

2017 Jan 29 2018

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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			4	8	\$2,999.70
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	7						7	\$8,236.43
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
Totals	143	49	15	0	0	4	211	\$205,270.81

Wolves

Confirmed	52	6				
Probable	7	2				
Value	\$61,176.70	\$2,956.24				
Owners	25	4				

Grizzly Bears

Confirmed	54	11	5			
Probable	30	1				4
Value	\$130,702.08	\$3,196.37	\$762.50			\$643.16
Owners	35	3	1			2

Mtn Lion

Confirmed		27	9			
Probable		2	1			
Value		\$8,663.36	\$2,290.82			
Owners		4	5			

Milk Control Bureau Submission for Board of Livestock February 21, 2018 Meeting Consent Agenda

Update on Milk Control Study

- Dairy Technomics submitted a study status report as of January 31, 2018. The report discussed research activities carried out by the firm, information received from the bureau, major analyses underway, and major observations to-date.
- Since the last report submitted to the Board of Livestock, the bureau has continued to send significant amounts of information to Dairy Technomics, including information organized in a manner conducive to modeling alternatives for milk price formulas and other mechanisms that affect the valuation of producers' milk.
- Dairy Technomics believes that the project seems to be on schedule. The target time for a draft report of the study is mid to late March 2018.

Filing for Notice of Adoption of MAR 32-17-288 Proposal to Amend ARM 32.24.450

The comment period for the proposal to amend ARM 32.24.450 (milk control assessments) that was noticed in MAR 32-17-288 ended on February 9, 2018. No comments were received. After consulting the chair of the Board of Milk Control, the bureau requested the department administrative rules clerk to file a notice of adoption with the office of the Secretary of State. The notice of adoption will be published on February 23, 2018. The amendments will become effective on July 1, 2018. The amendments set new rates for milk control assessments for fiscal year 2019 and establish the milk equivalent conversion factors used to calculate milk control assessments on sales of manufactured dairy products, which implements 2017 HB377.

Drop in Montana Milk Prices

Beginning in February 2018, milk prices will decline substantially (compared to the prior 18 months). Diminished prices are anticipated to endure for at least five months.

Out-of-State / Out-of-Country Travel Request

The bureau is requesting that the Board of Livestock approve travel for Chad Lee to attend the International Association of Milk Control Agencies (IAMCA) 2018 conference – contingent upon approval of the chair of the Board of Milk Control or the Board of Milk Control. The conference is being held July 23 – 25, 2018 in Winnipeg, Manitoba. The Milk Control Bureau has attended IAMCA conferences many years and participates in the meetings of the organization's executive committee. The bureau attends the conference to learn about developments in milk market regulation and the dairy industry. Attending provides opportunity for the bureau to build relationships with and have candid conversations with other milk market regulators. This interaction and relationship building proves beneficial when the bureau communicates with regulators regarding the sales of Montana milk into other regulated markets, when the bureau makes inquiries to other regulators about techniques and methods used to carry out certain functions, and when the bureau is pursuing information or expertise. The conference agenda has not yet been set beyond starting and ending times. The bureau is requesting travel approval at this time to enable it to purchase airplane tickets at better prices and on dates that may reduce lodging costs. Tickets will not be purchased until after approval has been received from the chair of the Board of Milk Control.

Veterinary Diagnostic Lab Consent Agenda Report for Board of Livestock February 21, 2018 Meeting

As I have described previously, we are getting closer to having part-time contract pathologists in place at the lab. One contractor completed paperwork at a local employment agency today (2/16/18), and intends to start working one half-day per week soon. We are putting the finishing touches on a system to ensure that contractors have read and agreed to comply with pertinent aspects of our quality management system and initially, I will be reviewing contractor reports before release for accuracy and content. A second potential contractor is less interested because of the amount we are offering per case (about half what she makes elsewhere), but may still be willing to do some cases just to help us out. It will be important to get these contractors up to speed as soon as possible, because it may not be possible to fully keep up with cases with only one pathologist on staff in April, even with contractors working at full capacity.

Another staff retirement was announced last week, in one of the positions in our front office. The payout for this particular employee will be roughly equivalent to the savings from leaving the position open for the remainder of the fiscal year, so that is my current plan, if possible. Rather than re-hiring this position as it existed, I intend to use the FTE to create a much-needed new position at the lab for a business administrator and assistant director, and it is my intention to develop the new position description in the coming months, in preparation for board review, approval, and recruitment in FY2019.

The lab study committee meeting scheduled for 2/15/18 was canceled due to road conditions, and a rescheduled meeting has not yet been announced. The deadline for responses for the previously described RFQ was 2/13/18, and I am aware of at least two highly qualified firms that were excited about the project and submitted proposals. I expect that the interview committee to select a consultant for the initial planning work will form within the next several weeks, and hopefully we will be able to move forward with programming and cost analysis in the next few months.

Milk and Egg Bureau Report of Activities

February 2018

- Milk licensing is complete for the year of 2018 and has gone well. Darcy has been able to use the computer system for licenses, though it is not entirely reliable. We also use an Excel program to back it up.
- We have begun to print the renewal applications for Egg Licenses which will be sent out the first of March.
- The annual egg producer visits required by USDA to verify “cage free” and “Non-GMO” are being completed. Working with USDA to clarify documentation needed for “Non-GMO” claims.
- The Montana Egg facility is consistently operating 4-12 hour days per week currently. We anticipate those days to increase as egg production increases from producers throughout the spring. Also some eggs are currently being sent to Washington for processing.
- Reviewing plans for a small scale glass bottle filling and washing operation for fluid milk at Kalispell Creamery. There has not been such an operation in the State for at least 30-40 years.
- Reviewing plans for processing sheep’s milk into yogurt. Yogurt is a Grade A product and will require a higher degree of oversight by the Department.
- Completing the final review of construction for a new sheep dairy and small scale Grade B processing plant for cheese to start production this spring.
- This month we will conduct a State Sanitation and Compliance Rating for one producer group for listing on the Interstate Milk Shippers List.
- Reviewing plans to process Organic Milk shipped into the State for processing and filling. This will require special handling and record keeping to insure complete separation from the non-organic processing and storage.

**Montana Department of Livestock
Board of Livestock Meeting Report
Meat and Poultry Inspection
February 21, 2018**

Annual Self-assessment – Civil Rights

Montana has received its annual determination from the FSIS Civil Rights Staff (CRS) that is based upon the self-assessment that was submitted in November of 2017. The CRS reviewed Montana in eight areas of civil rights. Those eight areas are as follows:

1. Civil Rights Assurances – written assurances that federally assisted programs are conducted with Title IV of the Civil Rights Act of 1964.
2. State infrastructure and Program accountability – Identify individuals or offices to ensure accountability with civil rights laws regulations, policies and regulations.
3. Public Notification -- mandates the MPI programs include a public notification system to inform applicants and participants and potentially eligible persons of the policy of non-discrimination.
4. Complaints of Discrimination – assesses the complaint procedures to all complaints alleging discrimination in state MPI programs on the basis of race, color, national origin, age, sex, and disability.
5. Civil rights training – do states provide civil rights training to employees under civil rights laws?
6. Disability Compliance – Makes sure that state agencies ensure equal access to inspection programs for persons with disabilities. This includes IT resources.
7. Limited English Proficiency (LEP) – Requires MPI programs provide free language access services to potentially eligible applicants and program participants who are LEP
8. Compliance with the age discrimination act of 1975 – Requires federal agencies to annually report on steps taken to enforce the Act. Including non-employment related affirmative outreach actions of its recipients of federal assistance.

After the review, Montana has received a designation of “at least equal to.”

Meeting with Ron Eckel - FSAB

I recently met with Ron Eckel from the Federal State Audit Branch. He discussed the upcoming audit that will take place in the May/June time frame. Mr. Eckel’s message was that his staff will be focusing on jerky, sanitation and HACCP issues. Because staff have been adequately trained, he stressed the importance of not having significant findings in these areas.

I am preparing staff for the upcoming audit by assigning sections of the Code of Federal Regulations for reading and application. In addition, notices and directives will be assigned to staff for further reading and application.

As we get closer to the audit, the Federal State Audit Branch will notify the Montana Meat and Poultry Inspection Bureau (MPIB) of which establishments have been selected for review. Once those establishments are identified, I will send a communication to the selected establishments to inform them of the audit. In that communication, I will be outlining the types of issues the auditor will be looking for. In addition, I will encourage establishments to review their plants for accurate record keeping, proper assessments of HACCP plans, and maintaining their establishment in a sanitary condition as required by regulation.

In preparation for the audit, Inspection Program Personnel (IPP) will be focused on jerky issues, sanitation, and HACCP requirements. NR's will be written for noncompliance situations, red tags will be used to control insanitary equipment, and process improvement plans will be developed for issues taking longer than a day or two to rectify. If IPP have identified deficiencies in advance, they are not considered audit findings.

In the weeks prior to the audit, a team will be formed to travel to selected establishments to review records and assess sanitation needs. This will help assure that there are no long-standing issues within the selected plants.

The MPIB takes audits seriously – the upcoming audit is no exception. Through proper planning and application of regulation, I anticipate this audit to be a success.

Communication with Establishments

The MPIB has increased its communication with the industry significantly over the last few months. For example, quarterly new issuances that discuss how regulation is applied to the industry have been shared with establishment owners in two ways.

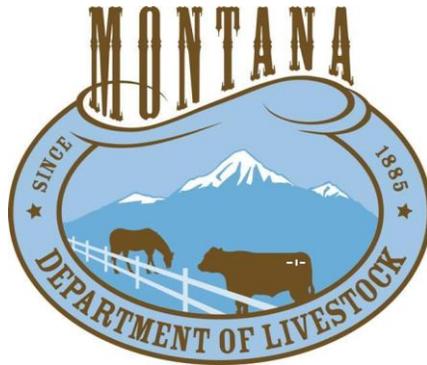
First, IPP have been directed to discuss each notice or directive with establishment owners when it is released. Those discussions take place during weekly meetings with establishment personnel. Second, once a quarter, each of the applicable issuances are summarized and IPP discuss the information with plant personnel. Other examples of communication with the industry includes summarized reports of meetings with my counterparts in other states and presentations to the industry association.

As stated earlier, staff have been directed to hold weekly meetings with plant management. Staff have been further directed to document each meeting that takes place with plant management with a record of what was discussed, who was there, questions that were asked and other applicable information.

In addition to meetings with establishments, district supervisors now meet once per month with inspectors to discuss meat and poultry issues. A standard base agenda is developed by an assigned supervisor. That information is shared with other supervisors from which their individual agendas are based. Consequently, inspectors across the entire state will be discussing the same base set of issues. IPP then take the information

learned in the meetings back to their assigned establishments for review with plant personnel. This format will help develop consistency with the information being disseminated to establishments.

The Meat and Poultry Inspection Bureau is continually working to find ways to get consistent, on-point regulatory information to industry members. We hope that the industry is finding the information useful. The goal is to ensure that the industry is well informed and understands the regulations and how they are applied to establishments.



Animal Health & Food Safety Division
Meat and Poultry Inspection Bureau
FY2017 Annual Report

**Montana Department of Livestock
Animal Health & Food Safety Division
Meat and Poultry Inspection Bureau, FY2017**

Mission

Montana’s Meat and Poultry Inspection Bureau mission is to ensure that meat and poultry slaughtered, processed, and stored within the state meet all state and federal requirements for wholesome and unadulterated products. This is accomplished through product and site inspections, licensing, product labeling and laboratory testing.

According to the Center for Disease Controls *E. coli O157:H7*, the pathogen most commonly associated with ground beef, causes an estimated 96,000 illnesses, 3,200 hospitalizations and 31 deaths in the U.S. each year, adding up to \$405 million in annual healthcare expenses; Rates for Salmonella infection have remained steady for the past 15 years; *Listeria monocytogenes* sickens approximately 1600 Americans per year.

Authorization

According to section two of the Federal Meat Inspection Act, “Meat and meat food products are an important source of the nation’s total supply of food. They are consumed throughout the nation and the major portion thereof moves in interstate or foreign commerce. It is essential in the public interest that the health and welfare of consumers be protected by assuring that meat and meat food products distributed to them are wholesome, not adulterated, and properly marked, labeled and packaged...”

The Montana Meat and Poultry Inspection Bureau operates in a manner similar to the other 26 states with a cooperative state meat inspection program. Montana carries out its own inspection services in a manner that is at least equal to inspection services provided by the United States Department of Agriculture (USDA), as well as utilizing the federal Public Health Information System (PHIS) a web-based data driven system that utilizes role assignments and predictive analytics to collect, consolidate and analyze establishment data to generate and assign specific inspection tasks to improve food safety.

To accomplish this, Montana has adopted both federal law and rule. Under 81-9-219, Montana Code Annotated (MCA), Montana adopts the Federal Meat Inspection Act, the Federal Poultry Inspection Act, and the Federal Humane Methods of Slaughter Act. Each of these federal acts addresses various aspects of how the Montana program operates.

Further, Administrative Rules of Montana (ARM) 32.6.712 adopts Title 9 of the Code of Federal Regulations. These rules outline how Montana is to carry out its meat and poultry inspection program. In addition, Montana Meat and Poultry Inspection utilizes other laws and rules under Title 81 of MCA and Title 32 of ARM.

Organization and Funding

The Meat and Poultry Bureau operates on an annual budget of approximately \$1.7 million which consists of 50% federal funding and 50% state general fund.

Montana Meat and Poultry Inspection Bureau is organized into three main units.

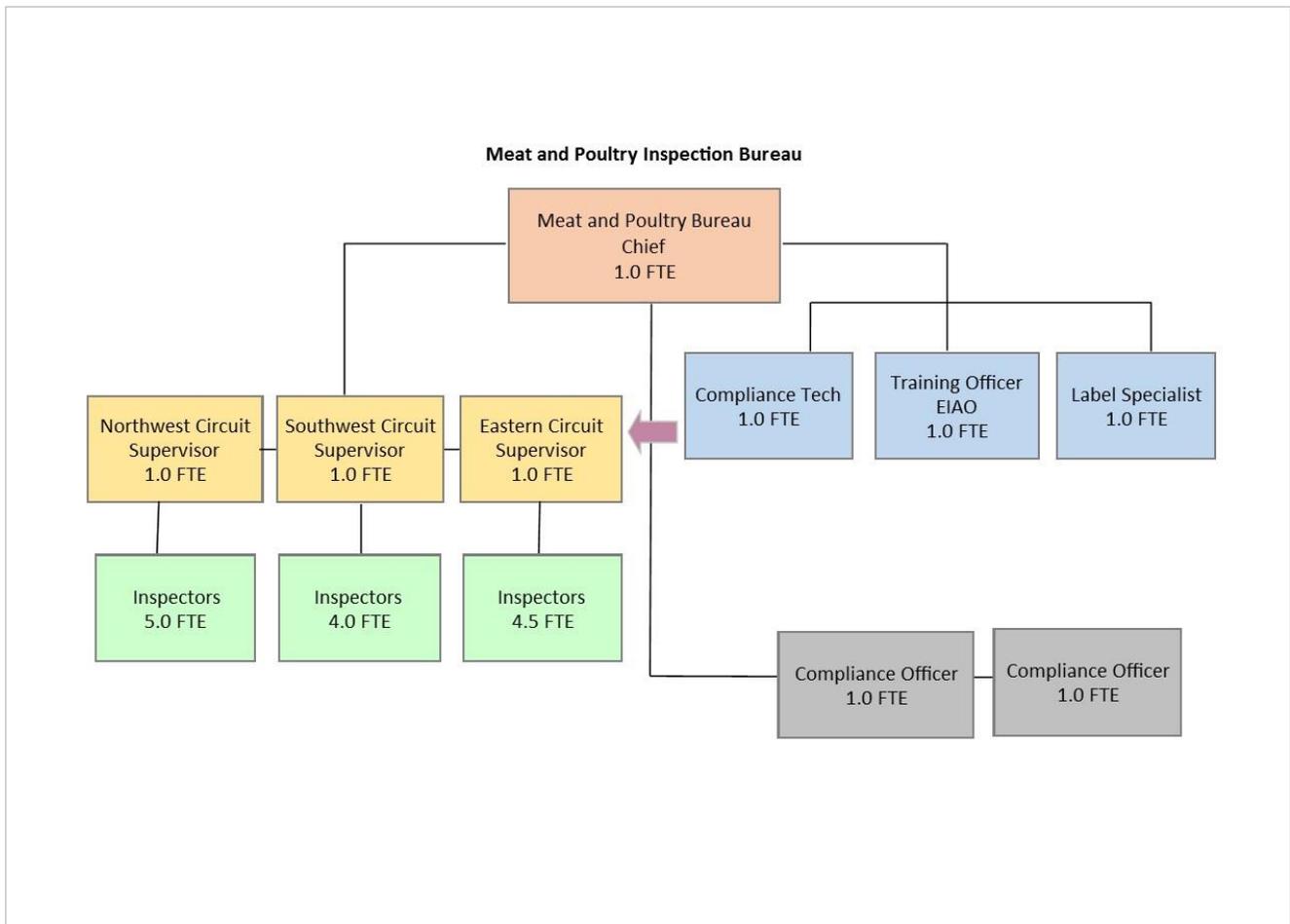


Figure 1: Meat and Poultry Inspection Bureau Organizational Chart

The administration unit provides functions such as training and outreach, program licensing, administration and compliance, database and records management, and label approval. Services include providing some of the only official meat grading services in Montana. This unit includes 2 compliance officers to ensure regulations are being followed statewide. The unit currently utilizes 22.5 FTE.

The image below represents the three supervisory circuits in Montana: Northwest, Southwest and Eastern.

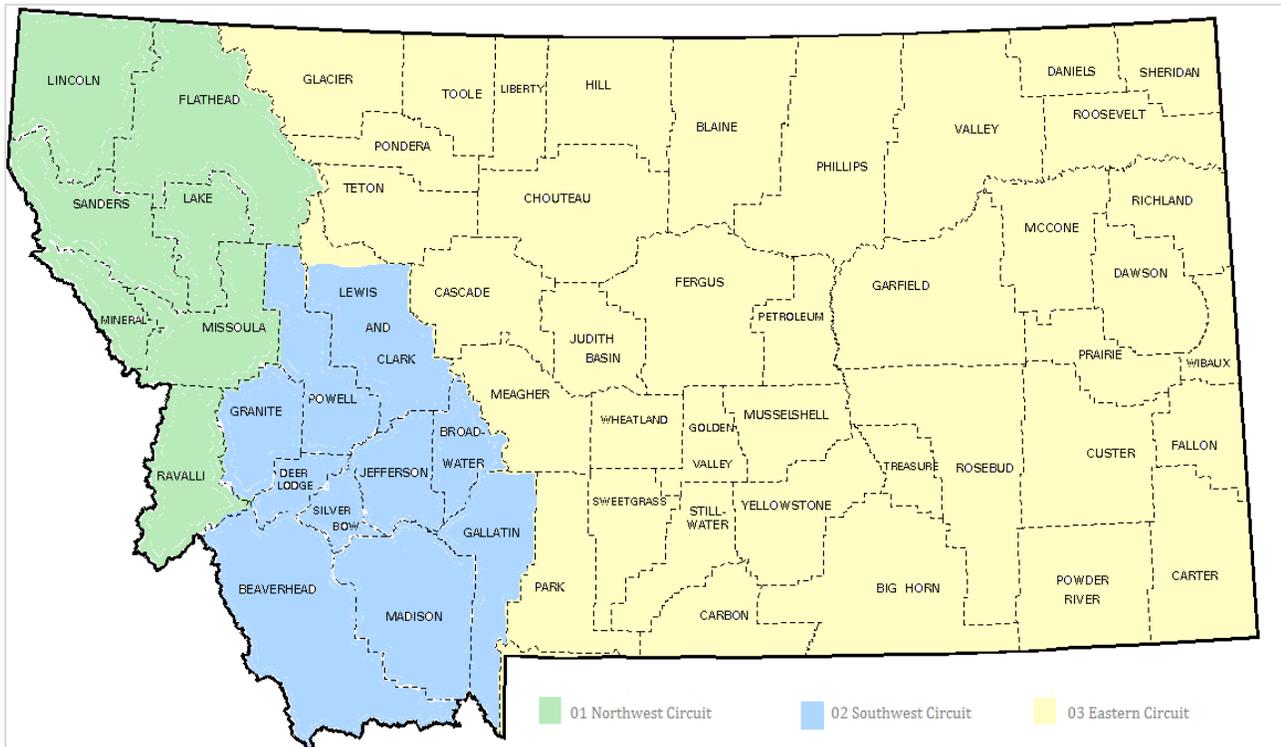


Figure 2: Meat and Poultry Inspection Bureau map of supervisory districts

Because of its large geographical size, meat inspection staff members travel continually throughout the state to carry out their functions. The Bureau provides services to establishments, meeting the necessary requirements, in any location that personnel can reasonably reach in an 8-hour shift. Districts are determined by establishment and inspector locations' rather than by city or county. Scheduling new inspection services can become difficult depending on the inspector's current inspection schedule.

Along with the training officer the three district supervisors may also provide training to the field inspectors. Each new inspector receives approximately 280 hours of on-the-job and classroom training. This training is extensive covering all aspects of livestock slaughter, including strict humane handling requirements and identifying disease to identify hazards and critical control points in production of each product to bear the mark of state inspection. Staff must also learn general computers skills along with their role functions in the federal PHIS system.

In 2017 FSIS provided Montana staff with an additional 24 hours of regulatory training to assure staff was up to date with the ongoing regulatory changes for all aspects of slaughter and processing inspection and food safety.

Staff also received training for data security awareness and understanding limited English proficiency through USDA AgLearn online courses. These mandatory courses vary from year to year and must be completed and passed to remain with the Level II access required to gain access to the PHIS which generates the daily inspection task schedule and records the data.

See **Appendix 1** for staffing details

Inspection Services

The inspection unit carries out day to day inspection of livestock and poultry products at officially inspected establishments. Those same inspectors also inspect all custom exempt operations and meat storage units throughout the year. As of the end of FY16 this included 40 officially inspected establishments, 121 custom exempt operations, 116 meat storage units and 20 federally inspected facilities.

An inspector must be onsite during slaughter operations. Animal carcasses and organs exhibiting questionable conditions or disease symptoms are retained for final disposition by a veterinarian under contract with the agency for their services. All slaughter operations are done under the sanitation guidelines required by USDA and establishments must adhere to strict humane handling regulations.

Inspectors also oversee the processing of meat and poultry products. Staff is trained in food safety Hazard Analysis Critical Control Points (HACCP) and record keeping. All products produced under inspection must follow a HACCP plan and staff must document hazard analysis steps, critical control points and all record keeping in the PHIS. Documenting daily duties can be extensive and time consuming. These records are available to view by supervisors and FSIS at any time.

Inspectors also check for correct labeling of products, including review of ingredients and net weights; look for any safety hazards or sanitation concerns in the production area; and conduct meetings with plant management regarding various subjects and regulations.

See **Appendix 2** for FY17 inspected slaughter headcounts.

See **Appendix 3** for FY17 inspected products poundage report.

Custom Exempt Slaughter & Processing Operations

Montana Meat and Poultry Inspection staff also provides inspection services to custom exempt facilities. These facilities may only slaughter and process product for use by the owner, members of his household, and non-paying guests. Products from custom operations may not be resold and must be marked "not for sale". Like officially inspected establishments custom exempt facilities meet and follow all sanitation guidelines. Although not subject to animal by animal inspection, custom exempt facility inspections are conducted no less than twice per year.

See **Appendix 4** for slaughter headcounts at licensed custom exempt operations. The charted month only reflects that month in which totals were collected during onsite review.

Microbiological Testing

Montana's inspection program conducts product sampling for detecting pathogens in meat and poultry products. Inspection staff must follow strict guidelines for sampling frequencies for each product produced.

Montana currently works with two laboratories to test for a variety of pathogens such as *Salmonella*, *E.coli O157:H7*, all non-O157 shiga toxin producing *E.coli* (STECs), and *Listeria Monocytogenes*. The

Bureau also works with Montana State University Animal Science laboratory for water activity readings. Inspection staff conduct residue sampling for both the National Residue Program and local kidney swab testing (KIS) for residue testing of show animals or any animal that may be suspected of recent injection. There are also testing requirements for fat content and moisture protein levels in certain products.

In any twelve-month period meat and poultry inspectors will collect approximately 220 raw beef samples and 140 ready-to-eat product samples for testing. The office staff keeps records of when and where the samples were taken and monitors the results should any further actions or further testing be required. Montana's sampling program is a critical component for assuring that products produced under inspection are safe for consumers.

Compliance

Montana Meat and Poultry Inspection has two fulltime compliance investigators whose responsibility is to check that retail establishments are meeting the new requirement of keeping raw ground beef grinding logs and conduct meat and poultry related investigations. They have attended the FSIS compliance training course. They travel statewide to assure local meat supply is unadulterated and labeled properly. They work in unison with the USDA compliance officer based out of the Port of Sweet Grass.

Food Safety Assessments

In accordance with requirements of meeting the "equal to" status of USDA FSIS Montana must have an Enforcement Investigations and Analysis Officer (EIAO). An EIAO must have completed the USDA FSIS intensive four-week classroom training session. This position is critical in assuring that any business can and will meet the requirements to operate under a Grant of Inspection.

The EIAO must conduct comprehensive Food Safety Assessments (FSAs) at all establishments prior to, and during operations under a Grant of Inspection. During an assessment, the EIAO must consider all food safety aspects that relate to the plant and its products, the nature and source of all materials received, the establishment's processes, and the environment of the plant. A primary focus is on the design and validity of the hazard analysis, HACCP plan, Sanitation Standard Operating Procedure (SSOP), pre-requisite programs, testing programs, written procedures and any other procedure that may be part of a food safety system.

Assessments are entered into the PHIS system as a permanent record for each establishment. Additional FSAs may also be required after certain situations like a product testing positive for *E.coli*, a repeated failure in sanitation requirements, humane handling violation, etc.

Office Administration

In addition to inspection and compliance duties the Meat and Poultry Inspection Bureau assists local producers with labeling issues. Proper labeling contains important consumer information such as product identification, net weights, ingredients, allergens, and the state mark of inspection and must be approved by the bureau's labeling specialist. The label specialist will visit state inspected

establishments annually and audit labels to assure products are being marketed to consumers with correct information.

Program staff are required to record inspection activities on the federal PHIS system. Staff must obtain and maintain clearance to this federal system which is utilized throughout the U.S. The office compliance tech is responsible for ordering and maintaining the FSIS issued laptops as well as assuring each staff member obtains USDA clearance. This position also creates and maintains assignments of establishments and appropriate tasks in the system; creates and must maintain the state's districting and contact information in PHIS; enter each establishment's data upon the issuance of their Grant of Inspection; and keep current for any updates or changes at an establishment.

Office staff issues licenses and renewals annually using the LIVAPPS data system. All slaughter records and meat and poultry products poundage are also entered into this system and compiled for quarterly statistical reporting.

USDA FSIS requires a fee be charged for any overtime, holiday or weekend inspection services as well as inspection provided for a species non-amenable to the Federal Meat Inspection Act (i.e. Bison). Office staff invoices establishments directly for these charges. Fees are tracked and reported as required.

Appendix 1 – Staffing

Staffing:

Bureau Chief – *Gary Hamel*

Program oversight. Employee supervision of 22.5 FTE. State and federal funding budgeting.

Enforcement, Investigations and Analysis Officer (EIAO) and Training Officer – *Mike Finnegan*

Food Safety Assessments (FSAs). Determines if establishment's process and HACCP plans will meet minimums for inspection services.

Conducts training of inspection staff for slaughter and processing. Along with Prof. Boles he teaches the state HACCP class held at MSU.

Only official meat grader in Montana.

Compliance Investigators – *Ray Figgins* and *James Peterson*

The compliance investigators respond to various complaints, check retail grinding logs and check meat and poultry products for packaging and/or labeling issues. Together, they travel across the state as necessary. They work with the USDA compliance staff in Montana.

District Supervisors

Northwest – *Olen Hamilton, Kalispell*

Southwest – *Nick Wormgoor, Bozeman*

Eastern – *Marcia Lipke, Hilger*

The 3 bureau's district supervisors are responsible for local meat inspection staff in their district to assure establishments are being provided inspection services as granted. They are responsible to assure that field inspectors are completing their job duties as assigned, approve time and schedules, and complete job performance appraisals as necessary. They provide both slaughter and processing onsite training for field inspectors. They monitor their district staffs' tasks and establishment information in PHIS.

They are responsible for working with and completing necessary documents for new plants. They use their knowledge of hazard analysis and HACCP plans to assure both inspection staff and plant personnel are in compliance with regulations. They conduct onsite plant reviews throughout the year.

Supervisors log many miles while assisting plants and staff; providing inspection coverage during staff vacations, sick leave, or busy slaughter months.

Staffing – continued

State Meat & Poultry Inspectors:

Lorin Blom, Anaconda
Steve Buchanan, Big Timber
Bill Bury, Great Falls
Dean Carmichael, Plains
Kalvin Fogel, Dillon
Rom Hedges, Antelope
Don Holwegner, Belgrade

Dave Johnson, Billings
Jennifer Meinzen-Alm, Stevensville
Kathi Molyneaux, Chinook
Lori Mulcahy, Butte
Ben Schmidt, Columbia Falls
David Sylvester, Hamilton
Tim Wise, Kalispell

Field meat inspection staff is responsible for day to day inspection in state inspected establishments. They provide onsite inspection to oversee operations of slaughter and processing of meat and poultry products.

They must know their plants hazard analysis steps, HACCP plans and check records to assure that steps and processes are followed. They must provide pre-op inspection to assure sanitation procedures are met at the start of each process and/or day. They must assure the mark of inspection is used properly in each facility.

They are required to keep up on all FSIS Notices and Directives. They must determine which regulation is applicable to an establishment. They hold weekly meetings with plant management to discuss issues and regulations. They maintain plant files onsite. They are responsible for recording inspection tasks in the PHIS system. Each provides Helena with a written weekly report.

They assist establishment staff with ingredient statements, net weights and the label process. They are responsible for completing label approval applications and guiding the plant through the process until a product label is approved for use with the mark of inspection.

Field inspectors are also responsible to review custom exempt operations in their area. They must inspect each licensed operation no less than twice per year. They must use their knowledge of sanitation regulations to complete the recorded review. The state's meat storage facilities are also reviewed no less than once per year by staff.

Label Specialist / Relief Inspection – *Dani Jones*

The state label specialist is responsible for approving labels for any meat and poultry products produced under inspection. She must monitor all aspects of product labeling including ingredient statements, net weights and allergens. She is responsible for auditing labels at each inspected facility to assure labels bearing the mark of inspection are printed and used accurately.

She also is a relief inspector and travels to plants as necessary

Compliance Tech – *Bonnie Marceau*

State sampling program oversight; directs all sampling in accordance with FSIS projects and frequencies. Directs staff when to take samples and documents the results for FSIS reporting requirements.

PHIS: Trained and fulfills Grant Curator, Role Management Analyst, and User Administrator roles in this role based inspection task recording system.

Serves as the FSIS State Coordinator to assure inspections staff can obtain the level of clearance necessary for use of government issued computers, LincPass ID cards, AgLearn system, and PHIS system. She orders and tracks all FSIS issued equipment and monitors FSIS service desks tickets.

As administrative assistant, she processes all licenses and renewals for meat and poultry operations in Montana, maintains plant's official files; compiles all FSIS required statistical information for quarterly/annual reports.

APPENDIX 2 - FY 17 State Inspected Slaughter

State Inspected – Livestock headcounts

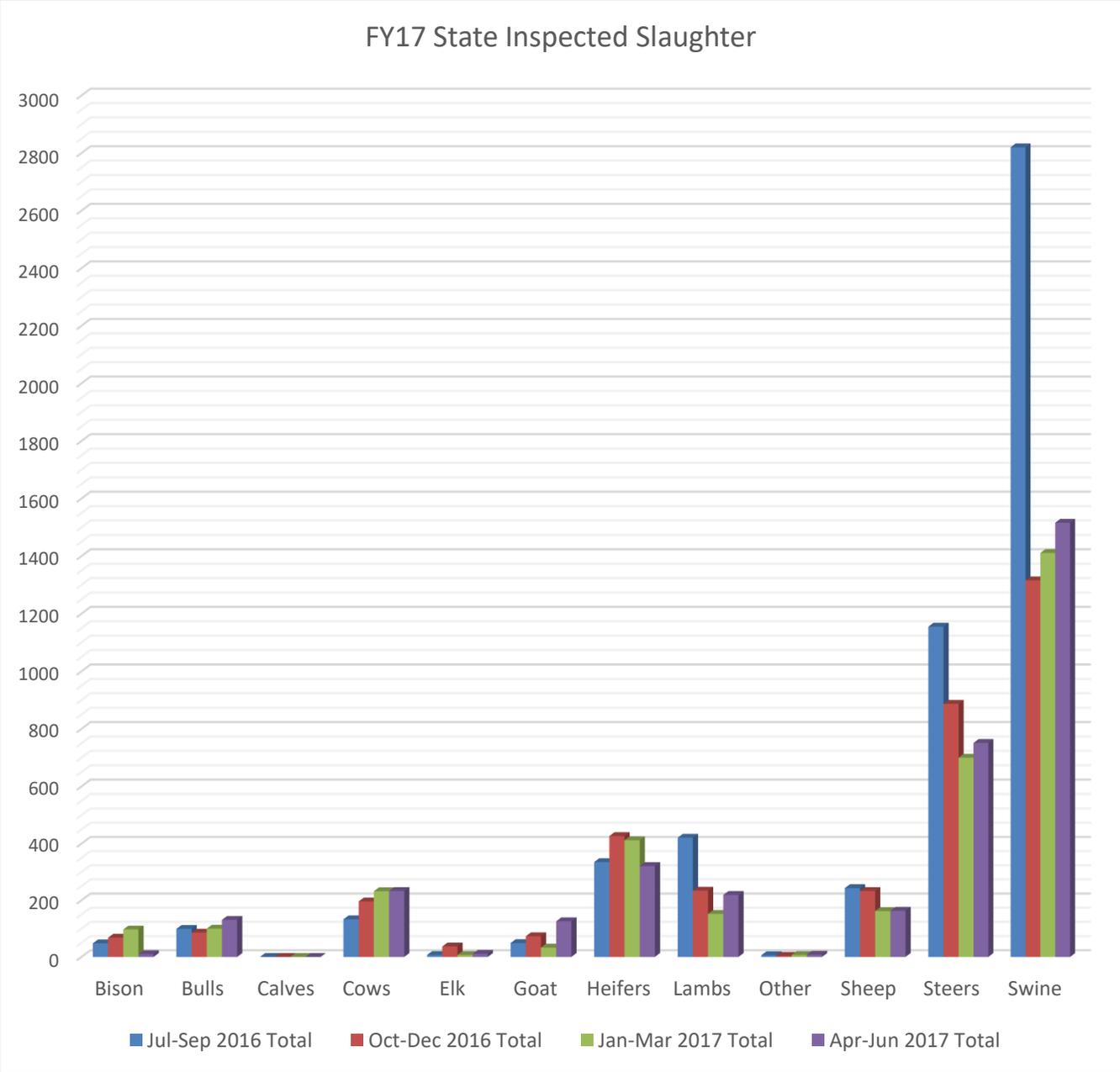


Figure 3: Livestock slaughtered under state inspection by quarter during FY17

State Inspected – Poultry headcounts

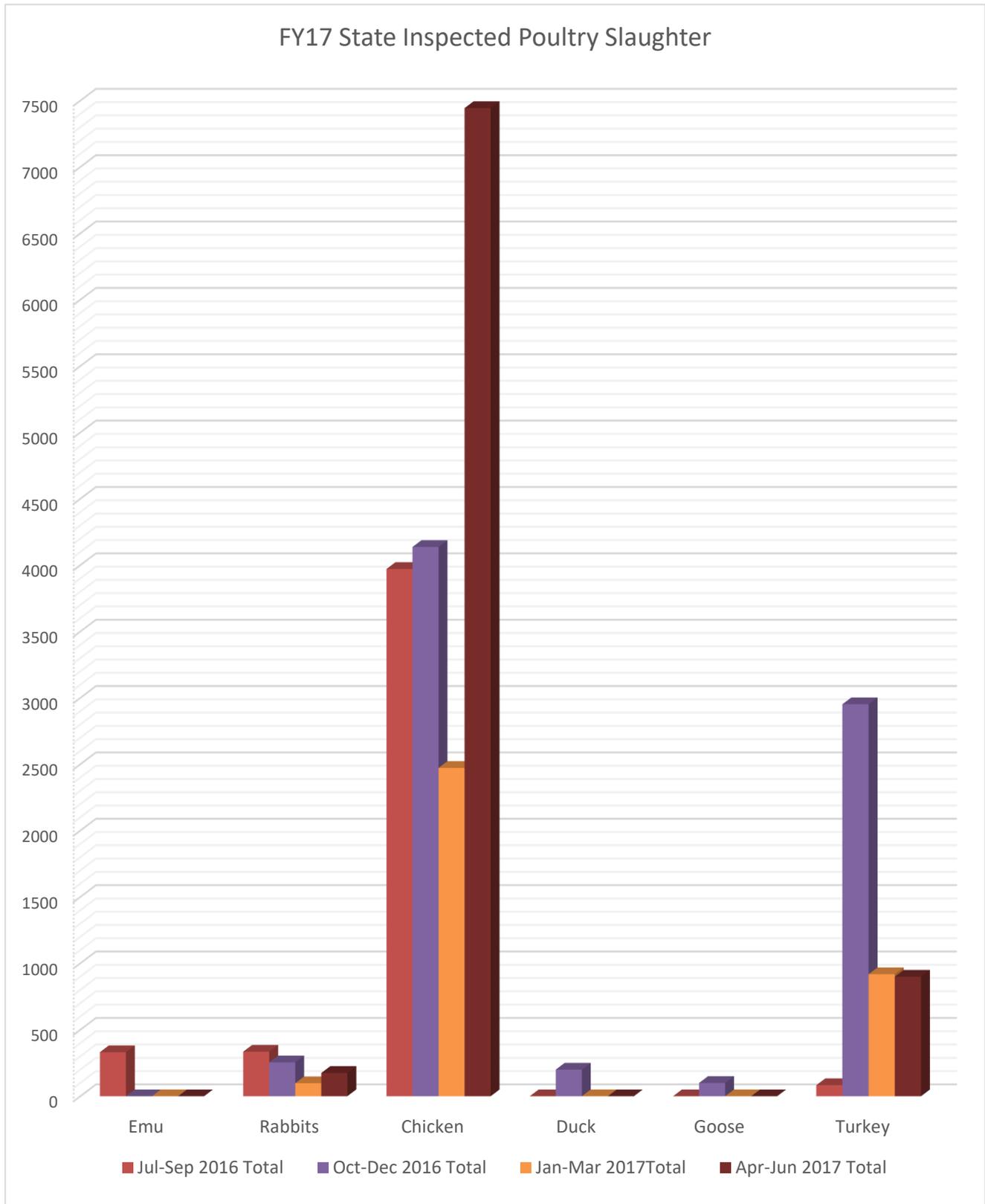


Figure 4: Poultry slaughtered under state inspection by quarter during FY17

Appendix 3 – Inspected Product Pounds Produced

Products produced under inspection services are tracked by the HACCP categories outlined in CFR 417.2. They include:

- *Raw Ground* – raw product that is put through a grinding process; like ground beef and ground pork
- *Raw Not Ground* – product that is not ground and intact; like carcass halves & quarters, cuts (bone-in or boned), primals & sub-primals (steaks, chops)
- *Not Heat Treated Shelf Stable* – product is acidified/fermented processed without heat/cooking
- *Heat Treated Shelf Stable* – product is processed with heat and/or drying until shelf stable, like jerky and snack sticks
- *Fully Cooked Not Shelf Stable* – products that are brought up to required cooking temperatures but not shelf stable, like some hams and sausages
- *Heat Treated Not Fully Cooked Not Shelf Stable* – products are processed with heat but not fully cooked and therefore not shelf stable, like bacon, sausages, or even some pasties and burritos.

MEAT	Jul-Sep 2016	Oct- Dec 2016	Jan-Mar 2017	Apr-Jun 2017
03B Raw Ground	422387	420177	352659	371704
03C Raw Not Ground	695224	531958	516360	475598
03E Not Heat Treated Shelf Stable	0	0	0	54
03F Heat Treated Shelf Stable	4240	5198	6409	4224
03G Not Fully Cooked Not Shelf Stable	152888	136774	141394	136757
03H Heat Treated Not Fully Cooked NSS	56717	49278	41905	42449
POULTRY	Jul-Sep 2016	Oct- Dec 2016	Jan-Mar 2017	Apr-Jun 2017
03B Raw Ground	0	0	0	0
03C Raw Not Ground	39616	71133	26006	42044
03E Not Heat Treated Shelf Stable	0	0	0	0
03F Heat Treated Shelf Stable	0	0	0	0
03G Not Fully Cooked Not Shelf Stable	18990	21539	16863	11173
03H Heat Treated Not Fully Cooked NSS	200	261	278	115

Table 1: State inspected meat and poultry products produced by HACCP category each quarter in FY17

FY17 Inspected Poundage continued

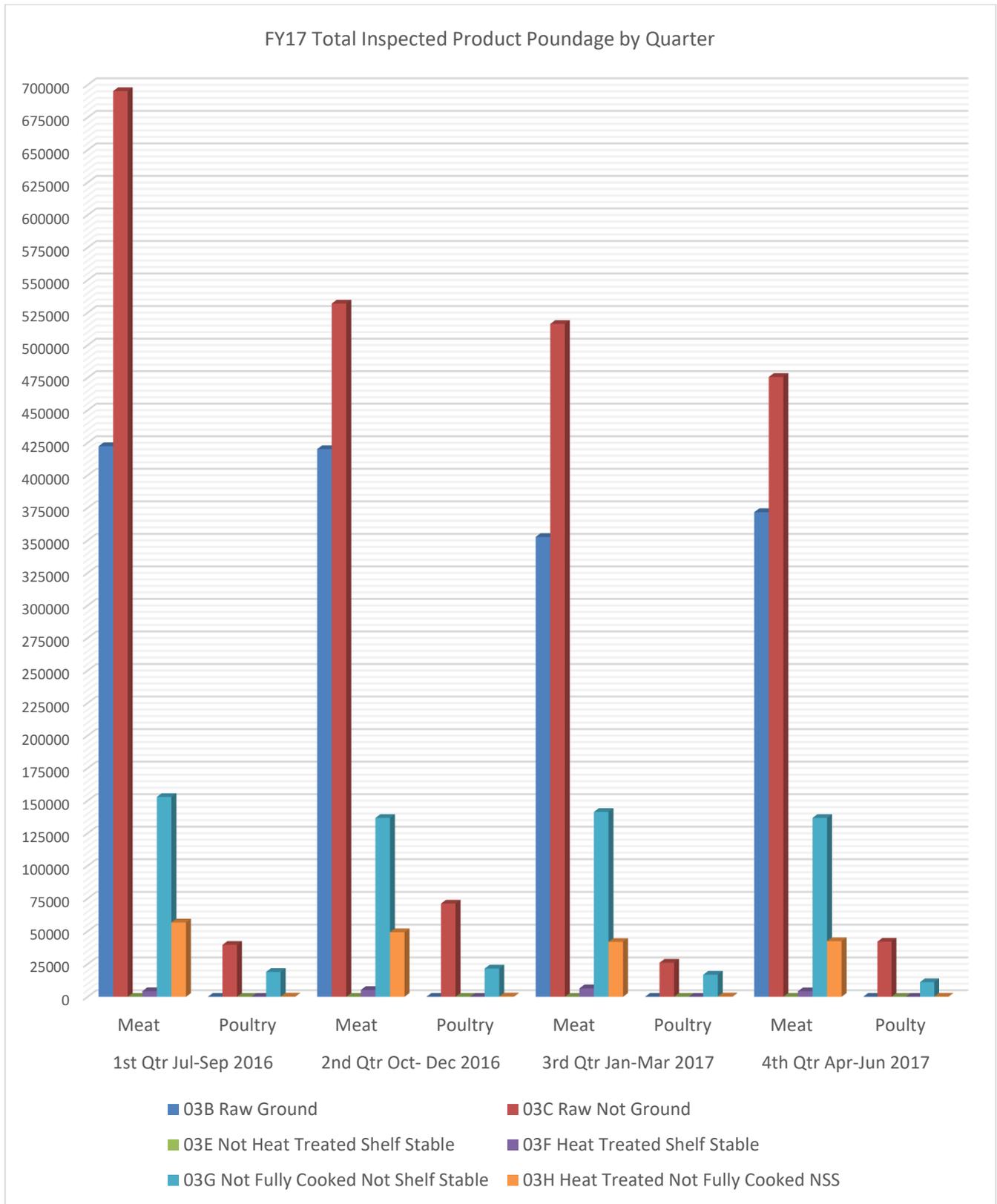


Figure 5: Quarterly poundage totals of meat and poultry products produced under state inspection by HACCP category during FY17.

APPENDIX 4 – FY17 Custom Exempt Slaughter

Custom Exempt facilities are only reviewed twice per year therefore monthly counts only reflect the month the plant headcounts were recorded by agency inspectors.

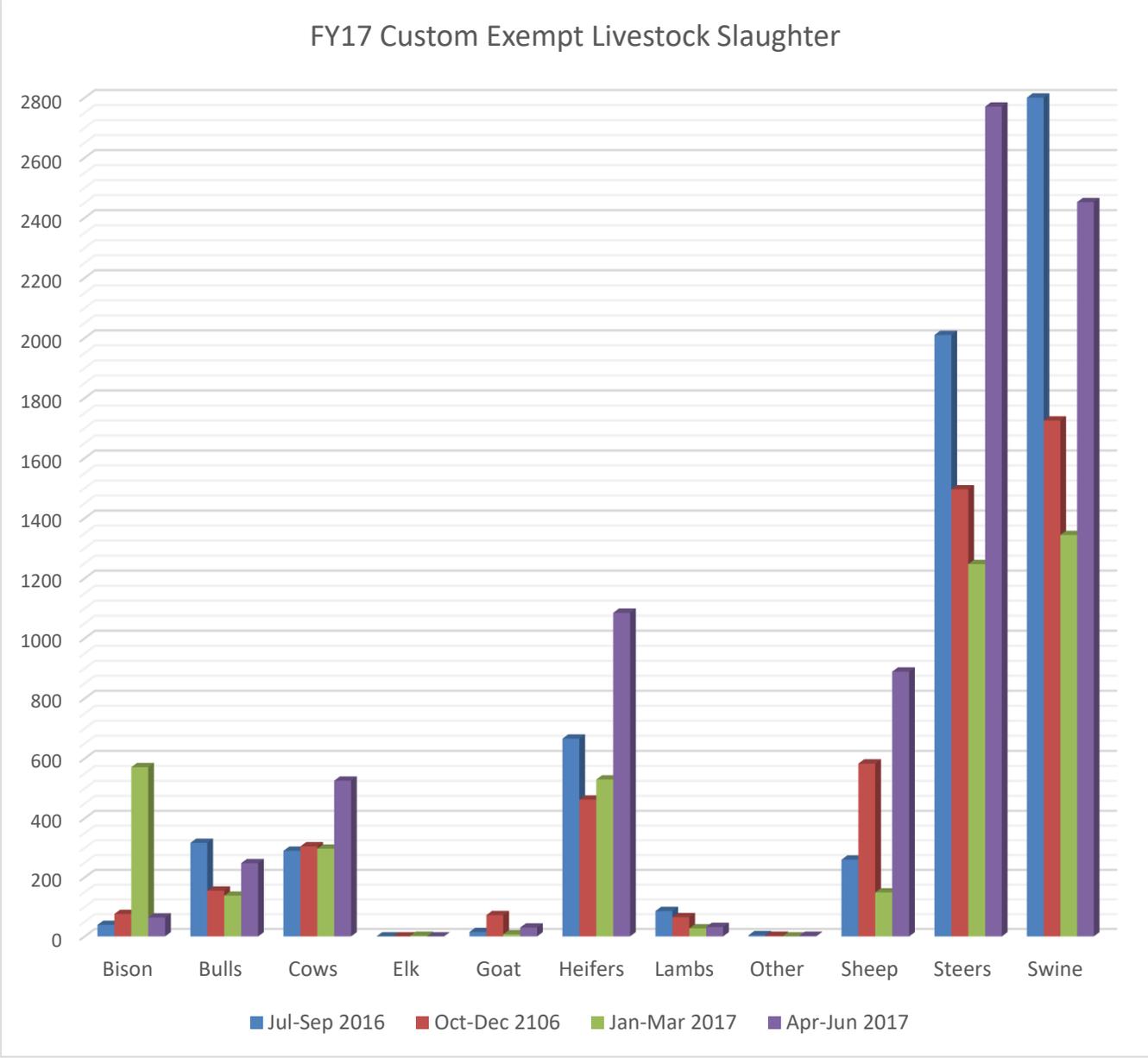


Figure 6: Livestock slaughtered custom exempt by quarter during FY17

Custom Exempt Slaughter – continued

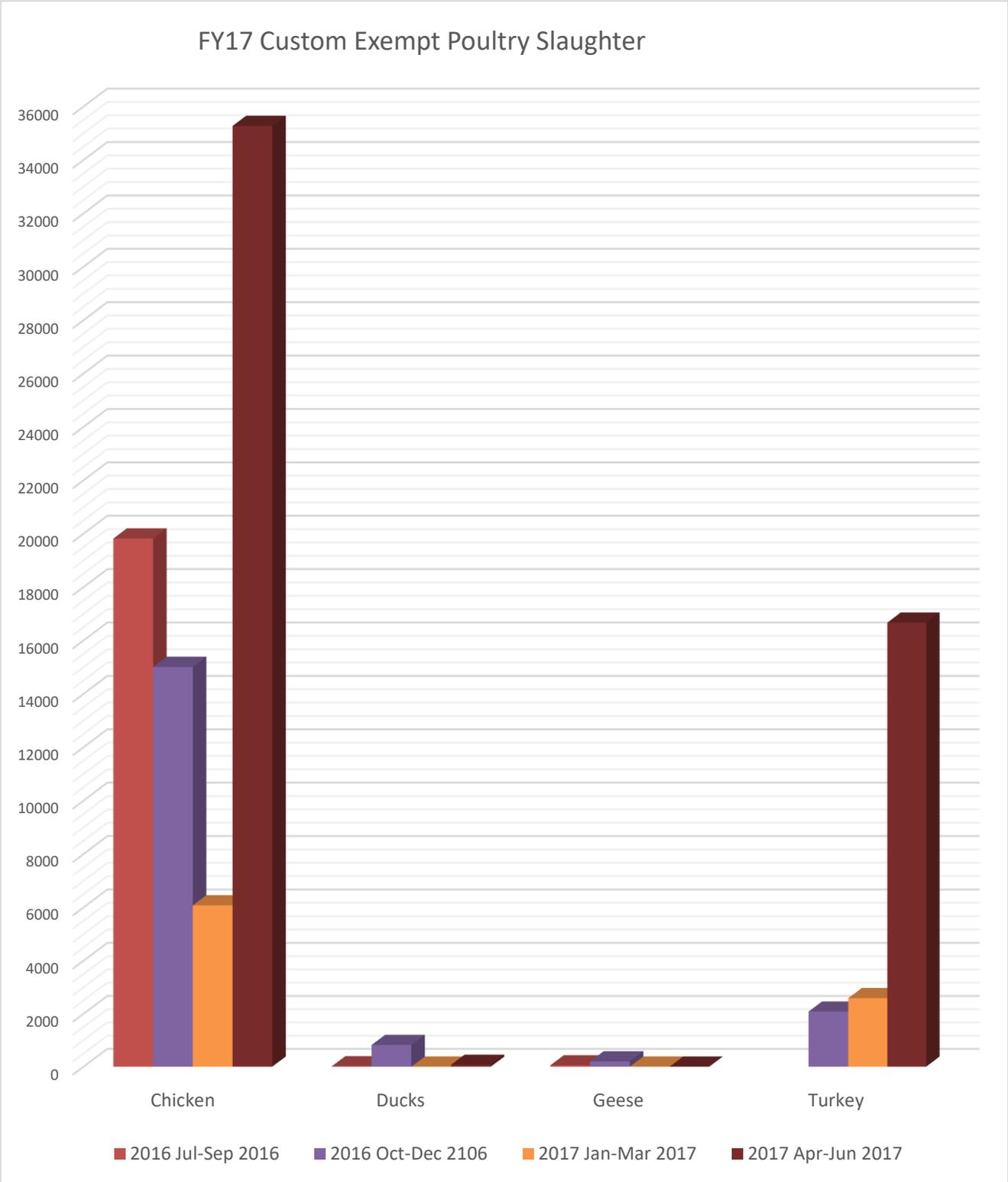
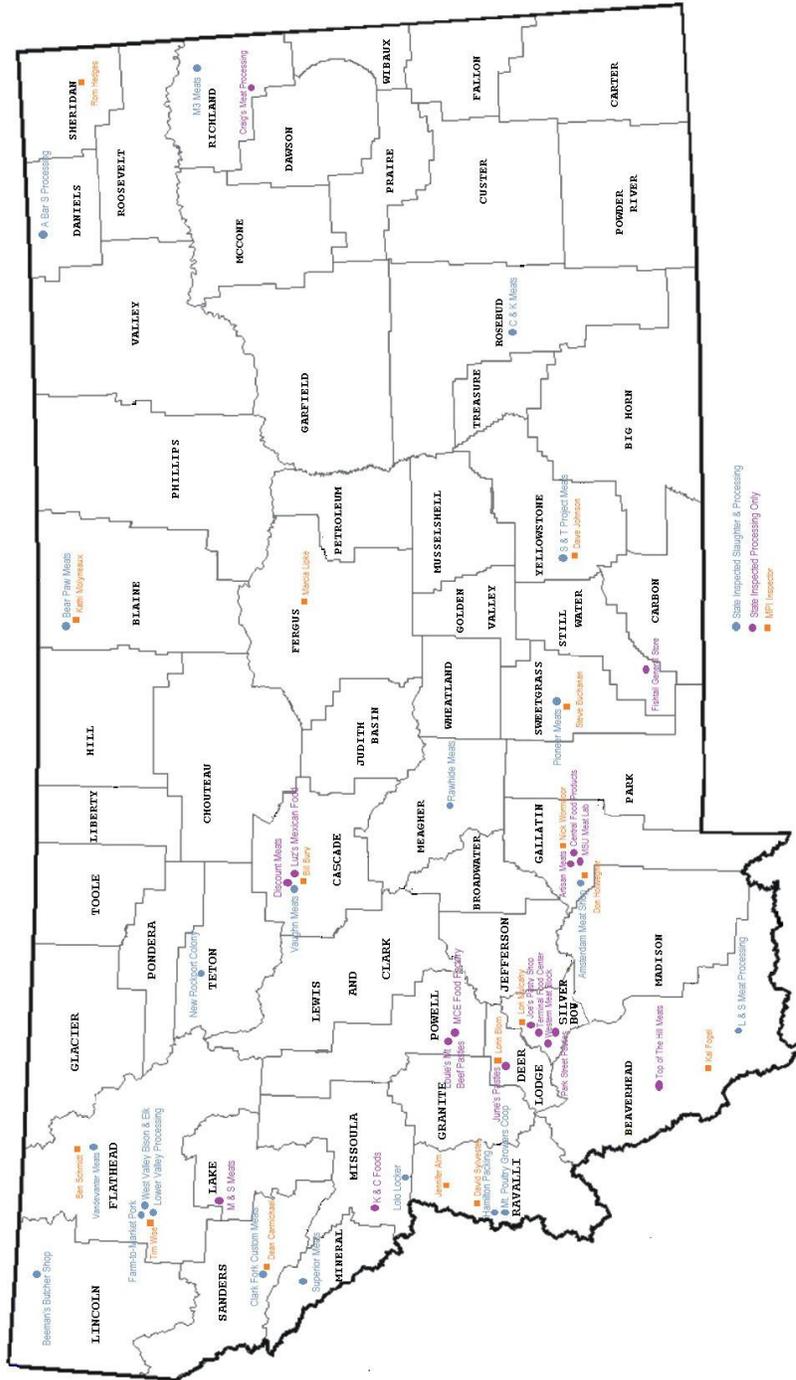


Figure 7: Poultry slaughtered custom exempt by quarter during FY17



- State Inspected Slaughter & Processing
- State Inspected Processing Only
- MFI Processor
- MFI Processor



Board of Livestock Meeting

Agenda Request Form

From: Tahnee Szymanski	Division/Program: Animal Health Bureau	Meeting Date: February 21, 2018
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Agenda Item: Request for Out of State Travel to Bovine Tuberculosis Eradication Training

Background Info: USDA is offering a three-day Bovine Tuberculosis Eradication Training Program in Manhattan, KS March 20-22,2018. Dr. Szymanski has been approved by the USDA to attend this course. Travel expenses will be covered out of the USDA Umbrella Cooperative Agreement.

Cost:

- Flight: \$1200
- Hotel: \$120/night for 4 nights= \$480
- Per Diem:
 - Monday \$46
 - Tuesday \$46
 - Wednesday \$46
 - Thursday \$46
 - Friday \$46

Total including registration: \$1910

Car Rental (if needed): \$190 for 5 days

Recommendation: Board Approval

Time needed: 5 minutes	Attachments:	Yes		Board vote required?	Yes	
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Time needed: 10 minutes	Attachments:	Yes		Board vote required:		No
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Time needed: 15 minutes	Attachments:	Yes		Board vote required?		No
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Agenda Item:

Background Info:

Recommendation:

Time needed:	Attachments:	Yes	No	Board vote required	Yes	No
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Agenda Item:

Background Info:

Recommendation:

Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No
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Agenda Item:

Department of Livestock	1) Division Animal Health Bureau
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2) Employees Traveling

Tahnee Szymanski

3) Justification

Background Info: USDA is offering a three-day Bovine Tuberculosis Eradication Training Program in Manhattan, KS March 20-22,2018. Dr. Szymanski has been approved by the USDA to attend this course. Travel expenses will be covered out of the USDA Umbrella Cooperative Agreement.

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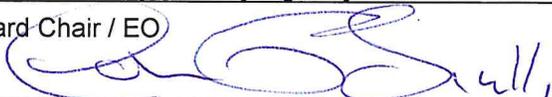
Car Rental (if needed): \$190 for 5 days

4) Itinerary

The training will be held at the Kansas Department of Agriculture building, 1320 Research Park Drive, Manhattan, KS 66502. Travel days for this course will be Monday, March 19, 2018, and Friday, March 23, 2018.

5) Submitted By	Requested By	Title	Date
	Tahnee Szymanski	Assistant State Veterinarian	2/9/2018

Approval - to be Completed by Agency Authorized Personnel

Date Approved by Board	Board Chair / EO	Date
		2/21/18

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

Bovine Tuberculosis Eradication Program Training

March 20-22, 2018

Agenda

Tuesday, March 20, 2018

7:30 a.m.	Registration	All
8:00	Greetings, Logistics, & Course Objectives	Rob Dickens/Dana Nelson
8:15	NBAF Progress Update	Ron Trewyn
8:30	History of the U.S. Bovine Tuberculosis Eradication Program	Dana Nelson
9:30	Program Epidemiology	Mark Schoenbaum
10:15	National Tuberculosis Eradication Program Update	Mark Camacho
11:15	<i>Mycobacterium bovis</i> : Immunology	Tyler Thacker
12:15 p.m.	Lunch	
1:15	<i>Mycobacterium bovis</i> : Bacteriology and Introduction to Whole Genomic Sequencing	Suelee Robbe-Austerman
2:00	<i>Mycobacterium bovis</i> : Genomic Sequencing of Isolates, Phylogeny, and Interpretation	Suelee Robbe-Austerman
2:45	Harmonizing bovine TB genotyping between HHS (CDC) and USDA (NVSL)	Suelee Robbe-Austerman
3:00	<i>Mycobacterium bovis</i> in Cervidae	Byron Schick
3:45	bTB Surveillance in 2017 and Future Opportunities	Byron Schick
4:30	Group Discussion and Class Photo	All
5:00 p.m.	Adjourn	

Bovine Tuberculosis Eradication Program Training

March 20-22, 2018

Agenda

Wednesday, March 21, 2018

8:00 a.m.	Bovine Tuberculosis Research	Tyler Thacker
9:00	State Animal Health Official Perspective: Present Issues and Future Concerns	Robert Meyer, Justin Smith
10:15	National and International One Health Perspective - Human Tuberculosis and <i>Mycobacteria bovis</i>	Andrea Mikolon
11:15	<i>Mycobacteria bovis</i> and Human Health from a State Perspective	Andrea Mikolon
12:00 p.m.	Lunch	
1:00	<i>Mycobacterium bovis</i> in California and Mexico: International One Health Perspective	Andrea Mikolon
1:45	Importation of Mexican and Canadian Cattle: Risks and Regulations	Dr. Rick Tanner/Dr. John Hunt
2:30	Break	
2:45	Management of Affected Herds	Mark Schoenbaum
3:30	USDA Compensation Process	Eric Patt/Brenda Reddell
4:00	Recent TB Trace Investigations Involving Detection of bTB Affected Herds, and the Tracing of Exposed Cattle	SD – Lynn Tesar NE – Gary Stevens KS – Brad Christensen
5:00 p.m.	Adjourn	

Bovine Tuberculosis Eradication Program Training

March 20-22, 2018

Agenda

Thursday, March 22, 2018

8:00 a.m.	Bovine Tuberculosis in Wildlife and Feral Swine	Tom Gidlewski
8:15	Tuberculosis Prevention and Management in Zoos	Douglas L Armstrong
9:15	Review and Update of bTB and Molokai, HI	Tom Gidlewski
10:15	Overview of USDA Databases and Applications	Cody Garten (EMRS) Linda Trapp (USA Herds) Barbara Cockerill (MIMS)
11:15	Characteristics and Application of TB Tests	Mark Schoenbaum/Mark Camacho
12:15 p.m.	Lunch	
1:15	<i>Mycobacterium bovis</i> : Pathology and Histology	Aaron Lehmkuhl
2:15	Post Mortem Diagnostics/Case Study	Mark Schoenbaum
3:15	FSIS perspective and regulatory activities	Evan Sumner
4:30	Evaluation	All
5:00 p.m.	Adjourn	

Department of Livestock	1) Division Milk Control Bureau
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2) Employees Traveling
Chad Lee

3) Justification

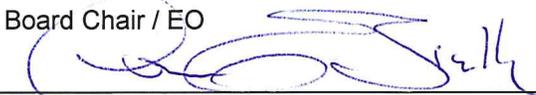
To attend the International Association of Milk Control Agencies (IAMCA) Annual Meeting to learn about developments in milk market regulation and developments in the dairy industry. Attending provides opportunity for the bureau to build relationships with and have candid conversations with other milk market regulators. This interaction and relationship building proves beneficial when the bureau communicates with regulators regarding the sales of Montana milk into other regulated markets, when the bureau makes inquiries to other regulators about techniques and methods used to carry out certain functions, and when the bureau is pursuing information or expertise. Additionally, participation in the IAMCA executive committee meetings provides a voice for Montana regarding the future direction of the organization and future conferences.

4) Itinerary

7/22 or 7/23 (depending on flight availability) travel from Helena, MT to Winnipeg, MB, Canada; participate in IAMCA Executive Committee meeting on afternoon of 7/23; attend conference from evening of 7/23 through evening of 7/25; 7/26 travel back to Helena, MT.

Conference cost estimate: \$1,775 - \$2,250 \$475 Registration + \$525 - \$1,175 Transportation (airfare, luggage fees, taxi, parking), \$600 - \$775 meals & lodging

5) Submitted By	Requested By	Title	Date
	Chad Lee	Bureau Chief, Milk Control	2/2/2018

Approval - to be Completed by Agency Authorized Personnel		
Date Approved by Board	Board Chair / EO 	Date 2/21/18

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

Department of Livestock

1) Division
Information Technology

2) Employees Traveling

Thomas Shultz

3) Justification

We would like to have an IT liason attend the the USAHerds conference to discuss and research current products that the Department uses and also look into possible future expansion of products the company provides. Below are the rough estimates of travel costs.

Airfare (Delta Air Lines):	\$610 (depart Monday evening, return Thursday evening)
Hotel:	\$325 (room rate of \$95/night plus 14% tax for three nights)
Airport Shuttle	\$54 (\$27 each way, per hotel staff)
Meals:	\$23 (Monday evening)
	\$46 (Tuesday all day)
	\$46 (Wednesday all day)
	\$46 (Thursday all day)
Conference attendance:	TBD
Helena airport parking	\$12
Total:	\$1162 plus conference fee if applicable

4) Itinerary

USAHerds user group conference in Oklahoma City, OK – April 16-19, 2018. The actual itinerary for the conference is yet to be posted.

5) Submitted By

Requested By
Dan Olson

Title
IT Manager

Date

Approval - to be Completed by Agency Authorized Personnel

Date Approved by Board

Board Chair / EO

Date

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

Montana Department of Livestock
Meat and Poultry Inspection Bureau

Appeals Guideline

January 23, 2018, version – Approved by the Board of Livestock on that date

The Montana Department of Livestock (Department) administers a state meat and poultry inspection program that must be “at least equal to” the provisions of the Federal Meat Inspection Act. See 21 U.S.C. 661. The Food Safety and Inspection Service (FSIS) of the United States Department of Agriculture administers the Federal rules applicable to the inspection and enforcement actions. Certain Federal regulations were adopted as state rules by the Department. See ARM 32.6.712. The Department administers these rules through its Meat and Poultry Inspection Bureau (MPI).

The rules provide a right of appeal from a decision of an MPI employee to that employee’s immediate supervisor. 9 CFR 306.5. This Guideline discusses the process for how the Department handles the appeals.

The appeal process is a mechanism for ensuring that disagreements between regulated parties and MPI staff are reviewed. The Department encourages regulated parties to appeal inspection decisions they believe are not consistent with applicable standards. Regulated parties may file an appeal without fear of retaliation. An appeal encourages communication between a regulated party and MPI staff that may lead to a better understanding of the food safety system and the standards that apply to both parties. For example, an appeal may uncover a long held misunderstanding of a standard by the plan that MPI staff can further explain.

Chain of Command

The appeal process follows the MPI chain of command. The chain of command ensures that program employees most familiar with the appeal facts evaluate the appeal first to minimize response time. The chain of command also allows a plant to appeal to the next highest level if unsatisfied with an appeal outcome. The MPI chain of command is:

1. MPI inspector
2. MPI regional supervisor
3. MPI bureau chief
4. Animal Health division administrator
5. Department executive officer
6. Board of Livestock

Appeal Process

What may be appealed?

Any inspection decision that adversely affects a regulated party may be appealed to the next highest level up the chain of command. Decisions that may be appealed include, for example, a non-compliance record (NR) and a review of an appeal at a lower level in the chain of command. Decisions that may not be appealed include a recall, which is an action by the regulated party, or a decision for which no adverse action was taken by the Department. Recall situations are governed by the state and federal recall procedures and guidelines.

Who may appeal?

When a regulated party feels adversely affected by a decision of the department they may pursue the appeal individually or through legal counsel.

How must appeals be made?

All appeals must be in writing at each level of the appeal. Appeal must be delivered to the Department at the following address:

Executive Officer
Montana Department of Livestock
301 N Roberts
Helena, MT 59620

What is not an appeal?

Requests for reconsideration by the regulated party to the Department employee making the initial inspection decision are not appeals. However, these requests may be made orally to that Department employee for consideration.

Requests for consideration of actions that:

1. have not occurred (e.g., an anticipated action);
2. have been resolved (e.g., the remedy sought has been received);
3. are not adverse (e.g., a recommendation by the Department); or
4. are not by the Department (e.g., a party's decision to issue a recall);

are not appeals. Requests for damages or for a remedy other than revision of an initial inspection decision are not appeals. Personal attacks against Department personnel are not appeals.

Every non-appealable request contained within an appeal must be dismissed without consideration of the merits of the non-appealable request.

When must appeals be made?

Appeals must be made within 60 days of the prior decision being appealed. If an appeal is denied, the regulated party may subsequently appeal to the next level up the chain of command. The time limitation applies both to the appeal of the initial inspection decision and to any subsequent appeal up the chain of command.

What must be included in an appeal?

The regulated party must provide in the initial appeal:

1. A statement of the facts supporting revision of the initial inspection decision;
2. All documentation supporting the statement of facts;
3. A statement of the legal basis supporting revision of the initial inspection decision;
4. An explanation of how the statement of facts and the legal basis demonstrate that revision of the initial inspection decision is merited; and
5. A request for the specific remedy sought on appeal.

The regulated party must provide in any subsequent appeal up the chain of command:

1. All documentation provided in the prior appeal up the chain of command.
2. An explanation of why the regulated party believes that revision of the prior appeal decision is merited.

What must be demonstrated in an appeal?

The regulated party must demonstrate that revision of the appealed decision is merited by a preponderance of the evidence. A preponderance of the evidence means that it is more likely than not that the appealed decision must be revised.

When will an appeal be decided?

Time is needed for Department employees or the Board to become familiar with the facts as the appeal moves up the chain of command. Generally, the higher up the chain of command an appeal moves, the longer it will take for that level of appeal to be decided. Appeals submitted at levels 1, 2 and 3 of the chain of command should be answered within two weeks of receipt. Appeals submitted to levels 4 and 5 of the chain of command should be answered within 30 days of receipt. Appeals reaching the Board of Livestock may take as much as 60 days because of the timing and public notice requirements of their official business meetings. If an appeal becomes stalled at a lower level in the chain of command and is not answered within the given time frame it may be elevated to the next level at that point.

How will an appeal be decided?

The Department employee or the Board decides the merits of the appeal based on the facts and law presented including, if necessary, review of Department documentation and consultation

with subject matter experts and legal counsel. There is no right to a hearing on an appeal, except as otherwise may be provided by law.

Department Handling of Appeals

Process

All appeals must be filed first with the Executive Officer. In the event an appeal is first sent to a Department employee that is not the Executive officer or a Board member, the appeal and any related materials must be immediately forwarded to the Executive Officer. The Executive Officer will distribute the appeal materials to the appropriate review level in the chain of command. The Department employee or the Board, as appropriate, must issue a written decision on the appeal that explains the basis for the decision. The Department employee or the Board must provide that decision to the Executive Officer, who will distribute the appeal decision to the regulated party.

Appeal File

The Department will organize all appeal materials in an identifiable appeal file that contains, at a minimum:

1. The appeal filed with the Department;
2. The documentation in support of the appeal filed with the Department;
3. Additional documentation of facts considered by the Department for the appeal; and
4. The Department's decision on the appeal.

The Department's organization of appeal documentation should be separate and complete for each level of appeal.

Legal Counsel

The Department or the Board, as appropriate in the chain of command, may seek the opinion of legal counsel about questions of law that arise at each level of review of the appeal. They may also seek a recommendation from legal counsel about the application of law to the facts at each level of review of the appeal. Legal opinions and recommendations, including communications with legal counsel, are privileged documents that are not part of the appeal file.

Judicial Review

The decision on appeal of the Board of Livestock is final. Any party aggrieved by the Board's decision may, within 10 days after the date of the decision, seek judicial review in the district court of the district in which the licensed premises are located. §§ 81-9-231 and 235(3), MCA.

Resources

Some of the language in this Guideline is adapted or copied from the FSIS Compliance Guideline for Small and Very Small Plants Appealing Inspection Decisions.

Montana Department of Livestock Meat and Poultry Inspection Food Recall Information and Procedures

Who regulates meat and poultry products in Montana?

The Food Safety Inspection Service (FSIS) within the United States Department of Agriculture inspects and regulates meat and poultry products in federally inspected plants. The Montana Department of Livestock Meat and Poultry Inspection Bureau regulates small and very small establishments that sell their product only within the state of Montana. This program is allowed under federal and state law through a cooperative agreement between the Montana Department of Livestock and USDA. The state controlled program must be operated in a manner that meets or exceeds all federal regulations for meat and poultry products. The recall process and procedures used by the MDOL Meat and Poultry Inspection Bureau must conform to the most recent version of USDA FSIS Directive 8080.1.

What is a food recall?

A food recall is a voluntary action by a manufacturer or distributor to protect the public from products that may cause health problems or possible death. A recall is intended to remove food products from commerce when there is reason to believe the products may be adulterated or misbranded. Inspected establishments are required to have a recall plan to implement in these circumstances and should regularly test and update their plan as necessary.

Who decides when a recall is necessary?

Recalls are initiated by the manufacturer or distributor of the meat or poultry, sometimes at the recommendation of the MDOL Meat and Poultry Inspection Bureau. All recalls are voluntary. However, if a company refuses to recall its products when recommended, then the MDOL Meat and Poultry Inspection Bureau has the legal authority to detain and seize those products in commerce if necessary.

If an establishment wishes to engage the recall committee in a preliminary investigation to gain a recommendation on whether a recall may be necessary they can do so by contacting their In Plant Personnel (IPP) and making a written request. The IPP should immediately send that request to their area supervisor and bureau chief so the process can begin in a timely manner.

How are unsafe products discovered?

There are four primary means by which unsafe or improperly labeled meat and poultry products come to the attention of the MDOL Meat and Poultry Inspection Bureau:

- The company that manufactured or distributed the food informs the Bureau of the potential hazard;
- Test results received by the Bureau as part of a sampling program indicate that the products are adulterated, or, in some situations, misbranded;
- MDOL Meat and Poultry Inspection Bureau field inspectors and program investigators, in the course of their routine duties, discover unsafe or improperly labeled foods; and
- Epidemiological data submitted by State or local public health departments, or other Federal agencies, such as the Food and Drug Administration (FDA) or the Centers for Disease Control and Prevention (CDC) reveal unsafe, unwholesome or inaccurately labeled food.

As soon as the Bureau learns that a potentially unsafe or mislabeled meat or poultry product is in commerce, the Bureau conducts a preliminary investigation to determine whether there is a need for a recall.

What occurs during a preliminary investigation?

The preliminary investigation may include some or all of the following steps:

- Contacting the manufacturer of the food for more information;
- Interviewing any consumers who allegedly became ill or injured from eating the suspect food;
- Collecting and analyzing food samples;
- Collecting and verifying information about the suspected food;
- Discussions with Bureau field inspection and compliance personnel;
- Contacting State and local health departments; and
- Documenting a chronology of events.

How does the MDOL Meat and Poultry Bureau notify the public when a product is recalled?

MDOL Meat and Poultry Inspection Bureau notifies the public through a Recall Release for Class I and Class II recalls, and issues a Recall Notification Report (RNR) for Class III recall issues. (The RNR provides substantially the same information as the Recall Release; however, it is not distributed to media wire services or media outlets.) The Recall Release is issued to media outlets in the areas where the product was distributed. When possible, MDOL Meat and Poultry Inspection Bureau also includes pictures of the recalled product labels as part of the Recall Release posting.

For every Class I recall, the MDOL Meat and Poultry Bureau develops a list of retail consignees that have, or have had, the recalled products in their possession. The list of retail consignees includes the name, street address, city and state of each retail consignee and is posted within approximately 3 to 10 days of the date of the recall. The retail consignee list is updated periodically as additional retail consignee information becomes available.

What is the MDL Meat and Poultry Inspection Bureau's role during a recall?

When there is reason to believe that adulterated or misbranded product has entered commerce, the MDOL Meat and Poultry Inspection Bureau convenes the Recall Committee. The Committee evaluates all available information and then makes recommendations to the company about the need for a recall. The committee should consist of 5-7 members representing the following types of individuals:

- Meat Science Specialist (This may be obtained from an appropriate entity outside of MDOL)
- Microbiologist (This may be obtained from an appropriate entity outside of MDOL)
- Montana Board of Livestock member or MDOL Executive Officer
- MDOL Animal Health and Food Safety Division Administrator or MDOL Meat and Poultry Inspection Bureau Chief

- MDOL Meat and Poultry Inspection Bureau Enforcement, Investigations and Analysis Officer (EIAO) or equivalent.

If the Recall Committee recommends a recall, the Committee classifies the recall based on the relative health risk, as follows:

- Class I - A Class I recall involves a health hazard situation in which there is a reasonable probability that eating the food will cause health problems or death.
- Class II - A Class II recall involves a potential health hazard situation in which there is a remote probability of adverse health consequences from eating the food.
- Class III - A Class III recall involves a situation in which eating the food will not cause adverse health consequences.

In addition to determining the class of the recall, the Recall Committee verifies that the company has identified production and distribution information to facilitate the recall.

The Recall Committee advises the company of its recommendation in writing. The firm has 48 hours to declare its intent to accept or deny the recommendation in writing to the MDOL Meat and Poultry Inspection Bureau Chief.

How does the MDOL Meat and Poultry Bureau ensure that a recall is effective?

Meat and Poultry Inspection Bureau field personnel conduct "effectiveness checks" to ensure that the recalling firm makes all reasonable efforts to notify the consignees of the recalled product that there is a need to remove the product from commerce. The Bureau conducts a sufficient number of effectiveness checks throughout the distribution chain to verify that the recalling firm has been diligent in notifying the consignees of the need to retrieve and control recalled product, and that the consignees responded accordingly.

If the Bureau determines that the recalling firm has been successful in contacting its consignees, and has made all reasonable efforts to retrieve and control products, the Bureau notifies the firm that the recall is complete and no further action is expected.

Does the MDOL Meat and Poultry Bureau keep documentation on recalls?

The Bureau maintains comprehensive case files for all recalls coordinated by the Bureau. Information on open and closed cases can be requested in accordance with state law.

How can consumers identify recalled products?

All containers of meat, poultry, and egg products must be labeled with a state mark of inspection and establishment (EST) number, which is assigned to the plant where the product was produced.

The establishment number may appear on the package within the state mark of inspection. It may also appear elsewhere on the exterior of the package container or package labeling (for example, on the lid of a can) if shown in a prominent and legible manner and in a size sufficient to insure easy visibility and recognition.

Related Item

FSIS Directive 8080.1, "Recall of Meat and Poultry Products" (PDF Only)
[<http://www.fsis.usda.gov/OPPDE/rdad/FSISDirectives/8080.1Rev5.pdf>]



Board of Livestock Meeting

Agenda Request Form

From: Evan Waters		Division/Program: Centralized Services			Meeting Date: 02/21/2018		
<u>Agenda Item:</u> February 2018 through June 2018 Expenditure Projections							
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	
<u>Agenda Item:</u> January 31, 2018 Budget Status report							
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	
<u>Agenda Item:</u> Year-to-Date as of January 31, 2018 Revenue comparison							
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	
<u>Agenda Item:</u> Per Capita Fee reporting and collection update							
Background Info: Brief update on number of Per Capita Fee payors' have filed, reported head counts by species, expected revenue reported as of February 13, 2018. This report is based on livestock owners that have reported headcounts to the Department of Revenue.							
Recommendation: n/a							
Time needed: 5 min	Attachments:	Yes X	No	Board vote required:	Yes	No X	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	

**MONTANA DEPARTMENT OF LIVESTOCK
PROJECTED EXPENSE BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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BUDGETED FTE 135.62

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 3,224,204	\$ 2,857,810	\$ 6,082,014	\$ 5,618,407	\$ (463,607)
61200 OVERTIME	100,975	11,376	112,351	91,034	(21,317)
61300 OTHER/PER DIEM	2,750	2,350	5,100	6,700	1,600
61400 BENEFITS	1,401,470	1,255,952	2,657,422	2,524,228	(133,194)
TOTAL PERSONAL SERVICES	<u>4,729,399</u>	<u>4,127,488</u>	<u>8,856,887</u>	<u>8,240,369</u>	<u>(616,518)</u>
62000 OPERATIONS					
62100 CONTRACT	956,868	462,441	1,419,309	1,563,944	144,635
62200 SUPPLY	365,565	355,366	720,931	781,106	60,175
62300 COMMUNICATION	99,180	111,974	211,154	200,529	(10,625)
62400 TRAVEL	71,663	92,515	164,178	172,606	8,428
62500 RENT	273,491	223,235	496,726	516,288	19,562
62600 UTILITIES	35,572	25,562	61,134	59,679	(1,455)
62700 REPAIR & MAINT	111,663	71,725	183,388	180,975	(2,413)
62800 OTHER EXPENSES	281,084	244,672	525,756	574,118	48,362
TOTAL OPERATIONS	<u>2,195,086</u>	<u>1,587,490</u>	<u>3,782,576</u>	<u>4,049,245</u>	<u>266,669</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>
68000 TRANSFERS					
68000 TRANSFERS	97,391	241,127	338,518	335,326	(3,192)
TOTAL TRANSFERS	<u>97,391</u>	<u>241,127</u>	<u>338,518</u>	<u>335,326</u>	<u>(3,192)</u>
69000 CAPITAL LEASES					
69000 LEASES	8,341	6,917	15,258	13,836	(1,422)
TOTAL LEASES	<u>8,341</u>	<u>6,917</u>	<u>15,258</u>	<u>13,836</u>	<u>(1,422)</u>
TOTAL EXPENDITURES	<u>\$ 7,046,317</u>	<u>\$ 5,963,022</u>	<u>\$ 13,009,339</u>	<u>\$ 12,653,776</u>	<u>\$ (355,563)</u>

BUDGETED FUNDS

01100 GENERAL FUND	\$ 1,630,145	\$ 1,108,625	\$ 2,738,770	\$ 2,365,861	\$ (372,909)
02262 SHIELDED EGG GRADING FEES	70,240	84,008	154,248	344,173	189,925
02425 BRAND INSPECTION FEES	2,103,152	879,995	2,983,147	2,983,147	-
02426 PER CAPITA FEE	1,687,989	1,859,809	3,547,798	3,211,373	(336,425)
02427 ANIMAL HEALTH	-	5,718	5,718	5,718	-
02701 MILK INSPECTION FEES	157,466	153,686	311,152	348,619	37,467
02817 MILK CONTROL	159,119	197,688	356,807	388,593	31,786
03209 MEAT & POULTRY INSPECTION	440,761	478,508	919,269	919,269	-
03032-1 NATIONAL LAB NETWORK	-	30,585	30,585	30,585	-
03032-2 SHELL EGG FEDERAL INSPECTION FEES	9,954	8,256	18,210	21,000	2,790
03427 FEDERAL UMBRELLA PROGRAM	174,225	587,829	762,054	853,857	91,803
06026 DIAGNOSTIC LABORATORY FEES	613,266	568,315	1,181,581	1,181,581	-
TOTAL BUDGETED FUNDS	<u>\$ 7,046,317</u>	<u>\$ 5,963,022</u>	<u>\$ 13,009,339</u>	<u>\$ 12,653,776</u>	<u>\$ (355,563)</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
EXPENSE PROJECTION TO YEAR-END ACTUAL EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
BUDGETED FTE		12.00			
HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES					
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 351,018	\$ 319,294	\$ 670,312	\$ 603,668	\$ (66,644)
61300 OTHER/PER DIEM	1,200	1,350	2,550	2,250	(300)
61400 BENEFITS	128,347	119,664	248,011	218,203	(29,808)
TOTAL PERSONAL SERVICES	<u>480,565</u>	<u>440,308</u>	<u>920,873</u>	<u>824,121</u>	<u>(96,752)</u>
62000 OPERATIONS					
62100 CONTRACT	139,440	20,501	159,941	233,975	74,034
62200 SUPPLY	61,640	25,374	87,014	120,753	33,739
62300 COMMUNICATION	30,362	12,529	42,891	49,849	6,958
62400 TRAVEL	6,776	5,471	12,247	18,026	5,779
62500 RENT	85,190	57,075	142,265	142,265	-
62700 REPAIR & MAINT	433	665	1,098	1,649	551
62800 OTHER EXPENSES	6,901	7,227	14,128	18,424	4,296
TOTAL OPERATIONS	<u>330,742</u>	<u>128,842</u>	<u>459,584</u>	<u>584,941</u>	<u>125,357</u>
68000 TRANSFERS					
68000 TRANSFERS	97,391	1,127	98,518	95,326	(3,192)
TOTAL TRANSFERS	<u>97,391</u>	<u>1,127</u>	<u>98,518</u>	<u>95,326</u>	<u>(3,192)</u>
TOTAL EXPENDITURES	<u>\$ 908,698</u>	<u>\$ 570,277</u>	<u>\$ 1,478,975</u>	<u>\$ 1,504,388</u>	<u>\$ 25,413</u>
BUDGETED FUNDS					
02426 PER CAPITA	\$ 908,698	\$ 570,277	\$ 1,478,975	\$ 1,504,388	\$ 25,413
TOTAL BUDGETED FUNDS	<u>\$ 908,698</u>	<u>\$ 570,277</u>	<u>\$ 1,478,975</u>	<u>\$ 1,504,388</u>	<u>\$ 25,413</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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
EXPENSE PROJECTION TO YEAR-END ACTUAL EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

DIVISION: CENTRALIZED SERVICES
PROGRAM: LIVESTOCK LOSS BOARD

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

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 32,064	\$ 28,747	\$ 60,811	\$ 52,303	\$ (8,508)
61300 OTHER/PER DIEM	350	400	750	600	(150)
61400 BENEFITS	12,068	11,526	23,594	20,970	(2,624)
TOTAL PERSONAL SERVICES	<u>44,482</u>	<u>40,673</u>	<u>85,155</u>	<u>73,873</u>	<u>(11,282)</u>
62000 OPERATIONS					
62100 CONTRACT	545	555	1,100	669	(431)
62200 SUPPLY	204	1,013	1,217	775	(442)
62300 COMMUNICATION	819	1,638	2,457	1,484	(973)
62400 TRAVEL	2,030	347	2,377	1,525	(852)
62500 RENT	3,127	2,234	5,361	3,252	(2,109)
62700 REPAIR & MAINT	1,060	39	1,099	644	(455)
62800 OTHER EXPENSES	505	150	655	439	(216)
TOTAL OPERATIONS	<u>8,290</u>	<u>5,976</u>	<u>14,266</u>	<u>8,788</u>	<u>(5,478)</u>
TOTAL EXPENDITURES	<u>\$ 52,772</u>	<u>\$ 46,649</u>	<u>\$ 99,421</u>	<u>\$ 82,661</u>	<u>\$ (16,760)</u>
BUDGETED FUNDS					
01100 GENERAL FUND	\$ 52,772	\$ 46,649	\$ 99,421	\$ 82,661	\$ (16,760)
TOTAL BUDGETED FUNDS	<u>\$ 52,772</u>	<u>\$ 46,649</u>	<u>\$ 99,421</u>	<u>\$ 82,661</u>	<u>\$ (16,760)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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
EXPENSE PROJECTION TO YEAR-END ACTUAL EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

DIVISION: CENTRALIZED SERVICES
PROGRAM: MILK CONTROL BUREAU

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

61000 PERSONAL SERVICES

61100 SALARIES	\$ 91,287	\$ 67,433	\$ 158,720	\$ 167,205	\$ 8,485
61300 OTHER/PER DIEM	1,200	600	1,800	2,350	550
61400 BENEFITS	34,939	33,621	68,560	75,800	7,240
TOTAL PERSONAL SERVICES	127,426	101,654	229,080	245,355	16,275

62000 OPERATIONS

62100 CONTRACT	14,188	86,574	100,762	113,675	12,913
62200 SUPPLY	818	1,288	2,106	3,049	943
62300 COMMUNICATION	797	1,866	2,663	3,042	379
62400 TRAVEL	5,322	3,000	8,322	11,115	2,793
62500 RENT	5,583	3,034	8,617	8,542	(75)
62700 REPAIR & MAINT	187	228	415	313	(102)
62800 OTHER EXPENSES	4,798	44	4,842	3,502	(1,340)
TOTAL OPERATIONS	31,693	96,034	127,727	143,238	15,511

TOTAL EXPENDITURES

	\$ 159,119	\$ 197,688	\$ 356,807	\$ 388,593	\$ 31,786
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BUDGETED FUNDS

02817 MILK CONTROL	\$ 159,119	\$ 197,688	\$ 356,807	\$ 388,593	\$ 31,786
TOTAL BUDGETED FUNDS	\$ 159,119	\$ 197,688	\$ 356,807	\$ 388,593	\$ 31,786

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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 BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

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

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 231,894	\$ 221,072	\$ 452,966	\$ 478,309	\$ 25,343
61400 BENEFITS	84,007	97,371	181,378	185,861	4,483
TOTAL PERSONAL SERVICES	<u>315,901</u>	<u>318,443</u>	<u>634,344</u>	<u>664,170</u>	<u>29,826</u>
62000 OPERATIONS					
62100 CONTRACT	4,521	13,498	18,019	16,881	(1,138)
62200 SUPPLY	7,250	8,328	15,578	9,355	(6,223)
62300 COMMUNICATION	14,338	19,335	33,673	21,914	(11,759)
62400 TRAVEL	(1,555)	10,818	9,263	4,592	(4,671)
62500 RENT	5,283	8,225	13,508	3,913	(9,595)
62700 REPAIR & MAINT	1,340	483	1,823	6,277	4,454
62800 OTHER EXPENSES	5,485	6,897	12,382	7,352	(5,030)
TOTAL OPERATIONS	<u>36,662</u>	<u>67,584</u>	<u>104,246</u>	<u>70,284</u>	<u>(33,962)</u>
TOTAL EXPENDITURES	<u>\$ 352,563</u>	<u>\$ 386,027</u>	<u>\$ 738,590</u>	<u>\$ 734,454</u>	<u>\$ (4,136)</u>
<u>BUDGETED FUNDS</u>					
02426 PER CAPITA FEE	\$ 352,563	\$ 386,027	\$ 738,590	\$ 734,454	\$ (4,136)
TOTAL BUDGET FUNDING	<u>\$ 352,563</u>	<u>\$ 386,027</u>	<u>\$ 738,590</u>	<u>\$ 734,454</u>	<u>\$ (4,136)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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 BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January 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

61000 PERSONAL SERVICES

61100 SALARIES	\$ 64,799	\$ 74,597	\$ 139,396	\$ 117,326	\$ (22,070)
61400 BENEFITS	23,530	28,266	51,796	44,376	(7,420)
TOTAL PERSONAL SERVICES	<u>88,329</u>	<u>102,863</u>	<u>191,192</u>	<u>161,702</u>	<u>(29,490)</u>

62000 OPERATIONS

62100 CONTRACT	608,100	40,929	649,029	576,174	(72,855)
62200 SUPPLY	489	1,584	2,073	2,082	9
62300 COMMUNICATION	829	2,179	3,008	2,958	(50)
62400 TRAVEL	3,294	2,788	6,082	6,108	26
62700 REPAIR & MAINT	50	514	564	566	2
62800 OTHER EXPENSES	4,158	313	4,471	3,579	(892)
TOTAL OPERATIONS	<u>616,920</u>	<u>48,307</u>	<u>665,227</u>	<u>591,467</u>	<u>(73,760)</u>

TOTAL EXPENDITURES

	<u>\$ 705,249</u>	<u>\$ 151,170</u>	<u>\$ 856,419</u>	<u>\$ 753,169</u>	<u>\$ (103,250)</u>
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BUDGETED FUNDS

01100 GENERAL FUND	\$ 705,249	\$ 151,170	\$ 856,419	\$ 753,169	\$ (103,250)
TOTAL BUDGETED FUNDS	<u>\$ 705,249</u>	<u>\$ 151,170</u>	<u>\$ 856,419</u>	<u>\$ 753,169</u>	<u>\$ (103,250)</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 six months to the end of the year instead of the anticipated seven months.

**MONTANA DEPARTMENT OF LIVESTOCK
PROJECTED EXPENSE BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
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BUDGETED FTE 3.75

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES

61100 SALARIES	\$ 59,011	\$ 71,867	\$ 130,878	\$ 152,675	\$ 21,797
61400 BENEFITS	23,243	30,436	53,679	66,914	13,235
TOTAL PERSONAL SERVICES	82,254	102,303	184,557	219,589	35,032

62000 OPERATIONS

62100 CONTRACT	15,495	187,828	203,323	249,835	46,512
62200 SUPPLY	7,783	9,899	17,682	18,463	781
62300 COMMUNICATION	3,073	2,979	6,052	6,538	486
62400 TRAVEL	7,886	4,990	12,876	15,330	2,454
62500 RENT	42,225	12,793	55,018	51,364	(3,654)
62700 REPAIR & MAINT	13,177	7,622	20,799	20,490	(10,309)
62800 OTHER EXPENSES	-	19,415	19,415	42,248	22,833
TOTAL OPERATIONS	91,971	245,526	337,497	394,268	56,771

68000 TRANSFERS

68000 TRANSFERS	-	240,000	240,000	240,000	-
TOTAL TRANSFERS	-	240,000	240,000	240,000	-

TOTAL EXPENDITURES

\$ 174,225	\$ 587,829	\$ 762,054	\$ 853,857	\$ 91,803
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BUDGETED FUNDS

03427 AH FEDERAL UMBRELLA	\$ 174,225	\$ 587,829	\$ 762,054	\$ 853,857	\$ 91,803
TOTAL BUDGETED FUNDS	\$ 174,225	\$ 587,829	\$ 762,054	\$ 853,857	\$ 91,803

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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 Umbrella budget was reduce by approximately \$128,000 from FY 2017 to FY 2018. The Federal Umbrella program ended with \$153,000 excess budget over expenditures in FY 2017. These projections indicate there may be a surplus of \$145,000 in personal services and a \$153,000 deficit in operations in FY 2018. In FY 2017, the Department executed a BCD to transfer \$88,000 from personal services to operations and may need to submit a similar BCD in FY

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 BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January 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	\$ 525,012	\$ 515,519	\$ 1,040,531	\$ 919,688	\$ (120,843)
61400 BENEFITS	216,141	212,502	428,643	355,712	(72,931)
TOTAL PERSONAL SERVICES	<u>741,153</u>	<u>728,021</u>	<u>1,469,174</u>	<u>1,275,400</u>	<u>(193,774)</u>
62000 OPERATIONS					
62100 CONTRACT	52,092	47,838	99,930	98,558	(1,372)
62200 SUPPLY	210,202	233,067	443,269	490,598	47,329
62300 COMMUNICATION	6,635	17,034	23,669	37,817	14,148
62400 TRAVEL	4,910	1,575	6,485	7,527	1,042
62500 RENT	2,740	954	3,694	2,109	(1,585)
62600 UTILITIES	24,612	22,899	47,511	49,890	2,379
62700 REPAIR & MAINT	75,692	37,829	113,521	93,823	(19,698)
62800 OTHER EXPENSES	65,865	51,091	116,956	124,245	7,289
TOTAL OPERATIONS	<u>442,748</u>	<u>412,287</u>	<u>855,035</u>	<u>904,567</u>	<u>49,532</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	8,341	6,917	15,258	13,836	(1,422)
TOTAL LEASES	<u>8,341</u>	<u>6,917</u>	<u>15,258</u>	<u>13,836</u>	<u>(1,422)</u>
TOTAL EXPENDITURES	<u>\$ 1,208,342</u>	<u>\$ 1,147,225</u>	<u>\$ 2,355,567</u>	<u>\$ 2,208,803</u>	<u>\$ (146,764)</u>
BUDGETED FUNDS					
01100 GENERAL FUND	\$ 168,348	\$ 355,146	\$ 523,494	\$ 545,967	\$ 22,473
02426 PER CAPITA FEE	426,728	193,179	619,907	450,670	(169,237)
03673 FEDERAL ANIMAL HEALTH DISEASE GRAN	-	30,585	30,585	30,585	-
06026 DIAGNOSTIC LABORATORY FEES	613,266	568,315	1,181,581	1,181,581	-
TOTAL BUDGET FUNDING	<u>\$ 1,208,342</u>	<u>\$ 1,147,225</u>	<u>\$ 2,355,567</u>	<u>\$ 2,208,803</u>	<u>\$ (146,764)</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 BUDGET COMPARISON REPORT
January 31, 2018**

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

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

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 44,299	\$ 34,493	\$ 78,792	\$ 72,791	\$ (6,001)
61400 BENEFITS	20,545	17,229	37,774	36,506	(1,268)
TOTAL PERSONAL SERVICES	<u>64,844</u>	<u>51,722</u>	<u>116,566</u>	<u>109,297</u>	<u>(7,269)</u>
62000 OPERATIONS					
62100 CONTRACT	3,828	4,211	8,039	5,056	(2,983)
62200 SUPPLY	16,693	12,863	29,556	23,964	(5,592)
62300 COMMUNICATION	33	546	579	510	(69)
62400 TRAVEL	75	1,960	2,035	1,633	(402)
62600 UTILITIES	2,128	2,663	4,791	3,289	(1,502)
62700 REPAIR & MAINT	8,199	1,021	9,220	7,190	(2,030)
62800 OTHER EXPENSES	5,662	4,475	10,137	7,511	(2,626)
TOTAL OPERATIONS	<u>36,618</u>	<u>27,739</u>	<u>64,357</u>	<u>49,153</u>	<u>(15,204)</u>
TOTAL EXPENDITURES	<u>\$ 101,462</u>	<u>\$ 79,461</u>	<u>\$ 180,923</u>	<u>\$ 158,450</u>	<u>\$ (22,473)</u>
<u>BUDGETED FUNDS</u>					
01100 GENERAL FUND	\$ 101,462	\$ 79,461	\$ 180,923	\$ 158,450	\$ (22,473)
TOTAL BUDGETED FUNDS	<u>\$ 101,462</u>	<u>\$ 79,461</u>	<u>\$ 180,923</u>	<u>\$ 158,450</u>	<u>\$ (22,473)</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.

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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 BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
BUDGETED FTE	4.75				
<u>HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES</u>					
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 103,634	\$ 93,329	\$ 196,963	\$ 211,609	\$ 14,646
61400 BENEFITS	41,992	39,755	81,747	90,690	8,943
TOTAL PERSONAL SERVICES	<u>145,626</u>	<u>133,084</u>	<u>278,710</u>	<u>302,299</u>	<u>23,589</u>
62000 OPERATIONS					
62100 CONTRACT	3,311	1,307	4,618	7,582	2,964
62200 SUPPLY	1,543	4,635	6,178	9,389	3,211
62300 COMMUNICATION	2,172	3,229	5,401	7,795	2,394
62400 TRAVEL	5,743	9,027	14,770	20,044	5,274
62500 RENT	2,210	2,507	4,717	5,517	800
62700 REPAIR & MAINT	246	809	1,055	2,820	1,765
62800 OTHER EXPENSES	6,569	7,344	13,913	13,258	(655)
TOTAL OPERATIONS	<u>21,794</u>	<u>28,858</u>	<u>50,652</u>	<u>66,405</u>	<u>15,753</u>
TOTAL EXPENDITURES	<u>\$ 167,420</u>	<u>\$ 161,942</u>	<u>\$ 329,362</u>	<u>\$ 368,704</u>	<u>\$ 39,342</u>
<u>BUDGETED FUNDS</u>					
02701 MILK INSPECTION FEES	\$ 157,466	\$ 153,686	\$ 311,152	\$ 347,704	\$ 36,552
03032-2 SHELL EGG FEDERAL INSPECTION FEES	9,954	8,256	18,210	21,000	2,790
TOTAL BUDGET FUNDING	<u>\$ 167,420</u>	<u>\$ 161,942</u>	<u>\$ 329,362</u>	<u>\$ 368,704</u>	<u>\$ 39,342</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 six months to the end of the year instead of the anticipated seven 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 seperately from the milk and egg inspection program.

**MONTANA DEPARTMENT OF LIVESTOCK
PROJECTED EXPENSE BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
BUDGETED FTE	2.50				
<u>HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES</u>					
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 36,847	\$ 48,959	\$ 85,806	\$ 148,431	\$ 62,625
61200 OVERTIME	1,616	-	1,616	-	(1,616)
61400 BENEFITS	15,453	19,724	35,177	59,544	24,367
TOTAL PERSONAL SERVICES	<u>53,916</u>	<u>68,683</u>	<u>122,599</u>	<u>207,975</u>	<u>85,376</u>
62000 OPERATIONS					
62100 CONTRACT	15,086	14,628	29,714	128,683	98,969
62200 SUPPLY	121	308	429	3,237	2,808
62800 OTHER EXPENSES	1,117	389	1,506	4,278	2,772
TOTAL OPERATIONS	<u>16,324</u>	<u>15,325</u>	<u>31,649</u>	<u>136,198</u>	<u>104,549</u>
TOTAL EXPENDITURES	<u>\$ 70,240</u>	<u>\$ 84,008</u>	<u>\$ 154,248</u>	<u>\$ 344,173</u>	<u>\$ 189,925</u>
<u>BUDGETED FUNDS</u>					
02262 SHIELDED EGG GRADING FEES	\$ 70,240	\$ 84,008	\$ 154,248	\$ 344,173	\$ 189,925
TOTAL BUDGET FUNDING	<u>\$ 70,240</u>	<u>\$ 84,008</u>	<u>\$ 154,248</u>	<u>\$ 344,173</u>	<u>\$ 189,925</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 six months to the end of the year instead of the anticipated seven 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 BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January to June 2018	FY 2018 Projected Year End Expense Totals	FY 2018 Budget	Projected Budget Excess/ (Deficit)
BUDGETED FTE	24.50				
HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES					
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 490,091	\$ 470,492	\$ 960,583	\$ 802,212	\$ (158,371)
61200 OVERTIME	20,970	-	20,970	16,643	(4,327)
61400 BENEFITS	240,698	218,044	458,742	416,890	(41,852)
TOTAL PERSONAL SERVICES	<u>751,759</u>	<u>688,536</u>	<u>1,440,295</u>	<u>1,235,745</u>	<u>(204,550)</u>
62000 OPERATIONS					
62100 CONTRACT	27,997	16,273	44,270	41,291	(2,979)
62200 SUPPLY	3,590	9,786	13,376	11,062	(2,314)
62300 COMMUNICATION	9,017	12,156	21,173	16,911	(4,262)
62400 TRAVEL	22,663	26,466	49,129	38,700	(10,429)
62500 RENT	79,746	80,967	160,713	116,598	(44,115)
62700 REPAIR & MAINT	2,021	13,697	15,718	12,547	(3,171)
62800 OTHER EXPENSES	146,282	112,544	258,826	277,747	18,921
TOTAL OPERATIONS	<u>291,316</u>	<u>271,889</u>	<u>563,205</u>	<u>514,856</u>	<u>(48,349)</u>
TOTAL EXPENDITURES	<u>\$ 1,043,075</u>	<u>\$ 960,425</u>	<u>\$ 2,003,500</u>	<u>\$ 1,750,601</u>	<u>\$ (252,899)</u>
BUDGETED FUNDS					
01100 GENDERAL FUND	\$ 602,314	\$ 476,199	\$ 1,078,513	\$ 825,614	\$ (252,899)
02427 ANIMAL HEALTH FEES	-	5,718	5,718	5,718	-
03209 MEAT & POULTRY INSPECTION FEES	440,761	478,508	919,269	919,269	-
TOTAL BUDGET FUNDING	<u>\$ 1,043,075</u>	<u>\$ 960,425</u>	<u>\$ 2,003,500</u>	<u>\$ 1,750,601</u>	<u>\$ (252,899)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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, 2017.

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 BUDGET COMPARISON REPORT
JANUARY 31, 2018**

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

	Year-to-Date Actual Expenses January FY 2018	Projected Expenses January 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

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 1,194,248	\$ 912,008	\$ 2,106,256	\$ 1,888,572	\$ (217,684)
61200 OVERTIME	78,389	11,376	89,765	74,391	(15,374)
61400 BENEFITS	560,507	427,814	988,321	957,579	(30,742)
TOTAL PERSONAL SERVICES	<u>1,833,144</u>	<u>1,351,198</u>	<u>3,184,342</u>	<u>2,920,542</u>	<u>(263,800)</u>
62000 OPERATIONS					
62100 CONTRACT	72,265	28,299	100,564	119,914	19,350
62200 SUPPLY	55,232	47,221	102,453	126,078	23,625
62300 COMMUNICATION	31,105	38,483	69,588	72,838	3,250
62400 TRAVEL	14,519	26,073	40,592	42,488	1,896
62500 RENT	47,387	55,446	102,833	100,099	(2,734)
62600 UTILITIES	6,500	-	6,500	6,500	-
62700 REPAIR & MAINT	9,258	8,818	18,076	44,826	26,750
62800 OTHER EXPENSES	33,742	34,783	68,525	71,723	3,198
TOTAL OPERATIONS	<u>270,008</u>	<u>239,123</u>	<u>509,131</u>	<u>584,466</u>	<u>75,335</u>
TOTAL EXPENDITURES	<u>\$ 2,103,152</u>	<u>\$ 1,590,321</u>	<u>\$ 3,693,473</u>	<u>\$ 3,505,008</u>	<u>\$ (188,465)</u>
BUDGETED FUNDS					
02425 BRAND INSPECTION FEES	\$ 2,103,152	\$ 879,995	\$ 2,983,147	\$ 2,983,147	\$ -
02426 PER CAPITA FEES	-	710,326	710,326	521,861	(188,465)
TOTAL BUDGET FUNDING	<u>\$ 2,103,152</u>	<u>\$ 1,590,321</u>	<u>\$ 3,693,473</u>	<u>\$ 3,505,008</u>	<u>\$ (188,465)</u>

Due to the lag in timing that expenses are able to be posted to the accounting system, projected expenses are calculated using six months to the end of the year instead of the anticipated seven 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 biennium 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 \$263,800.

**MONTANA DEPARTMENT OF LIVESTOCK
HOUSE BILL 2 AND PAYPLAN
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	FY 2018 Adjusted Budget	Year-to-Date Actual Expenses January FY 2018	Same Period Prior Year Actual Expenses January FY 2017	Year to Year Comparison	Balance of Budget Available
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BUDGETED FTE	135.62
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61000 PERSONAL SERVICES					
61100 SALARIES	\$ 5,618,407	\$ 3,224,204	\$ 2,898,150	\$ 326,054	\$ 2,394,203
61200 OVERTIME	91,034	100,975	67,750	33,225	(9,941)
61300 OTHER/PER DIEM	6,700	2,750	2,600	150	3,950
61400 BENEFITS	2,524,228	1,401,470	1,334,238	67,232	1,122,758
TOTAL PERSONAL SERVICES	8,240,369	4,729,399	4,302,738	426,661	3,510,970
62000 OPERATIONS					
62100 CONTRACT	1,563,944	956,868	751,101	205,767	607,076
62200 SUPPLY	781,106	365,565	335,422	30,143	415,541
62300 COMMUNICATION	200,529	99,180	109,491	(10,311)	101,349
62400 TRAVEL	172,606	71,663	69,789	1,874	100,943
62500 RENT	516,288	273,491	225,278	48,213	242,797
62600 UTILITIES	59,679	35,572	32,418	3,154	24,107
62700 REPAIR & MAINT	180,975	111,663	106,318	5,345	69,312
62800 OTHER EXPENSES	574,118	281,084	234,598	46,486	293,034
TOTAL OPERATIONS	4,049,245	2,195,086	1,864,415	330,671	1,854,159
63000 EQUIPMENT					
63100 EQUIPMENT	15,000	16,100	-	16,100	(1,100)
TOTAL EQUIPMENT	15,000	16,100	-	16,100	(1,100)
68000 TRANSFERS					
68000 TRANSFERS	335,326	97,391	111,246	(13,855)	237,935
TOTAL TRANSFERS	335,326	97,391	111,246	(13,855)	237,935
69000 CAPITAL LEASES					
69000 LEASES	13,836	8,341	8,340	1	5,495
TOTAL LEASES	13,836	8,341	8,340	1	5,495
TOTAL	\$ 12,653,776	\$ 7,046,317	\$ 6,286,739	\$ 759,578	\$ 5,607,459

FUND

01100 GENDERAL FUND	2,365,861	\$ 1,630,145	\$ 1,169,908	\$ 460,237	\$ 735,716
02262 SHIELDED EGG GRADING FEES	344,173	70,240	69,888	352	273,933
02425 BRAND INSPECTION FEES	2,983,147	2,103,152	1,832,895	270,257	879,995
02426 PER CAPITA FEE	3,211,373	1,687,989	1,193,899	494,090	1,523,384
02427 ANIMAL HEALTH	5,718	-	996,783	(996,783)	5,718
02701 MILK INSPECTION FEES	348,619	157,466	144,855	12,611	191,153
02817 MILK CONTROL	388,593	159,119	140,604	18,515	229,474
03209 MEAT & POULTRY INSPECTION	919,269	440,761	423,273	17,488	478,508
03032-1 NATIONAL LAB NETWORK	30,585	-	-	-	30,585
03032-2 SHELL EGG FEDERAL INSPECTION FEES	21,000	9,954	10,160	(206)	11,046
03427 AH FEDERAL UMBRELLA	853,857	174,225	268,948	(94,723)	679,632
06026 DIAGNOSTIC LABORATORY FEES	1,181,581	613,266	-	613,266	568,315
TOTAL BUDGET FUNDING	\$ 12,653,776	\$ 7,046,317	\$ 6,286,739	\$ 759,578	\$ 5,607,459

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 expense 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 57% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$426,661 higher than January 2017. Operations are 54% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$330,671 higher than January 2017. Overall, Department of Livestock total expenditures were \$759,578 higher than the same period last year. With 50% of the budget year lapsed, 56% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT		Year-to-Date Actual Expenses January FY 2018	Same Period Prior Year Actual Expenses January FY 2017	Year to Year Comparison	Balance of Budget Available
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BUDGETED FTE 13.00

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES

61100 SALARIES	\$ 603,668	\$ 351,018	\$ 352,601	\$ (1,583)	\$ 252,650
61300 OTHER/PER DIEM	2,250	1,200	1,400	(200)	1,050
61400 BENEFITS	218,203	128,347	141,459	(13,112)	89,856
TOTAL PERSONAL SERVICES	<u>824,121</u>	<u>480,565</u>	<u>495,460</u>	<u>(14,895)</u>	<u>343,556</u>

62000 OPERATIONS

62100 CONTRACT	233,975	139,440	55,139	84,301	94,535
62200 SUPPLY	120,753	61,640	24,001	37,639	59,113
62300 COMMUNICATION	49,849	30,362	9,977	20,385	19,487
62400 TRAVEL	18,026	6,776	6,407	369	11,250
62500 RENT	142,265	85,190	77,554	7,636	57,075
62700 REPAIR & MAINT	1,649	433	380	53	1,216
62800 OTHER EXPENSES	18,424	6,901	6,298	603	11,523
TOTAL OPERATIONS	<u>584,941</u>	<u>330,742</u>	<u>179,756</u>	<u>150,986</u>	<u>254,199</u>

68000 TRANSFERS

68000 TRANSFERS	95,326	97,391	95,325	2,066	(2,065)
TOTAL TRANSFERS	<u>95,326</u>	<u>97,391</u>	<u>95,325</u>	<u>2,066</u>	<u>(2,065)</u>

TOTAL EXPENDITURES

TOTAL EXPENDITURES	<u>\$ 1,504,388</u>	<u>\$ 908,698</u>	<u>\$ 770,541</u>	<u>\$ 138,157</u>	<u>\$ 595,690</u>
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BUDGETED FUNDS

02426 PER CAPITA	<u>\$ 1,504,388</u>	<u>\$ 908,698</u>	<u>\$ 770,541</u>	<u>\$ 138,157</u>	<u>\$ 595,690</u>
TOTAL BUDGETED FUNDS	<u>\$ 1,504,388</u>	<u>\$ 908,698</u>	<u>\$ 770,541</u>	<u>\$ 138,157</u>	<u>\$ 595,690</u>

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
JANUARY 31, 2018**

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

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	FY 2018 Budget	Year-to-Date Actual Expenses January FY 2018	Same Period Prior Year Actual Expenses January FY 2017	Year to Year Comparison	Balance of Budget Available
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BUDGETED FTE	1.00
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HOUSE BILL 2 AND SB 418 APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 52,303	\$ 32,064	\$ 29,500	\$ 2,564	\$ 20,239
61300 OTHER/PER DIEM	600	350	400	(50)	250
61400 BENEFITS	20,970	12,068	11,816	252	8,902
TOTAL PERSONAL SERVICE	73,873	44,482	41,716	2,766	29,391
62000 OPERATIONS					
62100 CONTRACT	669	545	610	(65)	124
62200 SUPPLY	775	204	510	(306)	571
62300 COMMUNICATION	1,484	819	1,130	(311)	665
62400 TRAVEL	1,525	2,030	1,764	266	(505)
62500 RENT	3,252	3,127	2,754	373	125
62700 REPAIR & MAINT	644	1,060	23	1,037	(416)
62800 OTHER EXPENSES	439	505	674	(169)	(66)
TOTAL OPERATIONS	8,788	8,290	7,465	825	498
TOTAL EXPENDITURES	\$ 82,661	\$ 52,772	\$ 49,181	\$ 3,591	\$ 29,889
BUDGETED FUNDS					
01100 GENERAL FUND	\$ 82,661	\$ 52,772	\$ 49,181	\$ 3,591	\$ 29,889
TOTAL BUDGETED FUNDS	\$ 82,661	\$ 52,772	\$ 49,181	\$ 3,591	\$ 29,889

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 56% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$2,766 higher than January 2017. Operations are 94% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$825 higher than January 2017. Overall, Livestock Loss Board total expenditures were \$3,591 higher than the same period last year. With 50% of the budget year lapsed, 64% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

**BUDGET YEAR LAPSED: 50%
PAYROLL PERIODS COMPLETED: 50%**

BUDGET TO ACTUAL EXPENSE COMPARISON REPORT	Year-to-Date Actual		Same Period Prior Year		Balance of Budget Available
	FY 2018 Budget	January FY 2018	Actual Expenses January FY 2017	Year to Year Comparison	
<u>STATUTORY AND BUDGET AMENDED EXPENDITURES</u>					
62000 OPERATIONS					
62100 OTHER SERVICES	\$ 82,149	\$ 82,149	\$ -	\$ 82,149	\$ -
TOTAL OPERATIONS	<u>82,149</u>	<u>82,149</u>	<u>-</u>	<u>82,149</u>	<u>-</u>
66000 GRANTS					
66100 FROM STATE SOURCES	82,149	58,400	-	58,400	23,749
66200 FROM FEDERAL SOURCES	145,000	100,113	78,537	21,576	44,887
TOTAL GRANTS	<u>227,149</u>	<u>158,513</u>	<u>78,537</u>	<u>79,976</u>	<u>68,636</u>
67000 BENEFITS AND CLAIMS					
67200 FROM STATE SOURCES	203,422	150,903	222,500	(71,597)	52,519
TOTAL STATE SOURCES	<u>203,422</u>	<u>150,903</u>	<u>222,500</u>	<u>(71,597)</u>	<u>52,519</u>
TOTAL STATUTORY AND BUDGET AMENDED EXPENDITURES	<u>\$ 512,720</u>	<u>\$ 391,565</u>	<u>\$ 301,037</u>	<u>\$ 90,528</u>	<u>\$ 121,155</u>
<u>STATUTORY APPROPRIATED FUND</u>					
02124 LIVESTOCK LOSS MEDIATION	\$ 203,422	\$ 105,903	\$ 175,257	\$ (69,354)	\$ 97,519
02125 LIVESTOCK LOSS REDUCTION	164,298	144,549	-	144,549	19,749
<u>BUDGET AMENDED FUNDS</u>					
03345 LIVESTOCK LOSS MEDIATION FEDERAL	145,000	141,113	125,780	15,333	3,887
TOTAL STATUTORY AND BUDGET AMENDED FUNDS	<u>\$ 512,720</u>	<u>\$ 391,565</u>	<u>\$ 301,037</u>	<u>\$ 90,528</u>	<u>\$ 121,155</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 Livestock Loss Board is budgeted \$93,065 with 1.00 FTE funded with general fund. The personal services budget is 78% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$1,786 higher than January 2017. Operations are 84% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$245 higher than January 2017. Overall, Livestock Loss Board total expenditures were \$2,031 higher than the same period last year. With 50% of the budget year lapsed, 79% of the budget is expended.

Fund 02125 was established pursuant to MCA 81-1-113 during 2015 legislation. Appropriations were not set during the 2017 biennium. The 2017 legislation funded MCA 81-1-113 for the 2019 biennium beginning with fiscal year 2017. This account is to be restricted to the purposes of reducing predation on livestock by wolves and grizzly bears and reducing expenses incurred by livestock owners, including but not limited to veterinary bills, caused by wolves and grizzly bears.

The budget amount of \$164,298 was set by MCA 81-1-112 (4) which states that "on June 30 of each year, any encumbered funds in the account (Fund 02124 Livestock Loss Mediation) in excess of \$300,000 must be transferred to the livestock loss reduction restricted special revenue account (Fund 02125 Livestock Loss Reduction Fund) established in 81-1-113".

The Livestock Loss Board has paid \$105,903 out of statutory appropriated state funds for loss of livestock which was \$69,354 lower than last year. The Livestock Loss Board also paid \$141,113 out of budget amended federal funds which is \$15,333 higher than last year.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

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

BUDGETED FTE 3.00

HOUSE BILL 2 AND SB 418 APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 167,205	\$ 91,287	\$ 83,721	\$ 7,566	\$ 75,918
61300 OTHER/PER DIEM	2,350	1,200	800	400	1,150
61400 BENEFITS	75,800	34,939	33,820	1,119	40,861
TOTAL PERSONAL SERVICES	<u>245,355</u>	<u>127,426</u>	<u>118,341</u>	<u>9,085</u>	<u>117,929</u>
62000 OPERATIONS					
62100 CONTRACT	113,675	14,188	8,679	5,509	99,487
62200 SUPPLY	3,049	818	1,610	(792)	2,231
62300 COMMUNICATION	3,042	797	1,965	(1,168)	2,245
62400 TRAVEL	11,115	5,322	3,673	1,649	5,793
62500 RENT	8,542	5,583	4,443	1,140	2,959
62700 REPAIR & MAINT	313	187	147	40	126
62800 OTHER EXPENSES	3,502	4,798	1,746	3,052	(1,296)
TOTAL OPERATIONS	<u>143,238</u>	<u>31,693</u>	<u>22,263</u>	<u>9,430</u>	<u>111,545</u>
TOTAL EXPENDITURES	<u>\$ 388,593</u>	<u>\$ 159,119</u>	<u>\$ 140,604</u>	<u>\$ 18,515</u>	<u>\$ 229,474</u>
BUDGETED FUNDS					
02817 MILK CONTROL	\$ 291,012	\$ 159,119	\$ 140,604	\$ 18,515	\$ 131,893
TOTAL BUDGETED FUNDS	<u>\$ 291,012</u>	<u>\$ 159,119</u>	<u>\$ 140,604</u>	<u>\$ 18,515</u>	<u>\$ 131,893</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 52% expended with 50% of payrolls complete. Personal services expended as of January 2018 were \$9,085 higher than January 2017. Operations are 22% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$9,430 higher than January 2017. Overall, Milk Control Bureau total expenditures were \$18,515 higher than the same period last year. With 50% of the budget year lapsed, 55% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 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 January FY 2018	Prior Year Actual Expenses January FY 2017		
	FY 2018 Budget				
BUDGETED FTE		8.50			
61000 PERSONAL SERVICES					
61100 SALARIES	\$ 478,309	\$ 231,894	\$ 221,979	\$ 9,915	\$ 246,415
61300 OTHER/PER DIEM	-	-	-	-	-
61400 BENEFITS	185,861	84,007	88,503	(4,496)	101,854
TOTAL PERSONAL SERVICES	<u>664,170</u>	<u>315,901</u>	<u>310,482</u>	<u>5,419</u>	<u>348,269</u>
62000 OPERATIONS					
62100 CONTRACT	16,881	4,521	17,704	(13,183)	12,360
62200 SUPPLY	9,355	7,250	11,551	(4,301)	2,105
62300 COMMUNICATION	21,914	14,338	21,439	(7,101)	7,576
62400 TRAVEL	4,592	(1,555)	3,707	(5,262)	6,147
62500 RENT	3,913	5,283	3,760	1,523	(1,370)
62600 UTILITIES	-	-	-	-	-
62700 REPAIR & MAINT	6,277	1,340	26,302	(24,962)	4,937
62800 OTHER EXPENSES	7,352	5,485	6,597	(1,112)	1,867
TOTAL OPERATIONS	<u>70,284</u>	<u>36,662</u>	<u>91,060</u>	<u>(54,398)</u>	<u>33,622</u>
TOTAL	<u>\$ 734,454</u>	<u>\$ 352,563</u>	<u>\$ 401,542</u>	<u>\$ (48,979)</u>	<u>\$ 381,891</u>
FUND					
02426 PER CAPITA FEE	\$ 734,454	\$ 352,563	\$ 401,542	\$ (48,979)	\$ 381,891
TOTAL BUDGET FUNDING	<u>\$ 734,454</u>	<u>\$ 352,563</u>	<u>\$ 401,542</u>	<u>\$ (48,979)</u>	<u>\$ 381,891</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 48% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$5,419 higher than January 2017. Operations are 52% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$54,398 lower than January 2017. The repair and maintenance includes a contract for the US Herds system of \$25,000. The total budget is 48% expended with 50% of the year lapsed. This is \$48,979 less than the same period in FY 2016.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

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

BUDGETED FTE 2.00

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 117,326	\$ 64,799	\$ 60,468	\$ 4,331	\$ 52,527
61400 BENEFITS	44,376	23,530	23,182	348	20,846
TOTAL PERSONAL SERVICES	161,702	88,329	83,650	4,679	73,373
62000 OPERATIONS					
62100 CONTRACT	576,174	608,100	500,542	107,558	(31,926)
62200 SUPPLY	2,082	489	1,422	(933)	1,593
62300 COMMUNICATION	2,958	829	1,747	(918)	2,129
62400 TRAVEL	6,108	3,294	2,916	378	2,814
62700 REPAIR & MAINT	566	50	460	(410)	516
62800 OTHER EXPENSES	3,579	4,158	512	3,646	(579)
TOTAL OPERATIONS	591,467	616,920	507,599	109,321	(25,453)
TOTAL EXPENDITURES	\$ 753,169	\$ 705,249	\$ 591,249	\$ 114,000	\$ 47,920
<u>BUDGETED FUNDS</u>					
01100 GENERAL FUND	\$ 753,169	\$ 705,249	\$ 591,249	\$ 114,000	\$ 47,920
TOTAL BUDGETED FUNDS	\$ 753,169	\$ 705,249	\$ 591,249	\$ 114,000	\$ 47,920

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 55% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$4,679 higher than January 2017. Operations are 104% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$109,321 higher than January 2017. Overall, DSA total expenditures were \$114,000 higher than the same period last year with 94% of the budget expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

**BUDGET TO ACTUAL EXPENSE
COMPARISON REPORT**

Year-to-Date Actual Expenses January FY 2018	Same Period Prior Year Actual Expenses January 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

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 152,675	\$ 59,011	\$ 90,064	\$ (31,053)	\$ 93,664
61400 BENEFITS	66,914	23,243	38,461	(15,218)	43,671
TOTAL PERSONAL SERVICES	<u>219,589</u>	<u>82,254</u>	<u>128,525</u>	<u>(46,271)</u>	<u>137,335</u>
62000 OPERATIONS					
62100 CONTRACT	249,835	15,495	35,296	(19,801)	234,340
62200 SUPPLY	18,463	7,783	5,305	2,478	10,680
62300 COMMUNICATION	6,538	3,073	4,225	(1,152)	3,465
62400 TRAVEL	15,330	7,886	4,062	3,824	7,444
62500 RENT	51,364	42,225	51,108	(8,883)	9,139
62700 REPAIR & MAINT	10,490	13,177	4,251	8,926	(2,687)
62800 OTHER EXPENSES	42,248	-	20,255	(20,255)	42,248
TOTAL OPERATIONS	<u>394,268</u>	<u>91,971</u>	<u>124,502</u>	<u>(32,531)</u>	<u>302,297</u>
68000 TRANSFERS					
68000 TRANSFERS	240,000	-	15,921	(15,921)	240,000
TOTAL TRANSFERS	<u>240,000</u>	<u>-</u>	<u>15,921</u>	<u>(15,921)</u>	<u>240,000</u>
TOTAL EXPENDITURES	<u>\$ 853,857</u>	<u>\$ 174,225</u>	<u>\$ 268,948</u>	<u>\$ (94,723)</u>	<u>\$ 679,632</u>
<u>BUDGETED FUNDS</u>					
03427 AH FEDERAL UMBRELLA	\$ 853,857	\$ 174,225	\$ 268,948	\$ (94,723)	\$ 679,632
TOTAL BUDGETED FUNDS	<u>\$ 853,857</u>	<u>\$ 174,225</u>	<u>\$ 268,948</u>	<u>\$ (94,723)</u>	<u>\$ 679,632</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 37% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$46,271 lower than January 2017. Operations are 23% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$32,531 lower than January 2017. Overall, Federal Animal Health Disease Grants total expenditures were \$94,723 lower than the same period last year with 20% of the budget expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

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

BUDGETED FTE 20.01

HOUSE BILL 2 AND SB 418 APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 919,688	\$ 525,012	\$ 426,327	\$ 98,685	\$ 394,676
61400 BENEFITS	355,712	216,141	191,884	24,257	139,571
TOTAL PERSONAL SERVICES	<u>1,275,400</u>	<u>741,153</u>	<u>618,211</u>	<u>122,942</u>	<u>534,247</u>
62000 OPERATIONS					
62100 CONTRACT	98,558	52,092	35,994	16,098	46,466
62200 SUPPLY	490,598	210,202	224,371	(14,169)	280,396
62300 COMMUNICATION	37,817	6,635	17,726	(11,091)	31,182
62400 TRAVEL	7,527	4,910	5,875	(965)	2,617
62500 RENT	2,109	2,740	1,328	1,412	(631)
62600 UTILITIES	49,890	24,612	23,344	1,268	25,278
62700 REPAIR & MAINT	93,823	75,692	55,748	19,944	18,131
62800 OTHER EXPENSES	124,245	65,865	63,254	2,611	58,380
TOTAL OPERATIONS	<u>904,567</u>	<u>442,748</u>	<u>427,640</u>	<u>15,108</u>	<u>461,819</u>
63000 EQUIPMENT					
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>
69000 LEASES	13,836	8,341	8,340	1	5,495
TOTAL LEASES	<u>13,836</u>	<u>8,341</u>	<u>8,340</u>	<u>1</u>	<u>5,495</u>
TOTAL	<u>\$ 2,208,803</u>	<u>\$ 1,208,342</u>	<u>\$ 1,054,191</u>	<u>\$ 154,151</u>	<u>\$ 1,000,461</u>
BUDGETED FUNDS					
01100 GENERAL FUND	\$ 545,967	\$ 168,348	\$ 66	\$ 168,282	\$ 377,619
02426 PER CAPITA FEE	450,670	426,728	21,816	404,912	23,942
02427 ANIMAL HEALTH LAB FEES	-	-	996,783	(996,783)	-
03673 FEDERAL ANIMAL HEALTH DISEASE GRANTS	30,585	-	35,526	(35,526)	30,585
06026 DIAGNOSTIC LABORATORY FEES	1,181,581	613,266	-	613,266	568,315
TOTAL BUDGET FUNDING	<u>\$ 2,208,803</u>	<u>\$ 1,208,342</u>	<u>\$ 1,054,191</u>	<u>\$ 154,151</u>	<u>\$ 1,000,461</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.

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 58% expended with 50% of payrolls complete. Personal services expended as of January 2018 were \$122,942 higher than January 2017. Operations are 49% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$15,108 higher than January 2017. Overall, Main Lab total expenditures were \$154,151 higher than the same period last year. With 50% of the budget year lapsed, 53% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

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

BUDGETED FTE 1.50

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 72,791	\$ 44,299	\$ 26,923	\$ 17,376	\$ 28,492
61400 BENEFITS	36,506	20,545	11,216	9,329	15,961
TOTAL PERSONAL SERVICES	109,297	64,844	38,139	26,705	44,453
62000 OPERATIONS					
62100 CONTRACT	5,056	3,828	4,504	(676)	1,228
62200 SUPPLY	23,964	16,693	19,752	(3,059)	7,271
62300 COMMUNICATION	510	33	490	(457)	477
62400 TRAVEL	1,633	75	73	2	1,558
62500 RENT	-	-	-	-	-
62600 UTILITIES	3,289	2,128	2,574	(446)	1,161
62700 REPAIR & MAINT	7,190	8,199	6,331	1,868	(1,009)
62800 OTHER EXPENSES	7,511	5,662	5,216	446	1,849
TOTAL OPERATIONS	49,153	36,618	38,940	(2,322)	12,535
TOTAL	\$ 158,450	\$ 101,462	\$ 77,079	\$ 24,383	\$ 56,988
<u>BUDGETED FUNDS</u>					
01100 GENERAL FUND	\$ 158,450	\$ 101,462	\$ 77,079	\$ 24,383	\$ 56,988
TOTAL BUDGETED FUNDS	\$ 158,450	\$ 101,462	\$ 77,079	\$ 24,383	\$ 56,988

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 59% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$26,705 higher than January 2017. Operations are 74% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$2,322 lower than January 2017. Overall, milk lab total expenditures were \$24,383 higher than the same period last year. The total milk lab budget is 64% 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
JANUARY 31, 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 January FY 2018	Prior Year Actual Expenses January FY 2017		

BUDGETED FTE 4.75

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES

61100 SALARIES	\$ 211,609	\$ 103,634	\$ 90,879	\$ 12,755	\$ 107,975
61400 BENEFITS	90,690	41,992	39,539	2,453	48,698
TOTAL PERSONAL SERVICES	302,299	145,626	130,418	15,208	156,673

62000 OPERATIONS

62100 CONTRACT	7,582	3,311	2,939	372	4,271
62200 SUPPLY	9,389	1,543	4,533	(2,990)	7,846
62300 COMMUNICATION	7,795	2,172	2,892	(720)	5,623
62400 TRAVEL	20,044	5,743	5,670	73	14,301
62500 RENT	5,517	2,210	2,117	93	3,307
62700 REPAIR & MAINT	2,820	246	1,825	(1,579)	2,574
62800 OTHER EXPENSES	13,258	6,569	4,622	1,947	6,689
TOTAL OPERATIONS	66,405	21,794	24,598	(2,804)	44,611

TOTAL \$ 368,704 \$ 167,420 \$ 155,016 \$ 12,404 \$ 201,284

BUDGETED FUNDS

02701 MILK INSPECTION FEES	\$ 347,704	\$ 157,466	\$ 144,856	\$ 12,610	190,238
03032-2 SHELL EGG FEDERAL INSPECTION FEE	21,000	9,954	10,160	(206)	11,046
TOTAL BUDGET FUNDING	\$ 368,704	\$ 167,420	\$ 155,016	\$ 12,404	\$ 201,284

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 48% expended with % of payrolls complete. Personal services expended as of January 2018 was \$15,208 higher than January 2017. Operations are 33% expended with 50% of the budget year lapsed. Overall, operation expenses as of January 2018 were \$2,804 lower than January 2017. Total Milk Inspection expenditures were \$12,404 higher than the same period last year. With 50% of the budget year lapsed, 45% of the budget is expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 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 January FY 2018	Prior Year Actual Expenses January FY 2017		

BUDGETED FTE 2.50

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 144,319	\$ 36,847	\$ 38,665	\$ (1,818)	\$ 107,472
61102 OVERTIME	2,771	1,616	1,376	240	1,155
61400 BENEFITS	60,885	15,453	16,644	(1,191)	45,432
TOTAL PERSONAL SERVICES	<u>207,975</u>	<u>53,916</u>	<u>56,685</u>	<u>(2,769)</u>	<u>154,059</u>
62000 OPERATIONS					
62100 CONTRACT	128,683	15,086	12,646	2,440	113,597
62200 SUPPLY	3,237	121	217	(96)	3,116
62800 OTHER EXPENSES	4,278	1,117	340	777	3,161
TOTAL OPERATIONS	<u>136,198</u>	<u>16,324</u>	<u>13,203</u>	<u>3,121</u>	<u>119,874</u>
TOTAL	<u>\$ 344,173</u>	<u>\$ 70,240</u>	<u>\$ 69,888</u>	<u>\$ 352</u>	<u>\$ 273,933</u>
<u>BUDGETED FUNDS</u>					
02262 SHIELDED EGG GRADING FEES	\$ 344,173	\$ 70,240	\$ 69,888	\$ 352	\$ 273,933
TOTAL BUDGET FUNDING	<u>\$ 344,173</u>	<u>\$ 70,240</u>	<u>\$ 69,888</u>	<u>\$ 352</u>	<u>\$ 273,933</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 26% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$2,769 lower than January 2017. Operations are 12% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$3,121 higher than January 2017. Overall, the Egg Grading program total expenditures were \$352 higher than the same period last year with 20% of the budget expended.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

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

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

BUDGETED FTE 24.50

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 802,212	\$ 490,091	\$ 450,278	\$ 39,813	\$ 312,121
61102 OVERTIME	16,643	20,970	2,243	18,727	(4,327)
61400 BENEFITS	416,890	240,698	227,089	13,609	176,192
TOTAL PERSONAL SERVICES	<u>1,235,745</u>	<u>751,759</u>	<u>679,610</u>	<u>72,149</u>	<u>483,986</u>
62000 OPERATIONS					
62100 CONTRACT	41,291	27,997	21,943	6,054	13,294
62200 SUPPLY	11,062	3,590	6,002	(2,412)	7,472
62300 COMMUNICATION	16,911	9,017	6,012	3,005	7,894
62400 TRAVEL	38,700	22,663	21,651	1,012	16,037
62500 RENT	116,598	79,746	47,924	31,822	36,852
62700 REPAIR & MAINT	12,547	2,021	2,247	(226)	10,526
62800 OTHER EXPENSES	277,747	146,282	90,217	56,065	131,465
TOTAL OPERATIONS	<u>514,856</u>	<u>291,316</u>	<u>195,996</u>	<u>95,320</u>	<u>223,540</u>
TOTAL EXPENDITURES	<u>\$ 1,750,601</u>	<u>\$ 1,043,075</u>	<u>\$ 875,606</u>	<u>\$ 167,469</u>	<u>\$ 707,526</u>
<u>BUDGETED FUNDS</u>					
01100 GENERAL FUND	\$ 825,614	\$ 602,314	\$ 452,333	\$ 149,981	\$ 223,300
02427 ANIMAL HEALTH FEES	5,718	-	-	-	5,718
03209 MEAT & POULTRY INSPECTION FEES	919,269	440,761	423,273	17,488	478,508
TOTAL BUDGET FUNDING	<u>\$ 1,750,601</u>	<u>\$ 1,043,075</u>	<u>\$ 875,606</u>	<u>\$ 167,469</u>	<u>\$ 707,526</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 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 61% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$72,149 higher than January 2017. Operations are 57% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$95,320 higher than January 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 \$167,469 higher than the same period last year with 60% of the budget expended. The total budget is 60% expended with 50% of the budget year lapsed.

**MONTANA DEPARTMENT OF LIVESTOCK
BUDGETARY EXPENSE COMPARISON REPORT
JANUARY 31, 2018**

**DIVISION BRANDS ENFORCEMENT DIVISION
PROGRAM BRANDS ENFORCEMENT**

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

BUDGETED FTE 53.11

HOUSE BILL 2 AND PAYPLAN APPROPRIATED EXPENDITURES

61000 PERSONAL SERVICES					
61100 SALARIES	\$ 1,888,572	\$ 1,194,248	\$ 1,026,745	\$ 167,503	\$ 694,324
61200 OVERTIME	74,391	78,389	64,131	14,258	(3,998)
61400 BENEFITS	957,579	560,507	510,625	49,882	397,072
TOTAL PERSONAL SERVICES	<u>2,920,542</u>	<u>1,833,144</u>	<u>1,601,501</u>	<u>231,643</u>	<u>1,087,398</u>
62000 OPERATIONS					
62100 CONTRACT	119,914	72,265	53,640	18,625	47,649
62200 SUPPLY	126,078	55,232	36,148	19,084	70,846
62300 COMMUNICATION	72,838	31,105	41,888	(10,783)	41,733
62400 TRAVEL	42,488	14,519	15,457	(938)	27,969
62500 RENT	100,099	47,387	34,290	13,097	52,712
62600 UTILITIES	6,500	6,500	6,500	-	-
62700 REPAIR & MAINT	44,826	9,258	8,604	654	35,568
62800 OTHER EXPENSES	71,723	33,742	34,867	(1,125)	37,981
TOTAL OPERATIONS	<u>584,466</u>	<u>270,008</u>	<u>231,394</u>	<u>38,614</u>	<u>314,458</u>
TOTAL	<u>\$ 3,505,008</u>	<u>\$ 2,103,152</u>	<u>\$ 1,832,895</u>	<u>\$ 270,257</u>	<u>\$ 1,401,856</u>
BUDGETED FUNDS					
02425 BRAND INSPECTION FEES	\$ 2,983,147	\$ 2,103,152	\$ 1,832,895	\$ 270,257	\$ 879,995
02426 PER CAPITA FEES	521,861	-	-	-	521,861
TOTAL BUDGET FUNDING	<u>\$ 3,505,008</u>	<u>\$ 2,103,152</u>	<u>\$ 1,832,895</u>	<u>\$ 270,257</u>	<u>\$ 1,401,856</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 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 63% expended with 50% of payrolls complete. Personal services expended as of January 2018 was \$231,643 higher than January 2017. Operations are 46% expended with 50% of the budget year lapsed. Operation expenses as of January 2018 were \$38,614 higher than January 2017. Overall, Brands Enforcement total expenditures were \$270,257 higher than the same period last year. With 50% of the budget year lapsed, 60% of the budget has been expended.

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

	FY 2017 as of January 31, 2017	FY 2018 as of January 31, 2018	Difference January 31, FY17 & FY18	Budgeted Revenue FY 2018
Fund Description				
02425 Brands				
New Brands & Transfers	\$ 129,710	\$ 138,655	\$ 8,945	\$ 250,455
Re-Recorded Brands	271,079	271,078	(1)	464,705
Security Interest Filing Fee	11,824	44,309	32,485	45,253
Livestock Dealers License	12,719	27,288	14,569	76,764
Local Inspections	185,605	167,426	(18,179)	333,338
Market Inspection Fees	969,902	1,125,088	155,186	1,671,659
Investment Earnings	11,996	23,322	11,326	29,638
Other Revenues	39,338	79,915	40,577	104,453
Total Brands Division Revenue	\$ 1,632,173	\$ 1,877,081	\$ 244,908	\$ 2,976,265
02426 Per Capita Fee				
Livestock Taxes - Per Capita Fees	\$ 4,813,213	\$ 4,970,336	\$ 157,123	\$ 4,809,627
Non Federal Indirect Cost Recovery	72,099	94,528	22,429	154,000
Federal Indirect Cost Recovery	70,271	84,852	14,581	146,400
Investment Earnings	19,113	44,522	25,409	25,000
Other Revenues	1,176	565	(611)	4,000
Total Per Capita Fee Revenue	\$ 4,975,872	\$ 5,199,053	\$ 218,931	\$ 5,139,027
02427 Animal Health				
Books	\$ 4,670	\$ 5,133	\$ 463	\$ 8,600
Animal Health Licenses & Permits	225	7,363	7,138	8,300
Other Revenues	14,936	7,517	(7,419)	1,000
Total Animal Health Revenue	\$ 19,831	\$ 20,013	\$ 182	\$ 17,900
02701 Milk Inspection				
Inspectors Assessment	\$ 217,334	\$ 221,564	\$ 4,230	\$ 347,704
Total Milk Inspection	\$ 217,334	\$ 221,564	\$ 4,230	\$ 347,704
06026 Diagnostic Lab Fees (FY 2017 amount is from Fund 02427)				
Lab Fees	\$ -	\$ 505,396	\$ 505,396	\$ 1,181,581
Other Revenues	388	1,592	1,204	\$ 17,317
Lab Fees (Fund 02427)	474,310	-	(474,310)	-
	\$ 474,698	\$ 506,988	\$ 32,290	\$ 1,181,581
Combined State Special Revenue Total	\$ 7,319,908	\$ 7,824,699	\$ 500,541	\$ 9,662,477

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 \$505,396 are for the period ending November 2017. At fiscal year end, however, revenues earned in June will be recorded in FY 2017.

**MONTANA DEPARTMENT OF LIVESTOCK
PER CAPITA FEE REPORTING AND COLLECTIONS REPORT
FEBRUARY 15, 2018**

Total Per Capita Fee reported	\$ 3,179,851
Amount Paid	<u>1,405,710</u>
Amount Due	<u><u>\$ 1,774,141</u></u>

Per Capita Fee by Livestock Class

	<u>Rate</u>	<u>Count</u>	<u>PCF</u>
Cattle	2.29	1,257,817	\$ 2,880,401
Horses	5.85	25,770	150,755
Sheep & Goats	0.54	76,040	41,062
Swine	0.78	34,019	26,535
Poultry	0.05	422,118	21,106
Bees	0.41	13,208	5,415
Llamas	9.73	491	4,777
Bison	6.38	6,293	40,149
Domestic Ungulates	26.33	337	8,873
Ratites	9.73	80	778
		<u>1,836,173</u>	<u><u>\$ 3,179,851</u></u>

Approximately 9,620 livestock owners have submitted livestock reporting forms. The total per capita fee reported is \$3,179,851. Livestock owners have paid \$1,405,710 as of February 15, 2018.

The total number of reporting forms received for the 2017 reporting period was 18,495. Total PCF receivable was \$4,933,723. The Department projects an additional 8,800 reporting forms to be submitted for the current reporting period.

The reports are due March 1, 2018 and the Per Capita Fee payments are due May 31, 2018



Board of Livestock Meeting

Agenda Request Form

From: Tahnee Szymanski	Division/Program: Animal Health Bureau	Meeting Date: February 21, 2018
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Agenda Item: Update on Preparation for 3-Day Functional FMD Exercise (May 8-10, 2018)

Background Info: The Animal Health Bureau is preparing for a 3-day functional Foot and Mouth Disease (FMD) exercise. The exercise will occur May 8-10, 2018 in real-time. The goal of participating in this exercise is to evaluate our current preparedness efforts and to identify systemic gaps in our program in order to improve emergency preparedness planning. To prepare for the upcoming exercise, AHB is working to complete certain recommended activities ahead of the exercise date.

The AHB has previously reported on three table top exercises conducted in preparation for this event. The exercises focused on establishment of an Incident Command System (ICS), resource management, unified command, and requesting a National Incident Management Team.

February 6-7, 2018 Dr. Szymanski, Liska, and Kaleczyc attended a two-day, ICS 300 level training hosted by Montana DES. The training focused on how to use ICS during an expanding incident, how to implement the planning process detailed by ICS, and how to use ICS to establish a unified command and manage resources. ICS 300 training is a prerequisite for other, more advanced ICS trainings.

An important lesson learned from the ICS 300 course is that Montana will need to rely extensively on other state or federal agencies with experience using ICS to fully staff the positions required to respond to a large-scale animal disease outbreak. There is a need to identify potential partner agencies pre-event and to develop MOUs allowing MDOL access to the necessary personnel. Those personnel from other state agencies should also receive training in the specific, unique, characteristics of an animal disease response. Additionally, there is a need to identify MDOL personnel who should be familiar with ICS and acquire the appropriate training for those individuals.

Additional preparation includes:

- February 20-21 – ICS 400, hosted by MT DES in Helena
- April 26 – National Veterinary Stockpile (NVS) table top, working with national NVS team to host the exercise and validate the MT NVS Plan

Recommendation: NA

Time needed: 10 minutes	Attachments:	Yes	Board vote required?	No
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Agenda Item: Import Office Overview

Background Info: The Animal Health Import Office is comprised of the following personnel:

- Manager
- Three full time permanent employees
- One part-time permanent employee
- One part-time modified employee

The primary function of the import office is the issuance of import permits for animals entering Montana. MCA 81-2-703 requires that all animals, animal semen, and animal biologics imported into Montana have a certificate of veterinary inspection (CVI) and an import permit. CVI import and export data is compiled into USAHerds by import staff. This data is the basis of our state traceability program. Additionally, import office staff administer several disease programs and permits that facilitate the movement of animals and animal products. Examples of these programs include:

- Annual permits for poultry, horses, and semen
- *Brucella ovis* Flock certification program
- Alternative Livestock program



**STATE OF MONTANA
DEPARTMENT OF LIVESTOCK BRANDS ENFORCEMENT DIVISION
CATTLE INSPECTION CERTIFICATE**

DATE: ^{LC}
Month Day Year

- Change of Ownership DSA County of _____ Code Owner _____
- Change of Pasture Non-DSA Inspected at _____ Address _____
- Slaughter - Packer _____
- Livestock Market _____ Truck License No. _____ City _____
- Feedlot _____
- Exempt _____ Destination _____ State _____ Zip _____
- Hide Inspection(s) _____
- Yes No Health Requirements Checked? # _____

Steers	Heifers	Bulls	Cows	Calves/Bulls		Brand	Position	1st Line - Purchased From -Seller Name and Address
				Steer	Heifer			2nd Line - Original Owner or Market
							Total All Columns	

Bill of Sale taken up as required by 81-3-210 (MCA).
This Certificate of Inspection acts as a receipt.

Total Head Count

Inspection Fee _____
 Beef Council _____
 Exempt _____

This certificate does not exempt the person to whom it is issued from subsequent brand inspection and payment of fees for same at points where inspection is required by state laws or regulations.

Signature of Owner or Agent Inspector Code

Owners of cattle are required to pay an annual per capita fee for livestock per MCA 15-24-921. Go to <https://app.mt.gov/livestockreporting> for more information.

IMPORT OFFICE

Animal Health Bureau

2017 TOTAL CVIs

EXPORT	IMPORT	TOTAL
20,802	14,943	35,745

2017 TOTAL CALLS

IMPORT PERMIT LINE	STATE VETERINARIAN LINE	TOTAL
15,157	9004	24,161

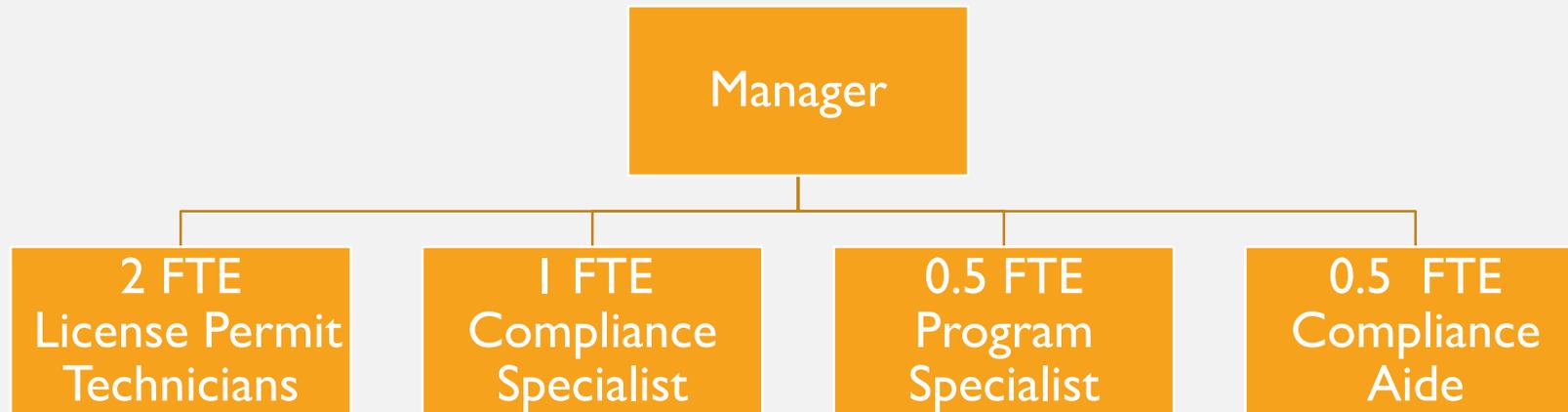
PROGRAMS:

- Annual Permits:
 - Equine
 - Semen
 - Poultry
- Blanket Permits
- *Brucella ovis* Flock certification
- Alternative Livestock
- Six Month Horse Passports
- Biologics
- Seasonal Grazers
- Import Quarantines
- Disease Quarantines
- Veterinary Accreditation
- Approved tagging sites, bull studs, and trich approved feedlot

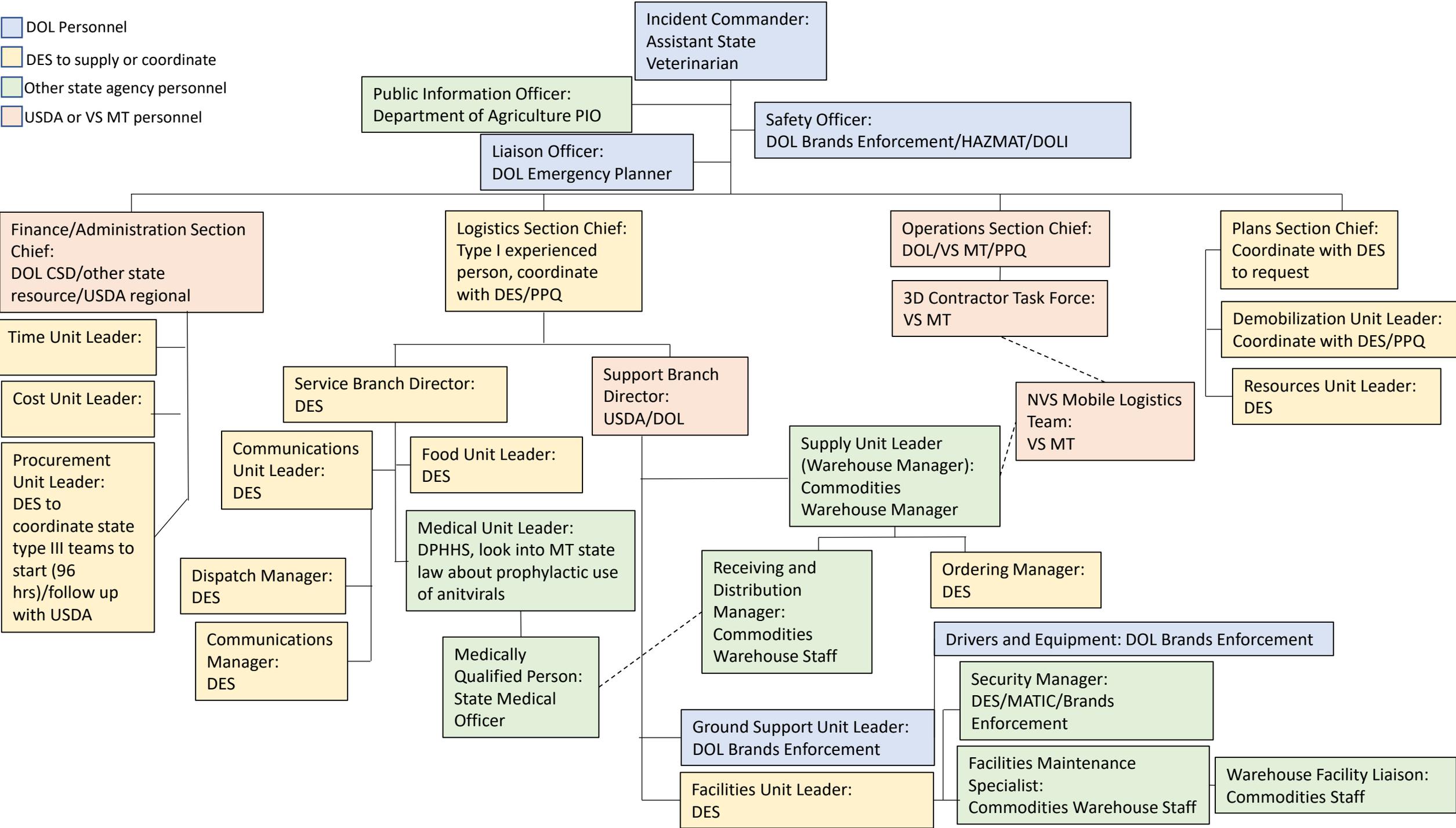
ADMINISTRATIVE:

- Processing MT origin CVIs
- Data entry of export CVI data
- CVI compliance
 - No permit letters
 - Missing CVIs
- Supplies
 - CVI books, forms, tags, tuberculin, seals
- Administrative Rules
- USAHerds Annual Contract
- Monthly and annual reporting
- Records management
- Mail processing

PERSONNEL



- DOL Personnel
- DES to supply or coordinate
- Other state agency personnel
- USDA or VS MT personnel



Time needed: 15 minutes	Attachments:	Yes		Board vote required:		No
Time needed:	Attachments:			Board vote required?		
<u>Agenda Item:</u>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required	Yes	No
<u>Agenda Item:</u>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No
<u>Agenda Item:</u>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No
<u>Agenda Item:</u>						
Background Info:						
Recommendation:						
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No



Board of Livestock Meeting

Agenda Request Form

From: Leslie Doely		Division/Program: Brands Enforcement Division			Meeting Date: February 21, 2018		
<u>Agenda Item:</u> Fort Supply Contract Renewal							
Background Info: Annual purchase of support and service for Fast Auction and Central Office software systems.							
Recommendation: approval of contract addendum							
Time needed: 45 minutes?	Attachments:	Yes	No	Board vote required?	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	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 170 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 25 service hours outside regular business hours of 8:00 AM to 5:00 PM 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.** Upon completion or resolution of a service request, Contractor shall provide an explanation of services and/or how the issue(s) were resolved.
- b.** 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.
- c.** The Contractor shall send the State's Liaison a monthly report summarizing Standard Service and After-Hours Support. The report shall be sent by the 5th of the following month and

include the total After-Hours and Standard Service hours for the month and the balance of remaining hours.

3 CONSIDERATION/PAYMENT

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

a. Standard Service Hours: \$xx,xxx

i. Quantity: xxx hours

ii. Rate: \$110/hour

b. After Hours Support: \$x,xxx

i. Quantity: xx

ii. Rate: \$150/hour

c. Mobi Control: \$2,300

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)

tthomas2@mt.gov (Assistant Administrator, 406-439-2645)

Department of Livestock

P.O. Box 202001

Helena, Montana 59620 – 2001

Phone 406-444-7323

_____, will be the liaison for the Contractor.

Fort Supply Technologies

1773 W. 200 N.

Kaysville, UT 84037

Phone: _____

_____@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

Mike Honeycutt (Date)
Executive Officer

Malcolm Harvey (Date)
President

Approved for Content:

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

Approved for Form:

State Procurement (Date)
Department Administration