 of the following year when livestock has been pastured outside of Montana.
- The per capita fee reporting forms are due March 1 of for the current reporting period. By changing the due date of the refund requests to March 31 will better match these two reporting times together and, therefore, will enable livestock owners to timely file for the refund.
- In prior years, livestock owners have been denied refunds because refund application request were sent after the January 31 deadline. Owners remember to file for the refund when they are submitting their livestock reporting forms, which is after the refund deadline.
- Proof of transfers should be provided to the Department as evidence that livestock was transferred and when livestock was transferred.

**Montana Code Annotated (MCA):**

Title 81  
Chapter 7  
Part 5  
  
81-9-503  
  
81-9-503  
Residency  
Requirement

**Requested Change:**

**Repeal** 81-7-503. **Repeal** Residency requirement. No person not having residence and domicile in Montana may be issued a permit provided for in 81-7-501 except when authorized by the board of livestock. Permits issued to nonresidents may be used only:

- (1) ~~in Montana counties adjacent to the state line that the department of livestock has determined are inadequately serviced by resident permittees; or~~
- (2) ~~on real property in Montana owned by the nonresident permittee.~~

**Reason:**

The Montana livestock industry has significant losses to predation by coyotes and fox. The size and remoteness of Montana makes the control of coyote and fox challenging. Aerial hunting is an effective means of control over coyotes and fox.

- There are currently twelve Montana resident pilots and five nonresident pilots registered with the Department. Twelve pilots cannot effectively fly the State of Montana and perform adequate predator control.
- Limiting areas where non-resident pilots can fly as per 81-7-503 MCA reduces the number of pilots that will apply for predator control hunting.

**Montana Code Annotated (MCA):**

Title 81  
Chapter 7  
Part 5  
  
81-9-504  
  
81-9-503 Duration  
of Permit -- FEE

**Requested Change:**

**Change** 81-7-504. Duration of permit -- fee. The department of livestock shall establish a fee for the permit, and each permit shall be valid for a period set by the department not to exceed 3 years. All fees for permits shall be paid to the department of livestock for deposit in the state treasury to the credit of the state special revenue fund ~~for predatory animal control~~ **for administration of the aerial hunting of predator animal program.** Fees in excess of administration costs may be deposited in the state treasury to the credit of the state special revenue fund for predatory animal control.

**Reason:**

The Department performs other functions in addition to issuing permits to pilots. The Department devotes

- Department personnel receives and files landowner predator hunt requests. Pilots may not fly over property that they have not obtained hunt requests.
- Pilots are required to submit hunting reports bi-annually to the Department. These reports are compiled and reports prepared for interested parties.

**Montana Code Annotated (MCA):**

Title 81 Chapter 2 Part 4	<b><u>Requested Change:</u></b>
81-2-401 Definitions	Repeal of Part 4
81-2-402 Administration by department of livestock	<b><u>Reason:</u></b>
81-2-403 Only certain sires to be used for artificial insemination	<p>The Department is requesting that Part 4 of Chapter 2 be repealed.</p> <p>MCA 81-2-703 requires that all animals, animal semen, and animal biologics have a permit and health certificate for entry into Montana. It also specifies a permit may not be issued for livestock infected with or exposed to brucellosis, tuberculosis, or any other infectious, contagious, or communicable animal disease.</p> <p>MCA 81-2-707 provides the Department of Livestock authority to promulgate, administer, and enforce rules necessary to implement this part.</p> <p>The Authority provided in Part 7 allows the Department to appropriately address import requirements for animal semen.</p> <p>The language in 81-2-403 lists conditions that are no longer routinely screened for in the United States because of the success of specific disease control efforts. Additionally, the language referencing transmissible hereditary malformations and undesirable characteristic is difficult to implement when establishing import requirements.</p>

## Montana Code Annotated (MCA):

81-2-703

Documents  
Required for  
Importation –  
Exemptions

### Requested Change:

(1) Except as provided in subsection (6), an animal, or animal semen,~~or animal biologic~~ may not be brought into the state without a permit and a health certificate or other movement document approved by the department. The department may also require a permit prior to entry in the state.

(2) The department may require a permit for animal biologics brought into the state.

(2) Animals, animal semen, and animal biologics may not be brought into the state if ~~The department shall issue a permit if no~~ significant danger to the public health will ensue upon importation ~~of the animal, animal semen, or animal biologic into the state. A permit may not be issued for livestock~~ Livestock infected with or exposed to brucellosis, tuberculosis, or any other infectious, contagious, or communicable animal disease may not enter the state, except ~~that cattle with a positive reaction to a recognized test for brucellosis may be permitted entry~~ when destined directly for slaughter at a slaughterhouse under the supervision of the United States department of agriculture.

(3) The department may waive the requirement for a health certificate or a permit as provided in subsection (7).

~~(4) The requirements of subsection (1) apply regardless of species, breed, sex, class, age, point of origin, place of destination, or purpose of movement.~~

(5) All required documents must be attached to the waybill or be in possession of the driver of the transporting vehicle or of the person in charge of the animals. When a single permit or health certificate is issued for animals being moved in more than one vehicle, the driver of each vehicle must have in the driver's possession a copy of the permit and, when applicable, a health certificate.

(6) Animals, animal semen, or animal biologics being moved through the state with no intent to unload or deliver in the state are exempted from this part. In an emergency situation, transitory cargo may be unloaded in compliance with the quarantine rules promulgated by the department.

(7) A waiver of the requirement for a health certificate or a permit must be based upon evidence that there will be no significant danger to the public health if the exemption is granted.

### Reason:

The Department of Livestock is requesting the content of this rule be changed to address several items.

The first change we are requesting is to remove the requirement for a health certificate for animal and establish separate criteria for the importation of animal biologics. There are several reasons for this request:

- It is not practical to require a health certificate on biologics.
- The USDS Center for Veterinary Biologics has a stringent process by which biologics are approved in the United States. The Department does

not have a level of expertise that exceeds the screening that already occurs.

- There are a very small number of biological products that pose a potential risk when used. The Department would like to be able to specify which products must meet additional import requirements instead of applying broad requirements to all biologics.
- Examples of biologics that the Department would like to see free from import requirements: equine influenza virus vaccine, equine West Nile virus vaccine, canine distemper vaccine, canine bordatella vaccine.
- Examples of biologics that the Department would like to set specific import requirements for: rabies virus vaccines, pseudorabies vaccines, anthrax, infectious laryngotracheitis virus vaccines, and conditionally licensed vaccine products.

The second change we are requesting is to change the language requiring both a permit AND a health certificate for animal and animal semen imported into Montana. Based upon the species, animal vs animal semen, the type of movement, and potential risk for introduction of disease, the Department would like the discretion to require a health certificate; a permit; a health certificate and a permit; or some other approved form of documentation.

There are multiple reasons for this request:

- With the advancement of electronic technologies for the movement of animals, the Department is able to receive health certificate data from animal movements in near real time. The issuance of permit by the Department is less important in these instances vs. traditional paper-based movement documents that may not reach our office for a week or more.
- For routine and repetitive movements, the repeat issuance of health certificates is cost prohibitive to the producer and may be a deterrent from compliance with the regulations. For semen shipments from a single facility or poultry shipments from an established hatchery, a permit that verifies all import requirements have been met is appropriate.
- Dogs and cats traveling with their owners pose little risk to Montana's livestock industry. A current rabies vaccination certificate with no health certificate or permit is appropriate for these movements. This is in contrast to dogs and cats being moved in large numbers to animal shelters for adoption in Montana. These movements carry a higher risk of disease introduction. The Department would require these shipments have both a health certificate and import permit.

**Montana Code Annotated (MCA):**

81-9-235

Suspension or revocation of inspection service or establishment number -- hearing -- appeal.

**Requested Change:**

~~81-9-235. Suspension or revocation of inspection service or establishment number -- hearing -- appeal.~~ (1) A license issued by the board or a state meat inspection service or establishment number may be suspended or revoked by the board for noncompliance with [81-9-216](#) through [81-9-220](#) and [81-9-226](#) through [81-9-236](#) or any rule adopted pursuant to [81-9-216](#) through [81-9-220](#) and [81-9-226](#) through [81-9-236](#).

—(2) State meat inspection service or establishment numbers may be suspended or revoked only after a hearing before the board upon reasonable notice. Notice must be given to the licensee by service of the complaint upon the licensee.

—(3) The decision of the board is final in any matter relating to renewal, suspension, or revocation of state meat inspection service or an establishment number unless the person aggrieved, within 10 days after the date of the decision, appeals to the district court of the district in which the licensed premises are located. The court shall hear and determine the matter within 10 days after the date of filing the appeal. After the decision, the person aggrieved may appeal the decision of the district court to the supreme court of the state, but the suspension or revocation of state meat inspection service or an establishment number remains in effect pending the outcome of the appeal.

**Reason:**

The Department of Livestock is requesting the content of this statute be repealed.

This statute created concern from USDA-FSIS during our 2016 review in that it proposes that if an establishment is found to be in violation of the directives provided by USDA or provisions of the Federal Meat Inspection Act the activity could continue while the process contained in the statute plays out.

We have addressed the need for an administrative process that is compliant with or federal “meets or exceeds” status by developing other processes for appeals and recalls with the industry and the use of the Board of Livestock’s statutory and rulemaking authority to resolve disputes through a structured appeal process. In the case of suspensions that are contemplated in the existing statute the Montana contested case procedures provide an administrative outlet for establishments to follow that does not jeopardize the overall program.



**Montana Code Annotated (MCA):**

81-2-102 (h)

**Requested Change:**

**Powers of the Department**

(h) install an adequate system of meat inspection in accordance with [81-9-216](#) through [81-9-220](#) and [81-9-226](#) through [81-9-236](#). ~~that must provide ways and means for shipping home-grown and home-killed meats into any city in this state.~~ As far as practicable, the rules must conform with the meat-inspection requirements of the United States department of agriculture.

**Reason:**

The Department of Livestock is requesting this statement be stricken from the statute.

This statute created concern from USDA-FSIS during our 2016 review in that it potentially could be interpreted as allowing uninspected meat product to enter commerce. This also indicates outdated carryover language that we believe was created prior to the passage of the Federal Meat Inspection Act in 1948 and Montana’s legislative decision to reinstate a state level “meets or exceeds” program to help small establishments meet federal requirements in 1987.



## 2017 Year End Report

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Counties	Cattle	Sheep	Goats	Guard	Horse	Swine	Totals	Payments
Beaverhead	22	2					24	\$23,668.54
Carbon	16						16	\$17,365.65
Cascade	3	25					28	\$10,159.93
Flathead			4				4	\$1,394.42
Gallatin	1	3	3				7	\$1,936.77
Glacier	12						12	\$11,811.90
Judith Basin	4						4	\$4,120.72
Lake	2	2	2			4	10	\$3,766.72
L&C	9	4					13	\$10,320.50
Lincoln		8					8	\$2,086.05
Madison	19						19	\$29,190.58
Missoula			1				1	\$125.00
Park	8						8	\$9,120.85
Pondera	20	2					22	\$47,454.66
Powell	10	1					11	\$10,565.95
Ravalli	2						2	\$2,130.10
Sanders	1	2					3	\$1,486.59
Silver Bow	1						1	\$906.69
Teton	14	2	5				21	\$19,310.63
<b>Totals</b>	<b>144</b>	<b>51</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>214</b>	<b>\$206,922.25</b>

### Wolves

Confirmed	52	6				
Probable	8	2				
Value	\$62,061.12	\$2,956.24				
Owners	26	4				

### Grizzly Bears

Confirmed	54	11	5			
Probable	30	1				4
Value	\$130,702.08	\$3,196.37	\$762.50			\$775.36
Owners	35	3	1			2

### Mtn Lion

Confirmed		29	9			
Probable		2	1			
Value		\$9,298.18	\$2,290.82			
Owners		5	5			



# Board of Livestock Meeting

## Agenda Request Form

From: <b>Evan Waters</b>		Division/Program: <b>Centralized Services</b>			Meeting Date: <b>04/03/2018</b>		
<b><u>Agenda Item:</u> March 2018 through June 2018 Expenditure Projections</b>							
Background Info: Background Info: Report expenditure projections by division and/or bureau and attached boards.							
Recommendation: n/a							
Time needed: 15 min	Attachments:	Yes X	No	Board vote required?	Yes	No X	
<b><u>Agenda Item:</u> February 28, 2018 Budget Status report</b>							
Background Info: Report expenditure to budget comparison report by division and/or bureau and attached boards. This report also compares current YTD expenditures to prior same-period expenditures.							
Recommendation: n/a							
Time needed: 10 min	Attachments:	Yes X	No	Board vote required	Yes	No X	
<b><u>Agenda Item:</u> Year-to-Date as of February 28, 2018 Revenue comparison</b>							
Background Info: Report YTD revenues and compare to prior same-period revenues							
Recommendation: n/a							
Time needed: 5 Min	Attachments:	Yes X	No	Board vote required:	Yes	No X	
<b><u>Agenda Item:</u> Per Capita Fee refund request for livestock temporarily out of state</b>							
Background Info: A livestock owner who summered cattle outside of Montana is requesting a prorated share of PCF per 15-24-922 (3)(a) A livestock owner who moves livestock between states is entitled to a refund of the per capita fee collected under 15-24-921 based on the number of months that the livestock have situs in Montana. The amount of the refund is equal to the ratio of the number of months that the livestock do not have situs in the state to the number of months in the year, multiplied by the original per capita fee due. A taxpayer shall apply to the board of livestock on a form prescribed by the board for a refund allowed under this subsection by January 31 of the following year. The application must include a statement showing the date when the livestock were moved out of the state.							
Application was dated 3/11/2018 and mailed 3/13/2018							
Recommendation: Not approve. Application was sent five weeks after due date of January 31.							
Time needed: 5 min	Attachments:	Yes	No X	Board vote required:	Yes X	No	
<b><u>Agenda Item:</u> IT Timeline</b>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	

# Department of Livestock Centralized Services Division

## Finance & Accounting & Expense Report



April 2018

Prepared By:  
Evan Waters & Staff

**MONTANA DEPARTMENT OF LIVESTOCK  
EXPENSE PROJECTION REPORT  
FEBRUARY 28, 2018**

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** DEPARTMENT OF LIVESTOCK  
**PROGRAM:** DEPARTMENT OF LIVESTOCK

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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<b>BUDGETED FTE</b>	135.62				
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 3,746,268	\$ 2,216,388	\$ 5,962,656	\$ 5,618,407	\$ (344,249)
61200 OVERTIME	108,349	10,287	118,636	91,034	(27,602)
61300 OTHER/PER DIEM	3,175	2,350	5,525	6,700	1,175
61400 BENEFITS	<u>1,492,073</u>	<u>990,678</u>	<u>2,482,751</u>	<u>2,524,228</u>	<u>41,477</u>
TOTAL PERSONAL SERVICES	<u>5,349,865</u>	<u>3,219,703</u>	<u>8,569,568</u>	<u>8,240,369</u>	<u>(329,199)</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	1,046,302	356,746	1,403,048	1,563,944	160,896
62200 SUPPLY	421,905	288,585	710,490	781,106	70,616
62300 COMMUNICATION	119,969	95,615	215,584	200,529	(15,055)
62400 TRAVEL	81,351	82,606	163,957	172,606	8,649
62500 RENT	353,177	172,718	525,895	516,288	(9,607)
62600 UTILITIES	40,030	21,027	61,057	59,679	(1,378)
62700 REPAIR & MAINT	105,939	54,293	160,232	180,975	20,743
62800 OTHER EXPENSES	<u>377,171</u>	<u>230,791</u>	<u>607,962</u>	<u>574,118</u>	<u>(33,844)</u>
TOTAL OPERATIONS	<u>2,545,844</u>	<u>1,302,381</u>	<u>3,848,225</u>	<u>4,049,245</u>	<u>201,020</u>
<b>63000 EQUIPMENT</b>					
63100 EQUIPMENT	<u>16,100</u>	<u>-</u>	<u>16,100</u>	<u>15,000</u>	<u>(1,100)</u>
TOTAL EQUIPMENT	<u>16,100</u>	<u>-</u>	<u>16,100</u>	<u>15,000</u>	<u>(1,100)</u>
<b>68000 TRANSFERS</b>					
68000 TRANSFERS	<u>157,617</u>	<u>180,901</u>	<u>338,518</u>	<u>335,326</u>	<u>(3,192)</u>
TOTAL TRANSFERS	<u>157,617</u>	<u>180,901</u>	<u>338,518</u>	<u>335,326</u>	<u>(3,192)</u>
<b>69000 CAPITAL LEASES</b>					
69000 LEASES	<u>9,493</u>	<u>4,343</u>	<u>13,836</u>	<u>13,836</u>	<u>-</u>
TOTAL LEASES	<u>9,493</u>	<u>4,343</u>	<u>13,836</u>	<u>13,836</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 8,078,919</u>	<u>\$ 4,707,328</u>	<u>\$ 12,786,247</u>	<u>\$ 12,653,776</u>	<u>\$ (132,471)</u>

**BUDGETED FUNDS**

01100 GENERAL FUND	\$ 1,688,657	\$ 862,087	\$ 2,550,744	\$ 2,365,861	\$ (184,883)
02262 SHIELDED EGG GRADING FEES	78,527	74,032	152,559	344,173	191,614
02425 BRAND INSPECTION FEES	2,376,751	606,396	2,983,147	2,983,147	-
02426 PER CAPITA FEE	1,850,471	1,558,751	3,409,222	3,211,373	(197,849)
02427 ANIMAL HEALTH	-	5,718	5,718	5,718	-
02701 MILK INSPECTION FEES	178,641	132,912	311,553	348,619	37,066
02817 MILK CONTROL	178,101	197,688	375,789	388,593	12,804
03209 MEAT & POULTRY INSPECTION	589,836	329,433	919,269	919,269	-
03032-1 NATIONAL LAB NETWORK	26,972	3,613	30,585	30,585	-
03032-2 SHELL EGG FEDERAL INSPECTION FEES	10,773	6,914	17,687	21,000	3,313
03427 FEDERAL UMBRELLA PROGRAM	434,401	413,992	848,393	853,857	5,464
06026 DIAGNOSTIC LABORATORY FEES	<u>665,789</u>	<u>515,792</u>	<u>1,181,581</u>	<u>1,181,581</u>	<u>-</u>
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 8,078,919</u>	<u>\$ 4,707,328</u>	<u>\$ 12,786,247</u>	<u>\$ 12,653,776</u>	<u>\$ (132,471)</u>

Predator control is statutorily appropriated and is not included in this projection. It is paid from Per Capita Fees in the amount of \$350,000.

The personal services projections include SB 418 pay plan increase.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** CENTRALIZED SERVICES  
**PROGRAM:** CENTRAL SERVICES AND BOARD OF LIVESTOCK and BOARD OF LIVESTOCK

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
<b>BUDGETED FTE</b>		12.00			
<b>HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES</b>					
<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 401,595	\$ 272,444	\$ 674,039	\$ 603,668	\$ (70,371)
61300 OTHER/PER DIEM	1,625	1,350	2,975	2,250	(725)
61400 BENEFITS	136,903	99,330	236,233	218,203	(18,030)
<b>TOTAL PERSONAL SERVICES</b>	<u>540,123</u>	<u>373,124</u>	<u>913,247</u>	<u>824,121</u>	<u>(89,126)</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	162,574	17,274	179,848	233,975	54,127
62200 SUPPLY	65,442	22,510	87,952	120,753	32,801
62300 COMMUNICATION	36,297	11,183	47,480	49,849	2,369
62400 TRAVEL	8,606	5,158	13,764	18,026	4,262
62500 RENT	97,114	44,956	142,070	142,265	195
62700 REPAIR & MAINT	460	640	1,100	1,649	549
62800 OTHER EXPENSES	7,462	6,387	13,849	18,424	4,575
<b>TOTAL OPERATIONS</b>	<u>377,955</u>	<u>108,108</u>	<u>486,063</u>	<u>584,941</u>	<u>98,878</u>
<b>68000 TRANSFERS</b>					
68000 TRANSFERS	97,391	1,127	98,518	95,326	(3,192)
<b>TOTAL TRANSFERS</b>	<u>97,391</u>	<u>1,127</u>	<u>98,518</u>	<u>95,326</u>	<u>(3,192)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,015,469</u>	<u>\$ 482,359</u>	<u>\$ 1,497,828</u>	<u>\$ 1,504,388</u>	<u>\$ 6,560</u>
<b>BUDGETED FUNDS</b>					
02426 PER CAPITA	\$ 1,015,469	\$ 482,359	\$ 1,497,828	\$ 1,504,388	\$ 6,560
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 1,015,469</u>	<u>\$ 482,359</u>	<u>\$ 1,497,828</u>	<u>\$ 1,504,388</u>	<u>\$ 6,560</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

The department replaces computers every five years. The replacement of computers is done using a rotating basis so that the department will replace approximately 20% of the computers annually. IT is in the process of ordering the replacement computers. The projected cost of the replacement computers is \$26,000 and is included in the projections above.

In transfers, the total expenditure is expected to be the 2% collection fee to Department of Revenue (DOR) for the collection on the Per Capita Fee (PCF). The projected expense is higher than the budgeted amount because DOR has collected more PCF than was collected in the department's base budget year, FY 2014.



**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** CENTRALIZED SERVICES  
**PROGRAM:** LIVESTOCK LOSS BOARD

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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<b>BUDGETED FTE</b>	1.00
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 36,508	\$ 22,113	\$ 58,621	\$ 52,303	\$ (6,318)
61300 OTHER/PER DIEM	350	400	750	600	(150)
61400 BENEFITS	12,860	8,779	21,639	20,970	(669)
<b>TOTAL PERSONAL SERVICES</b>	<u>49,718</u>	<u>31,292</u>	<u>81,010</u>	<u>73,873</u>	<u>(7,137)</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	561	484	1,045	669	(376)
62200 SUPPLY	391	802	1,193	775	(418)
62300 COMMUNICATION	1,006	1,465	2,471	1,484	(987)
62400 TRAVEL	2,030	163	2,193	1,525	(668)
62500 RENT	3,574	1,763	5,337	3,252	(2,085)
62700 REPAIR & MAINT	116	16	132	644	512
62800 OTHER EXPENSES	505	148	653	439	(214)
<b>TOTAL OPERATIONS</b>	<u>8,183</u>	<u>4,841</u>	<u>13,024</u>	<u>8,788</u>	<u>(4,236)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 57,901</u>	<u>\$ 36,133</u>	<u>\$ 94,034</u>	<u>\$ 82,661</u>	<u>\$ (11,373)</u>
<b>BUDGETED FUNDS</b>					
01100 GENERAL FUND	\$ 57,901	\$ 36,133	\$ 94,034	\$ 82,661	\$ (11,373)
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 57,901</u>	<u>\$ 36,133</u>	<u>\$ 94,034</u>	<u>\$ 82,661</u>	<u>\$ (11,373)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

The standard budget shown in this table has been adjusted for the Governor's 10% General Fund Reductions enacted during the 2017 special session pursuant to MCA 17-7-140. The total reduction for the Livestock Loss Board was \$9,185.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** CENTRALIZED SERVICES  
**PROGRAM:** MILK CONTROL BUREAU

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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<b>BUDGETED FTE</b>	3.00
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 103,910	\$ 67,433	\$ 171,343	\$ 167,205	\$ (4,138)
61300 OTHER/PER DIEM	1,200	600	1,800	2,350	550
61400 BENEFITS	37,127	33,621	70,748	75,800	5,052
TOTAL PERSONAL SERVICES	142,237	101,654	243,891	245,355	1,464
<b>62000 OPERATIONS</b>					
62100 CONTRACT	17,086	86,574	103,660	113,675	10,015
62200 SUPPLY	828	1,288	2,116	3,049	933
62300 COMMUNICATION	797	1,866	2,663	3,042	379
62400 TRAVEL	5,322	3,000	8,322	11,115	2,793
62500 RENT	6,248	3,034	9,282	8,542	(740)
62700 REPAIR & MAINT	187	228	415	313	(102)
62800 OTHER EXPENSES	5,396	44	5,440	3,502	(1,938)
TOTAL OPERATIONS	35,864	96,034	131,898	143,238	11,340
<b>TOTAL EXPENDITURES</b>	\$ 178,101	\$ 197,688	\$ 375,789	\$ 388,593	\$ 12,804
<b>BUDGETED FUNDS</b>					
02817 MILK CONTROL	\$ 178,101	\$ 197,688	\$ 375,789	\$ 388,593	\$ 12,804
<b>TOTAL BUDGETED FUNDS</b>	\$ 178,101	\$ 197,688	\$ 375,789	\$ 388,593	\$ 12,804

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** ANIMAL HEALTH DIVISION - STATE VETERINARIAN  
**PROGRAM:** STATE VETERINARIAN IMPORT OFFICE

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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<b>BUDGETED FTE</b>	8.50
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 271,578	\$ 188,232	\$ 459,810	\$ 478,309	\$ 18,499
61400 BENEFITS	93,207	84,851	178,058	185,861	7,803
TOTAL PERSONAL SERVICES	<u>364,785</u>	<u>273,083</u>	<u>637,868</u>	<u>664,170</u>	<u>26,302</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	11,602	11,703	23,305	16,881	(6,424)
62200 SUPPLY	7,996	7,152	15,148	9,355	(5,793)
62300 COMMUNICATION	16,134	17,122	33,256	21,914	(11,342)
62400 TRAVEL	2,230	9,653	11,883	4,592	(7,291)
62500 RENT	6,457	7,900	14,357	3,913	(10,444)
62700 REPAIR & MAINT	1,364	479	1,843	6,277	4,434
62800 OTHER EXPENSES	7,908	6,799	14,707	7,352	(7,355)
TOTAL OPERATIONS	<u>53,691</u>	<u>60,808</u>	<u>114,499</u>	<u>70,284</u>	<u>(44,215)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 418,476</u>	<u>\$ 333,891</u>	<u>\$ 752,367</u>	<u>\$ 734,454</u>	<u>\$ (17,913)</u>
<b><u>BUDGETED FUNDS</u></b>					
02426 PER CAPITA FEE	\$ 418,476	\$ 333,891	\$ 752,367	\$ 734,454	\$ (17,913)
<b>TOTAL BUDGET FUNDING</b>	<u>\$ 418,476</u>	<u>\$ 333,891</u>	<u>\$ 752,367</u>	<u>\$ 734,454</u>	<u>\$ (17,913)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** ANIMAL HEALTH DIVISION - STATE VETERINARIAN  
**PROGRAM:** DESIGNATED SURVEILLANCE AREA (DSA)

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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**BUDGETED FTE** 2.00

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 72,804	\$ 56,543	\$ 129,347	\$ 117,326	\$ (12,021)
61400 BENEFITS	24,888	21,194	46,082	44,376	(1,706)
TOTAL PERSONAL SERVICES	<u>97,692</u>	<u>77,737</u>	<u>175,429</u>	<u>161,702</u>	<u>(13,727)</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	473,607	47,175	520,782	576,174	55,392
62200 SUPPLY	489	1,330	1,819	2,082	263
62300 COMMUNICATION	1,116	1,686	2,802	2,958	156
62400 TRAVEL	3,345	1,985	5,330	6,108	778
62700 REPAIR & MAINT	50	66	116	566	450
62800 OTHER EXPENSES	4,158	309	4,467	3,579	(888)
TOTAL OPERATIONS	<u>482,765</u>	<u>52,551</u>	<u>535,316</u>	<u>591,467</u>	<u>56,151</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 580,457</u>	<u>\$ 130,288</u>	<u>\$ 710,745</u>	<u>\$ 753,169</u>	<u>\$ 42,424</u>
<b><u>BUDGETED FUNDS</u></b>					
01100 GENERAL FUND	\$ 580,457	\$ 130,288	\$ 710,745	\$ 753,169	\$ 42,424
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 580,457</u>	<u>\$ 130,288</u>	<u>\$ 710,745</u>	<u>\$ 753,169</u>	<u>\$ 42,424</u>

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: ANIMAL HEALTH DIVISION - STATE VETERINARIAN  
PROGRAM: ANIMAL FEDERAL UMBRELLA GRANTS**

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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<b>BUDGETED FTE</b>	3.75
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

**61000 PERSONAL SERVICES**

61100 SALARIES	\$ 71,537	\$ 60,315	\$ 131,852	\$ 152,675	\$ 20,823
61400 BENEFITS	27,423	24,386	51,809	66,914	15,105
<b>TOTAL PERSONAL SERVICES</b>	<u>98,960</u>	<u>84,701</u>	<u>183,661</u>	<u>219,589</u>	<u>35,928</u>

**62000 OPERATIONS**

62100 CONTRACT	188,599	99,512	288,111	249,835	(38,276)
62200 SUPPLY	10,996	8,957	19,953	18,463	(1,490)
62300 COMMUNICATION	3,507	2,473	5,980	6,538	558
62400 TRAVEL	8,203	4,862	13,065	15,330	2,265
62500 RENT	42,315	12,357	54,672	51,364	(3,308)
62700 REPAIR & MAINT	18,017	2,757	20,774	10,490	(10,284)
62800 OTHER EXPENSES	-	18,599	18,599	42,248	23,649
<b>TOTAL OPERATIONS</b>	<u>275,215</u>	<u>149,517</u>	<u>424,732</u>	<u>394,268</u>	<u>(30,464)</u>

**68000 TRANSFERS**

68000 TRANSFERS	60,226	179,774	240,000	240,000	-
<b>TOTAL TRANSFERS</b>	<u>60,226</u>	<u>179,774</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>

**TOTAL EXPENDITURES**

	<u>\$ 434,401</u>	<u>\$ 413,992</u>	<u>\$ 848,393</u>	<u>\$ 853,857</u>	<u>\$ 5,464</u>
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**BUDGETED FUNDS**

03427 AH FEDERAL UMBRELLA	\$ 434,401	\$ 413,992	\$ 848,393	\$ 853,857	\$ 5,464
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 434,401</u>	<u>\$ 413,992</u>	<u>\$ 848,393</u>	<u>\$ 853,857</u>	<u>\$ 5,464</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

The Federal fiscal year is different than state fiscal year. While MDOL may only spend what is appropriated in House Bill 2, the department has until the following March to spend money awarded for the different grants.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: DIAGNOSTIC LABORATORY  
PROGRAM: DIAGNOSTIC LABORATORY**

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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**BUDGETED FTE** 20.01

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 647,167	\$ 389,742	\$ 1,036,909	\$ 919,688	\$ (117,221)
61400 BENEFITS	228,416	168,465	396,881	355,712	(41,169)
TOTAL PERSONAL SERVICES	<u>875,583</u>	<u>558,207</u>	<u>1,433,790</u>	<u>1,275,400</u>	<u>(158,390)</u>
62000 OPERATIONS					
62100 CONTRACT	55,944	41,386	97,330	98,558	1,228
62200 SUPPLY	252,637	182,730	435,367	490,598	55,231
62300 COMMUNICATION	7,862	15,118	22,980	37,817	14,837
62400 TRAVEL	3,161	1,416	4,577	7,527	2,950
62500 RENT	11,081	507	11,588	2,109	(9,479)
62600 UTILITIES	28,128	19,231	47,359	49,890	2,531
62700 REPAIR & MAINT	69,151	28,770	97,921	93,823	(4,098)
62800 OTHER EXPENSES	81,986	42,961	124,947	124,245	(702)
TOTAL OPERATIONS	<u>509,950</u>	<u>332,119</u>	<u>842,069</u>	<u>904,567</u>	<u>62,498</u>
63000 EQUIPMENT					
63100 EQUIPMENT	16,100	-	16,100	15,000	(1,100)
TOTAL EQUIPMENT	<u>16,100</u>	<u>-</u>	<u>16,100</u>	<u>15,000</u>	<u>(1,100)</u>
69000 CAPITAL LEASES					
69000 LEASES	9,493	4,343	13,836	13,836	-
TOTAL LEASES	<u>9,493</u>	<u>4,343</u>	<u>13,836</u>	<u>13,836</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,411,126</u>	<u>\$ 894,669</u>	<u>\$ 2,305,795</u>	<u>\$ 2,208,803</u>	<u>\$ (96,992)</u>
<b>BUDGETED FUNDS</b>					
01100 GENERAL FUND	\$ 301,839	\$ 226,867	\$ 528,706	\$ 545,967	\$ 17,261
02426 PER CAPITA FEE	416,526	148,397	564,923	450,670	(114,253)
03673 FEDERAL ANIMAL HEALTH DISEASE GRAN	26,972	3,613	30,585	30,585	-
06026 DIAGNOSTIC LABORATORY FEES	665,789	515,792	1,181,581	1,181,581	-
<b>TOTAL BUDGET FUNDING</b>	<u>\$ 1,411,126</u>	<u>\$ 894,669</u>	<u>\$ 2,305,795</u>	<u>\$ 2,208,803</u>	<u>\$ (96,992)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using months to the end of the year instead of the anticipated months.

Projected payouts for employees that have submitted resignation of employment is \$30,384. The department expects to pay this within the next three months.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
February 28, 2018**

**DIVISION: DIAGNOSTIC LABORATORY  
PROGRAM: MILK LABORATORY**

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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<b>BUDGETED FTE</b>	1.50
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 50,330	\$ 30,417	\$ 80,747	\$ 72,791	\$ (7,956)
61400 BENEFITS	21,638	15,457	37,095	36,506	(589)
<b>TOTAL PERSONAL SERVICES</b>	<b>71,968</b>	<b>45,874</b>	<b>117,842</b>	<b>109,297</b>	<b>(8,545)</b>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	3,497	808	4,305	5,056	751
62200 SUPPLY	16,976	10,967	27,943	23,964	(3,979)
62300 COMMUNICATION	33	466	499	510	11
62400 TRAVEL	971	1,956	2,927	1,633	(1,294)
62500 RENT	240	-	240	-	(240)
62600 UTILITIES	1,824	1,796	3,620	3,289	(331)
62700 REPAIR & MAINT	8,260	938	9,198	7,190	(2,008)
62800 OTHER EXPENSES	5,270	3,867	9,137	7,511	(1,626)
<b>TOTAL OPERATIONS</b>	<b>37,071</b>	<b>20,798</b>	<b>57,869</b>	<b>49,153</b>	<b>(8,716)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 109,039</b>	<b>\$ 66,672</b>	<b>\$ 175,711</b>	<b>\$ 158,450</b>	<b>\$ (17,261)</b>
<b><u>BUDGETED FUNDS</u></b>					
01100 GENERAL FUND	\$ 109,039	\$ 66,672	\$ 175,711	\$ 158,450	\$ (17,261)
<b>TOTAL BUDGETED FUNDS</b>	<b>\$ 109,039</b>	<b>\$ 66,672</b>	<b>\$ 175,711</b>	<b>\$ 158,450</b>	<b>\$ (17,261)</b>

This report compares the department's second month of projections (March 2016) to the year-end actual expenses. This evaluation will aid the department to improve future projection process.

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

The department began allocating utilities and MSU recharges to the milk lab in FY 2017. In prior years, these expenses were paid from the diagnostic lab budget. In determining budgets for the 2018-19 biennium, these expenses were captured in the diagnostic lab budget, not the milk lab budget. The annual recharge expense for the milk lab will be \$6,840 and utilities are estimated to be \$4,800. The Department anticipates the milk lab may over spend appropriations. Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: MILK & EGG BUREAU  
PROGRAM: MILK & EGG INSPECTION**

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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**BUDGETED FTE** 4.75

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 118,497	\$ 80,026	\$ 198,523	\$ 211,609	\$ 13,086
61400 BENEFITS	44,671	33,731	78,402	90,690	12,288
<b>TOTAL PERSONAL SERVICES</b>	<u>163,168</u>	<u>113,757</u>	<u>276,925</u>	<u>302,299</u>	<u>25,374</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	3,893	1,118	5,011	7,582	2,571
62200 SUPPLY	1,543	3,874	5,417	9,389	3,972
62300 COMMUNICATION	2,886	2,621	5,507	7,795	2,288
62400 TRAVEL	6,158	8,451	14,609	20,044	5,435
62500 RENT	2,528	2,464	4,992	5,517	525
62700 REPAIR & MAINT	306	736	1,042	2,820	1,778
62800 OTHER EXPENSES	8,932	6,805	15,737	13,258	(2,479)
<b>TOTAL OPERATIONS</b>	<u>26,246</u>	<u>26,069</u>	<u>52,315</u>	<u>66,405</u>	<u>14,090</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 189,414</u>	<u>\$ 139,826</u>	<u>\$ 329,240</u>	<u>\$ 368,704</u>	<u>\$ 39,464</u>
<b>BUDGETED FUNDS</b>					
02701 MILK INSPECTION FEES	\$ 178,641	\$ 132,912	\$ 311,553	\$ 347,704	\$ 36,151
03032-2 SHELL EGG FEDERAL INSPECTION FEES	10,773	6,914	17,687	21,000	3,313
<b>TOTAL BUDGET FUNDING</b>	<u>\$ 189,414</u>	<u>\$ 139,826</u>	<u>\$ 329,240</u>	<u>\$ 368,704</u>	<u>\$ 39,464</u>

This report compares the department's second month of projections (March 2016) to the year-end actual expenses. This evaluation will aid the department to improve future projection process.

Milk inspection has a significant excess of budget authority over projected expenses due to reducing expenses to correlate with milk assessment fee revenues.

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

The Shielded Egg Grading expense projections are shown separately from the milk and egg inspection program.



**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: MILK & EGG BUREAU  
PROGRAM: SHEILDED EGG GRADING PROGRAM**

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
<b>BUDGETED FTE</b>	2.50				
<b>HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES</b>					
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 40,990	\$ 43,357	\$ 84,347	\$ 148,431	\$ 64,084
61200 OVERTIME	1,712	-	1,712	-	(1,712)
61400 BENEFITS	16,234	17,267	33,501	59,544	26,043
TOTAL PERSONAL SERVICES	<u>58,936</u>	<u>60,624</u>	<u>119,560</u>	<u>207,975</u>	<u>88,415</u>
62000 OPERATIONS					
62100 CONTRACT	18,321	12,770	31,091	128,683	97,592
62200 SUPPLY	153	251	404	3,237	2,833
62800 OTHER EXPENSES	1,117	387	1,504	4,278	2,774
TOTAL OPERATIONS	<u>19,591</u>	<u>13,408</u>	<u>32,999</u>	<u>136,198</u>	<u>103,199</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 78,527</u>	<u>\$ 74,032</u>	<u>\$ 152,559</u>	<u>\$ 344,173</u>	<u>\$ 191,614</u>
<b>BUDGETED FUNDS</b>					
02262 SHIELDED EGG GRADING FEES	\$ 78,527	\$ 74,032	\$ 152,559	\$ 344,173	\$ 191,614
<b>TOTAL BUDGET FUNDING</b>	<u>\$ 78,527</u>	<u>\$ 74,032</u>	<u>\$ 152,559</u>	<u>\$ 344,173</u>	<u>\$ 191,614</u>

Milk inspection has a significant excess of budget over projected expenses due to cutting costs to match milk assessment fee revenues.

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: MEAT & POULTRY INSPECTION PROGRAM  
PROGRAM: MEAT INSPECTION**

	Year-to-Date		FY 2018	FY 2018	Projected
	Actual	Projected	Projected Year	Budget	Budget
	Expenses	Expenses	End Expense	Excess/	Excess/
	February	February to	Totals	Budget	(Deficit)
	FY 2018	June 2018			
<b>BUDGETED FTE</b>	24.50				
<b>HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES</b>					
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 566,852	\$ 347,652	\$ 914,504	\$ 802,212	\$ (112,292)
61200 OVERTIME	24,689	-	24,689	16,643	(8,046)
61400 BENEFITS	255,662	157,008	412,670	416,890	4,220
TOTAL PERSONAL SERVICES	<u>847,203</u>	<u>504,660</u>	<u>1,351,863</u>	<u>1,235,745</u>	<u>(116,118)</u>
62000 OPERATIONS					
62100 CONTRACT	34,463	14,052	48,515	41,291	(7,224)
62200 SUPPLY	3,782	8,805	12,587	11,062	(1,525)
62300 COMMUNICATION	11,589	10,756	22,345	16,911	(5,434)
62400 TRAVEL	25,471	23,145	48,616	38,700	(9,916)
62500 RENT	95,060	51,952	147,012	116,598	(30,414)
62700 REPAIR & MAINT	2,054	12,369	14,423	12,547	(1,876)
62800 OTHER EXPENSES	209,635	111,539	321,174	277,747	(43,427)
TOTAL OPERATIONS	<u>382,054</u>	<u>232,618</u>	<u>614,672</u>	<u>514,856</u>	<u>(99,816)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,229,257</u>	<u>\$ 737,278</u>	<u>\$ 1,966,535</u>	<u>\$ 1,750,601</u>	<u>\$ (215,934)</u>
<b>BUDGETED FUNDS</b>					
01100 GENDERAL FUND	\$ 639,421	\$ 402,127	\$ 1,041,548	\$ 825,614	\$ (215,934)
02427 ANIMAL HEALTH FEES	-	5,718	5,718	5,718	-
03209 MEAT & POULTRY INSPECTION FEES	589,836	329,433	919,269	919,269	-
<b>TOTAL BUDGET FUNDING</b>	<u>\$ 1,229,257</u>	<u>\$ 737,278</u>	<u>\$ 1,966,535</u>	<u>\$ 1,750,601</u>	<u>\$ (215,934)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

The department has evaluated the list of employees who are eligible to retire but have not indicated to management that they intend to retire during this fiscal year. Since employees may retire at anytime, the department has deemed it appropriate to include employees payout liabilities in the projections. Employees who have indicated they do not intend to retire this fiscal year are not included in the projections. Payouts for employees age 62 and over are included in the projections and are estimated to be \$30,600 to June 30, 2018.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire. The department has not calculated potential retirements in the projections at this time.

**MONTANA DEPARTMENT OF LIVESTOCK  
PROJECTED EXPENSE TO BUDGET COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: BRANDS ENFORCEMENT  
PROGRAM: BRANDS ENFORCEMENT**

	Year-to-Date Actual Expenses February FY 2018	Projected Expenses February to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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**BUDGETED FTE** 53.11

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 1,364,500	\$ 658,114	\$ 2,022,614	\$ 1,888,572	\$ (134,042)
61200 OVERTIME	81,948	10,287	92,235	74,391	(17,844)
61400 BENEFITS	593,044	326,589	919,633	957,579	37,946
<b>TOTAL PERSONAL SERVICES</b>	<b>2,039,492</b>	<b>994,990</b>	<b>3,034,482</b>	<b>2,920,542</b>	<b>(113,940)</b>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	76,155	23,890	100,045	119,914	19,869
62200 SUPPLY	60,672	39,919	100,591	126,078	25,487
62300 COMMUNICATION	38,742	30,859	69,601	72,838	3,237
62400 TRAVEL	15,854	22,817	38,671	42,488	3,817
62500 RENT	88,560	47,785	136,345	100,099	(36,246)
62600 UTILITIES	6,500	-	6,500	6,500	-
62700 REPAIR & MAINT	5,974	7,294	13,268	44,826	31,558
62800 OTHER EXPENSES	44,802	32,946	77,748	71,723	(6,025)
<b>TOTAL OPERATIONS</b>	<b>337,259</b>	<b>205,510</b>	<b>542,769</b>	<b>584,466</b>	<b>41,697</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,376,751</b>	<b>\$ 1,200,500</b>	<b>\$ 3,577,251</b>	<b>\$ 3,505,008</b>	<b>\$ (72,243)</b>
<b><u>BUDGETED FUNDS</u></b>					
02425 BRAND INSPECTION FEES	\$ 2,376,751	\$ 606,396	\$ 2,983,147	\$ 2,983,147	\$ -
02426 PER CAPITA FEES	-	594,104	594,104	521,861	(72,243)
<b>TOTAL BUDGET FUNDING</b>	<b>\$ 2,376,751</b>	<b>\$ 1,200,500</b>	<b>\$ 3,577,251</b>	<b>\$ 3,505,008</b>	<b>\$ (72,243)</b>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using five months to the end of the year instead of the anticipated four months.

Projected expenses are calculated using prior years actual expenses by month, then adjusting for known non-consistent items. Non-consistent expenses include out of state travel or known employees ready to retire.

In FY 2016, the Department approved salary increases for employees who were below 80% of market. The increases were implemented after the Budget Office performed the bienium personnel snap-shot, therefore the increases were not included in the 2018-19 biennium budget. Since the salary increases were not included in the 2018 - 19 budget, personal services expenditures are projected to in excess of budgeted appropriations by \$113,940.

**MONTANA DEPARTMENT OF LIVESTOCK  
EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**MONTANA DEPARTMENT OF LIVESTOCK  
HOUSE BILL 2 AND PAYPLAN  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: DEPARTMENT OF LIVESTOCK  
PROGRAM: DEPARTMENT OF LIVESTOCK**

**BUDGET TO ACTUAL EXPENSE  
COMPARISON REPORT**

	FY 2018 Adjusted Budget	Year-to-Date Actual Expenses February FY 2018	Same Period Prior Year Actual Expenses February FY 2017	Year to Year Comparison	Balance of Budget Available
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**BUDGETED FTE** 135.62

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 5,618,407	\$ 3,746,268	\$ 3,549,166	\$ 197,102	\$ 1,872,139
61200 OVERTIME	91,034	108,349	80,533	27,816	(17,315)
61300 OTHER/PER DIEM	6,700	3,175	3,100	75	3,525
61400 BENEFITS	2,524,228	1,492,073	1,648,373	(156,300)	1,032,155
TOTAL PERSONAL SERVICES	8,240,369	5,349,865	5,281,172	68,693	2,890,504
<b>62000 OPERATIONS</b>					
62100 CONTRACT	1,563,944	1,046,302	859,306	186,996	517,642
62200 SUPPLY	781,106	421,905	374,853	47,052	359,201
62300 COMMUNICATION	200,529	119,969	121,906	(1,937)	80,560
62400 TRAVEL	172,606	81,351	81,435	(84)	91,255
62500 RENT	516,288	353,177	239,343	113,834	163,111
62600 UTILITIES	59,679	40,030	35,426	4,604	19,649
62700 REPAIR & MAINT	180,975	105,939	91,171	14,768	75,036
62800 OTHER EXPENSES	574,118	377,171	273,114	104,057	196,947
TOTAL OPERATIONS	4,049,245	2,545,844	2,076,554	469,290	1,503,401
<b>63000 EQUIPMENT</b>					
63100 EQUIPMENT	15,000	16,100	-	16,100	(1,100)
TOTAL EQUIPMENT	15,000	16,100	-	16,100	(1,100)
<b>68000 TRANSFERS</b>					
68000 TRANSFERS	335,326	157,617	111,247	46,370	177,709
TOTAL TRANSFERS	335,326	157,617	111,247	46,370	177,709
<b>69000 CAPITAL LEASES</b>					
69000 LEASES	13,836	9,493	9,493	-	4,343
TOTAL LEASES	13,836	9,493	9,493	-	4,343
TOTAL	\$ 12,653,776	\$ 8,078,919	\$ 7,478,466	\$ 600,453	\$ 4,574,857

**FUND**

01100 GENDERAL FUND	2,365,861	\$ 1,688,657	\$ 1,429,991	\$ 258,666	\$ 677,204
02262 SHIELDED EGG GRADING FEES	344,173	78,527	85,805	(7,278)	265,646
02425 BRAND INSPECTION FEES	2,983,147	2,376,751	2,241,997	134,754	606,396
02426 PER CAPITA FEE	3,211,373	1,850,471	1,486,062	364,409	1,360,902
02427 ANIMAL HEALTH	5,718	-	1,026,366	(1,026,366)	5,718
02701 MILK INSPECTION FEES	348,619	178,641	176,103	2,538	169,978
02817 MILK CONTROL	388,593	178,101	170,805	7,296	210,492
03209 MEAT & POULTRY INSPECTION	919,269	589,836	512,847	76,989	329,433
03032-1 NATIONAL LAB NETWORK	30,585	26,972	35,526	(8,554)	3,613
03032-2 SHELL EGG FEDERAL INSPECTION FEES	21,000	10,773	11,489	(716)	10,227
03427 AH FEDERAL UMBRELLA	853,857	434,401	301,475	132,926	419,456
06026 DIAGNOSTIC LABORATORY FEES	1,181,581	665,789	-	665,789	515,792
TOTAL BUDGET FUNDING	\$ 12,653,776	\$ 8,078,919	\$ 7,478,466	\$ 600,453	\$ 4,574,857

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

The Department of Livestock is budgeted for \$12,653,776 and 135.62 FTE in FY 2017. Personal services budget is 65% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$68,693 higher than February 2017. Operations are 63% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$469,290 higher than February 2017. Overall, Department of Livestock total expenditures were \$600,453 higher than the same period last year. With 59% of the budget year lapsed, 64% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** CENTRALIZED SERVICES  
**PROGRAM:** CENTRAL SERVICES AND BOARD OF LIVESTOCK

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	FY 2018 Budget	Year-to-Date Actual Expenses February FY 2018	Same Period Prior Year Actual Expenses February FY 2017	Year to Year Comparison	Balance of Budget Available
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<b>BUDGETED FTE</b>	13.00
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 603,668	\$ 401,595	\$ 434,310	\$ (32,715)	\$ 202,073
61300 OTHER/PER DIEM	2,250	1,625	1,750	(125)	625
61400 BENEFITS	218,203	136,903	175,646	(38,743)	81,300
TOTAL PERSONAL SERVICES	824,121	540,123	611,706	(71,583)	283,998
<b>62000 OPERATIONS</b>					
62100 CONTRACT	233,975	162,574	70,684	91,890	71,401
62200 SUPPLY	120,753	65,442	26,038	39,404	55,311
62300 COMMUNICATION	49,849	36,297	11,406	24,891	13,552
62400 TRAVEL	18,026	8,606	8,563	43	9,420
62500 RENT	142,265	97,114	77,554	19,560	45,151
62700 REPAIR & MAINT	1,649	460	380	80	1,189
62800 OTHER EXPENSES	18,424	7,462	7,367	95	10,962
TOTAL OPERATIONS	584,941	377,955	201,992	175,963	206,986
<b>68000 TRANSFERS</b>					
68000 TRANSFERS	95,326	97,391	95,326	2,065	(2,065)
TOTAL TRANSFERS	95,326	97,391	95,326	2,065	(2,065)
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,504,388</b>	<b>\$ 1,015,469</b>	<b>\$ 909,024</b>	<b>\$ 106,445</b>	<b>\$ 488,919</b>
<b><u>BUDGETED FUNDS</u></b>					
02426 PER CAPITA	\$ 1,504,388	\$ 1,015,469	\$ 909,024	\$ 106,445	\$ 488,919
<b>TOTAL BUDGETED FUNDS</b>	<b>\$ 1,504,388</b>	<b>\$ 1,015,469</b>	<b>\$ 909,024</b>	<b>\$ 106,445</b>	<b>\$ 488,919</b>

Personal Services were higher in FY 2017 than FY 2018. The difference was the former Executive Officer payout.

Contract services are higher in FY 2018 than FY 2017. During 2017 Legislative Session, all of SITSD (State Information Technology Services Division) was budgeted in CSD. In prior years, SITSD was expensed to the other divisions and bureaus.

Supply expense is considerable higher in FY 2018. The Department has started purchasing replacing computers earlier in FY 2018 than FY 2017. The majority of the replacement computers for FY 2017 were purchased before the end of August 2017.

Rent is higher in FY 2018 than FY 2017. The Department began expensing rent in the month the expense accrued. In prior years, rent was expensed when it was paid, which was the month after it was incurred. Rent is not due at the beginning of the month.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: CENTRALIZED SERVICES  
PROGRAM: LIVESTOCK LOSS BOARD**

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT		Year-to-Date	Same Period	Year to Year Comparison	Balance of Budget Available
		Actual Expenses February FY 2018	Prior Year Actual Expenses February FY 2017		
	FY 2018 Budget				
<b>BUDGETED FTE</b>		1.00			
<b>HOUSE BILL 2 AND SB 418 APPROPRIATED EXPENDITURES</b>					
<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 52,303	\$ 36,508	\$ 36,133	\$ 375	\$ 15,795
61300 OTHER/PER DIEM	600	350	400	(50)	250
61400 BENEFITS	20,970	12,860	14,564	(1,704)	8,110
<b>TOTAL PERSONAL SERVICE</b>	<u>73,873</u>	<u>49,718</u>	<u>51,097</u>	<u>(1,379)</u>	<u>24,155</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	669	561	685	(124)	108
62200 SUPPLY	775	391	530	(139)	384
62300 COMMUNICATION	1,484	1,006	1,299	(293)	478
62400 TRAVEL	1,525	2,030	1,764	266	(505)
62500 RENT	3,252	3,574	2,754	820	(322)
62700 REPAIR & MAINT	644	116	23	93	528
62800 OTHER EXPENSES	439	505	734	(229)	(66)
<b>TOTAL OPERATIONS</b>	<u>8,788</u>	<u>8,183</u>	<u>7,789</u>	<u>394</u>	<u>605</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 82,661</u>	<u>\$ 57,901</u>	<u>\$ 58,886</u>	<u>\$ (985)</u>	<u>\$ 24,760</u>
<b>BUDGETED FUNDS</b>					
01100 GENERAL FUND	\$ 82,661	\$ 57,901	\$ 58,886	\$ (985)	\$ 24,760
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 82,661</u>	<u>\$ 57,901</u>	<u>\$ 58,886</u>	<u>\$ (985)</u>	<u>\$ 24,760</u>

Under direction of the Budget Director, the Department submitted a plan to reduce General Fund programs by 10%. The reduction is established by 17-7-140, MCA. The amount of the reduction for the Livestock Loss Board is \$9,185.

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

In FY 2017, the Livestock Loss Board is budgeted \$91,846 with 1.00 FTE funded with general fund. The personal services budget is 62% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$1,379 lower than February 2017. Operations are 93% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$394 higher than February 2017. Overall, Livestock Loss Board total expenditures were \$985 lower than the same period last year. With 59% of the budget year lapsed, 70% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** CENTRALIZED SERVICES  
**PROGRAM:** MILK CONTROL BUREAU

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	Year-to-Date	Same Period		Balance of
	Actual	Prior Year		Budget
	Expenses	Actual	Expenses	Available
FY 2018	February	February	Year to Year	
Budget	FY 2018	FY 2017	Comparison	

**BUDGETED FTE** 3.00

**HOUSE BILL 2 AND SB 418 APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 167,205	\$ 103,910	\$ 102,561	\$ 1,349	\$ 63,295
61300 OTHER/PER DIEM	2,350	1,200	950	250	1,150
61400 BENEFITS	75,800	37,127	41,795	(4,668)	38,673
<b>TOTAL PERSONAL SERVICES</b>	<u>245,355</u>	<u>142,237</u>	<u>145,306</u>	<u>(3,069)</u>	<u>103,118</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	113,675	17,086	10,464	6,622	96,589
62200 SUPPLY	3,049	828	1,737	(909)	2,221
62300 COMMUNICATION	3,042	797	2,365	(1,568)	2,245
62400 TRAVEL	11,115	5,322	4,189	1,133	5,793
62500 RENT	8,542	6,248	4,444	1,804	2,294
62700 REPAIR & MAINT	313	187	147	40	126
62800 OTHER EXPENSES	3,502	5,396	2,153	3,243	(1,894)
<b>TOTAL OPERATIONS</b>	<u>143,238</u>	<u>35,864</u>	<u>25,499</u>	<u>10,365</u>	<u>107,374</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 388,593</u>	<u>\$ 178,101</u>	<u>\$ 170,805</u>	<u>\$ 7,296</u>	<u>\$ 210,492</u>
<b>BUDGETED FUNDS</b>					
02817 MILK CONTROL	\$ 291,012	\$ 178,101	\$ 170,805	\$ 7,296	\$ 112,911
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 291,012</u>	<u>\$ 178,101</u>	<u>\$ 170,805</u>	<u>\$ 7,296</u>	<u>\$ 112,911</u>

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

In FY 2017, The Milk Control Bureau is budgeted \$291,012 and has 3.00 FTE. The bureau is funded with milk industry fees. The personal services budget is 58% expended with 63% of payrolls complete. Personal services expended as of February 2018 were \$3,069 lower than February 2017. Operations are 25% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$10,365 higher than February 2017. Overall, Milk Control Bureau total expenditures were \$7,296 higher than the same period last year. With 59% of the budget year lapsed, 61% of the budget is expended.



**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** ANIMAL HEALTH DIVISION - STATE VETERINARIAN  
**PROGRAM:** STATE VETERINARIAN IMPORT OFFICE

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT		Year-to-Date	Same Period	Year to Year Comparison	Balance of Budget Available
		Actual Expenses February FY 2018	Prior Year Actual Expenses February FY 2017		
	FY 2018 Budget				
<b>BUDGETED FTE</b>		8.50			
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 478,309	\$ 268,006	\$ 265,048	\$ 2,958	\$ 210,303
61400 BENEFITS	185,861	91,511	106,056	(14,545)	94,350
<b>TOTAL PERSONAL SERVICES</b>	<u>664,170</u>	<u>359,517</u>	<u>371,104</u>	<u>(11,587)</u>	<u>304,653</u>
62000 OPERATIONS					
62100 CONTRACT	16,881	11,602	19,469	(7,867)	5,279
62200 SUPPLY	9,355	7,996	11,916	(3,920)	1,359
62300 COMMUNICATION	21,914	16,134	23,248	(7,114)	5,780
62400 TRAVEL	4,592	2,230	3,664	(1,434)	2,362
62500 RENT	3,913	6,457	4,501	1,956	(2,544)
62700 REPAIR & MAINT	6,277	1,364	1,375	(11)	4,913
62800 OTHER EXPENSES	7,352	7,908	7,705	203	(556)
<b>TOTAL OPERATIONS</b>	<u>70,284</u>	<u>53,691</u>	<u>71,878</u>	<u>(18,187)</u>	<u>16,593</u>
<b>TOTAL</b>	<u>\$ 734,454</u>	<u>\$ 413,208</u>	<u>\$ 442,982</u>	<u>\$ (29,774)</u>	<u>\$ 321,246</u>
<b>FUND</b>					
02426 PER CAPITA FEE	\$ 734,454	\$ 413,208	\$ 442,982	\$ (29,774)	\$ 321,246
<b>TOTAL BUDGET FUNDING</b>	<u>\$ 734,454</u>	<u>\$ 413,208</u>	<u>\$ 442,982</u>	<u>\$ (29,774)</u>	<u>\$ 321,246</u>

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

The State Veterinarian Office includes Import and Alternative Livestock. In FY 2017, the State Veterinarian Import Office is budgeted \$734,454 with 8.10 FTE funded with per capita fees. The personal services budget is 54% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$11,587 lower than February 2017. Operations are 76% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$18,187 lower than February 2017. The repair and maintenance includes a contract for the US Herds system of \$25,000. The total budget is 56% expended with 59% of the year lapsed. This is \$29,774 less than the same period in FY 2016.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** ANIMAL HEALTH DIVISION - STATE VETERINARIAN  
**PROGRAM:** DESIGNATED SURVEILLANCE AREA (DSA)

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	FY 2018 Budget	Year-to-Date	Same Period	Year to Year Comparison	Balance of Budget Available
		Actual Expenses February FY 2018	Prior Year Actual Expenses February FY 2017		

**BUDGETED FTE** 2.00

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 117,326	\$ 72,804	\$ 74,251	\$ (1,447)	\$ 44,522
61400 BENEFITS	44,376	24,888	28,662	(3,774)	19,488
<b>TOTAL PERSONAL SERVICES</b>	<b>161,702</b>	<b>97,692</b>	<b>102,913</b>	<b>(5,221)</b>	<b>64,010</b>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	576,174	473,607	571,890	(98,283)	102,567
62200 SUPPLY	2,082	489	1,652	(1,163)	1,593
62300 COMMUNICATION	2,958	1,116	2,287	(1,171)	1,842
62400 TRAVEL	6,108	3,345	2,916	429	2,763
62700 REPAIR & MAINT	566	50	460	(410)	516
62800 OTHER EXPENSES	3,579	4,158	512	3,646	(579)
<b>TOTAL OPERATIONS</b>	<b>591,467</b>	<b>482,765</b>	<b>579,717</b>	<b>(96,952)</b>	<b>108,702</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 753,169</b>	<b>\$ 580,457</b>	<b>\$ 682,630</b>	<b>\$ (102,173)</b>	<b>\$ 172,712</b>
<b><u>BUDGETED FUNDS</u></b>					
01100 GENERAL FUND	\$ 753,169	\$ 580,457	\$ 682,630	\$ (102,173)	\$ 172,712
<b>TOTAL BUDGETED FUNDS</b>	<b>\$ 753,169</b>	<b>\$ 580,457</b>	<b>\$ 682,630</b>	<b>\$ (102,173)</b>	<b>\$ 172,712</b>

Under direction of the Budget Director, the Department submitted a plan to reduce General Fund programs by 10%. The reduction is established by 17-7-140, MCA. The amount of the reduction for the DSA is \$83,685.

Contract services are higher in FY 2018 than FY 2017. There has been an increase in testing over the prior year.

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May

The Designated Surveillance Area (DSA) is budgeted for \$753,169 and 2.00 FTE in FY 2018 and is funded with general funds. The personal services budget is 60% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$5,221 lower than February 2017. Operations are 82% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$96,952 lower than February 2017. Overall, DSA total expenditures were \$102,173 lower than the same period last year with 77% of the budget expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: ANIMAL HEALTH DIVISION - STATE VETERINARIAN  
PROGRAM: FEDERAL ANIMAL HEALTH DISEASE GRANTS**

**BUDGET TO ACTUAL EXPENSE  
COMPARISON REPORT**

Year-to-Date Actual Expenses February FY 2018	Same Period Prior Year Actual Expenses February FY 2017	Year to Year Comparison	Balance of Budget Available
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**BUDGETED FTE** 3.75

**HOUSE BILL 2 AND SB 418 APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 152,675	\$ 71,537	\$ 102,870	\$ (31,333)	\$ 81,138
61400 BENEFITS	66,914	27,423	44,417	(16,994)	39,491
<b>TOTAL PERSONAL SERVICES</b>	<u>219,589</u>	<u>98,960</u>	<u>147,287</u>	<u>(48,327)</u>	<u>120,629</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	249,835	188,599	39,901	148,698	61,236
62200 SUPPLY	18,463	10,996	6,752	4,244	7,467
62300 COMMUNICATION	6,538	3,507	4,879	(1,372)	3,031
62400 TRAVEL	15,330	8,203	4,063	4,140	7,127
62500 RENT	51,364	42,315	51,195	(8,880)	9,049
62700 REPAIR & MAINT	10,490	18,017	8,167	9,850	(7,527)
62800 OTHER EXPENSES	42,248	-	23,310	(23,310)	42,248
<b>TOTAL OPERATIONS</b>	<u>394,268</u>	<u>275,215</u>	<u>138,267</u>	<u>136,948</u>	<u>119,053</u>
<b>68000 TRANSFERS</b>					
68000 TRANSFERS	240,000	60,226	15,921	44,305	179,774
<b>TOTAL TRANSFERS</b>	<u>240,000</u>	<u>60,226</u>	<u>15,921</u>	<u>44,305</u>	<u>179,774</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 853,857</u>	<u>\$ 434,401</u>	<u>\$ 301,475</u>	<u>\$ 132,926</u>	<u>\$ 419,456</u>
<b><u>BUDGETED FUNDS</u></b>					
03427 AH FEDERAL UMBRELLA	\$ 853,857	\$ 434,401	\$ 301,475	\$ 132,926	\$ 419,456
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 853,857</u>	<u>\$ 434,401</u>	<u>\$ 301,475</u>	<u>\$ 132,926</u>	<u>\$ 419,456</u>

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

The Federal Animal Health Disease Grants are budgeted for \$853,857 and 3.75 FTE in FY 2017 funded with Animal Health Federal Umbrella grants. The 3.75 FTE are bison workers. Personal services budget is 45% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$48,327 lower than February 2017. Operations are 70% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$136,948 higher than February 2017. Overall, Federal Animal Health Disease Grants total expenditures were \$132,926 higher than the same period last year with 51% of the budget expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: DIAGNOSTIC LABORATORY  
PROGRAM: MAIN LAB**

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	FY 2018 Budget	Year-to-Date	Same Period	Year to Year Comparison	Balance of Budget Available
		Actual Expenses February FY 2018	Prior Year Actual Expenses February FY 2017		

**BUDGETED FTE** 20.01

**HOUSE BILL 2 AND SB 418 APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 919,688	\$ 647,167	\$ 525,317	\$ 121,850	\$ 272,521
61400 BENEFITS	355,712	228,416	237,636	(9,220)	127,296
TOTAL PERSONAL SERVICES	<u>1,275,400</u>	<u>875,583</u>	<u>762,953</u>	<u>112,630</u>	<u>399,817</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	98,558	55,944	40,403	15,541	42,614
62200 SUPPLY	490,598	252,637	244,528	8,109	237,961
62300 COMMUNICATION	37,817	7,862	19,538	(11,676)	29,955
62400 TRAVEL	7,527	3,161	6,579	(3,418)	4,366
62500 RENT	2,109	11,081	1,328	9,753	(8,972)
62600 UTILITIES	49,890	28,128	26,352	1,776	21,762
62700 REPAIR & MAINT	93,823	69,151	60,550	8,601	24,672
62800 OTHER EXPENSES	124,245	81,986	71,375	10,611	42,259
TOTAL OPERATIONS	<u>904,567</u>	<u>509,950</u>	<u>470,653</u>	<u>39,297</u>	<u>394,617</u>
<b>63000 EQUIPMENT</b>					
63100 EQUIPMENT	15,000	16,100	-	16,100	(1,100)
TOTAL EQUIPMENT	<u>15,000</u>	<u>16,100</u>	<u>-</u>	<u>16,100</u>	<u>(1,100)</u>
<b>69000 LEASES</b>					
TOTAL LEASES	<u>13,836</u>	<u>9,493</u>	<u>9,493</u>	<u>-</u>	<u>4,343</u>
TOTAL	<u>\$ 2,208,803</u>	<u>\$ 1,411,126</u>	<u>\$ 1,243,099</u>	<u>\$ 168,027</u>	<u>\$ 797,677</u>
<b>BUDGETED FUNDS</b>					
01100 GENERAL FUND	\$ 545,967	\$ 301,839	\$ 52,419	\$ 249,420	\$ 244,128
02426 PER CAPITA FEE	450,670	416,526	128,788	287,738	34,144
02427 ANIMAL HEALTH LAB FEES	-	-	1,026,366	(1,026,366)	-
03673 FEDERAL ANIMAL HEALTH DISEASE GRANTS	30,585	26,972	35,526	(8,554)	3,613
06026 DIAGNOSTIC LABORATORY FEES	1,181,581	665,789	-	665,789	515,792
TOTAL BUDGET FUNDING	<u>\$ 2,208,803</u>	<u>\$ 1,411,126</u>	<u>\$ 1,243,099</u>	<u>\$ 168,027</u>	<u>\$ 797,677</u>

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

Under direction of the Budget Director, the Department submitted a plan to reduce General Fund programs by 10%. The reduction is established by 17-7-140, MCA. The amount general fund reduced from the diagnostic laboratory budget is \$70,577. This includes the milk laboratory reduction requirement.

The Department's retirement payouts for the diagnostic laboratory for FY 2018 was \$83,234.

During the 2017 legislative session, legislation was passed which created a proprietary fund for the Diagnostic Laboratory fees. To compare the current year to prior year, Fund 02427 Animal Health Lab Fees expenses are similar to the 06026 Diagnostic Laboratory Fees.

The main lab is budgeted for \$2,208,803 and 20.01 FTE in FY 2017. It is funded with general fund of \$545,967, per capita fee of \$450,670, federal funds of \$30,585, and diagnostic laboratory fees of \$1,181,581. Personal services are 69% expended with 63% of payrolls complete. Personal services expended as of February 2018 were \$112,630 higher than February 2017. Operations are 56% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$39,297 higher than February 2017. Overall, Main Lab total expenditures were \$168,027 higher than the same period last year. With 59% of the budget year lapsed, 62% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:     DIAGNOSTIC LABORATORY  
PROGRAM:     MILK LABORATORY**

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	Year-to-Date	Same Period	Year to Year Comparison	Balance of Budget Available
	FY 2018 Budget	Actual Expenses February FY 2018		

**BUDGETED FTE** 1.50

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 72,791	\$ 50,330	\$ 34,693	\$ 15,637	\$ 22,461
61400 BENEFITS	36,506	21,638	15,758	5,880	14,868
<b>TOTAL PERSONAL SERVICES</b>	<u>109,297</u>	<u>71,968</u>	<u>50,451</u>	<u>21,517</u>	<u>37,329</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	5,056	3,497	4,648	(1,151)	1,559
62200 SUPPLY	23,964	16,976	23,964	(6,988)	6,988
62300 COMMUNICATION	510	33	563	(530)	477
62400 TRAVEL	1,633	971	238	733	662
62500 RENT	-	240	-	240	(240)
62600 UTILITIES	3,289	1,824	2,574	(750)	1,465
62700 REPAIR & MAINT	7,190	8,260	6,331	1,929	(1,070)
62800 OTHER EXPENSES	7,511	5,270	5,935	(665)	2,241
<b>TOTAL OPERATIONS</b>	<u>49,153</u>	<u>37,071</u>	<u>44,253</u>	<u>(7,182)</u>	<u>12,082</u>
<b>TOTAL</b>	<u>\$ 158,450</u>	<u>\$ 109,039</u>	<u>\$ 94,704</u>	<u>\$ 14,335</u>	<u>\$ 49,411</u>
<b><u>BUDGETED FUNDS</u></b>					
01100 GENERAL FUND	\$ 158,450	\$ 109,039	\$ 94,704	\$ 14,335	\$ 49,411
<b>TOTAL BUDGETED FUNDS</b>	<u>\$ 158,450</u>	<u>\$ 109,039</u>	<u>\$ 94,704</u>	<u>\$ 14,335</u>	<u>\$ 49,411</u>

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

In FY 2017, the Milk Laboratory budget is \$158,450, and has 1.50 FTE funded with general fund. Personal services budget is 66% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$21,517 higher than February 2017. Operations are 75% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$7,182 lower than February 2017. Overall, milk lab total expenditures were \$14,335 higher than the same period last year. The total milk lab budget is 69% expended with % of the budget year complete. Although the Milk Lab is over-budget, it is combined with the Diagnostic Laboratory for final budgetary analysis. In FY 2017, it was deemed appropriate that the Milk Laboratory was charged for its portion of utilities and recharges. While this increases the Milk Lab's expenses, it decreased the Diagnostic Lab's expenses by equal amount. These expenses were not in the Milk Lab's budget.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** MILK & EGG INSPECTION BUREAU  
**PROGRAM:** MILK AND EGG INSPECTION

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	FY 2018 Budget	Year-to-Date	Same Period	Year to Year Comparison	Balance of Budget Available
		Actual Expenses February FY 2018	Prior Year Actual Expenses February FY 2017		

**BUDGETED FTE** 4.75

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 211,609	\$ 118,497	\$ 110,842	\$ 7,655	\$ 93,112
61400 BENEFITS	90,690	44,671	48,638	(3,967)	46,019
<b>TOTAL PERSONAL SERVICES</b>	<b>302,299</b>	<b>163,168</b>	<b>159,480</b>	<b>3,688</b>	<b>139,131</b>

<b>62000 OPERATIONS</b>					
62100 CONTRACT	7,582	3,893	3,085	808	3,689
62200 SUPPLY	9,389	1,543	5,074	(3,531)	7,846
62300 COMMUNICATION	7,795	2,886	3,260	(374)	4,909
62400 TRAVEL	20,044	6,158	6,795	(637)	13,886
62500 RENT	5,517	2,528	2,679	(151)	2,989
62700 REPAIR & MAINT	2,820	306	1,834	(1,528)	2,514
62800 OTHER EXPENSES	13,258	8,932	5,383	3,549	4,326
<b>TOTAL OPERATIONS</b>	<b>66,405</b>	<b>26,246</b>	<b>28,110</b>	<b>(1,864)</b>	<b>40,159</b>
<b>TOTAL</b>	<b>\$ 368,704</b>	<b>\$ 189,414</b>	<b>\$ 187,590</b>	<b>\$ 1,824</b>	<b>\$ 179,290</b>

**BUDGETED FUNDS**

02701 MILK INSPECTION FEES	\$ 347,704	\$ 178,641	\$ 175,338	\$ 3,303	169,063
03032-2 SHELL EGG FEDERAL INSPECTION FEES	21,000	10,773	12,252	(1,479)	10,227
<b>TOTAL BUDGET FUNDING</b>	<b>\$ 368,704</b>	<b>\$ 189,414</b>	<b>\$ 187,590</b>	<b>\$ 1,824</b>	<b>\$ 179,290</b>

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

In FY 2017, the Milk and Egg Inspection program is budgeted \$368,704 with 4.75 FTE. It is mainly funded with Milk Inspection Fees of \$347,704 and Shell Egg Federal Inspection Fees of \$21,000. The personal services budget is 54% expended with % of payrolls complete. Personal services expended as of February 2018 was \$3,688 higher than February 2017. Operations are 40% expended with 59% of the budget year lapsed. Overall, operation expenses as of February 2018 were \$1,864 lower than February 2017. Total Milk Inspection expenditures were \$1,824 higher than the same period last year. With 59% of the budget year lapsed, 51% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** MILK & EGG INSPECTION BUREAU  
**PROGRAM:** SHIELDED EGG GRADING PROGRAM

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	FY 2018 Budget	Year-to-Date	Same Period	Year to Year Comparison	Balance of Budget Available
		Actual Expenses February FY 2018	Prior Year Actual Expenses February FY 2017		

**BUDGETED FTE** 2.50

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 144,319	\$ 40,990	\$ 47,929	\$ (6,939)	\$ 103,329
61102 OVERTIME	2,771	1,712	1,452	260	1,059
61400 BENEFITS	60,885	16,234	20,697	(4,463)	44,651
TOTAL PERSONAL SERVICES	<u>207,975</u>	<u>58,936</u>	<u>70,078</u>	<u>(11,142)</u>	<u>149,039</u>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	128,683	18,321	14,965	3,356	110,362
62200 SUPPLY	3,237	153	253	(100)	3,084
62800 OTHER EXPENSES	4,278	1,117	509	608	3,161
TOTAL OPERATIONS	<u>136,198</u>	<u>19,591</u>	<u>15,727</u>	<u>3,864</u>	<u>116,607</u>
TOTAL	<u>\$ 344,173</u>	<u>\$ 78,527</u>	<u>\$ 85,805</u>	<u>\$ (7,278)</u>	<u>\$ 265,646</u>

**BUDGETED FUNDS**

02262 SHIELDED EGG GRADING FEES	\$ 344,173	\$ 78,527	\$ 85,805	\$ (7,278)	\$ 265,646
TOTAL BUDGET FUNDING	<u>\$ 344,173</u>	<u>\$ 78,527</u>	<u>\$ 85,805</u>	<u>\$ (7,278)</u>	<u>\$ 265,646</u>

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

The Shielded Egg Grading Program is budgeted \$344,173 with 2.50 FTE in FY 2016 funded with Egg Grading fees. Personal services budget is 28% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$11,142 lower than February 2017. Operations are 14% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$3,864 higher than February 2017. Overall, the Egg Grading program total expenditures were \$7,278 lower than the same period last year with 23% of the budget expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION: MEAT & POULTRY INSPECTION PROGRAM  
PROGRAM: MEAT INSPECTION**

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	Year-to-Date	Same Period			
	Actual	Prior Year	Year to Year	Balance of	
	Expenses	Expenses	Comparison	Budget	
FY 2018	February	February		Available	
Budget	FY 2018	FY 2017			

**BUDGETED FTE 24.50**

**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 802,212	\$ 566,852	\$ 543,837	\$ 23,015	\$ 235,360
61102 OVERTIME	16,643	24,689	2,243	22,446	(8,046)
61400 BENEFITS	416,890	255,662	278,599	(22,937)	161,228
<b>TOTAL PERSONAL SERVICES</b>	<b>1,235,745</b>	<b>847,203</b>	<b>824,679</b>	<b>22,524</b>	<b>388,542</b>
<b>62000 OPERATIONS</b>					
62100 CONTRACT	41,291	34,463	25,103	9,360	6,828
62200 SUPPLY	11,062	3,782	7,190	(3,408)	7,280
62300 COMMUNICATION	16,911	11,589	7,048	4,541	5,322
62400 TRAVEL	38,700	25,471	24,942	529	13,229
62500 RENT	116,598	95,060	55,505	39,555	21,538
62700 REPAIR & MAINT	12,547	2,054	2,631	(577)	10,493
62800 OTHER EXPENSES	277,747	209,635	107,101	102,534	68,112
<b>TOTAL OPERATIONS</b>	<b>514,856</b>	<b>382,054</b>	<b>229,520</b>	<b>152,534</b>	<b>132,802</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,750,601</b>	<b>\$ 1,229,257</b>	<b>\$ 1,054,199</b>	<b>\$ 175,058</b>	<b>\$ 521,344</b>
<b><u>BUDGETED FUNDS</u></b>					
01100 GENERAL FUND	\$ 825,614	\$ 639,421	\$ 541,352	\$ 98,069	\$ 186,193
02427 ANIMAL HEALTH FEES	5,718	-	-	-	5,718
03209 MEAT & POULTRY INSPECTION FEES	919,269	589,836	512,847	76,989	329,433
<b>TOTAL BUDGET FUNDING</b>	<b>\$ 1,750,601</b>	<b>\$ 1,229,257</b>	<b>\$ 1,054,199</b>	<b>\$ 175,058</b>	<b>\$ 521,344</b>

Under direction of the Budget Director, the Department submitted a plan to reduce General Fund programs by 10%. The reduction is established by 17-7-140, MCA. The amount of the reduction for the Meat and Poultry Inspection program is \$91,735. This could affect the 50-50 federal matching program and cause a reduction of a similar amount of federal funds. The federal fund matching reduction is not shown in the adjusted budget shown above.

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

Other expenses are \$40,000 lower than the prior year. Indirect costs that the Department charges FSIS have not been recognized and recorded as of September 30, 2017. The Department files quarterly reports with FSIS and will record the expense at that time. Indirect costs will be relatively similar to the prior year.

In FY 2018, Meat Inspection is budgeted \$1,750,601 with 24.50 FTE. The bureau is funded with general fund of \$825,614, Meat & Poultry Inspection Fees of \$919,269 and \$5,718 animal health fees levied from licensing as per 81-9-201(1)MCA. Personal services budget is 69% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$22,524 higher than February 2017. Operations are 74% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$152,534 higher than February 2017. The increase in contract services was for tort liability insurance which was paid to the Department of Administration. Overall, Meat Inspection total expenditures were \$175,058 higher than the same period last year with 70% of the budget expended. The total budget is 70% expended with 59% of the budget year lapsed.



**MONTANA DEPARTMENT OF LIVESTOCK  
BUDGETARY EXPENSE COMPARISON REPORT  
FEBRUARY 28, 2018**

**DIVISION:** BRANDS ENFORCEMENT DIVISION  
**PROGRAM:** BRANDS ENFORCEMENT

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	Year-to-Date Actual Expenses February FY 2018	Same Period Prior Year Actual Expenses February FY 2017	Year to Year Comparison	Balance of Budget Available
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<b>BUDGETED FTE</b>	53.11
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**HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES**

<b>61000 PERSONAL SERVICES</b>					
61100 SALARIES	\$ 1,888,572	\$ 1,364,500	\$ 1,267,802	\$ 96,698	\$ 524,072
61200 OVERTIME	74,391	81,948	76,838	5,110	(7,557)
61400 BENEFITS	957,579	593,044	634,208	(41,164)	364,535
TOTAL PERSONAL SERVICES	2,920,542	2,039,492	1,978,848	60,644	881,050
<b>62000 OPERATIONS</b>					
62100 CONTRACT	119,914	76,155	58,009	18,146	43,759
62200 SUPPLY	126,078	60,672	45,219	15,453	65,406
62300 COMMUNICATION	72,838	38,742	46,013	(7,271)	34,096
62400 TRAVEL	42,488	15,854	17,722	(1,868)	26,634
62500 RENT	100,099	88,560	39,383	49,177	11,539
62600 UTILITIES	6,500	6,500	6,500	-	-
62700 REPAIR & MAINT	44,826	5,974	9,273	(3,299)	38,852
62800 OTHER EXPENSES	71,723	44,802	41,030	3,772	26,921
TOTAL OPERATIONS	584,466	337,259	263,149	74,110	247,207
<b>TOTAL</b>	<b>\$ 3,505,008</b>	<b>\$ 2,376,751</b>	<b>\$ 2,241,997</b>	<b>\$ 134,754</b>	<b>\$ 1,128,257</b>
<b><u>BUDGETED FUNDS</u></b>					
02425 BRAND INSPECTION FEES	\$ 2,983,147	\$ 2,376,751	\$ 2,241,997	\$ 134,754	\$ 606,396
02426 PER CAPITA FEES	521,861	-	-	-	521,861
TOTAL BUDGET FUNDING	\$ 3,505,008	\$ 2,376,751	\$ 2,241,997	\$ 134,754	\$ 1,128,257

At fiscal year end, invoices for June expenses are received in July. Although the invoices are received in July, they are appropriately recorded in June of the prior fiscal year. Subsequently, however, invoices are recorded in the month they are received and approved. For example, July's expenses are recorded in August when the invoices are due to be paid. This leads to expenditures being recorded in the month following the date the expense had occurred. Due to the lag in recording expenses, it may appear that expenses double in June. This is because May and June's expenses are both recorded in June.

In FY 2016, Brands Enforcement is budgeted for \$3,505,008 with 53.11 FTE. It is funded with Brand Inspection Fees of \$2,983,147 and Per Capita Fees of \$521,861. Personal services budget is 70% expended with 63% of payrolls complete. Personal services expended as of February 2018 was \$60,644 higher than February 2017. Operations are 58% expended with 59% of the budget year lapsed. Operation expenses as of February 2018 were \$74,110 higher than February 2017. Overall, Brands Enforcement total expenditures were \$134,754 higher than the same period last year. With 59% of the budget year lapsed, 68% of the budget has been expended.

**MONTANA DEPARTMENT OF LIVESTOCK  
STATE SPECIAL REVENUE REPORT  
FEBRUARY 28, 2018**

**DEPARTMENT OF LIVESTOCK  
STATE SPECIAL REVENUE COMPARISON FY 2018**

	FY 2017 as of February 28, 2017	FY 2018 as of February 28, 2018	Difference February 28, FY17 & FY18	Budgeted Revenue FY 2018
<b>Fund Description</b>				
<b>02425 Brands</b>				
New Brands & Transfers	\$ 136,892	\$ 164,095	\$ 27,203	\$ 250,455
Re-Recorded Brands	309,806	309,803	(3)	464,705
Security Interest Filing Fee	21,008	49,012	28,004	45,253
Livestock Dealers License	14,127	26,730	12,603	76,764
Local Inspections	197,020	192,020	(5,000)	333,338
Market Inspection Fees	1,115,064	1,196,019	80,955	1,671,659
Investment Earnings	13,795	27,046	13,251	29,638
Other Revenues	42,638	82,333	39,695	104,453
<b>Total Brands Division Revenue</b>	<b>\$ 1,850,350</b>	<b>\$ 2,047,058</b>	<b>\$ 196,708</b>	<b>\$ 2,976,265</b>
<b>02426 Per Capita Fee</b>				
Livestock Taxes - Per Capita Fees	\$ 4,857,515	\$ 4,972,218	\$ 114,703	\$ 4,809,627
Non Federal Indirect Cost Recovery	84,972	165,607	80,635	154,000
Federal Indirect Cost Recovery	81,352	111,088	29,736	146,400
Investment Earnings	25,858	53,179	27,321	25,000
Other Revenues	993	15	(978)	4,000
<b>Total Per Capita Fee Revenue</b>	<b>\$ 5,050,690</b>	<b>\$ 5,302,107</b>	<b>\$ 251,417</b>	<b>\$ 5,139,027</b>
<b>02427 Animal Health</b>				
Books	\$ 5,596	\$ 5,105	\$ (491)	\$ 8,600
Animal Health Licenses & Permits	7,763	7,800	37	8,300
Other Revenues	1,454	10,126	8,672	1,000
<b>Total Animal Health Revenue</b>	<b>\$ 14,813</b>	<b>\$ 23,031</b>	<b>\$ 8,218</b>	<b>\$ 17,900</b>
<b>02701 Milk Inspection</b>				
Inspectors Assessment	\$ 251,351	\$ 252,900	\$ 1,549	\$ 347,704
<b>Total Milk Inspection</b>	<b>\$ 251,351</b>	<b>\$ 252,900</b>	<b>\$ 1,549</b>	<b>\$ 347,704</b>
<b>06026 Diagnostic Lab Fees (FY 2017 amount is from Fund 02427)</b>				
Lab Fees	\$ -	\$ 575,912	\$ 575,912	\$ 1,181,581
Other Revenues	388	623	235	\$ 17,317
Lab Fees (Fund 02427)	541,121	-	(541,121)	-
	<b>\$ 541,509</b>	<b>\$ 576,535</b>	<b>\$ 35,026</b>	<b>\$ 1,181,581</b>
<b>Combined State Special Revenue Total</b>	<b>\$ 7,708,713</b>	<b>\$ 8,201,631</b>	<b>\$ 492,918</b>	<b>\$ 9,662,477</b>

Security interest filing fees revenue is significantly higher than the same period FY 2017. This was due to re-evaluating the unearned revenue in FY 2017 and adjusting the balance.

Laboratory fee revenue is recorded in the month that statements are mailed to customers. This leads to revenues being recorded in the financial statements a month after they are earned. Accordingly, the revenue for laboratory fees in the amount of \$575,912 are for the period ending February 2018. At fiscal year end, however, revenues earned in June will be recorded in FY 2017.

**MONTANA DEPARTMENT OF LIVESTOCK  
PER CAPITA FEE REFUNDS  
FEBRUARY 28, 2018**

MCA Contents / TITLE 15 / CHAPTER 24 / Part 9 / 15-24-922 Board of live...

# Montana Code Annotated 2017

TITLE 15. TAXATION

CHAPTER 24. SPECIAL PROPERTY TAX APPLICATIONS

Part 9. Livestock

## Board Of Livestock To Prescribe Per Capita Fee -- Refunds

**15-24-922. Board of livestock to prescribe per capita fee -- refunds.** (1) The board of livestock shall annually prescribe the amount of the per capita fee to be made against livestock of all classes for the purpose indicated in **15-24-921**.

(2) The per capita fee must be calculated each year to provide not more than 110% of the average annual revenue that was generated solely by the per capita fee in the 3 previous years. The calculation may not include investment income and must apply a reasonable factor for nonpayment and late payment of fees and for reimbursement to the department pursuant to **15-24-925** for collection of the fee.

(3) (a) A livestock owner who moves livestock between states is entitled to a refund of the per capita fee collected under **15-24-921** based on the number of months that the livestock have situs in Montana. The amount of the refund is equal to the ratio of the number of months that the livestock do not have situs in the state to the number of months in the year, multiplied by the original per capita fee due. A taxpayer shall apply to the board of livestock on a form prescribed by the board for a refund allowed under this subsection by January 31 of the following year. The application must include a statement showing the date when the livestock were moved out of the state.

(b) For the purposes of **15-24-921** and this section, the per capita fee may not be prorated.

**History:** En. Sec. 2, Ch. 127, L. 1915; re-en. Sec. 2077, R.C.M. 1921; re-en. Sec. 2077, R.C.M. 1935; amd. Sec. 194, Ch. 516, L. 1973; R.C.M. 1947, 84-5210; amd. Sec. 10, Ch. 79, L. 1983; amd. Sec. 4, Ch. 660, L. 1987; amd. Sec. 3, Ch. 627, L. 1991; amd. Sec. 4, Ch. 576, L. 1995; amd. Sec. 21, Ch. 285, L. 1999; amd. Sec. 100, Ch. 574, L. 2001; amd. Sec. 1, Ch. 83, L. 2015.

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# Board of Livestock Meeting

## Agenda Request Form

From: Dan Turcotte		Animal Health & Food Safety Division – Milk & Egg Bureau			Meeting Date: 4/3/18			
<b><u>Agenda Item:</u> Report on USDA Statewide Graders Certification &amp; Program Review</b>								
Background Info:								
Recommendation: N/A								
Time needed: 5 minutes		Attachments:	<b><u>Yes</u></b>		Board vote required?		<b><u>No</u></b>	
<b><u>Agenda Item:</u> Egg License Renewals</b>								
Background Info:								
Recommendation:								
Time needed: 5 minutes		Attachments:	<b><u>Yes</u></b>		Board vote required		<b><u>No</u></b>	
<b><u>Agenda Item:</u> New Egg Barns Construction Update</b>								
Background Info:								
Recommendation:								
Time needed: 5 minutes		Attachments:	Yes	No	Board vote required:		Yes	No
<b><u>Agenda Item:</u></b>								
Background Info:								
Recommendation:								
Time needed:		Attachments:	Yes	No	Board vote required:		Yes	No

## Milk and Egg

### Information for Board of Livestock

April 02, 2018

- Current daily egg volume going to the Montana Egg facility is approximately 850,000.
- Three producers have new barns that will be in production this spring which will bring the daily total to approximately one million.
- Five producers have signed new contracts to build new chicken barns this year.
- Each of the new barns will house 45,000 birds.
- This will bring the daily volume to the plant to 1.3 million eggs by the end of 2018.



# Board of Livestock Meeting

## Agenda Request Form

From: Gary Hamel		Division/Program: Meat & Poultry Inspection Bureau			Meeting Date: 4/3/18		
<b><u>Agenda Item:</u> Commercial Truck Crash</b>							
Background Info: See attached report							
Recommendation: N/A							
Time needed:		Attachments:		<u>Yes</u>		Board vote required?	
						<u>No</u>	
<b><u>Agenda Item:</u> Custom Exempt Review - Suspension</b>							
Background Info: See attached report							
Recommendation:							
Time needed:		Attachments:		<u>Yes</u>		Board vote required	
						<u>No</u>	
<b><u>Agenda Item:</u> GIS Mapping</b>							
Background Info: See attached report							
Recommendation:							
Time needed: 15 minutes		Attachments:		Yes		No	
<b><u>Agenda Item:</u> Yellowstone Bison</b>							
Background Info: See attached report							
Recommendation:							
Time needed:		Attachments:		Yes		No	
<b><u>Agenda Item:</u> Grants of Inspection</b>							
Background Info: See attached report							
Recommendation:							
Time needed:		Attachments:		Yes		No	



**Montana Department of Livestock  
Board of Livestock Meeting Report  
Meat and Poultry Inspection  
April 3, 2018**

## **Commercial Truck Crash**

I received a call from a Missoula County Sanitarian regarding two semi-truck wrecks in the Missoula area. The Sanitarian was concerned that the directive from a local USDA inspector to destroy the meat and meat products in both trucks was incorrect. I indicated to the sanitarian that both loads would likely need to be destroyed. However, I contacted the USDA compliance investigator in Montana to follow-up.

According to the USDA, there are three main things that can happen in a truck wreck: 1) Product can be brought to a USDA inspected facility and re-inspected; 2) Product must be destroyed; or 3) Product can be donated to a non-profit organization if it was not adulterated. Due to the distance involved, re-inspection at a USDA facility was not an option. Further, the product was exposed to ambient air temperatures that were above the acceptable range for a safe product which raised questions about whether the meat had become adulterated. Consequently, the meat and meat products on both trucks were destroyed.

## **Custom Exempt Review -- Suspension**

Staff recently conducted a plant review for a custom exempt plant. Plant was in poor shape from a sanitation perspective. Throughout the plant, there were multiple sanitation violations and it was suspended until it could rectify the situation.

A return visit to the plant a week later revealed that the owner had done significant work to restore sanitary conditions. During the follow-up inspection, the plant owner indicated that the plant was going out of business approximately two weeks from the inspection.

Because sanitary conditions had been restored, the suspension was held in abeyance and the owner was able to finish processing several beef that remained in the facility. IPP inspected the facility again a few days later to ensure the beef would continue to be processed under sanitary conditions. The inspector reported that the facility remained sanitary. The following week, staff returned to the plant and retrieved the license. The plant is no longer operating.

## **GIS Mapping**

Bureau staff are in the beginning stages of working with a GIS mapping system to accurately reflect the location of plants in relation to inspectors' base locations. The plan is to use the

system to map out efficient routes for inspectors to follow when conducting inspections of facilities that do not require daily inspection.

By developing efficient routes, bureau leadership believes that in part, the GIS mapping project will help prevent large accumulations of overtime by allowing staff members to follow predetermined routes that factor in drive time, distance, and overnight stays. Further, we believe that the results of this mapping may reduce instances of staff passing by a custom facility that needs to be reviewed on their way to another inspection. This project is ongoing.

## **Yellowstone Bison**

Inspectors went to a licensed facility to inspect corrals to determine if the corral system was robust enough to effectively handle wild Yellowstone bison in a slaughter situation. Based upon the inspection of the facility, inspectors and a veterinarian believed that the facility currently lacks the physical infrastructure to adequately handle wild bison. There are several things he needs to address in the way of infrastructure.

For example, pens are not covered with a material to render the alley ways dark, plating that held a chain to manage gate closure was constructed of thin metal and it may bend easily, and the ramp leading into the knock box is too short in height for bison. Further, there were some sharp pieces of metal on the inside of the round area just before the ramp that leads into the slaughter area. This is a humane handling issue and the metal must be remodeled to remove sharp edges.

The owner agreed that the facility was not ready to handle bison at this time. The owner indicated that while he was unable to currently slaughter wild bison, he plans to make some improvements and possibly slaughter these animals in the future. The plant owner plans to process bison slaughtered at another facility. That model is acceptable.

Yellowstone Bison are currently slaughtered under inspection in establishments in three locations: Big Timber, Ronan, and Kalispell. The establishment in Ronan is a federally inspected establishment, while the locations in Big Timber and Kalispell are state inspected facilities.

## **Grants of Inspection**

I traveled to Bozeman to issue a grant of inspection to a plant seeking inspection services. This is a nice establishment and will be a good addition to the program. The establishment plans to only produce sausages under inspection. Consequently, they only have one HACCP plan. Overall, the plant was sanitary. There were a couple of recommendations before they start producing product under inspection. For example, there was product in the cooler that was not marked “not for sale” and some record keeping issues that needed to be addressed. We are confident that the establishment will comply with recommendations given.

Another prospective establishment that produces breakfast burritos in the Kalispell area is seeking inspection. Most materials required for inspection have been gathered and we are

prepared to conduct a plant review in anticipation of issuance of a grant of inspection. We have an inspector available to provide coverage for two days per week. This is acceptable to the plant owners. The grant of inspection is expected to be delivered by the end of April.



# Board of Livestock Meeting

## Agenda Request Form

From: Tahnee Szymanski		Division/Program: Animal Health Bureau		Meeting Date: 4/3/18		
<b><u>Agenda Item:</u> Summary of Attendance at Recent USDA TB Eradication Program Training</b>						
Background Info: Dr. Szymanski attended the 3-day course put on the United States Department of Agriculture (USDA) on March 20-22, 2018 in Manhattan, KS. See attached report.						
Recommendation: N/A						
Time needed: 5 minutes	Attachments:	<b>Yes</b>		Board vote required?		<b>No</b>
<b><u>Agenda Item:</u> Administrative Rule Change Update</b>						
Background Info: The Animal Health Bureau has conducted a review of all administrative rules that pertain to bureau function. A brief summary of these suggested rule changes will be presented to the Board in preparation for future discussion and consideration						
Recommendation: N/A						
Time needed: 15 minutes	Attachments:	<b>Yes</b>		Board vote required		<b>No</b>
<b><u>Agenda Item:</u> Brucellosis Live Elk Capture Update</b>						
Background Info: Fish Wildlife and Parks (FWP) released results from the most recent live elk captures in Madison and Beaverhead County. A summary of the findings and potential actions will be presented to the Board						
Recommendation:						
Time needed: 30 minutes	Attachments:	Yes	No	Board vote required:	Yes	No
<b><u>Agenda Item:</u></b>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No
<b><u>Agenda Item:</u></b>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No

Bovine Tuberculosis Eradication Program Training  
Manhattan, KS  
March 20-22, 2018

Dr. Szymanski attended the 3-day course put on the United States Department of Agriculture (USDA). Content at the meeting included the following topics:

History of the US Bovine Tuberculosis Eradication

The first tuberculosis (TB) testing using tuberculin conducted in the United States (US) was done in 1892. The tuberculin was injected subcutaneously and then the animal's temperature was closely monitored. 51 of the 79 animals injected showed a temperature spike. Post mortem examination of these animals showed a 65% infection rate.

1900 - Implemented TB testing requirements for all cattle imported into the US.

1904 – Interstate testing begins with large amount of variability in requirements. Producers were allowed to test their own cattle at this time.

1914 – TB testing required to be conducted by a federal veterinarian

1917 – Creation of national TB eradication program. At this time 2/3 of all carcasses were being condemned at slaughter due to TB.

1918 – Development of USDA accredited veterinarian program.

1959 – Area wide testing transitioned to slaughter surveillance and movement testing

Epidemiology

Human cases of tuberculosis are a significant cause of death worldwide. 1.7 million deaths annually. In the United States, approximately 10,000 cases per year. Approximately 67% of these cases are in foreign born individuals. Approximately 2% of these cases are humans infected with *Mycoplasma bovis* (bovine TB).

Disease spread is primarily through exhaled air/sputum. Aerosolized respiratory secretions can travel <30 feet. The organism has some survivability in the environment and may contaminate feed sources/pastures. *M. bovis* is able to survive in frozen conditions for months. The presence of sunshine and heat decreases environmental survivability to days.

Approximately 5% of infected animals will shed the organism in milk.

Transmission generally requires long-term exposure (>48 hours). As part of the SD trace, animals moved into a feedlot with 60 days of commingling were able to transmit the disease to other animals in the feedlot.

Potential sources of disease introductions: purchase, wildlife, raw milk, humans, additional unknown sources

Since 1998 – 7-8 new herds per year in the US. If you remove cases from Michigan (known wildlife reservoir), there are about 4 new herds per year identified. Looking at the average of 4 new herds per year since 1998, the US is averaging 1.8 new whole genome sequences (strains) per year (74 new herds since 1998 with 36 different TB strains). National infection rate of 0.001%

1500 samples of Mexican Origin TB have been sequenced. 100 samples of human *M. bovis* have been sequenced. More human samples correlate to bovine detections in the US than Mexican origin detections.

Risk Factors for TB - Large herd size

- Tremendous amount of animal movement associated with large herds, in particular, large dairy herds (multi-state locations, multi-producer heifer raisers)
- No biosecurity standard
- Requires large numbers of employees
- Non- us born populations in proximity.
- High cull rates translate to increased detection at slaughter

Only 5% of dairy herds are >500 cows, but these operations account for 60% of dairy cattle numbers.

The probability of detection at slaughter increases with increasing dairy herd size. It is extremely difficult to detect beef herds using slaughter surveillance only.

#### National TB Program Update

Gamma Interferon Test (Bovigam) –supplemental test that can be used to replace the CCT

- Low and unexpected sensitivity in known TB affected herds
- Difficulty with PPD used in test and cutoff point
- Currently suspended

Comparative cervical test (CCT) – 77% sensitivity in affected dairies, 91% specificity

Best performance in affected herds – CCT + Gamma Interferon

DPP – Looking to complete validation in in mule and sika deer

### Immunology

Mycobacterium complex - >99 homology @genome level, >90 homology at the protein level  
Non-tuberculous mycobacterium – significant homology at genome and protein level to *M. tb* complex (>76%). This is significant for the development of diagnostic tests.

PPD used in Tb tests is a purified protein derivative from heat killed mycobacteria. The PPD serves as an antigen for use in testing systems.

### Bacteriology and Introduction to Whole Genome Sequencing

*M. bovis* genome has 4.3 billion base pairs (SNPs) with an estimated SNP error rate of 1 error for every 1 billion base pair. 99.5% of the time that *M. bovis* replicate, they are an exact clone.

When looking at a whole genome sequence (WGS), consensus SNPs are permanent and provide temporal reference

When sampling an animal, not a single organism that infects an animal, but a population. Avoid bias by diverse sampling protocol and by lab running lesions independently (diff. isolates from diff. lesions)

### Research

The problem with the development of new diagnostic tests for TB is that mycobacteria are so closely related. There is a need to identify a protein that is unique to *M. bovis* that is also recognized by the animal's immune system. Currently evaluating the use of a protein "cocktail". Using a very small sample size, testing has shown 90% sensitivity and 98% specificity.

### State Animal Health Official Perspective

*M. bovis* outbreaks are rare. Keep this in perspective.

Indemnity is paid to benefit the industry as a whole, not for the benefit of the of the individual (won't make producer whole), by removing the risk of further transmission.

### Management of Affected Herds

Thirty years ago, it was estimated that 1/3 of herds that were managed using test and removal ended up being repeat positive herds (did not fully eliminate disease using test and removal?). Till 2009, everything was depopulated. Since that time, due to increasing difficulty of securing funding for indemnity, test and removal has been used in the management of several herds. At this time, none of these positive herds have been repeat positives, but short time line and small sample size.

## Wildlife

New Zealand – feral hogs serve as TB reservoir

US – Michigan – deer (900 TB positive deer of 230,000 sampled and 50 TB + wild carnivores of 1500 sampled/thought to be dead end hosts)

US – Hawaii – feral swine on Molo'kai

- First cattle ranch detection in 1941
- 1965-1981 detection on multiple ranches
- Early 1980's depopulated entire island (approximately 10,000 cattle)
- No cattle introduced for one year
- 1997 detected cow at slaughter
- 5+ feral swine out of 400 sampled
- No other species detected as TB +
- Unable to eliminate feral swine
- Annual herd testing of cattle and swine to detect new introductions
- WGS show that cattle and feral swine detections share common distant ancestor. What this means: feral swine are not the direct source of infection of cattle. There is a missing link that has yet to be identified.

Feral swine – Approximately 3-4 million in US. Non native species/highly invasive. Currently in 38 states. Multiple litters per year. 4-13 pigs per litter. No evidence of TB in feral swine in continental US. Ongoing surveillance efforts in place.



Animal Health Bureau Suggest Administrative Rule Changes

<b>ARM Title</b>	<b>Type of Change</b>	<b>Pending MCA Change?</b>	<b>Citation Revision?</b>	<b>Change Needed</b>
<a href="#">32.1.101</a> Organization Rule	Content	No	No	Division Organization
<a href="#">32.15.208</a> Duties of State Appointed Market Veterinarians	Content	No		Remove brucellosis language
<a href="#">32.3.1003</a> Contaminated Premises Subject Disease or	Housekeeping	No		Remove deputy state veterinarian language
<a href="#">32.3.104</a> Conditions	Content	No	Yes	Addition Brucella canis, any others?
<a href="#">32.3.108</a> Quarantine - Who May Issue	Housekeeping		Yes	Revise language regarding Department approved form.
<a href="#">32.3.1401</a> Definitions Disposition of Equine	Content	No		Definition of a reactor
<a href="#">32.3.1405</a> Reactors	Content	No		Remove USDA approved slaughter facility
<a href="#">32.3.1406</a> Testing of Exposed Equids	Content	No		65 days for testing instead of 45 days
Swine Identification Code:				
<a href="#">32.3.2002</a> Assignment of Codes	Housekeeping	No		Repeal?
<a href="#">32.3.201</a> Definitions Requirements for	Housekeeping		No	Health Certificate vs. CVI in terminology; llamas vs. camelids; citation of 32.3.220; permit in (j)
<a href="#">32.3.202</a> Importation	Content	Yes	Yes	
<a href="#">32.3.206</a> Official Health Cert	Housekeeping	No	Yes	Health Certificate vs. CVI; transporter; mailed
<a href="#">32.3.207</a> Permits	Housekeeping	No	Yes	Transporter; Mailed
<a href="#">32.3.211</a> Duties of Transporters	Content	Yes	Yes	
Special Requirements for				
<a href="#">32.3.213</a> Dogs and Cats	Content	Yes	Yes	Language re: who must administer rabies vacc: require CVI for domestic pets?
<a href="#">32.3.216</a> Horses, Mules, and Assess	Housekeeping	No	Yes	Incorporate current language re: seasonal grazing; citation to 32.3.204
Special Requirements for				
<a href="#">32.3.217</a> Poultry	Housekeeping	No	No	Required labeling of shipments

	Special Requirements for				
<a href="#">32.3.219</a>	Swine	Content	No	Yes	Inspection within 10 days of shipment
	Semen Shipped into				
<a href="#">32.3.220</a>	Montana	Content	No	Yes	Add requirements for equine semen
	Special Requirements for				
<a href="#">32.3.221</a>	Alternative Livesock	Content	No	Yes	Add CWD language?; remove brucellosis test requirement?
					repeal to reflect U.S. brucellosis Class Free status (and add domestic bison to 323.212A) OR remove calfhood vaccination requirement (and allow adult vaccination) and maintain import testing requirements with a reduced age of 6 months OR .
<a href="#">32.3.224</a>	Domestic Bison	Content	No		
<a href="#">32.3.225</a>	Camelids	Content	No	Yes	Remove brucellosis and TB testing requirements.
<a href="#">32.3.2301</a>	Control of Biologics	Content	Yes		Remove permit requirement?
<a href="#">32.3.307</a>	Department Ordered Pseudorabies Testing	Housekeeping	No		Remove deputy state veterinarian language
<a href="#">32.3.311</a>	Procedure upon Detection of Pseudorabies	Housekeeping	No		Replace Deputy State Veterinarian with the Department
<a href="#">32.3.401</a>	Definitions	Housekeeping and Content	No		Clarify "animal", capitalize Bos and Brucella(?) and reduce "test eligible" age to 6 months
<a href="#">32.3.402</a>	Extension of Time Limits	Content	No		Real in entirety or remove the 60 day limit.
<a href="#">32.3.407</a>	Department Ordered Brucellosis Testing of Animals	Housekeeping	No		Remove deputy state veterinarian language
32.3.407A	Change of Ownership Test	Content			Apply only to animals in the DSA. I would recommend leaving this ARM as is or just remove the deputy state veterinarian wording. Liska
<a href="#">32.3.411</a>	Procedure upon Detection of Brucellosis	Housekeeping	No		Remove deputy state veterinarian language
<a href="#">32.3.412</a>	Memorandum of Understanding	Housekeeping	No		Remove citation of 32.3401
<a href="#">32.3.430</a>	Quarantine and Restest of Suspect Animals in Negative Herd	Housekeeping	No		Repeal?

<a href="#">32.3.433</a>	Designated Surveillance Area	Content	No		expand to include southwest Beaverhead County?
<a href="#">32.3.435</a>	Testing within the DSA	Content	No		Change to a test within 30 days
<a href="#">32.3.436</a>	Vaccination within the Counties in which the DSA is Located	Content	No		Require females to be vaccinated by the time they are 12 months old in counties that have a DSA within them or border on one.
32.3.602A	Change of Ownership Test	Content			look at repealing this rule
32.4.1002	Disposal of Carcasses	Content			Look at combining with disposal in other ARM
32.4.101	Definitions	Housekeeping	No	Yes	fix code citation for brands, change to 81-3-102
32.4.1301	Definitions	Content			Extend time for trace herds to 5 years, reconsider "high risk"
32.4.1302	Requirements for Mandatory Surveillance of Montana Alternative Livestock Farm Cervidae for Chronic Wasting Disease	Content			consider adding language about what happens when animals are found too decomposed to test
32.4.1303	Alternative Livestock Monitored Herd Status for Chronic Wasting Disease	Content			unknown vs. suspended, ability to downgrade status, remove language about federal program
32.4.1311	Management of Alternative Livestock Cervid Herds Identified as CWD Trace Herds	Content			Consider combining with 32.4.1312 and 32.4.1313 into one herds under epidemiologic investigation rule
32.4.202	Identification of Omnivores and Carnivores	Housekeeping	No	Yes	87-1-231 has been repealed
32.4.203	Waivers to Identification	Content	No		update conditions for a waiver and time a waiver is good for
32.4.301	Inspection of Alternative Livestock	Content	No		update rule to match what we've been requiring anyway

32.4.401	Change of Ownership Testing Requirements for Alternative Livestock	Content	No		
32.4.601	Importation of Alternative Livestock	Content	No		Make this rule match brucellosis testing for DSA cattle Change "elk" to "cervid" and look at combining with 32.3.221
32.4.701	Transport Within and Into Montana	Housekeeping	No	Yes	81-3-203 does not apply to alternative livestock, need to figure out which code this is supposed to be
32.4.901	Imposition of Quarantine	Content			Look at combining with quarantine rules in disease control section

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# Board of Livestock Meeting

## Agenda Request Form

From: Dr. Marty Zaluski		Division/Program: Animal Health Bureau -Veterinary Diagnostic Lab		Meeting Date: 4/3/18		
<b><u>Agenda Item:</u> Lab Director Position</b>						
Background Info:						
Recommendation: N/A						
Time needed: 10 minutes	Attachments:	<b>Yes</b>		Board vote required?		<b>No</b>
<b><u>Agenda Item:</u> Lab Study Committee Update</b>						
Background Info:						
Recommendation:						
Time needed: 10 minutes	Attachments:	<b>Yes</b>		Board vote required		<b>No</b>
<b><u>Agenda Item:</u> VDL Operations Report</b>						
Background Info:						
Recommendation:						
Time needed: 10 minutes	Attachments:	Yes	No	Board vote required:	Yes	No
<b><u>Agenda Item:</u></b>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No
<b><u>Agenda Item:</u></b>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No

**Montana Department of Livestock  
Board of Livestock Meeting Report  
Veterinary Diagnostic Laboratory – Dr. Steve Smith  
April 3, 2018 (Compiled 3/26/18)**

**Pathology Contractors and workload.**

This process continues, but rather slowly, as stated previously. The availability of the two candidates has been limited, and one was not willing to take cases without an increase in the per-case pay rate. This should be at least partially mitigated by the fact that it has taken so long to get the process going. Both have completed all of the necessary paperwork with the local employment agency, and one has begun work as of 3/23/18. I have established a system for providing quality control checks and review of contractor diagnoses before releasing results, and completed review of the first batch of slides last Saturday (3/24). I should be able to send a second batch of cases to this contractor on the 26<sup>th</sup> or 27<sup>th</sup>. I expect that the second contractor may be able to begin the week of 3/26/18. This is the busiest time of the year for the pathology service, and cases continue to come in at a high rate. Both Dr. Marshall and myself are currently behind and working long hours and weekends, but this should improve slightly once both contractors are up to speed. When Dr. Marshall is out on medical leave in April, the pathology service will be down to me and as much assistance as the contractors can provide, and it is highly possible that turnaround time will suffer further during this period, but I will do my best to keep things moving and still provide oversight and direction for the overall laboratory.

**Laboratory building study.**

Now that interviews for architecture and engineering firms have been completed, I hope to be able to move forward in the near future with the selected consultants, to begin the process of needs analysis, programming, and cost analysis for a new (potentially combined) laboratory building. I expect that this process could begin with on-site visits and meetings as early as April.

**Mailing address and shipping.**

After decades of twice daily trips to drop off and pick up our mail at the post office and dealing with two different mailing addresses (street address and PO Box), the lab finally took a long-awaited step forward in this area. I was able to negotiate with USPS for daily pickup and delivery here at the lab and combination of our two different addresses in order to streamline the submission process for submitters and help lab staff make better use of their work time. This has a major impact on office/receiving staff, as well as technical staff that perform weekend duty and package receiving. It also streamlines our ordering process. We have already begun notifying clients of the change, through changes in our letterhead, reports, forms, and website.

**Building gas leak.**

Over the past few weeks, we have been dealing with an apparently significant gas leak outside our building. The main line was excavated and replaced, with a one-day gas outage that only minimally affected operations. Replacement of the overlying concrete is still pending, and until this process is complete, one of our external doors will remain non-functional.

### **Staffing and open positions.**

One staff member at the technician level resigned during the last month, and her last day of work will be 3/30. This brings the total number of currently open positions (out of 21.5, total) to three (laboratory director, administrative support staff member, and a technician). As previously stated, it is my intent to use the administrative support position for an assistant administrator and business manager, and I intend to modify the vacant technician position to create an opening for a board certified veterinary microbiologist in response to the AAVLD's recommendation (a full proposal will be brought forward for approval at the next board meeting). A fourth individual (another technician) will be retiring June 1, and a fifth individual will most likely retire within the next few months, but has not yet set a date.

### **NAHLN Cooperative Agreement.**

We have completed and submitted our NAHLN cooperative agreement for the next year. There are very few changes from previous years, though I did include CWD in the list of tests that we are interested in performing. This does not obligate us to perform this testing, and obviously, there are significant equipment and training hurdles to be cleared before we could actually do so, but this is the first step in the process and opens the door, should circumstances and funding allow us to move forward.

### **NAHLN FMD Exercise.**

I have been participating in conference calls to plan laboratory involvement in an upcoming multi-state exercise mimicking the response to an outbreak of Foot and Mouth Disease in the U.S.A. I expect to coordinate with the rest of the Animal Health division in this process, and we are currently working on our capability to electronically send test results to the National Animal Health Laboratory Network (NAHLN) to streamline the process.

### **Professional Development.**

This is not limited to this last week, but over the course of the past few months, I have completed training courses through the state professional development center, including one on the state budget process and the entire "Effective Management" series. There was certainly useful information presented in these courses that I am working toward implementing as we continue this period of management transition and potential administrative reorganization of the laboratory.

### **Laboratory assessment, marketing and promotion.**

Finally, Dr. Zaluski and I have been participating with the MVMA in the development of a laboratory use survey to distribute to the veterinarians of the state in order to better assess how well we meet the needs of our clients and the industry. In addition, I have been planning for a laboratory marketing campaign this summer, to increase our visibility and begin reaching out to clients who may not currently use us. I will be staffing a booth at the MVMA conference in late June, and I am working towards development and fine-tuning of several key areas of expanded services.



# Board of Livestock Meeting

## Agenda Request Form

From: Leslie Doely		Division/Program: Brands Enforcement Division			Meeting Date: 4/3/18		
<b><u>Agenda Item:</u> Fort Supply Contract Renewal</b>							
Background Info: This contract addendum was viewed and discussed at the February BOL meeting. Annual purchase of support and service for Fast Auction and Central Office software systems.							
Recommendation: N/A							
Time needed: 10 minutes	Attachments:	<b><u>Yes</u></b>		Board vote required?		<b><u>No</u></b>	
<b><u>Agenda Item:</u> Brand Inspection Audit</b>							
Background Info:							
Recommendation:							
Time needed: 15 minutes	Attachments:	<b><u>Yes</u></b>		Board vote required		<b><u>No</u></b>	
<b><u>Agenda Item:</u> Grazing Permit Rule</b>							
Background Info:							
Recommendation:							
Time needed: 15 minutes	Attachments:	Yes	No	Board vote required:	Yes	No	
<b><u>Agenda Item:</u> Market Sale Days</b>							
Background Info:							
Recommendation:							
Time needed: 15 minutes	Attachments:	Yes	No	Board vote required:	Yes	No	
<b><u>Agenda Item:</u> Truck Stop Report</b>							
Background Info: Per request from Lila Taylor, summary of truck stop and compliance activities of enforcement staff							
Recommendation:							
Time needed: 5 minutes	Attachments:	Yes	No	Board vote required:	Yes	No	



**CONTRACT AMENDMENT NO. 5**  
**CONTRACT FOR**  
**LIVESTOCK IDENTIFICATION SYSTEM (LIS) CONTRACT # LIV-12-BE1201**

This CONTRACT AMENDMENT is to amend the above-referenced contract between the State of Montana, **Department of Livestock** (STATE), whose address and phone number are **301 North Roberts, Helena MT, 406-444-7323** and **Fort Supply Technologies** (CONTRACTOR), whose address and phone number are **1773 W. 200 N., Kaysville UT, 888-650-6446**. This Contract is amended for the following purpose(s):

To continue extended service and support for desktop and hand-held systems installed in thirteen livestock markets and one central office in Montana.

**1 EFFECTIVE DATE, DURATION, AND RENEWAL**

**1.1 Contract Term.** This contract shall take effect on April 1, 2018, and terminate on March 31, 2019, unless terminated earlier in accordance with the terms of this contract.

**2 SCOPE OF WORK, SERVICES AND/OR SUPPLIES**

The State requires the use of a knowledgeable professional employed by the Contractor for the maintenance and support of the LIS. Contractor agrees to perform the following:

**2.1 Support Hours:**

- a.** Hours are rounded to the nearest half-hour with a minimum half-hour charge per activity.
- b.** All hours will be logged and tracked by the Contractor.
- c.** Contractor shall not accrue State of Montana leave, retirement, or insurance benefits as a result of this agreement.
- d.** There is no State compensation for travel, lodging, vehicle use or per diem.
- e. Standard Service Hours:** The Contractor shall be compensated at a rate of \$110.00 per hour for 100 standard service hours.
  - i.** Standard service hours may be used for user support, software enhancements/modifications.
  - ii.** Upon renewal of this contract, unused hours, not to exceed 50 standard service hours, will roll over into the next contract year.
- f. After-Hours User Support:** The Contractor shall be compensated at a rate of \$150.00 per hour for 0 service hours outside regular business hours of 8:00 AM to 5:00 PM Mountain Standard Time, Monday through Friday.
  - i.** After-hours user support hours may be used for user support when requested by the State.
  - ii.** Upon renewal of this contract, unused hours, not to exceed 10 after-hours support hours, will roll over into the next contract year.

**2.2 Mobi Control**

- a.** Mobi Control service for 25 devices at a rate of \$92 per device is included for this contract year for a total cost of \$2,300.

**2.3 Service Level Agreement**

- a.** The Contractor shall notify the State's Liaison:
  - i.** Prior to updating or modifying the State's systems,
  - ii.** Prior to updating or modifying other software that could potentially affect the State's systems.
  - iii.** Upon completion or resolution of a service request, the Contractor shall provide email or phone notification to the State's Liaison that the issue(s) were resolved.
- b.** The Contractor shall maintain a shared document, referred to as the Montana Issue Tracker, for the State. The Montana Issue Tracker documents the date and type of service, service

provider, requesting party, actual hours worked, and a description of the issue and resolution.

- c. The Contractor shall update the Montana Issue Tracker within 2 business days following service provided by the Contractor.

### **3 CONSIDERATION/PAYMENT**

**3.1 Payment Schedule.** Payment will be made in full (\$15,100) at time of signing this addendum

- a. Standard Service Hours: \$11,000
  - i. Quantity: 100 hours
  - ii. Rate: \$110/hour
- b. After Hours Support: \$0
  - i. Quantity: 0
  - ii. Rate: \$150/hour
- c. Mobi Control: \$2,300
- d. Central Office User Seats: \$1,800
  - i. Quantity: 2
  - ii. Rate: \$900 each

**3.2 Purchase of Additional Support:** If all service hours in the contract are exhausted, additional hours may be purchased at the rates specified in the contract. Additional hours should be logged on the shared document and invoiced monthly.

### **4 OWNERSHIP AND USE OF INFORMATION**

**4.1** Data collected by the State using the Contractor's software is owned exclusively by the State. Data may not be used by the Contractor or any third party for marketing or business development, and may not be sold or distributed to any third party.

### **5 WARRANTIES**

**5.1 Warranty for Hardware** section 22.3 of the original contract is void for all hardware purchased under previous contracts.

### **6 LIAISON AND SERVICE OF NOTICES**

All project management and coordination on behalf of the State shall be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that includes a primary point of contact and at least one secondary point of contact, or multiple primary points of contact for management and coordination of Contractor's work. All work performed pursuant to this contract shall be coordinated between the State's liaison and the Contractor's liaison.

The State's Liaison includes both of the following:

livit@mt.gov (MDOL IT Team)

ldoely@mt.gov (Administrator, 406-444-2925)

Department of Livestock

P.O. Box 202001

Helena, Montana 59620 – 2001

Phone 406-444-7323

Karl Calderwood, will be the Primary Fort Supply technology service liaison for the Contractor.

Fort Supply Technologies

1773 W. 200 N.

Kaysville, UT 84037

Phone: 435-760-7688

karl@fort-supply.com

Stosh Harvey, will be the secondary Fort Supply technology service liaison for the Contractor.

Fort Supply Technologies

1773 W. 200 N.

Kaysville, UT 84037

Phone: 801 540-5660

[stosh@fort-supply.com](mailto:stosh@fort-supply.com)

Except as modified above, all other terms and conditions of Contract # **LIV-12-BE1201** remain unchanged.

**STATE OF MONTANA**  
**Department of Livestock**  
**301 North Roberts**  
**Helena, MT 59620**

**FORT OF SUPPLY TECHNOLOGIES**  
**1773 W. 200 N.**  
**Kaysville UT, 84037**  
**FEDERAL ID # 26-0680929**

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Mike Honeycutt (Date)  
Executive Officer

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Malcolm Harvey (Date)  
President

**Approved for Content:**

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Evan Waters (Date)  
Finance and Accounting Bureau Chief, CSD

**Approved for Form:**

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State Procurement (Date)  
Department Administration