

Representative Jim Fannin
Chairman



Representative Bryan Adams
Vice Chairman

FY 15-16 Executive Budget Review
DEPARTMENT OF AGRICULTURE & FORESTRY

House Committee on Appropriations
by the House Fiscal Division
March 18, 2015



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 FY 13-14	Existing Operating Budget FY 14-15 (12/1/14)	Executive Budget Recommended FY 15-16	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
State General Fund	\$25,310,405	\$26,464,006	\$21,296,854	(\$5,167,152)	(19.5%)
Interagency Transfers	\$739,733	\$636,945	\$636,945	\$0	0.0%
Fees and Self-Gen. Rev.	\$5,478,626	\$8,914,481	\$7,231,922	(\$1,682,559)	(18.9%)
Statutory Dedications	\$29,996,436	\$32,680,146	\$33,527,654	\$847,508	2.6%
Federal Funds	\$5,814,506	\$8,009,901	\$8,176,775	\$166,874	2.1%
TOTAL	\$67,339,706	\$76,705,479	\$70,870,150	(\$5,835,329)	(7.6%)
Authorized Positions	582	555	553	(2)	(0.4%)

Significant Adjustments

State General Fund

- \$4.2 million reduction, through various measures, \$775K means of financing statutory dedication swap, and \$264K from annualization of first mid-year reduction plan.

\$5.2 M



Fees & Self-Generated Revenue

- Reduction in budget authority, however fees are likely to be collected.

\$1.7 M



Statutory Dedications

- Major change was a net increase of \$809,399 used from several funds to offset reductions in State General Funds.

\$847,508



Authorized Positions

- Eliminates 2 vacant positions; one from Agro-Consumer Services and one from Animal Health and Food Safety.

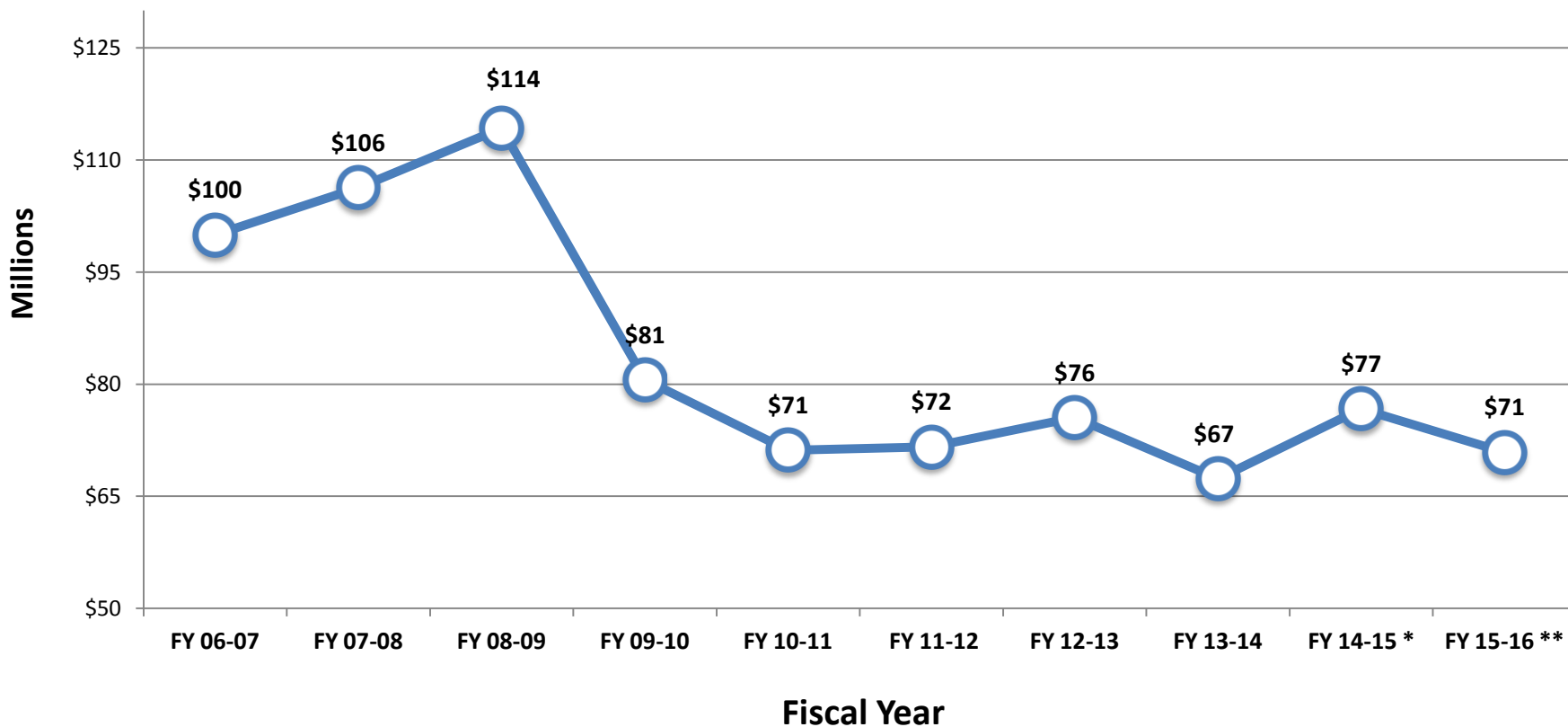
(2) T.O.





10-Year Budget History

DEPARTMENT OF AGRICULTURE & FORESTRY (Total Funding)



Source: Executive Budget Supporting Documents

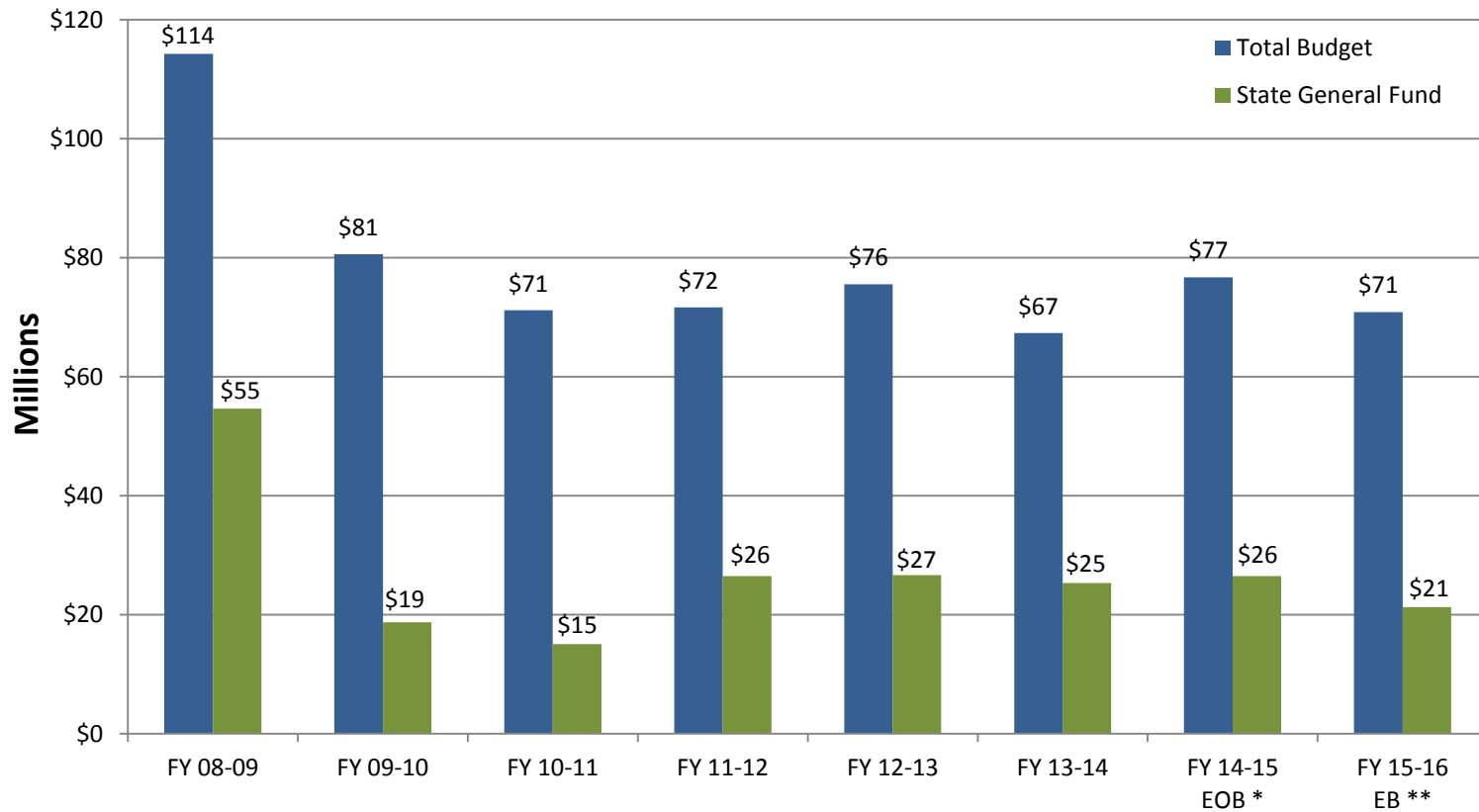
* Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Total Budget and State General Fund

Department of Agriculture & Forestry FY 08-09 to FY 15-16



Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Major Sources of Revenue FY 15-16

Fees and Self-Generated Revenues - \$7 million

- Collected in the following Programs:

- | | |
|---------------------------------|----------|
| • Management and Finance | \$1.20 M |
| • Animal Health and Food Safety | \$ 3.85M |
| • Auxiliary Account | \$.95 M |

Statutory Dedications - \$34 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 | \$ 5.00 M |
| • Pesticide Fund | \$ 3.51 M |
| • Weights and Measures Fund | \$ 2.22 M |
| • Agricultural Commodity Dealers & Warehouse Fund | \$ 2.71 M |
| • Horticulture & Quarantine Fund | \$ 2.55 M |

Federal Funds- \$8 million

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



Expenditure Breakdown

Expenditures	FY 13-14 Actual Expenditures	FY 14-15 Existing Operating Budget (12/1/14)	FY 15-16 Executive Budget Recommendation	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
Salaries	\$27,536,352	\$27,521,708	\$25,298,176	(\$2,223,532)	(8.1%)
Other Compensation	\$1,372,453	\$1,302,056	\$933,091	(\$368,965)	(28.3%)
Related Benefits	\$15,978,012	\$17,998,021	\$17,174,214	(\$823,807)	(4.6%)
Travel	\$207,683	\$258,906	\$238,906	(\$20,000)	(7.7%)
Operating Services	\$4,675,352	\$4,702,463	\$4,113,451	(\$589,012)	(12.5%)
Supplies	\$2,993,931	\$4,476,352	\$3,816,913	(\$659,439)	(14.7%)
Professional Services	\$97,310	\$258,808	\$207,978	(\$50,830)	(19.6%)
Other Charges	\$14,032,647	\$19,296,100	\$18,635,921	(\$660,179)	(3.4%)
Acq/Major Repairs	\$445,966	\$891,065	\$451,500	(\$439,565)	(49.3%)
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXPENDITURES	\$67,339,706	\$76,705,479	\$70,870,150	(\$5,835,329)	(7.6%)

Significant Adjustments

Salaries, Other Compensation & Related Benefits

The total net decrease of \$3.42 million in Salaries, Other Compensation and Related Benefits includes retirement system rate adjustments, insurance base adjustments, an attrition adjustment, and personnel reductions.

Supplies

According to the department, decreases in supplies will impact public safety, firefighting, health safety & food inspection, livestock inspection/traceability, and pesticide enforcement.

Operating Services

The department has not provided what specific services will be affected due to a \$589,000 reduction in Operating Services. However, the department has indicated that this will have a detrimental impact on their ability to adequately perform their constitutional duties relating to the promotion, protection, and advancement of agriculture.



Expenditure Breakdown

Programs	FY 13-14 Actual Expenditures	FY 14-15 Existing Operating Budget (12/1/14)	FY 15-16 Executive Budget Recommendation	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
Management & Finance	\$16,010,238	\$17,675,825	\$16,162,536	(\$1,513,289)	(8.6%)
Agricultural & Environmental Sciences	\$16,763,468	\$20,168,165	\$19,870,273	(\$297,892)	(1.5%)
Animal Health & Food Safety	\$11,234,922	\$11,747,191	\$10,709,029	(\$1,038,162)	(8.8%)
Agro-Consumer Services	\$6,409,077	\$7,128,442	\$6,969,549	(\$158,893)	(2.2%)
Forestry	\$14,397,575	\$15,981,052	\$14,192,078	(\$1,788,974)	(11.2%)
Soil & Water Conservation	\$1,008,850	\$1,175,358	\$1,133,466	(\$41,892)	(3.6%)
Auxiliary Account	\$1,515,576	\$2,829,446	\$1,833,219	(\$996,227)	(35.2%)
TOTAL EXPENDITURES	\$67,339,706	\$76,705,479	\$70,870,150	(\$5,835,329)	(7.6%)

Source: Executive Budget Supporting Documents

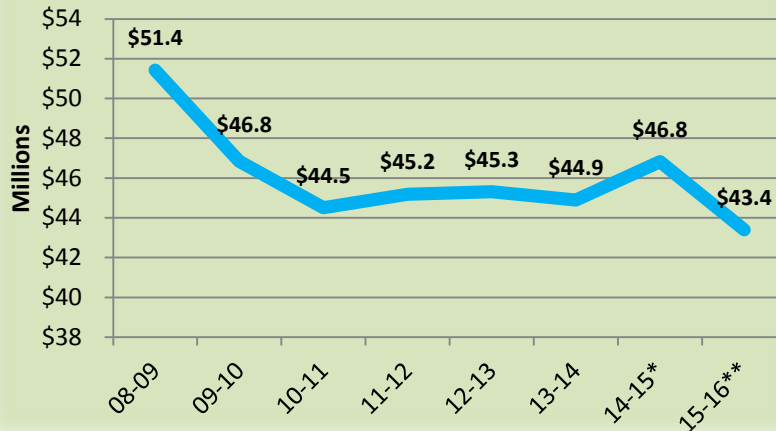
* Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation

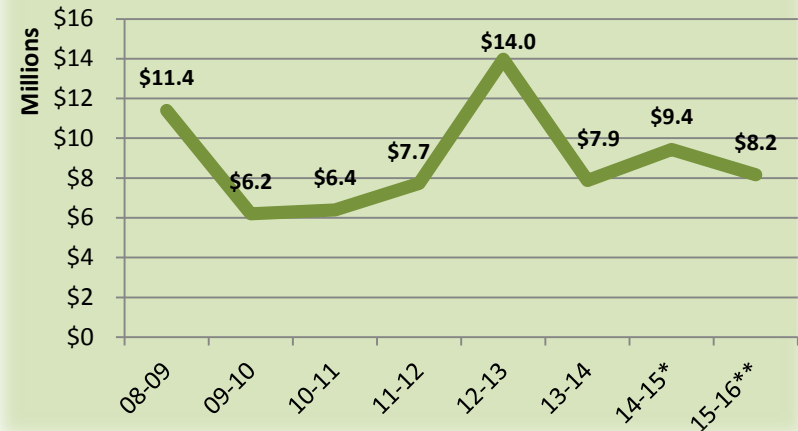


8-Year Expenditure History

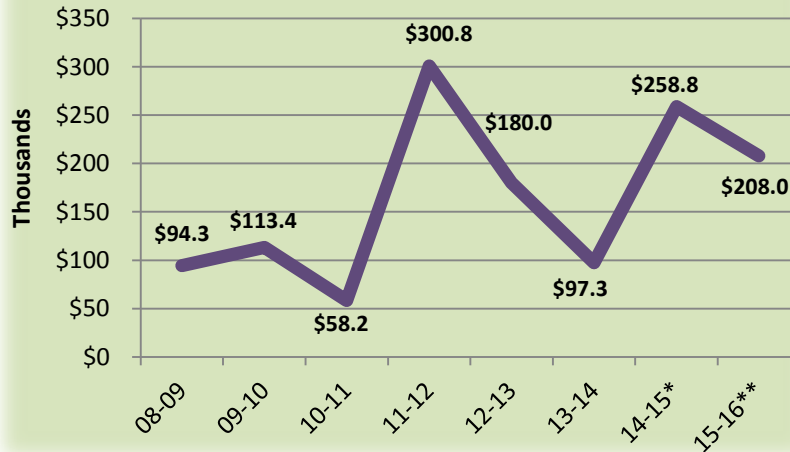
Personal Services



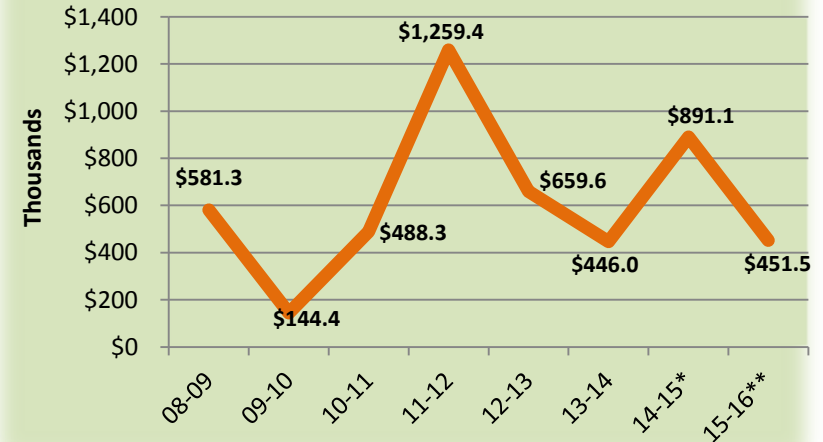
Operating Expenses



Professional Services



Acquisitions & Major Repairs



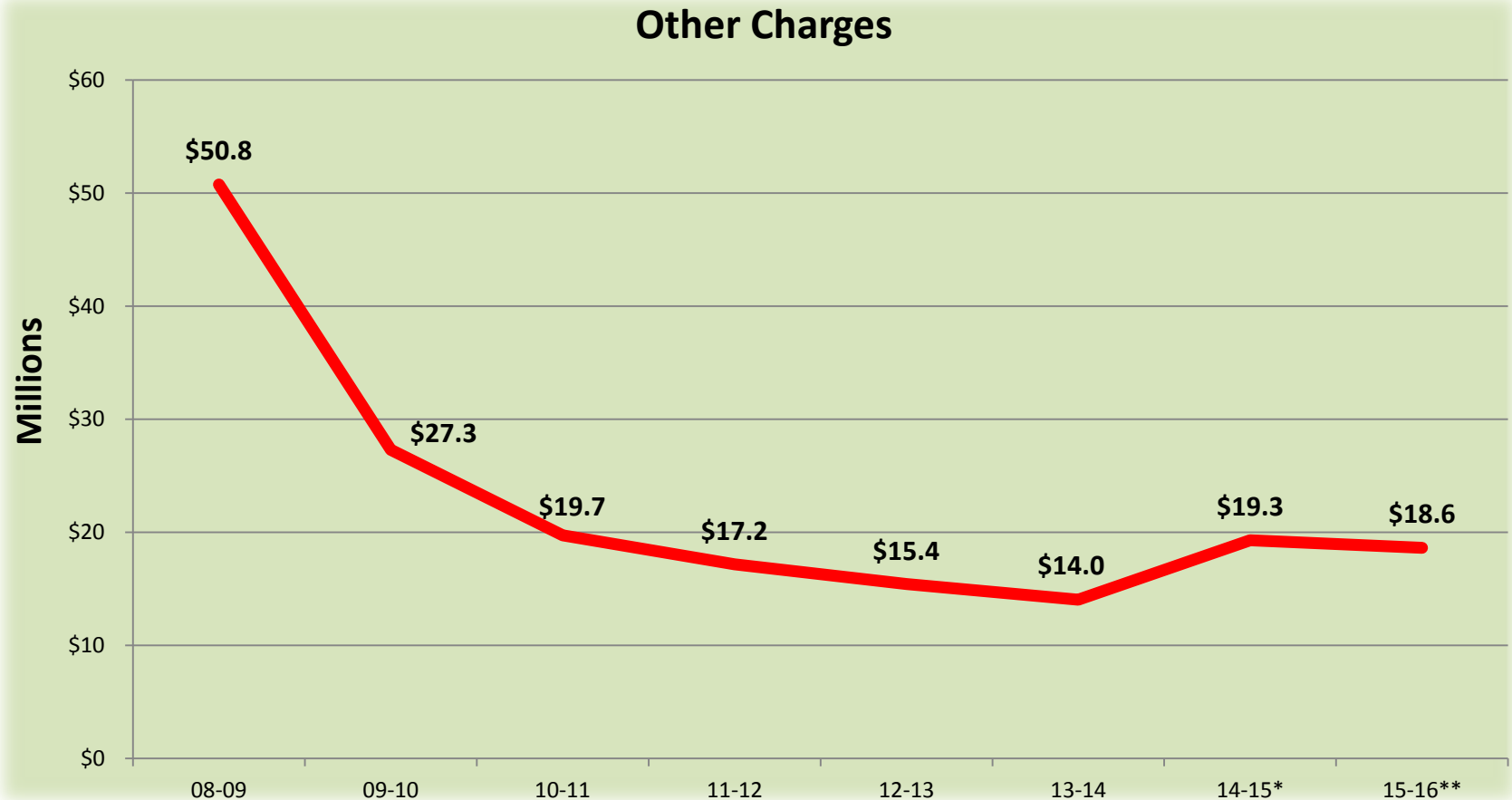
Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



8-Year Expenditure History



Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Significant Adjustments

(\$5.2M)
SGF &
FSGR



Reduces State General Fund by \$4.2M and budget authority for Fees & Self-Generated Revenue by \$945,725. This will result in a department-wide reduction of expenditures, achieved by attrition, closing a maintenance garage, reducing expenditures for fuel and other non-critical supplies, suspending operations of the Indian Creek Recreation Area during non-peak times, reorganizing wildfire suppression efforts, closing stand-by locations for firefighters, closing the seedling orchards and nurseries, reducing forest management and education, reducing the number of inspections in plants and in the field, and reducing the number of laboratory samples analyzed.

\$777,339
Various
MOF



Increases statutory dedications to offset reduction in State General Fund, Interagency Transfers, and Fees & Self-Generated Revenues (-\$777,339 SGF, -\$1,851 IAT, -\$21,572 FSGR, and \$809,399 SD). Increases in statutory dedications include the Louisiana Agricultural Finance Authority Fund, the Petroleum Fund, the Petroleum Products Fund, the Agricultural Commodity Dealers and Warehouse Fund, the Livestock Brand Commission Fund, and the Weights & Measures Fund.

(\$263,727)
SGF

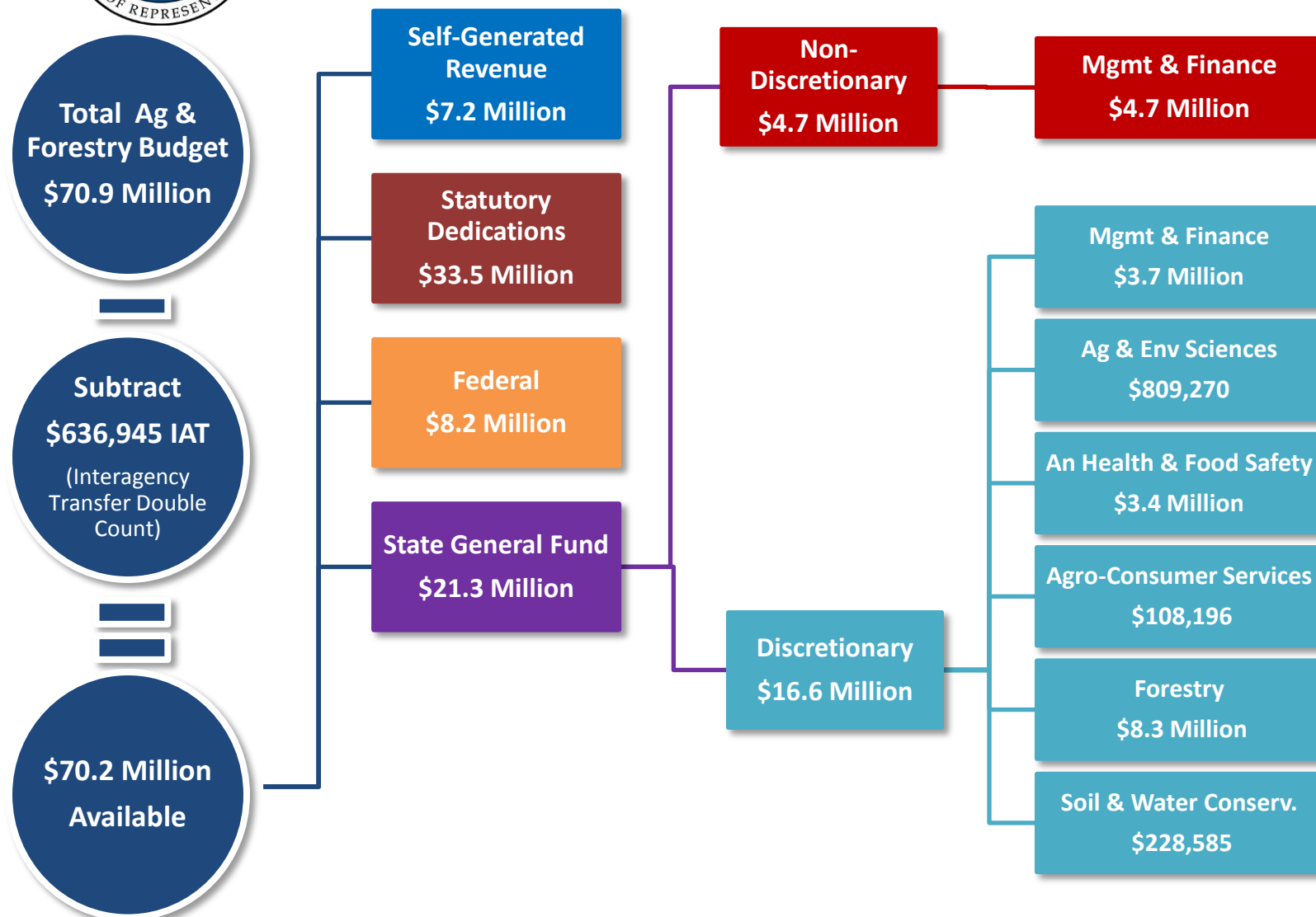


Annualization of first mid-year deficit reduction plan which reduces fuel expenses; delays the replacement of outdated computers, maintenance and updating of internal networks, servers, and IT technology; delays a project that will provide for online applications and payments; and results in not filling vacant food inspector, mechanic, animal health technician, and livestock brand officer positions for the remainder of the year.



Discretionary/Non-Discretionary Funding in FY 15-16

Executive Budget





Salaries and Positions

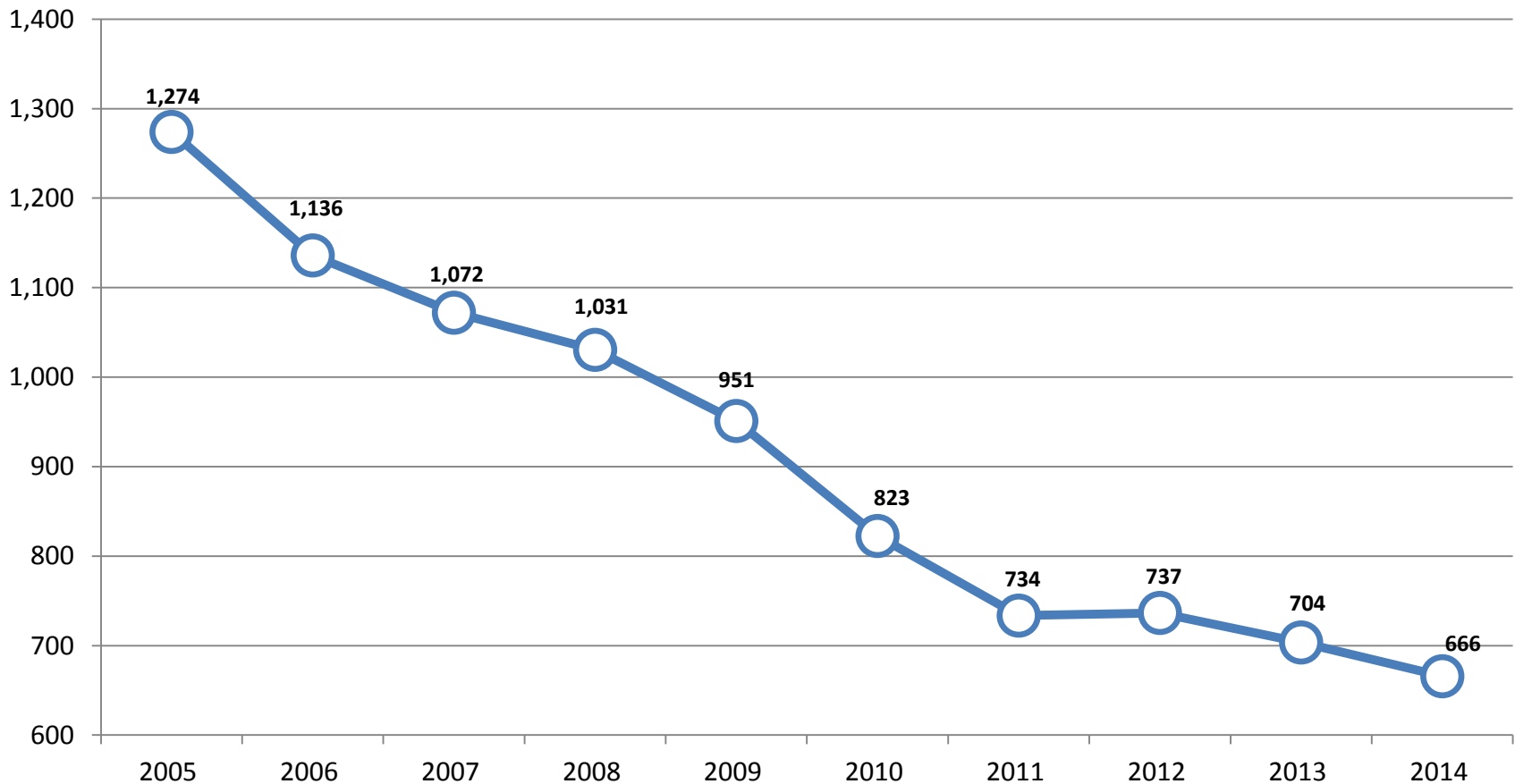
FY 15-16 SALARIES/POSITIONS

- \$26.2 million for Salaries and Other Compensation
 - \$17.2 million for Related Benefits
 - Total Personnel Services = \$43.4 million
- 83.1% of the Department of Agriculture and Forestry's total Executive Budget Recommendation (excluding Other Charges)
- 553 Authorized Positions (515 classified and 38 unclassified)
 - 42 full-time non-T.O. positions
 - 22 Other Charges positions
-
- As of 1/30/2015, the Department of Agriculture and Forestry had 21 vacancies. Of those vacant positions, 2 have been eliminated.



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

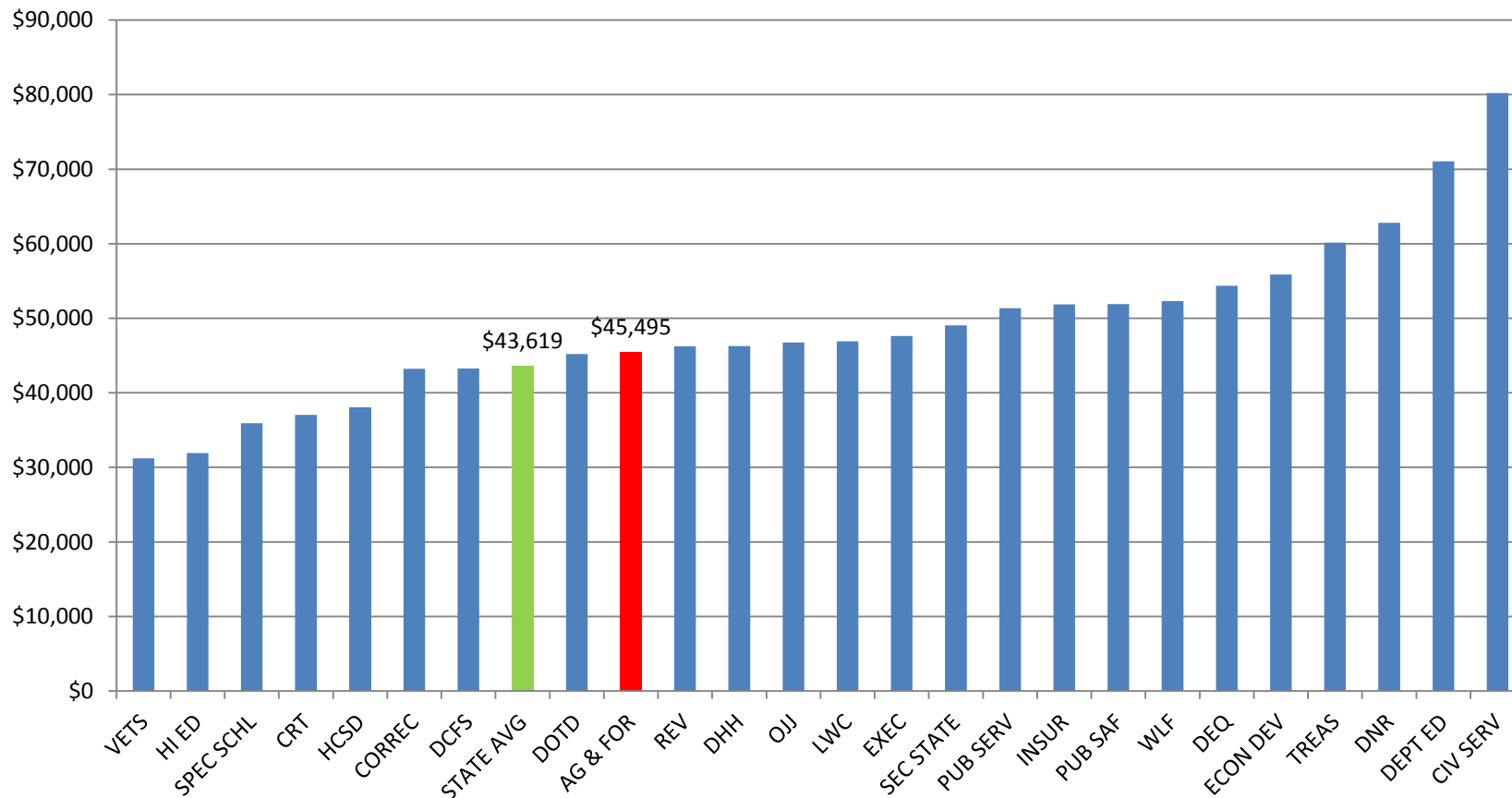


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

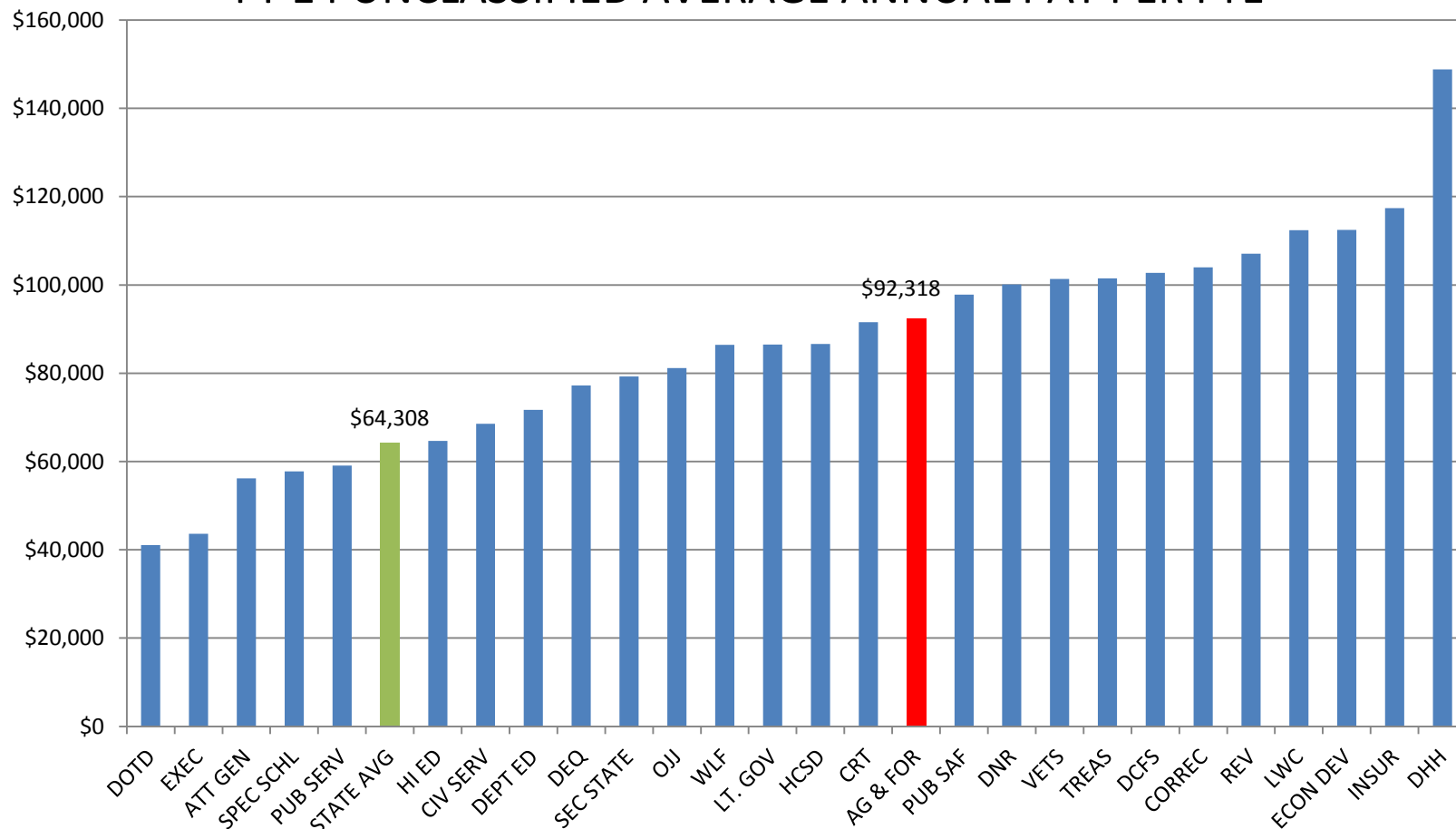


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 14 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



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



Revenue Options

DESCRIPTION	AMOUNT
New fees for Agricultural and Environmental Sciences Program	\$354,000
Fees derived from Industry Sectors	\$150,000
Leasing Land (Including vacated nurseries)	\$200,000
Newly unidentified fees (Under review and consideration)	\$400,000
Restore budget authority for Fees & Self-Generated Revenues	AMOUNT – To Be Determined
TOTAL	\$1,104,000

Source: Information provided by LDAF management



LDAF Assessment of Budget Reductions

Inability to perform critical functions <ul style="list-style-type: none">Public Safety, Firefighting, Inspections, Food Distributions to Schools, and Pesticide Enforcement	Layoffs <ul style="list-style-type: none">Payroll is currently underfunded
Services Impacted <ul style="list-style-type: none">Senior & WIC Programs, Minorities Farmers Program, Response to Complaints, Inspections	IT Upgrades Suspended <ul style="list-style-type: none">Indefinitely
Unfilled Vacant Positions <ul style="list-style-type: none">Will remain unfilled	Loss of Federal Funding <ul style="list-style-type: none">No matching money available

Source: Information provided by LDAF management



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