

Representative Jim Fannin  
Chairman



Representative Simone Champagne  
Vice Chairman

FY 14-15 Executive Budget Review  
DEPARTMENT OF AGRICULTURE & FORESTRY

House Committee on Appropriations  
by the House Fiscal Division  
March 17, 2014



# Agenda

## Budget Overview

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# Department Structure

## Department of Agriculture and Forestry

- Management and Finance Program
- Agricultural and Environmental Sciences Program
- Animal Health and Food Safety Program
- Agro-Consumer Services Program
- Forestry Program
- Soil and Water Conservation Program
- Auxiliary Account Program



# Means of Finance

| Means of Finance      | Actual Expenditures<br>FY 12-13 | Existing Operating Budget<br>FY 13-14<br>(12/1/13) | Executive Budget<br>Recommended<br>FY 14-15 | Change from<br>FY 13-14 to<br>FY 14-15 | Percent<br>Change from<br>FY 13-14 to<br>FY 14-15 |
|-----------------------|---------------------------------|--|---|--|---|
| State General Fund    | \$26,640,791                    | \$25,310,405                                       | \$26,702,044                                | \$1,391,639                            | 5.5%  |
| Interagency Transfers | \$7,487,406                     | \$1,200,445  | \$636,945                                   | (\$563,500)                            | (46.9%)   |
| Fees and Self-Gen Rev | \$6,742,470                     | \$6,687,210  | \$6,964,738                                 | \$277,528                              | 4.2%  |
| Statutory Dedications | \$29,012,844                    | \$32,918,175                                       | \$32,680,146                                | (\$238,029)                            | (0.7%)  |
| Federal Funds         | \$5,654,016                     | \$7,716,818  | \$8,009,901                                 | \$293,083                              | 3.8%  |
| <b>TOTAL</b>          | <b>\$75,537,527</b>             | <b>\$73,833,053</b>                                | <b>\$74,993,774</b>                         | <b>\$1,160,721</b>                     | <b>1.6%</b>                                       |
| Authorized Positions  | 625                             | 582  | 555   | (27)                                   | (4.6%)  |

## Significant Adjustments

### State General Fund

- Increases for performance adjustments, retirement system adjustments, and salary base adjustments

\$1.4 M



### Interagency Transfers

- Contract with BP and Wildlife & Fisheries for seafood testing ended

\$563,500



### Federal Funds

- Replacement of vehicles with more than 150K miles

\$293,083



### Authorized Positions

- Eliminates 27 vacant positions, including 15 from the Forestry Program

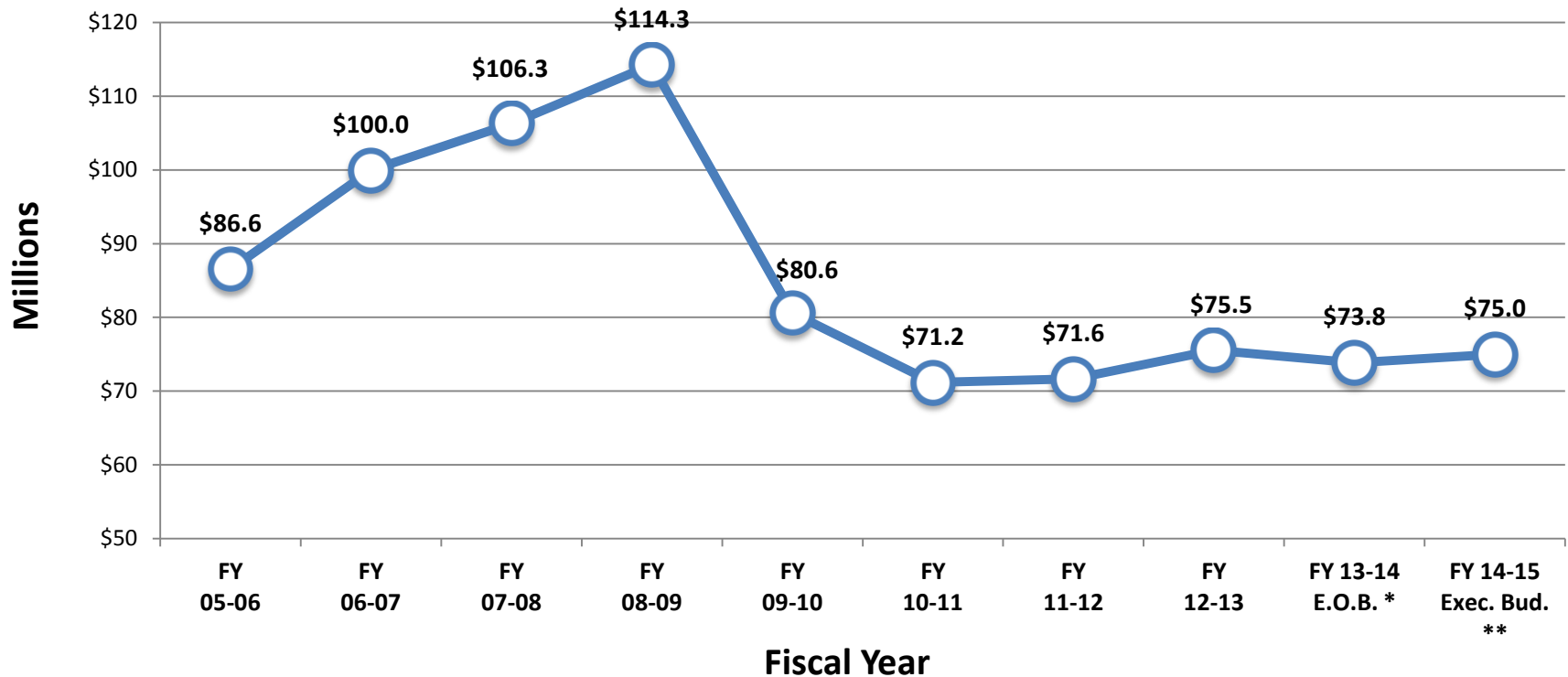
27 T.O.





# 10-Year Budget History

## DEPARTMENT OF AGRICULTURE & FORESTRY (Total Funding)



Source: Executive Budget Supporting Documents

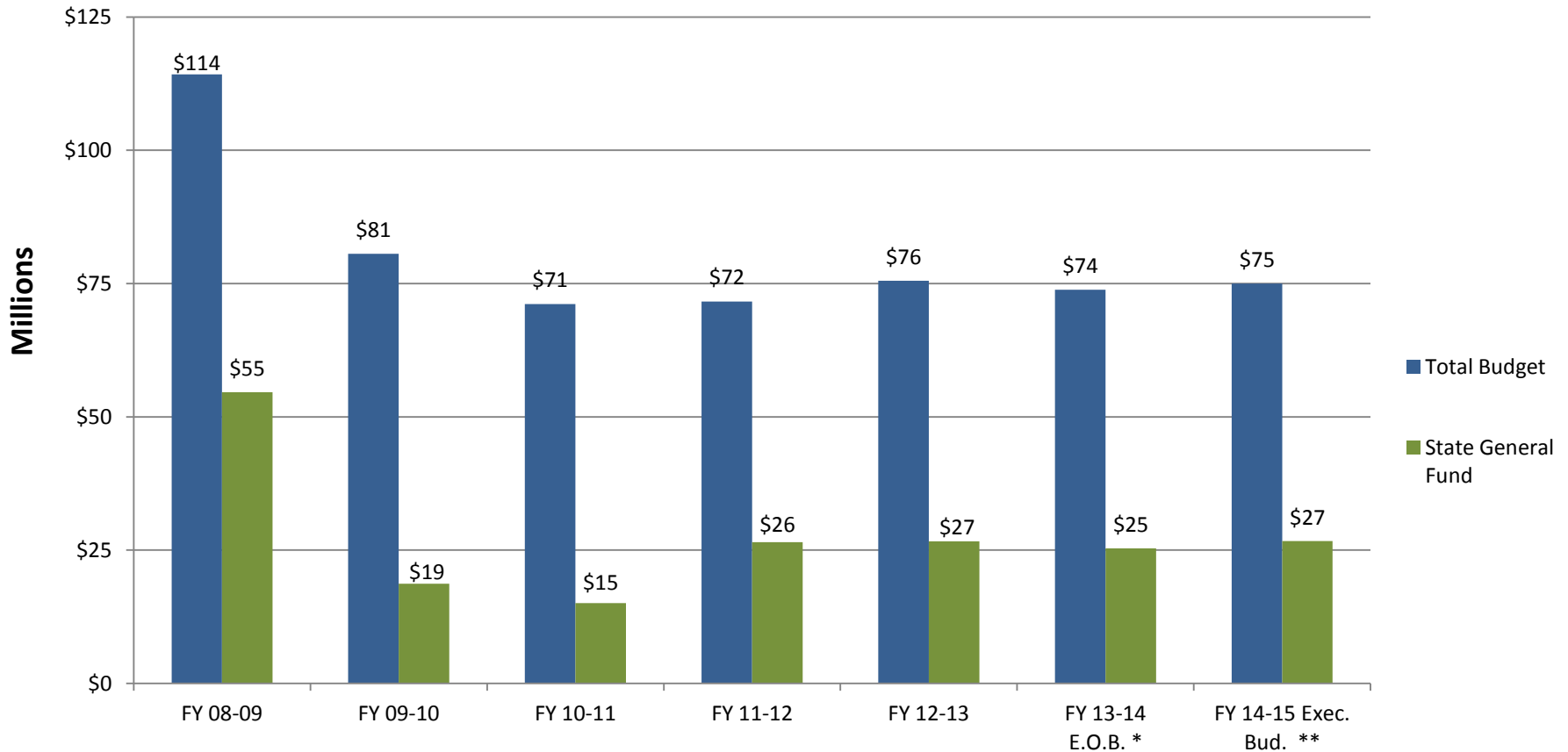
\*Existing Operating Budget as of 12/1/13

\*\*Governor's Executive Budget Recommendation



# Total Budget and State General Fund

## Department of Agriculture & Forestry FY 08-09 to FY 14-15





# Major Sources of Revenues FY 14-15

## Fees and Self-Generated Revenues - \$7 million

- Seed Program
- Nurseries Program
- Indian Creek Recreation

## Statutory Dedications - \$33 million

- The Department of Agriculture and Forestry receives funding from 16 different statutorily dedicated funds, the largest of which is the Louisiana Agricultural Finance Authority Fund, budgeted at \$12 million.
- Louisiana Agricultural Finance Authority Fund \$12.00 M
- Petroleum and Petroleum Products Fund \$ 5.10 M
- Pesticide Fund \$ 3.51 M
- Weights and Measures Fund \$ 2.21 M
- Agricultural Commodity Dealers & Warehouse Fund \$ 1.93 M
- Boll Weevil Eradication Fund \$ 1.56 M
- Horticulture & Quarantine Fund \$ 1.23 M

## Federal Funds- \$8 million

- Grants to the Forestry Program from the USDA, EPA, FDA, and the US Forest Service



# Expenditure Breakdown

| Expenditures              | FY 12-13<br>Actual<br>Expenditures | FY 13-14 Existing<br>Operating Budget<br>(12/1/13) | FY 14-15<br>Executive Budget<br>Recommendation | Change from<br>FY 13-14 to<br>FY 14-15 | Percent<br>Change from<br>FY 13-14 to<br>FY 14-15 |
|---------------------------|------------------------------------|--|--|--|---|
| Salaries                  | \$28,315,218                       | \$26,877,057                                       | \$26,719,567                                   | (\$157,490)                            | (0.6%)  |
| Other Compensation        | \$1,434,686                        | \$1,377,605  | \$1,377,605                                    | \$0                                    | 0.0%  |
| Related Benefits          | \$15,558,430                       | \$14,983,026                                       | \$17,192,588                                   | \$2,209,562                            | 14.7%   |
| Travel                    | \$158,749                          | \$252,906  | \$251,906                                      | (\$1,000)                              | (0.4%)  |
| Operating Services        | \$9,560,590                        | \$4,728,186  | \$4,907,222                                    | \$179,036                              | 3.8%  |
| Supplies                  | \$4,251,446                        | \$4,648,027  | \$4,584,827                                    | (\$63,200)                             | (1.4%)  |
| Professional Services     | \$179,966                          | \$279,941  | \$279,941                                      | \$0                                    | 0.0%  |
| Other Charges             | \$15,418,846                       | \$19,768,587                                       | \$19,586,771                                   | (\$181,816)                            | (0.9%)  |
| Acq/Major Repairs         | \$659,596                          | \$917,718  | \$93,347                                       | (\$824,371)                            | (89.8%)   |
| Unallotted                | \$0                                | \$0  | \$0  | \$0                                    | 0.0%  |
| <b>TOTAL EXPENDITURES</b> | <b>\$75,537,527</b>                | <b>\$73,833,053</b>                                | <b>\$74,993,774</b>                            | <b>\$1,160,721</b>                     | <b>1.6%</b>                                       |

## Salaries

The net change in salaries is a \$157,490 decrease. Among other things, this is comprised of a \$912K increase in performance adjustments, a \$37K increase in civil service training, and a \$1.2 M decrease in salaries related to the loss of 27 vacant positions

## Related Benefits

Increase is due to employer retirement rate increasing from 31% to 37.4%, and a 5% increase for employer health insurance.\

## Acquisitions and Major Repairs

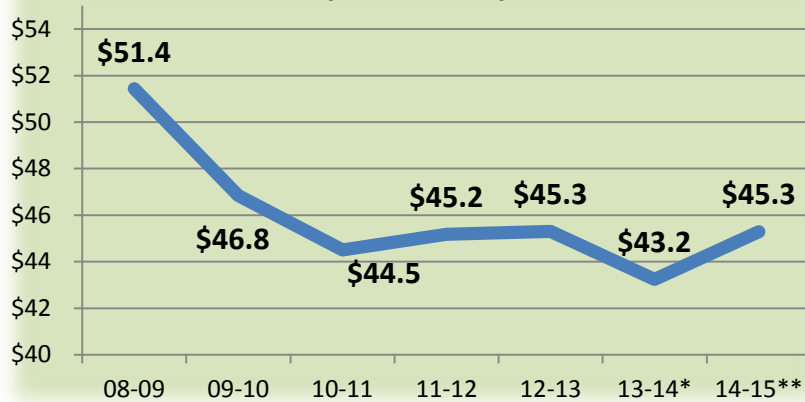
Decreased funding by \$181,816; funding of \$93,347 for replacement of IT equipment. No other repairs or replacements are being recommended.



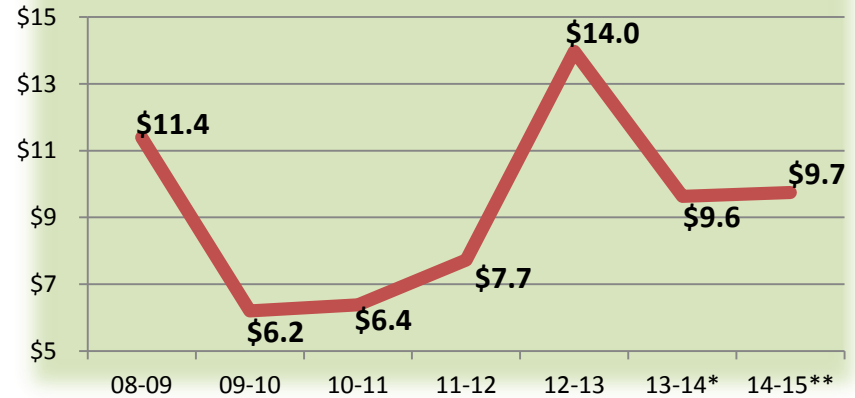


# 7-Year Expenditure History

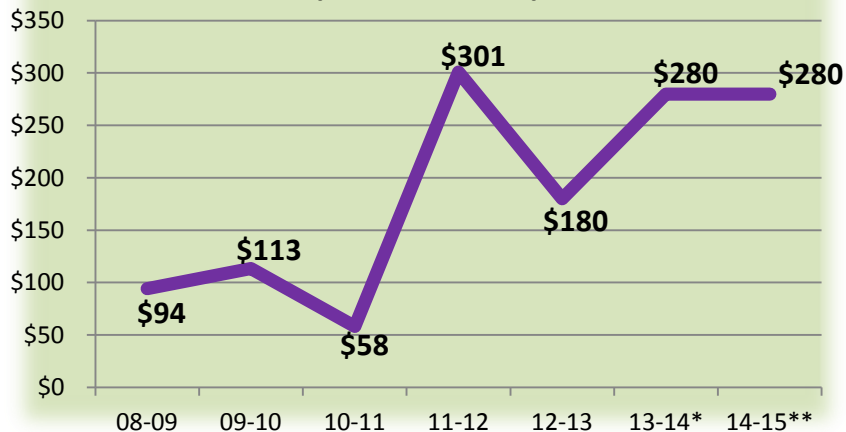
**Personal Services  
(In Millions)**



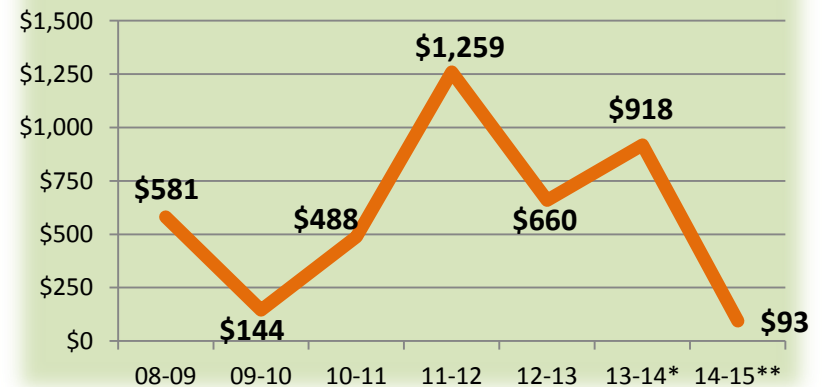
**Operating Expenses  
(In Millions)**



**Professional Services  
(In Thousands)**



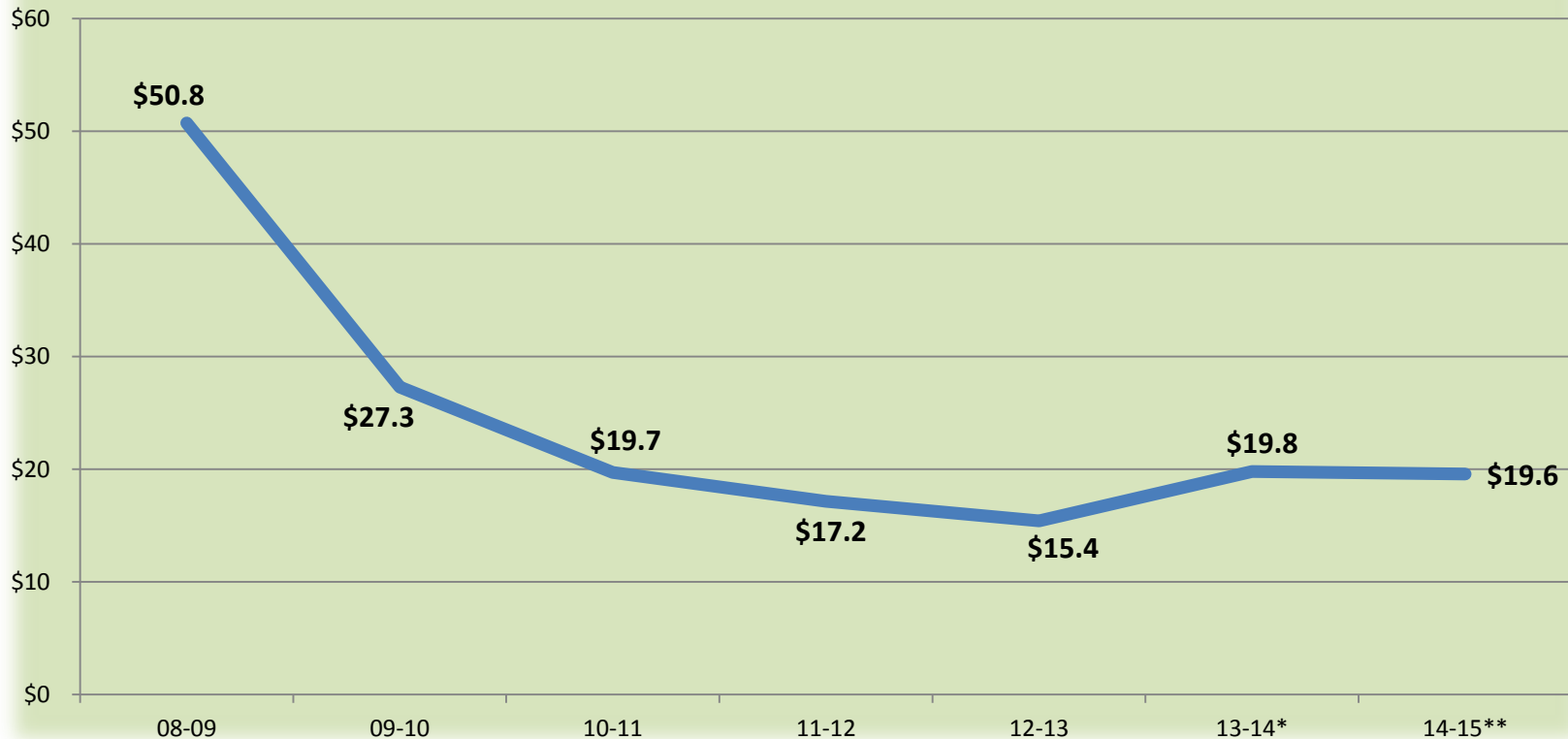
**Acquisitions & Major Repairs  
(In Thousands)**





# 7-Year Expenditure History

**Other Charges  
(In Millions)**



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/13

\*\*Governor's Executive Budget Recommendation



# Significant Adjustments

**\$2.28 M**  
**Various**  
**MOF**



Eliminates a total of 27 positions and associated funding (\$1,251,731 SGF, \$33,234 IAT, \$161,069 SGR, \$578,349 Statutory Dedications, and \$255,097 Federal Funds) for personal services. 16 of the positions targeted have been vacant more than 12 months, and 11 of them have historically been vacant. The IAT is received from the office of the State Fire Marshal. The statutorily dedicated funds are from the Agricultural Commodity Dealers & Warehouse Fund, and the Horticulture & Quarantine Fund.

**\$2.0 M**  
**Various**  
**MOF**



Provides \$2,015,990 in total funding for the Louisiana State Employees' Retirement System adjustments. The net increase reflects the change in the LASERS retirement rate change from 31.7% to 37.4%. (\$1,037,391 SGF, \$10,121 IAT, \$386,625 SGR, \$410,262 Statutory Dedications, and \$171,591 Federal Funds)

**\$917,718**  
**Various**  
**MOF**



Reduces funding for non-recurring acquisitions and major repairs

**\$2.0 M**  
**Various**  
**MOF**



Provides \$2,035,820 in total funding for salary base adjustments and employee performance adjustments. This is based on an OPB calculation that determines an amount to fully fund salaries in the next fiscal year. (\$1,297,936 SGF, \$23,942 IAT, \$60,907 SGR, \$434,866 Statutory Dedications, and \$218,168 Federal Funds)



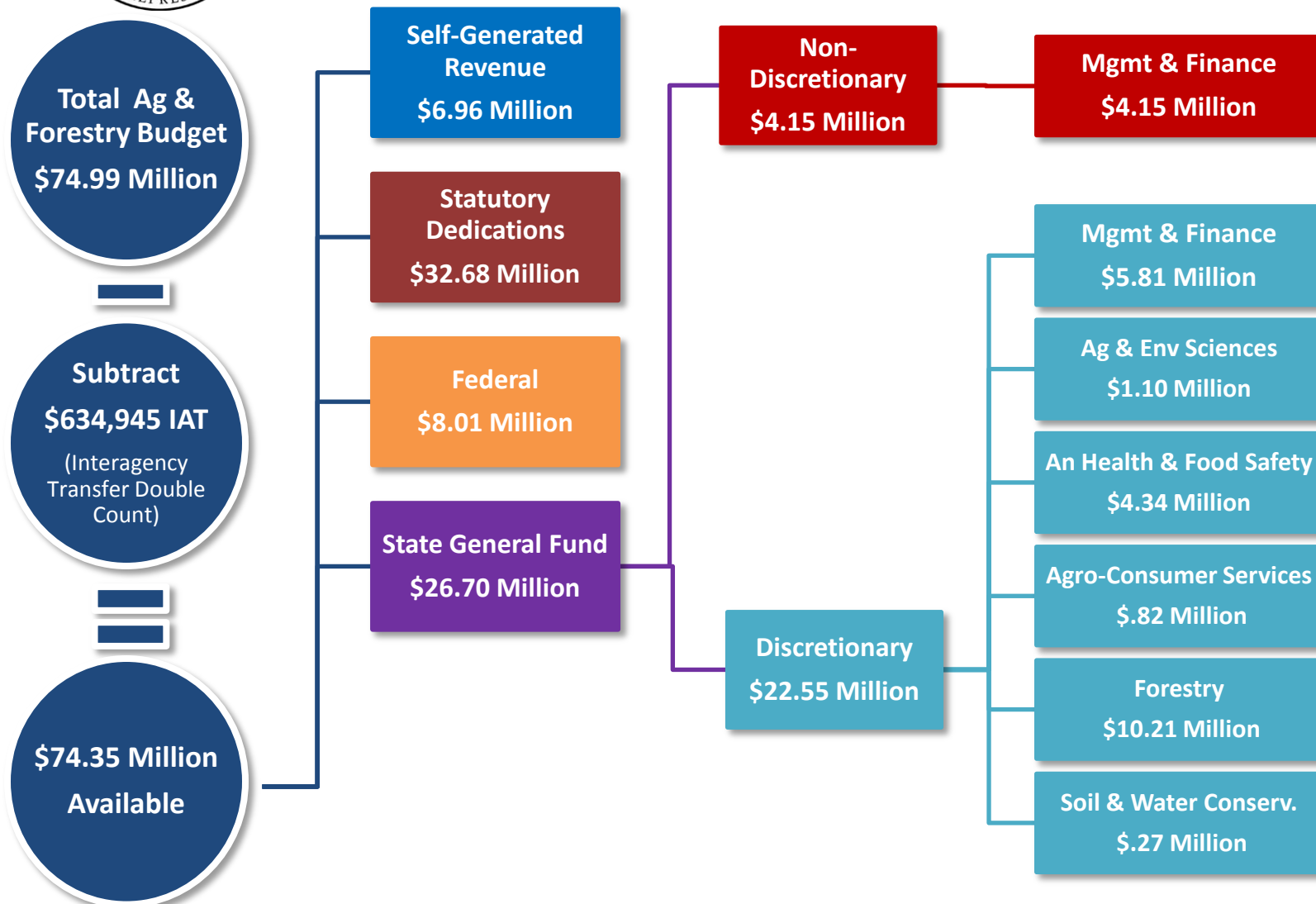
## Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget

| <u>Programs</u>                         | TOTAL FUNDING - \$ 74,993,774 |                      | STATE GENERAL FUND - \$ 26,702,044 |                     |
|---|-------------------------------|----------------------|------------------------------------|---------------------|
|   | Discretionary                 | Non-Discretionary    | Discretionary                      | Non-Discretionary   |
| Management and Finance                  | \$ 11,788,684                 | \$ 5,077,407         | \$ 5,811,283                       | \$ 4,147,601        |
| Agricultural and Environmental Sciences | \$ 10,255,078                 | \$ 9,913,087         | \$ 1,106,287                       | \$ 0                |
| Animal Health and Food Safety           | \$11,053,666                  |                      | \$ 4,341,466                       | \$ 0                |
| Agro-Consumer Services                  | \$ 7,028,442                  |                      | \$ 819,785                         | \$ 0                |
| Forestry                                | \$ 15,882,606                 |                      | \$ 10,205,145                      | \$ 0                |
| Soil and Water Conservation             | \$ 1,175,358                  |                      | \$ 270,477                         | \$ 0                |
| Auxiliary Account                       | \$ 2,829,446                  |                      | \$ 0                               | \$ 0                |
| <b>TOTAL</b>                            | <b>\$ 60,003,280</b>          | <b>\$ 14,990,494</b> | <b>\$ 22,554,443*</b>              | <b>\$ 4,147,601</b> |

\* The discretionary State General Fund in the Department of Agriculture & Forestry's budget is **.1279%** of the total discretionary State General Fund recommended for FY 14-15.



# Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget





# Salaries and Positions

## **FY 14-15 SALARIES/POSITIONS**

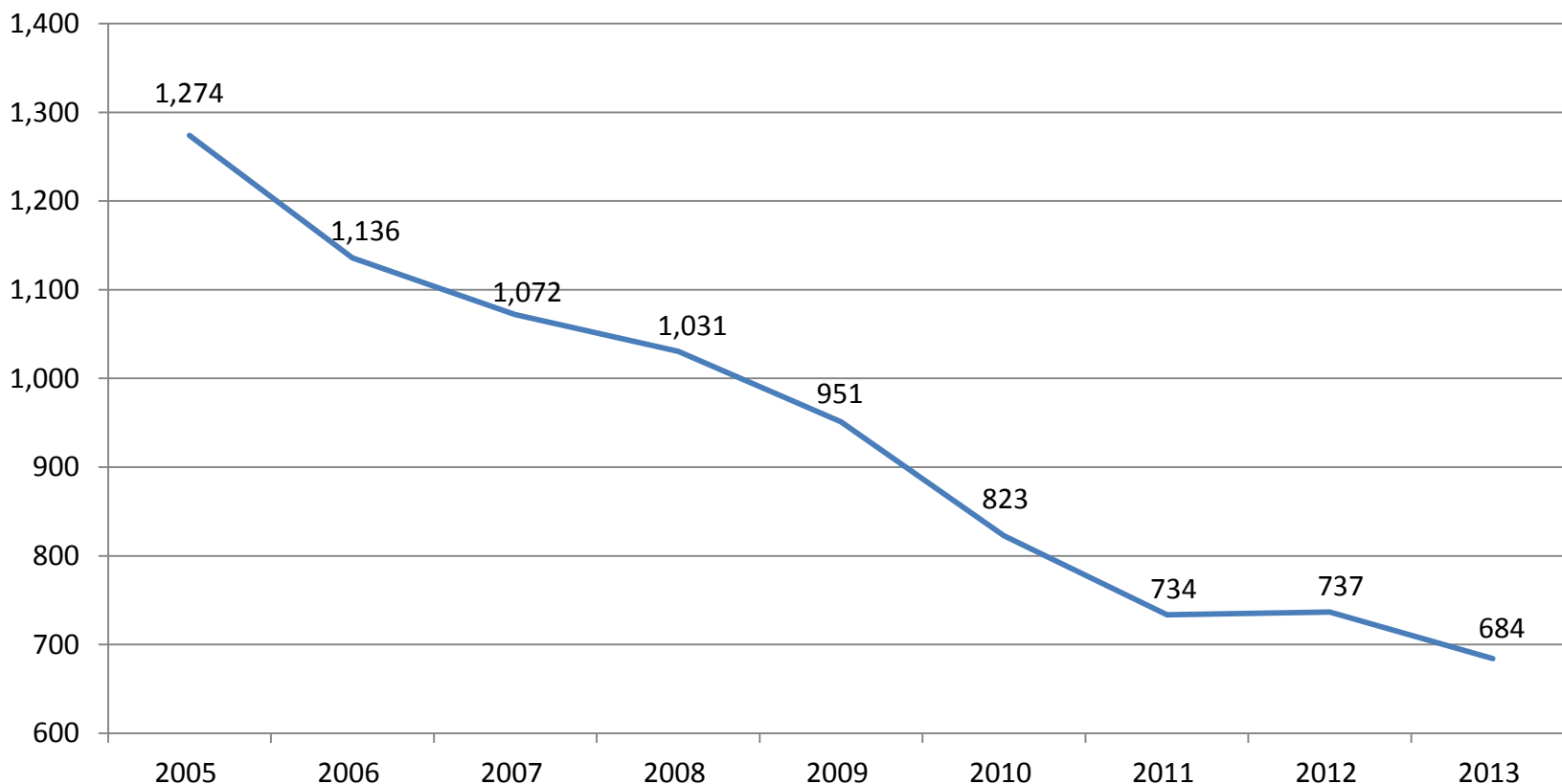
- \$28.1 million for Salaries and Other Compensation
- \$17.2 million for Related Benefits
- Total Personnel Services = \$45.3 million; 81.7% of the Department of Agriculture and Forestry's total Executive Budget Recommendation (excluding Other Charges)
  
- 555 Authorized Positions (516 classified and 39 unclassified)
- 42 full-time non-T.O. positions
- 22 Other Charges positions
  
- As of 12/27/2013, the Department of Agriculture and Forestry had 43 vacancies. Of those vacant positions, 27 have been eliminated.



# Salaries and Positions

**FY 2005 – FY 2013**

## **TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS**

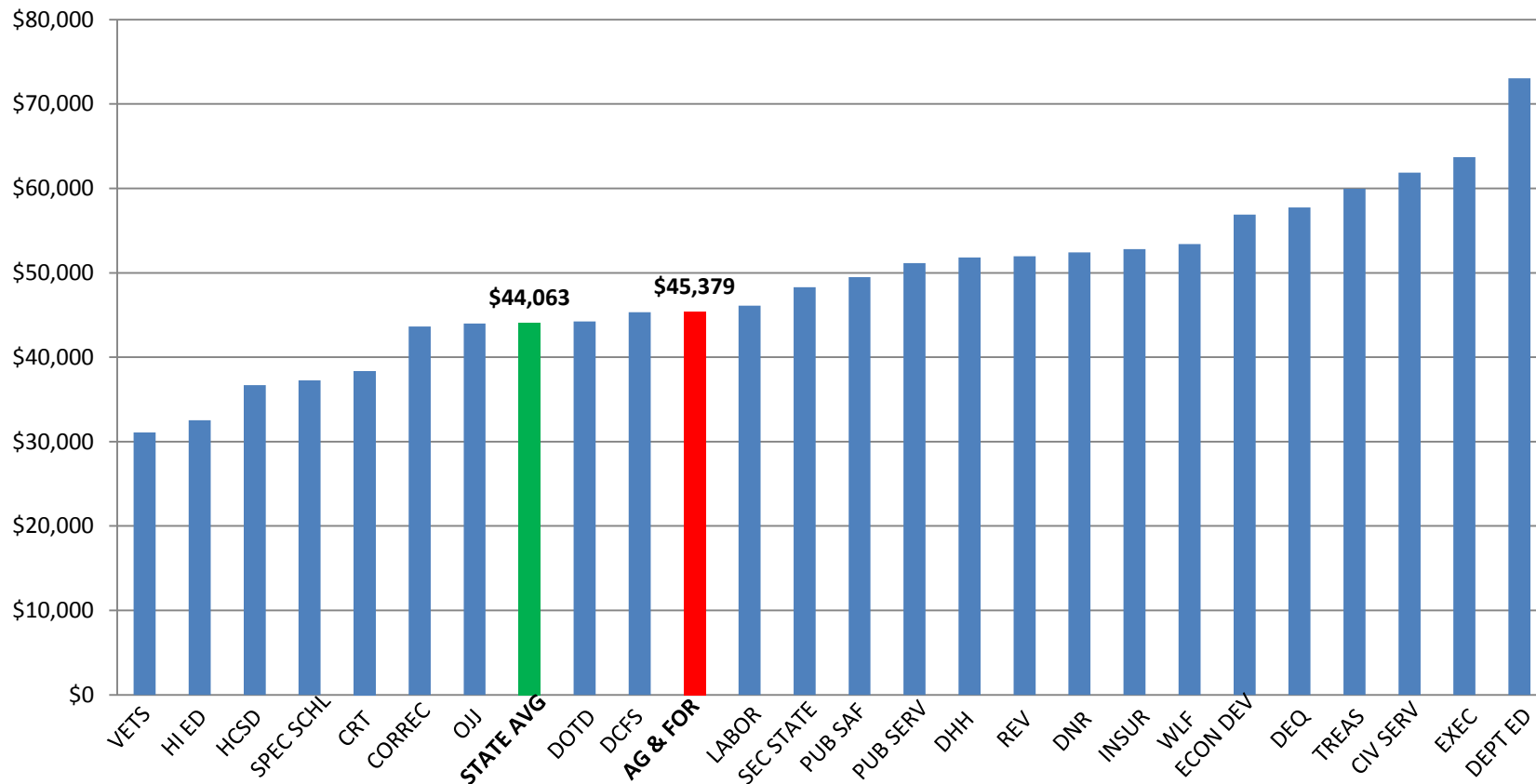


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



# Salaries and Positions

## FY 13 CLASSIFIED AVERAGE ANNUAL PAY PER FTE



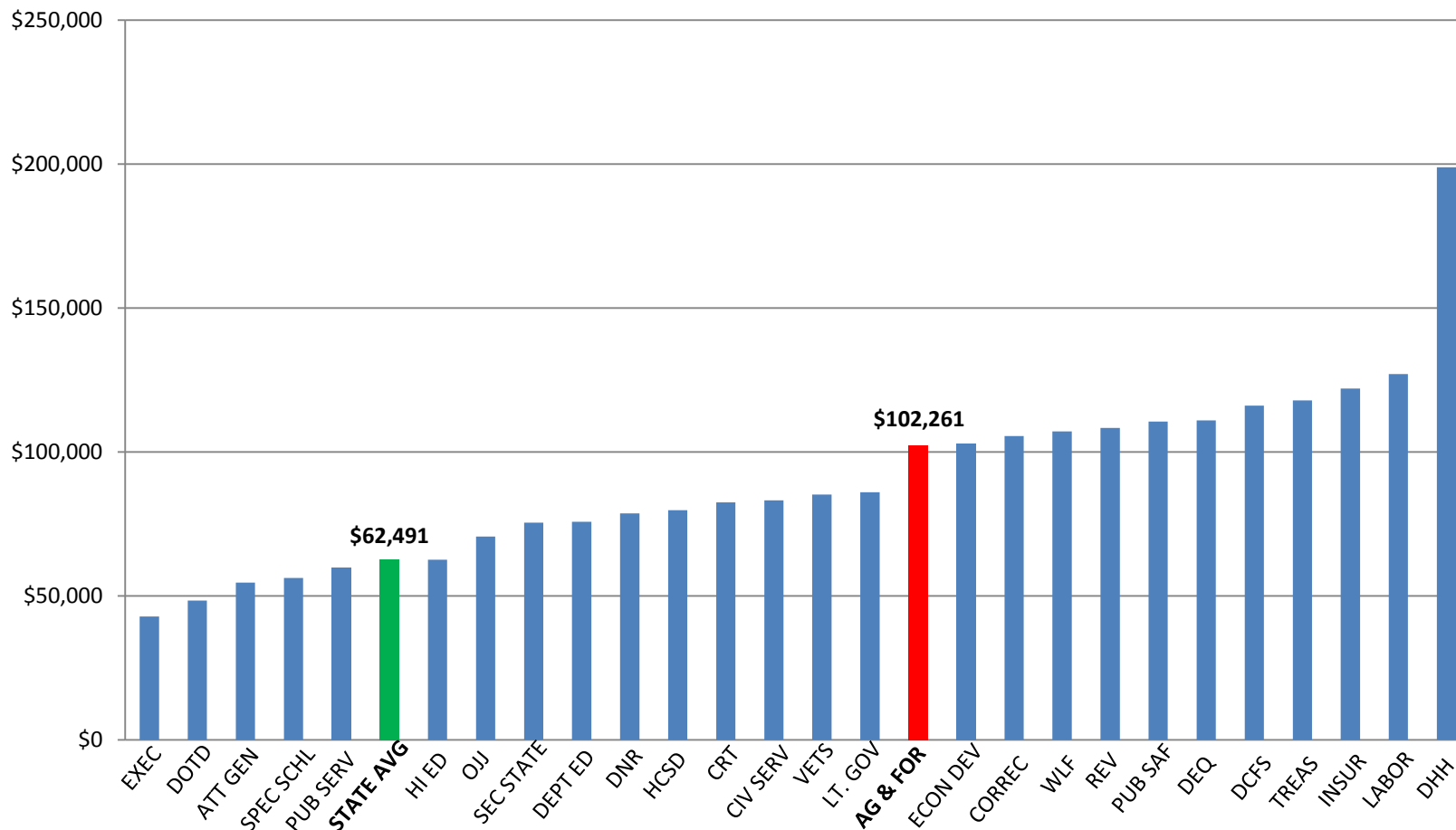
Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service





# Salaries and Positions

## FY 13 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



# Department Contacts

| TITLE                  | CONTACT           | PHONE NUMBER |
|------------------------|-------------------|--------------|
| Commissioner           | Dr. Mike Strain   | 225-922-1234 |
| Assistant Commissioner | Col. Dane Morgan  | 225-952-8142 |
| Deputy Undersecretary  | Ms. Judy Fletcher | 225-922-1290 |