

Louisiana Senate Finance Committee



FY18 Executive Budget

**04-160 – Dept. of
Agriculture & Forestry**

May 2017

Sen. John A. Alario, Jr., President

Sen. Eric LaFleur, Chairman



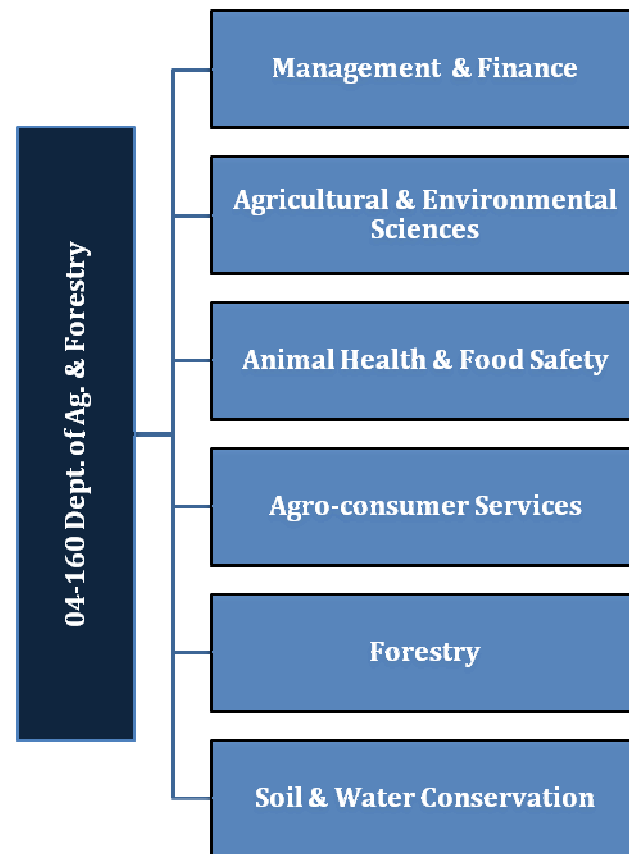
Kari Couvillon



FY18 Executive Budget

Schedule 04-160 — Dept. of Ag & Forestry

Departmental mission — The mission of the Louisiana Department of Agriculture and Forestry is to administer the laws, rules and regulations of the state regarding the growing, harvesting, processing, storing and sale of forest, crop and livestock commodities. These laws, rules and regulations are to ensure that foods are prepared in sanitary processing facilities and are safe to eat, that the state's food manufacturing sector receives the full benefit of the agency's marketing expertise, that the state's soil and water resources are protected to ensure the optimum growth and yield of crops and forests, that the state's forests are protected from harmful diseases and fires, and that Louisiana livestock receives the best in veterinary care. The department also works with other state, regional, national and international sectors of business and government in fulfillment of its goal to provide oversight services and administrative assistance in the conduct of the affairs of rural Louisiana.





Department of Ag. & Forestry FY16, FY17, and FY18 Comparison

Total Funding — All Means of Finance

Total Funding	FY16 Actual	FY17 Enacted	FY17 EOB as of 12-1-16	FY18 Recommended	FY18 Re-engrossed HB1	Difference FY18 Re-engrossed HB1 vs. FY17 EOB as of 12-1-16
Preamble	\$ -	\$ -	\$ -	\$ -	\$ (1,104,419)	\$ (1,104,419)
Management & Finance	\$ 16,797,918	\$ 18,970,445	\$ 19,037,136	\$ 19,331,343	\$ 19,331,343	\$ 294,207
Agricultural & Environmental Sciences	\$ 19,171,211	\$ 18,105,211	\$ 18,105,211	\$ 19,243,617	\$ 19,243,617	\$ 1,138,406
Animal Health & Food Safety	\$ 10,632,275	\$ 12,257,963	\$ 12,550,936	\$ 13,793,669	\$ 13,793,669	\$ 1,242,733
Agro-Consumer Services	\$ 7,118,962	\$ 7,797,178	\$ 7,797,178	\$ 7,808,091	\$ 7,808,091	\$ 10,913
Forestry	\$ 13,368,318	\$ 16,041,535	\$ 16,041,535	\$ 15,564,761	\$ 15,564,761	\$ (476,774)
Soil & Water Conservation	\$ 1,167,645	\$ 1,292,436	\$ 1,292,436	\$ 1,441,312	\$ 1,441,312	\$ 148,876
Auxiliary Account	\$ 584,403	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 68,840,732	\$ 74,464,768	\$ 74,824,432	\$ 77,182,793	\$ 76,078,374	\$ (1,104,419)
Total Authorized FTEs	563	563	563	563	563	-

EOB March 2017	FY18 Re-engrossed HB1	Difference
\$ 75,733,032	\$ 76,078,374	\$ 345,342
563	563	-

Total State Effort — State General Fund, Dedicated Funds, and Fees and Self-generated Revenue

FY17 EOB as of 12-1-16	FY17 EOB as of March 2017 (Includes Attrition Adjustment)	Difference	FY18 Recommended	Difference	FY18 Re-engrossed HB1	Difference	Difference
TOTAL STATE EFFORT	TOTAL STATE EFFORT	EOB 12-1-16 vs. EOB March 2017	TOTAL STATE EFFORT	EOB March 2017 vs. FY18 Recommended	TOTAL STATE EFFORT	EOB March 2017 vs. FY18 Re-engrossed	FY18 Recommended vs. FY18 Re-engrossed
\$ 64,752,565	\$ 64,169,311	\$ (583,254)	\$ 65,911,695	\$ 1,742,384	\$ 64,807,276	\$ 637,965	\$ (1,104,419)

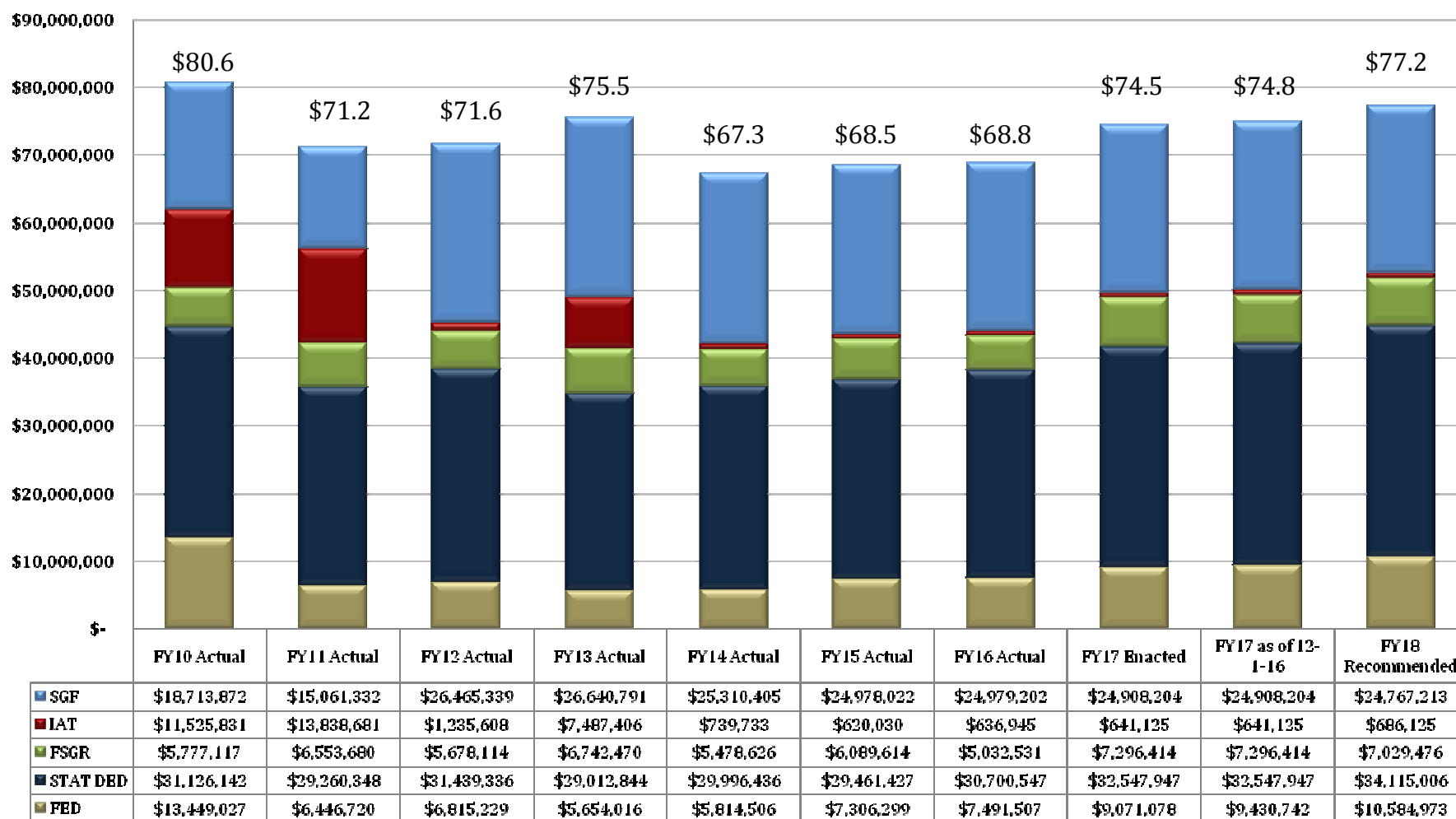


Dept. of Ag. & Forestry

Changes in Funding since FY10

**Total Budget by Fiscal Year and Means of Finance
(in \$ millions)**

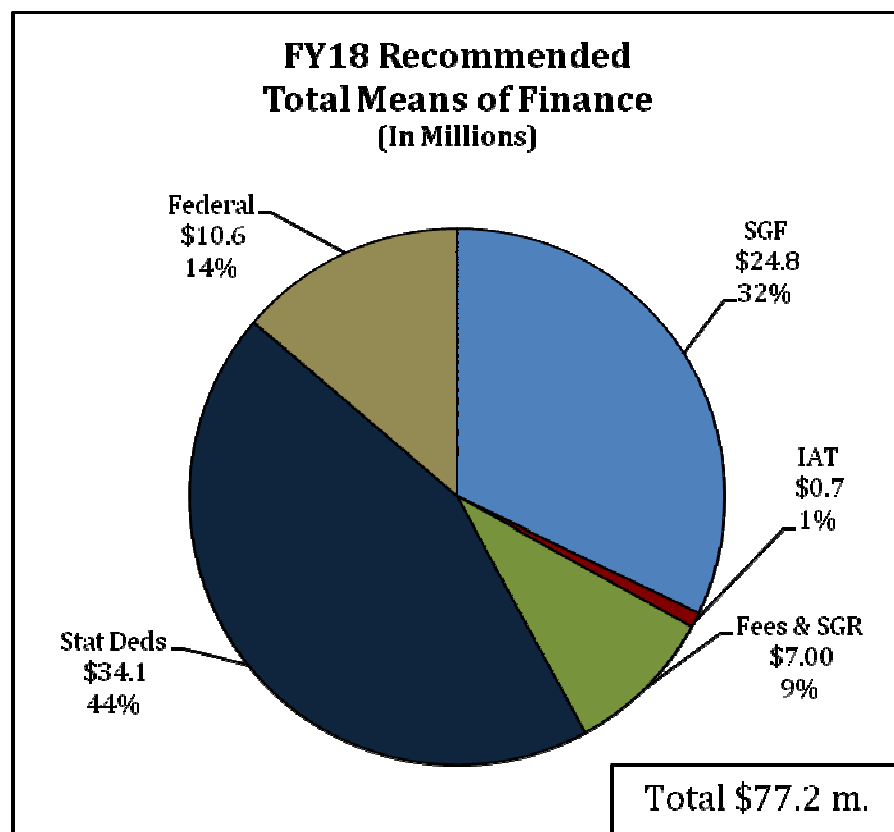
Change from FY10 to FY18 is -4.2%.





Agriculture and Forestry

FY18 Recommended Means of Finance



Non-SGF Sources of Funding:

Non-SGF means of finance in the department include Interagency Transfers, Fees & Self-generated Revenues, Statutory Dedications and Federal monies.

Interagency Transfers are derived from the Louisiana Department of Health, the Office of the State Fire Marshal for wildfire prevention and suppression activities, the Office of Coastal Protection and Restoration for developing erosion control plans along the coast of Louisiana, Best Management practices, water quality, and wetland resource programs.

Fees and Self-Generated Revenues are derived from insurance and other reimbursements; reimbursement from LAFA for salaries of maintenance personnel; grading fees assessed on meat, meat products, fish and fish products; a fee of \$2.00 per calf hood vaccination at auction markets; vaccination fees; Sale of Health Certificates; Equine Infectious Anemia Surveillance & Horse Identification Program; Deer farming; Turtle Farmers License fee; Livestock Sanitary Board; Poultry Graders; Dairy and Poultry Trust Fund; LA Egg Commission; Egg Assessment Fees; funds collected from assessments on sales of milk and dairy products; timber sales from the State Forests; fees assessed for prescribed burning and general forestry assistance materials; and from the sale of commodities and services.



Agriculture and Forestry

FY18 Recommended Means of Finance

Non-SGF Sources of Funding: (Continued)

Statutory Dedications are received from a variety of sources, including the

- Structural Pest Control Commission Fund (S) via fees on branches and contracts of termite control operators;
- Feed and Fertilizer Fund (S) via tonnage fees on feed and fertilizer;
- Louisiana Agricultural Finance Authority (LAFA) Fund (S) as a result of interest income and fees collected with any bonds issued by LAFA;
- Pesticide Fund (S) via fees from labeling and registration of certain pesticides;
- Petroleum Products Fund (S) via assessments, fees, penalties, and all other funds related to the inspection, regulation, and analysis of petroleum products, any commercial weighing or measuring device used in the distribution handling or sale of petroleum products and enforcement;
- Agricultural Commodity Dealers and Warehouse Fund (S) via assessments on commodities stored at the first point of sale, inspection and certification of moisture meters, warehouse licenses;
- Weights and Measures Fund (S) via inspection fees for weights and measures scales;
- Boll Weevil Eradication Fund (S) via penalties and fines charged to cotton growers under the regulations of the Boll Weevil Eradication Program;
- Horticulture and Quarantine Fund (S) via fees collected for Apiary permits, fees for collecting and enforcing different horticultural professions and occupations, fees for inspection and certification of cotton for the presence of the boll weevil, and reasonable fees to help defray the expenses incurred for salaries for inspecting nursery stock grown or propagated for sale or distribution;
- Seed Commission Fund (S) via fees from seed certification;
- Sweet Potato Pests and Diseases Fund (S) via sweet potato inspection fees;
- Livestock Brand Commission Fund (S) via fees for recording brands or marks, renewals and transfers;

Non-SGF Sources of Funding: (Continued)

- Forest Protection Fund (S) paid by the landowners at the rate of 8 cents per acre;
- Forest Productivity Fund (S) that receives 75% of the state's share of the timber severance tax;
- Agricultural Commodity Self-Insurance Fund (S)
- and the Grain and Cotton Indemnity Fund (S).

(S) = Statutory Fund

Federal Funds are received from the U.S. Department of Agriculture, the Environmental Protection Agency (EPA) - Enforcement and Certification Programs, the Ground Water Protection Worker Protection & Endangered Species Program, the USDA - Imported Fire Ant Program, the EPA - Feed Inspection Capacity Program, the federally funded Livestock Sanitary Board Program, reimbursements from the U.S. Department of Agriculture (USDA) for grading and certification of meat and meat products, reimbursements from the U.S. Department of Commerce for certification of fish and fish products, Federal Egg Product Inspection, the Federal Container Salvage Fund, State Administrative Expenses for food distribution, the U.S. Department of Agriculture (USDA) for commodity credit for reimbursement of audit expenses, Fruit and Vegetable Grain Cooperative Agreement, Weights and Measures Cooperative Agreement, the Crop and Livestock Statistical Reporting Service, the U.S. Forest Service for forest protection and fire assistance; U.S. Department of Agriculture (USDA) for development of watershed plans.



Dept. of Ag. & Forestry Dedicated Funds FY16, FY17, and FY18

Dedicated Funds	Source of Funding	FY16 Actual	FY17 Enacted	FY18 Recommended
Ag. Commodity Commission Self-Insurance Fund	Fees charged to self-insurance participants	\$350,000	\$0	\$0
Agricultural Commodity Dealers & Warehouse Fund	Fees, fines, assessments, and penalties	\$2,186,390	\$2,341,988	\$2,277,455
Boll Weevil Eradication Fund	Fees and Fines to cotton producers	\$9,693	\$100,000	\$100,000
Feed and Fertilizer Fund	Fees, fines, assessments, and penalties	\$1,167,116	\$1,500,000	\$1,749,865
Forest Protection Fund	Forest protection tax on timber land	\$787,385	\$806,606	\$806,606
Forestry Productivity Fund	Portion of timber severance tax	\$192,668	\$262,692	\$333,333
Horticulture and Quarantine Fund	Fees, fines, assessments, and penalties	\$1,742,102	\$2,550,000	\$2,550,000
Livestock Brand Commission Fund	Fees related to livestock branding and recordation	\$37,242	\$10,000	\$10,000
Louisiana Agricultural Finance Authority Fund	A portion of taxable net slot machine proceeds	\$12,004,470	\$12,000,742	\$12,000,919
Pesticide Fund	Fees, fines, assessments, and penalties	\$3,803,131	\$4,000,000	\$5,293,249
Petroleum Products Fund	Fees, fines, assessments, and penalties	\$4,596,877	\$4,600,000	\$4,600,000
Seed Commission Fund	Fees	\$678,945	\$866,931	\$807,008
Structural Pest Control Commission Fund	Permit, registration, and related fees	\$719,223	\$980,212	\$1,157,795
Sweet Potato Pests and Diseases Fund	Fees on bushels of sweet potatoes	\$169,376	\$300,000	\$200,000
Weights and Measures Fund	Fees on commercial weighing and measuring devices	\$2,255,929	\$2,228,776	\$2,228,776
TOTALS		\$30,700,547	\$32,547,947	\$34,115,006

Dedicated Funds used to solve FY17 Mid-Year Deficits — Includes December and February Adjustments

Dedicated Fund	Amount
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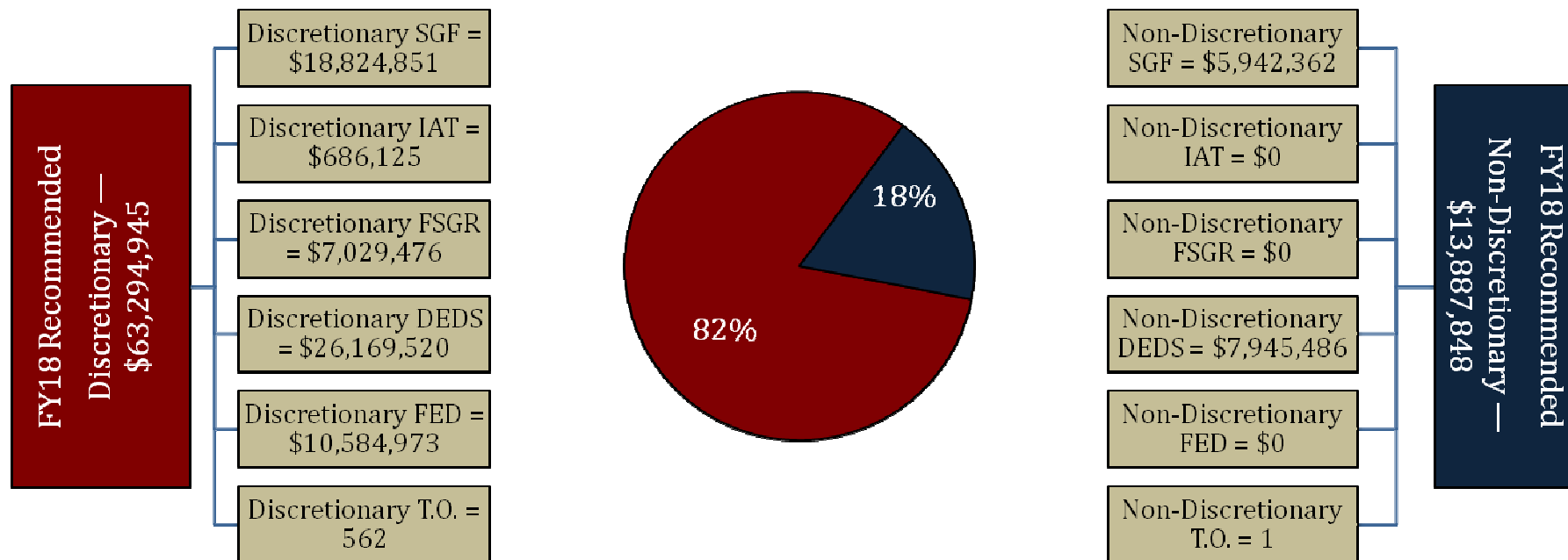
Dept. of Ag. & Forestry Expenditures FY16, FY17, and FY18

Expenditure Category	FY16 Actual	FY17 Enacted	FY18 Recommended	Percent Change FY17 Enacted vs. FY18 Recommended
Personal Services:	\$47,927,991	\$50,980,288	\$51,619,513	1.3
Salaries	\$27,932,444	\$29,426,594	\$29,396,575	(0.1)
Other Compensation	\$1,052,083	\$1,536,635	\$1,523,652	(0.8)
Related Benefits	\$18,943,464	\$20,017,059	\$20,699,286	3.4
Operating Expenses:	\$6,827,152	\$8,054,388	\$9,246,196	14.8
Travel	\$191,425	\$240,762	\$283,975	17.9
Operating Services	\$4,138,344	\$4,547,284	\$5,484,620	20.6
Supplies	\$2,497,383	\$3,266,342	\$3,477,601	6.5
Professional Services	\$42,930	\$131,880	\$368,942	179.8
Other Charges:	\$13,768,482	\$14,698,622	\$14,899,920	1.4
Other Charges	\$2,413,996	\$4,146,245	\$4,302,038	3.8
Debt Service	\$9,102,700	\$7,945,486	\$7,945,486	-
Interagency Transfers	\$2,251,786	\$2,606,891	\$2,652,396	1.7
Acquisitions & Major Repairs:	\$274,177	\$599,590	\$1,048,222	74.8
Acquisitions	\$274,177	\$599,590	\$1,048,222	74.8
Major Repairs	\$0	\$0	\$0	-
Total Expenditures	\$68,840,732	\$74,464,768	\$77,182,793	3.7



Dept. of Ag. & Forestry

FY18 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Management & Finance	\$ 13,388,981	21%
Agricultural & Environmental Sciences	\$ 11,298,131	18%
Animal Health & Food Safety	\$ 13,793,669	22%
Agro-Consumer Services	\$ 7,808,091	12%
Forestry	\$ 15,564,761	25%
Soil & Water Conservation	\$ 1,441,312	2%
Total Discretionary	\$ 63,294,945	100%

Total Non-Discretionary Funding by Type		
Needed for Debt Service	\$ 7,945,486	57%
Constitutional Requirements	\$ 160,252	1%
Unavoidable Obligations	\$ 5,782,110	42%
Total Non-Discretionary	\$ 13,887,848	100%

Debt Service = LAFA construction debt.

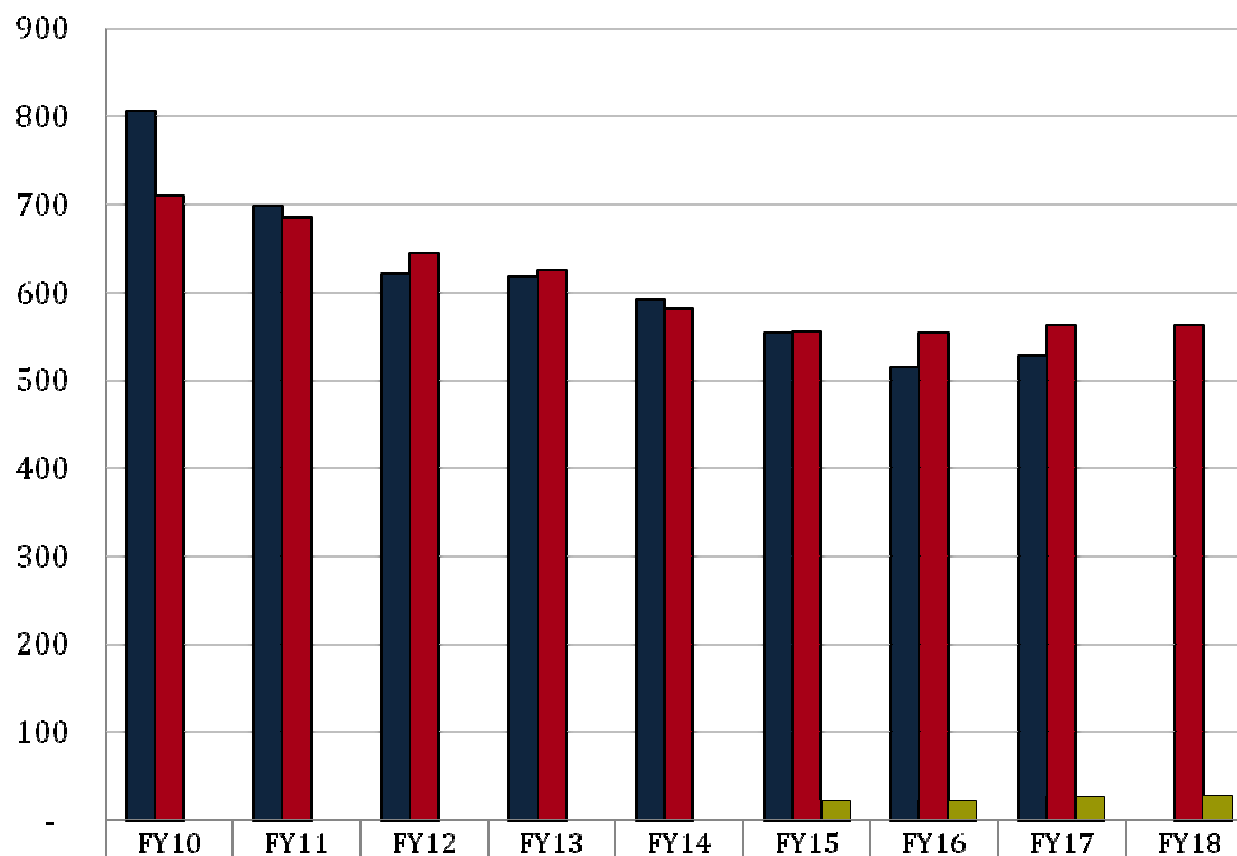
Constitutional Requirements = Salary and related benefits of the commissioner.

Unavoidable Obligations = Retirees Group Insurance and Legislative Auditor Fees.



Department of Ag. and Forestry

FTEs, Authorized Positions, and Other Charges Positions



■ Total FTEs (as of July 1 of each fiscal year)	806	698	621	618	592	554	514	528	-
■ Total Authorized Positions (Enacted)	710	685	644	625	582	555	553	563	563
■ Authorized Other Charges Positions	-	-	-	-	-	22	22	26	27

Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

Data for Total Authorized Positions uses fiscal year enacted levels, except for FY18 Recommended.

Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).



Dept. of Ag. & Forestry

FY18 Recommended Total Authorized Positions by Agency

Forestry
167
30%

Forestry – The largest categories of positions are spread among fire districts, including District 6 - Hammond (36), District 4 - Oberlin (38), District 3 - Jena (30), District 1 - Haughton (20), and District 2 - Monroe (13). The remaining positions are spread among administration, central services, enforcement, and education.

Agro-consumer Services
75
13%

Agro-Consumer Services – The largest categories of positions include Weights and Measures (53) and the Agricultural Commodities and Dealers Warehouse Activity (15). The remaining positions are spread among the Dairy Stabilization Board, Administration, and Commodity Promotion and Research.

Animal Health & Food Safety
105
19%

Animal Health & Food Safety – The largest categories of positions include Federal/State Meat Activity (37), the Livestock Sanitary Board (20), and the Food Distribution Activity (17). The remaining positions are spread among Poultry and Eggs, Fruit and Vegetables, Livestock Brand Commission, Promotion and Research, and the Feed Program.

Soil & Water Conservation
8
1%

Soil and Water Conservation – Duties of these positions include administration of the Agricultural Solid Waste Program, Federal Conservation Program, Coastal Marsh Vegetation Planting Program, USDA State Cooperative Soil Survey Program, EPA Clean Water Act provisions, and educational outreach.

Management & Finance
105
19%

Management & Finance – The largest categories of positions include support services (38) and fleet and facility (32). The remaining positions are spread among executive functions, IT, print shop, market information, Indian Creek Recreation Area, and the La. Agricultural Finance Authority.

Agricultural & Environmental Sciences
103
18%

Agricultural & Environmental Services – The largest categories of positions include the Pesticide & Environmental Program (50), the Agricultural Chemistry Program (13), and the Horticulture & Quarantine Program (10). The remaining positions are spread among the Seed, Sweet Potato, Pest Control, Pesticide Enforcement, Pesticide Certification, USDA Horticulture, Boll Weevil, and Food Safety Program.

Dept. of Ag. & Forestry	
Management & Finance	105
Agric. & Environmental Sciences	103
Animal Health & Food Safety	105
Agro-consumer Services	75
Forestry	167
Soil & Water Conservation	8



Dept. of Ag. & Forestry

Total Statewide Adjustments for FY18

04F_AGRI Agriculture and Forestry ADJUSTMENTS TO EXISTING OPERATING BUDGET Recommended								
GEN. FUND	I.A.T.	SELF-GEN.	STAT. DED.	I.E.B.	FEDERAL	TOTAL	T.O.	DESCRIPTION
\$24,908,204	\$641,125	\$7,296,414	\$32,547,947	\$0	\$9,430,742	\$74,824,432	563	Existing Oper Budget as of 12/01/16
A. STATEWIDE STANDARDS								
(\$505,453)	\$0	\$0	\$0	\$0	\$0	(\$505,453)	0	State General Fund (SGF) reduction in accordance with the Louisiana Constitution, Article VII, Section 11(A).
\$15,376	\$0	\$0	\$57,772	\$0	\$0	\$73,148	0	Civil Service Training Series
\$244,360	\$0	\$77,636	\$314,398	\$0	\$101,640	\$738,034	0	Related Benefits Base Adjustment
\$389,347	\$0	\$6,105	\$188,493	\$0	\$11,049	\$594,994	0	Retirement Rate Adjustment
\$257,473	\$0	\$69,507	\$453,314	\$0	\$117,518	\$897,812	0	Salary Base Adjustment
(\$604,301)	\$0	(\$462,393)	(\$295,216)	\$0	\$0	(\$1,361,910)	0	Attrition Adjustment
\$0	\$0	\$0	\$473,222	\$0	\$575,000	\$1,048,222	0	Acquisitions & Major Repairs
(\$195,830)	\$0	\$0	(\$353,390)	\$0	(\$50,400)	(\$599,620)	0	Non-Recurring Acquisitions & Major Repairs
\$74,233	\$0	\$0	\$39,529	\$0	\$0	\$113,762	0	Risk Management
(\$24,396)	\$0	\$0	\$0	\$0	\$0	(\$24,396)	0	Legislative Auditor Fees
(\$701)	\$0	\$0	\$0	\$0	\$0	(\$701)	0	UPS Fees
\$1,796	\$0	\$0	\$0	\$0	\$0	\$1,796	0	Civil Service Fees
\$17,247	\$0	\$0	\$0	\$0	\$0	\$17,247	0	State Treasury Fees
(\$1,756)	\$0	\$0	\$0	\$0	\$0	(\$1,756)	0	Office of Technology Services (OTS)
(\$42,446)	\$0	\$0	\$0	\$0	\$0	(\$42,446)	0	Office of State Procurement
\$234,060	\$45,000	\$42,207	\$688,937	\$0	\$0	\$1,010,204	0	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
\$0	\$0	\$0	\$0	\$0	\$399,424	\$399,424	0	TOTAL OTHER ANNUALIZATIONS ADJUSTMENT
\$24,767,213	\$686,125	\$7,029,476	\$34,115,006	\$0	\$10,584,973	\$77,182,793	563	Total Budget
(\$140,991)	\$45,000	(\$266,938)	\$1,567,059	\$0	\$1,154,231	\$2,358,361	0	Total Adjustments



Dept. of Ag. and Forestry Significant Increases for FY18

Increase	Source	T.O.	Agency	Description
\$585,817	Statutory Dedications	0	Agricultural & Environmental Sciences Program	Increase in Statutory Dedication expenditure authority from the Feed and Fertilizer Fund (\$309,541), the Structural Pest Control Fund (\$177,583), and the Pesticide Fund (\$98,693). These monies will be used to hire six additional inspectors and increase regulatory activities in the Agricultural and Environmental Sciences Program. Vacant positions within the Management and Finance Program will be transferred to the Agricultural and Environmental Sciences Program.
\$399,424	Federal	0	Animal Health and Food Safety Program	Increase in Federal Funds to the Animal Health and Food Safety Program for the annualization of a FY 2016-2017 BA-7 approved November 18, 2016, to receive an FDA grant for the implementation of the FDA's Produce Safety Rule. This will provide full funding for the second year of the grant.



Dept. of Ag and Forestry Significant Decreases for FY18

Decrease	Source	T.O.	Agency	Description
(\$505,453)	State General Fund	0	Dept. of Ag and Forestry	Reduction in accordance with Louisiana Constitution, Article VII, Section 11(A).



Dept. of Ag. and Forestry

Significant Means of Financing Substitutions for FY18

MOF Swap	Source	T.O.	Agency	Description
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Dept. of Ag. and Forestry

Changes from FY18 Recommended to FY18 Re-engrossed

Changes from FY18 Recommended to FY18 Re- engrossed	Source	T.O.	Agency	Description
(\$1,104,419)	State General Fund	0	Department of Ag. & Forestry	House Committee Amendments direct the Commissioner of Administration to reduce the State General Fund appropriation.