

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

| Program Budget Comparison     |                     |                        |                       |                       |                          |                          |                    |                      |
|-------------------------------|---------------------|------------------------|-----------------------|-----------------------|--------------------------|--------------------------|--------------------|----------------------|
| Budget Item                   | Base<br>Fiscal 2012 | Approp.<br>Fiscal 2013 | Budget<br>Fiscal 2014 | Budget<br>Fiscal 2015 | Biennium<br>Fiscal 12-13 | Biennium<br>Fiscal 14-15 | Biennium<br>Change | Biennium<br>% Change |
| FTE                           | 20.78               | 20.78                  | 19.75                 | 19.75                 | 20.78                    | 19.75                    | (1.03)             | (4.96%)              |
| Personal Services             | 1,138,874           | 1,190,550              | 1,046,030             | 1,045,323             | 2,329,424                | 2,091,353                | (238,071)          | (10.22%)             |
| Operating Expenses            | 509,872             | 762,037                | 581,247               | 533,037               | 1,271,909                | 1,114,284                | (157,625)          | (12.39%)             |
| Equipment & Intangible Assets | 7,149               | 9,352                  | 7,149                 | 7,149                 | 16,501                   | 14,298                   | (2,203)            | (13.35%)             |
| Benefits & Claims             | 0                   | 0                      | 0                     | 0                     | 0                        | 0                        | 0                  | n/a                  |
| Transfers                     | 75,997              | 0                      | 75,997                | 75,997                | 75,997                   | 151,994                  | 75,997             | 100.00%              |
| <b>Total Costs</b>            | <b>\$1,731,892</b>  | <b>\$1,961,939</b>     | <b>\$1,710,423</b>    | <b>\$1,661,506</b>    | <b>\$3,693,831</b>       | <b>\$3,371,929</b>       | <b>(\$321,902)</b> | <b>(8.71%)</b>       |
| General Fund                  | 67,374              | 70,100                 | 85,077                | 80,354                | 137,474                  | 165,431                  | 27,957             | 20.34%               |
| State Special                 | 1,664,518           | 1,891,839              | 1,625,346             | 1,581,152             | 3,556,357                | 3,206,498                | (349,859)          | (9.84%)              |
| <b>Total Funds</b>            | <b>\$1,731,892</b>  | <b>\$1,961,939</b>     | <b>\$1,710,423</b>    | <b>\$1,661,506</b>    | <b>\$3,693,831</b>       | <b>\$3,371,929</b>       | <b>(\$321,902)</b> | <b>(8.71%)</b>       |

### Program Description

The Centralized Services Division is responsible for:

- Budgeting
- Accounting
- Payroll
- Personnel
- Legal services
- Purchasing
- Administrative
- Information technology
- Public information
- General services functions
- Supervising the Milk Control Bureau and Livestock Loss Board staff, both of which are administratively attached to the department

The Predator Control Program is administered by the Board of Livestock and the executive officer. The Livestock Crimestoppers Commission and the Beef Research and Marketing Committee are also administratively attached. The 2013 Legislature transferred the Board of Horse Racing (BOHR) to the Department of Commerce beginning in FY 2014.

### Program Highlights

| <b>Centralized Services Division<br/>Major Budget Highlights</b>  |
|---|
| <ul style="list-style-type: none"> <li>◆ The legislatively approved budget decreased by 8.71% from the previous biennium primarily due to a reduction of 1.03 FTE and \$68,519 in FY 2014 and \$68,427 in FY 2015 of state special revenue funding associated with the Board of Horse Racing (BOHR) activities in order to align expenditures with available funding</li> <li>◆ The Board of Horse Racing was given a general fund loan in FY 2012 of \$628,428, to be repaid over a period of ten years with annual payments of \$62,842.</li> </ul> |

**Funding**

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

| Total Department Of Livestock Funding by Source of Authority<br>2015 Biennium Budget - Centralized Services Program |              |                          |                         |                   |                   |               |                    |
|---|--------------|--------------------------|-------------------------|-------------------|-------------------|---------------|--------------------|
| Funds   | HB 2         | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | MCA Reference | Statutory Category |
| General Fund  | \$165,431    | \$0                      | \$0                     | \$165,431         | 3.4%              |               |                    |
| State Special Total   | \$3,206,498  | \$0                      | \$1,469,766             | \$4,676,264       | 96.6%             |               |                    |
| 02029 Board Of Horse Racing   | \$174,978    | \$0                      | \$258,000               | \$432,978         | 8.9%              | 23-4-105      | Pass Thru          |
| 02063 Bohr Simulcast  | \$120,000    | \$0                      | \$111,766               | \$231,766         | 4.8%              | 23-4-105      | Pass Thru          |
| 02117 Predatory Animal Ssr  | \$0          | \$0                      | \$700,000               | \$700,000         | 14.5%             | 81-7-106      | Direct             |
| 02124 Llbn Restriced  | \$0          | \$0                      | \$400,000               | \$400,000         | 8.3%              | 81-1-110      | Pass Thru          |
| 02426 Lvstk Per Capita  | \$2,496,956  | \$0                      | \$0                     | \$2,496,956       | 51.6%             |               |                    |
| 02817 Milk Control Bureau   | \$414,564    | \$0                      | \$0                     | \$414,564         | 8.6%              |               |                    |
| Total All Funds   | \$3,371,929  | \$0                      | \$1,469,766             | \$4,841,695       | 100.0%            |               |                    |
| <b>Percent - Total All Sources</b>  | <b>69.6%</b> | <b>0.0%</b>              | <b>30.4%</b>            |                   |                   |               |                    |

The Centralized Services Division is primarily funded by livestock per capita fees, accounting for 51.6% of funding. The remaining special revenue supports the administratively attached Milk Control Bureau and Board of Horse Racing. General fund accounts for 3.4%, which supports operations and payment for wolf losses.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

| Budget Item              | -----General Fund----- |                    |                       |                   | -----Total Funds----- |                    |                       |                   |
|--------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
|                          | Budget Fiscal 2014     | Budget Fiscal 2015 | Biennium Fiscal 14-15 | Percent of Budget | Budget Fiscal 2014    | Budget Fiscal 2015 | Biennium Fiscal 14-15 | Percent of Budget |
| Base Budget              | 67,374                 | 67,374             | 134,748               | 81.45%            | 1,731,892             | 1,731,892          | 3,463,784             | 102.72%           |
| Statewide PL Adjustments | 1,377                  | 1,654              | 3,031                 | 1.83%             | 121,847               | 77,871             | 199,718               | 5.92%             |
| Other PL Adjustments     | 16,326                 | 11,326             | 27,652                | 16.72%            | 41,537                | 36,578             | 78,115                | 2.32%             |
| New Proposals            | 0                      | 0                  | 0                     | 0.00%             | (184,853)             | (184,835)          | (369,688)             | (10.96%)          |
| <b>Total Budget</b>      | <b>\$85,077</b>        | <b>\$80,354</b>    | <b>\$165,431</b>      |                   | <b>\$1,710,423</b>    | <b>\$1,661,506</b> | <b>\$3,371,929</b>    |                   |

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

| Present Law Adjustments                            | -----Fiscal 2014----- |                 |                  |                 |                  | -----Fiscal 2015----- |                 |                  |                 |                  |
|--|-----------------------|-----------------|------------------|-----------------|------------------|-----------------------|-----------------|------------------|-----------------|------------------|
|  | FTE                   | General Fund    | State Special    | Federal Special | Total Funds      | FTE                   | General Fund    | State Special    | Federal Special | Total Funds      |
| Personal Services                                  |                       |                 |                  |                 | 141,569          |                       |                 |                  |                 | 140,813          |
| Vacancy Savings                                    |                       |                 |                  |                 | (50,960)         |                       |                 |                  |                 | (50,929)         |
| Inflation/Deflation                                |                       |                 |                  |                 | (107)            |                       |                 |                  |                 | 152              |
| Fixed Costs  |                       |                 |                  |                 | 31,345           |                       |                 |                  |                 | (12,165)         |
| <b>Total Statewide Present Law Adjustments</b>     |                       | <b>\$1,377</b>  | <b>\$120,470</b> | <b>\$0</b>      | <b>\$121,847</b> |                       | <b>\$1,654</b>  | <b>\$76,217</b>  | <b>\$0</b>      | <b>\$77,871</b>  |
| DP 50 - Initial Motion to FY 2012 Base             | 0.00                  | (1,377)         | (120,489)        | 0               | (121,866)        | 0.00                  | (1,654)         | (76,236)         | 0               | (77,890)         |
| DP 51 - Adjustment for Statewide Personal Services | 0.00                  | 852             | 89,776           | 0               | 90,628           | 0.00                  | 1,099           | 88,804           | 0               | 89,903           |
| DP 52 - Adjustment for Statewide Operations        | 0.00                  | 525             | 32,314           | 0               | 32,839           | 0.00                  | 555             | (10,926)         | 0               | (10,371)         |
| DP 101 - Replacement Personal Computers            | 0.00                  | 0               | 18,610           | 0               | 18,610           | 0.00                  | 0               | 18,610           | 0               | 18,610           |
| DP 102 - Animal Health System Maintenance          | 0.00                  | 5,000           | 5,000            | 0               | 10,000           | 0.00                  | 5,000           | 5,000            | 0               | 10,000           |
| DP 103 - Animal Health System Customization (OTO)  | 0.00                  | 5,000           | 0                | 0               | 5,000            | 0.00                  | 0               | 0                | 0               | 0                |
| DP 106 - Livestock Loss Board Meetings             | 0.00                  | 6,326           | 0                | 0               | 6,326            | 0.00                  | 6,326           | 0                | 0               | 6,326            |
| <b>Total Other Present Law Adjustments</b>         | <b>0.00</b>           | <b>\$16,326</b> | <b>\$25,211</b>  | <b>\$0</b>      | <b>\$41,537</b>  | <b>0.00</b>           | <b>\$11,326</b> | <b>\$25,252</b>  | <b>\$0</b>      | <b>\$36,578</b>  |
| <b>Grand Total All Present Law Adjustments</b>     | <b>0.00</b>           | <b>\$17,703</b> | <b>\$145,681</b> | <b>\$0</b>      | <b>\$163,384</b> | <b>0.00</b>           | <b>\$12,980</b> | <b>\$101,469</b> | <b>\$0</b>      | <b>\$114,449</b> |

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 101 - Replacement Personal Computers - The legislature approved funding from the per capita fee fund to continue replacing computers on a five year cycle. The appropriation, all from state special revenue, accounts for the additional amount above and beyond the base (\$9,990), which replaces 22 computers.

DP 102 - Animal Health System Maintenance - The legislature approved 50% general fund and 50% from the per capita fee fund each year of the 2015 biennium for network support and software maintenance costs for the USAHerds system. The system came on line in January of 2011 and maintenance costs were not billed in FY 2012. This system is used by the department to manage the importing of animals into the state, and to track and manage animal diseases.

DP 103 - Animal Health System Customization OTO - The legislature approved one-time-only general fund in FY 2014 for customization of the USAHerds system.

DP 106 - Livestock Loss Board Meetings - The legislature approved expenditures in the base for the Livestock Loss Board (LLB), including two in-person meetings from the general fund. The legislature approved additional funding for four in-person meetings. The total cost for four meetings is \$12,652, or an increase of \$6,326 over base expenditures.

**New Proposals**

| New Proposals                             |                       |              |                    |                 |                    |                       |              |                    |                 |                    |
|---|-----------------------|--------------|--------------------|-----------------|--------------------|-----------------------|--------------|--------------------|-----------------|--------------------|
|   | -----Fiscal 2014----- |              |                    |                 |                    | -----Fiscal 2015----- |              |                    |                 |                    |
| Program                                   | FTE                   | General Fund | State Special      | Federal Special | Total Funds        | FTE                   | General Fund | State Special      | Federal Special | Total Funds        |
| DP 54 - Additional Vacancy Savings        |                       |              |                    |                 |                    |                       |              |                    |                 |                    |
| 01  | 0.00                  | 0            | (116,334)          | 0               | (116,334)          | 0.00                  | 0            | (116,408)          | 0               | (116,408)          |
| DP 109 - Board of Horse Racing Adjustment |                       |              |                    |                 |                    |                       |              |                    |                 |                    |
| 01  | (1.03)                | 0            | (68,519)           | 0               | (68,519)           | (1.03)                | 0            | (68,427)           | 0               | (68,427)           |
| <b>Total</b>                              | <b>(1.03)</b>         | <b>\$0</b>   | <b>(\$184,853)</b> | <b>\$0</b>      | <b>(\$184,853)</b> | <b>(1.03)</b>         | <b>\$0</b>   | <b>(\$184,835)</b> | <b>\$0</b>      | <b>(\$184,835)</b> |

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 109 - Board of Horse Racing Adjustment - The legislature approved a reduction of 1.03 FTE and \$68,519 in FY 2014 and \$68,427 in FY 2015 from the Board of Horse Racing account and the simulcast account, for funding associated with the Board of Horse Racing (BOHR) activities in order to align expenditures to available funding.

**Language and Statutory Authority**

The legislature included the following language in HB 2.

“Centralized Services Program includes a reduction in state special revenue of \$116,334 in fiscal year 2014 and \$116,408 in fiscal year 2015. Meat and Poultry Inspection Program includes a reduction in general fund of \$18,130 in fiscal year 2014 and \$18,141 in fiscal year 2015 and federal special revenue of \$16,619 in fiscal year 2014 and \$16,630 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans.”