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 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

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$25,310,405</td>
<td>$26,464,006</td>
<td>$21,296,854</td>
<td>($5,167,152)</td>
<td>(19.5%)</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$739,733</td>
<td>$636,945</td>
<td>$636,945</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fees and Self-Gen. Rev.</td>
<td>$5,478,626</td>
<td>$8,914,481</td>
<td>$7,231,922</td>
<td>($1,682,559)</td>
<td>(18.9%)</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$29,996,436</td>
<td>$32,680,146</td>
<td>$33,527,654</td>
<td>$847,508</td>
<td>2.6%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$5,814,506</td>
<td>$8,009,901</td>
<td>$8,176,775</td>
<td>$166,874</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$67,339,706</td>
<td>$76,705,479</td>
<td>$70,870,150</td>
<td>($5,835,329)</td>
<td>(7.6%)</td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>582</td>
<td>555</td>
<td>553</td>
<td>(2)</td>
<td>(0.4%)</td>
</tr>
</tbody>
</table>

## 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)

Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Funding (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 06-07</td>
<td>$100</td>
</tr>
<tr>
<td>FY 07-08</td>
<td>$106</td>
</tr>
<tr>
<td>FY 08-09</td>
<td>$114</td>
</tr>
<tr>
<td>FY 09-10</td>
<td>$81</td>
</tr>
<tr>
<td>FY 10-11</td>
<td>$71</td>
</tr>
<tr>
<td>FY 11-12</td>
<td>$72</td>
</tr>
<tr>
<td>FY 12-13</td>
<td>$76</td>
</tr>
<tr>
<td>FY 13-14</td>
<td>$67</td>
</tr>
<tr>
<td>FY 14-15*</td>
<td>$77</td>
</tr>
<tr>
<td>FY 15-16**</td>
<td>$71</td>
</tr>
</tbody>
</table>

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

- Total Budget
- State General Fund

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 $3.85 M
  - 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

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

### 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.

Karen L. Auguste (225) 342-2444  Department of Agriculture & Forestry  House Fiscal Division
## Expenditure Breakdown

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

* Existing Operating Budget as of 12/1/14
**Governor’s Executive Budget Recommendation

Source: Executive Budget Supporting Documents
8-Year Expenditure History

**Personal Services**

- 2008-09: $51.4
- 2015: $43.4

**Operating Expenses**

- 2008-09: $11.4
- 2015: $8.2

**Professional Services**

- 2008-09: $94.3
- 2015: $208.0

**Acquisitions & Major Repairs**

- 2008-09: $581.3
- 2015: $451.5

*Existing Operating Budget as of 12/1/14*

**Governor’s Executive Budget Recommendation**

Source: Executive Budget Supporting Documents
8-Year Expenditure History

Source: Executive Budget Supporting Documents

Karen L. Auguste (225) 342-2444  Department of Agriculture & Forestry  House Fiscal Division

* Existing Operating Budget as of 12/1/14
** Governor’s Executive Budget Recommendation
Significant Adjustments

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.

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.

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

Total Ag & Forestry Budget
$70.9 Million

Subtract
$636,945 IAT (Interagency Transfer Double Count)

$70.2 Million Available

Self-Generated Revenue
$7.2 Million

Statutory Dedications
$33.5 Million

Federal
$8.2 Million

State General Fund
$21.3 Million

Non-Discretionary
$4.7 Million

Discretionary
$16.6 Million

Mgmt & Finance
$4.7 Million

Mgmt & Finance
$3.7 Million

Ag & Env Sciences
$809,270

An Health & Food Safety
$3.4 Million

Agro-Consumer Services
$108,196

Forestry
$8.3 Million

Soil & Water Conserv.
$228,585

Karen L. Auguste (225) 342-2444
Department of Agriculture & Forestry
House Fiscal Division
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

Karen L. Auguste (225) 342-2444 Department of Agriculture & Forestry

House Fiscal Division
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

Karen L. Auguste (225) 342-2444  Department of Agriculture & Forestry  House Fiscal Division
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

Karen L. Auguste (225) 342-2444 Department of Agriculture & Forestry
House Fiscal Division
Revenue Options

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>New fees for Agricultural and Environmental Sciences Program</td>
<td>$354,000</td>
</tr>
<tr>
<td>Fees derived from Industry Sectors</td>
<td>$150,000</td>
</tr>
<tr>
<td>Leasing Land (Including vacated nurseries)</td>
<td>$200,000</td>
</tr>
<tr>
<td>Newly unidentified fees (Under review and consideration)</td>
<td>$400,000</td>
</tr>
<tr>
<td>Restore budget authority for Fees &amp; Self-Generated Revenues</td>
<td>AMOUNT – To Be Determined</td>
</tr>
</tbody>
</table>

**TOTAL** $1,104,000

Source: Information provided by LDAF management
### LDAF Assessment of Budget Reductions

<table>
<thead>
<tr>
<th>Inability to perform critical functions</th>
<th>Layoffs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public Safety, Firefighting, Inspections, Food Distributions to Schools, and Pesticide Enforcement</td>
<td>• Payroll is currently underfunded</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services Impacted</th>
<th>IT Upgrades Suspended</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Senior &amp; WIC Programs, Minorities Farmers Program, Response to Complaints, Inspections</td>
<td>• Indefinitely</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unfilled Vacant Positions</th>
<th>Loss of Federal Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Will remain unfilled</td>
<td>• No matching money available</td>
</tr>
</tbody>
</table>

Source: Information provided by LDAF management
## Department Contacts

<table>
<thead>
<tr>
<th>TITLE</th>
<th>CONTACT</th>
<th>PHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner</td>
<td>Dr. Mike Strain</td>
<td>225-922-1234</td>
</tr>
<tr>
<td>Assistant Commissioner</td>
<td>Col. Dane Morgan</td>
<td>225-952-8142</td>
</tr>
<tr>
<td>Deputy Undersecretary</td>
<td>Ms. Judy Fletcher</td>
<td>225-922-1290</td>
</tr>
</tbody>
</table>