

Representative Cameron Henry  
Chairman



Representative Franklin Foil  
Vice Chairman

**FY16-17 Executive Budget Review**  
**DEPARTMENT OF AGRICULTURE & FORESTRY**

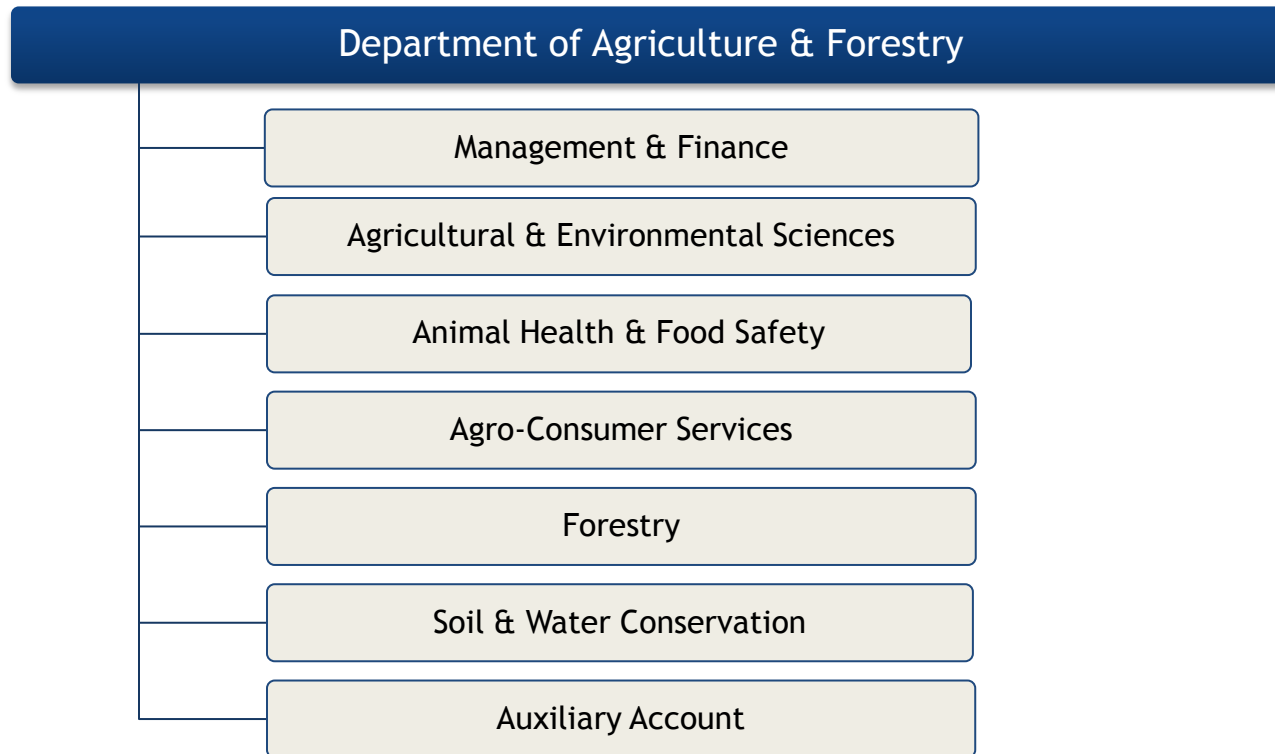
**House Committee on Appropriations**  
by the House Fiscal Division

April 11, 2016

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# DEPARTMENT ORGANIZATION



# DEPARTMENT FUNCTIONS

## Management & Finance



The mission of the Office of Management and Finance is to specify, procure and allocate resources necessary to support the mission of the Louisiana Department of Agriculture and Forestry (LDAF).

The Management & Finance Program Includes:

- Fiscal Services - Coordinates, prepares, and administers the budget development, implementation, control, and management of the operating budget for LDAF.
- Human Resources - Recruits and employs qualified candidates for positions, handles various employee matters, and provides employee training.
- Information Technology - Provides the department's network infrastructure, security administration and development of applications to support department function.
- Procurement - Assures all purchases of supplies, equipment, and services requested by the department are made in accordance with all policies, codes and laws.
- Fleet and Facility - Responsible for the repairs and maintenance of 43 properties, 120 buildings, and 613 motor vehicles for the department.
- Audit - Performs audits within the department to ensure compliance of financial policies and procedures, and to ensure optimization of functions within the department.
- Legal - Handles all legal affairs, reviews all contracts, and provides consultation and legal advice for the department.

# DEPARTMENT FUNCTIONS

## Agricultural & Environmental Sciences



The mission of the Office of Agricultural and Environmental Sciences is to ensure that animal feeds, pet foods, fertilizers, agricultural liming materials and pesticides meet all requirements of law; to monitor, prevent, control and eradicate plant pests and diseases that threaten Louisiana's agriculture, environment and economy; to protect human health and the environment by ensuring the proper labeling, distribution, storage, use, application and disposal of pesticides, and through enforcing of all pesticide laws.

The Agricultural & Environmental Sciences Program Includes:

- Horticulture & Quarantine Program - Monitors and provides for the prevention, control, and eradication of regulated and exotic crop pests or diseases, as well as oversees the qualifications and practices of persons engaged in the green industry.
- Pesticide & Environmental Program - Inspects, enforces, and regulates the registration, distribution, sale, offering for sale, and application of pesticides.
- Agricultural Chemistry Programs - Administers state laws and regulations which regulate the manufacturing and sale of animal feeds, pet foods, fertilizers, and agricultural liming materials.
- Seed Program - Ensures that seed sold for planting purposes meets seed label guarantees and quality standards.

# DEPARTMENT FUNCTIONS

## Animal Health & Food Safety



The mission of the Office of Animal Health and Food Safety is to: guard and protect the integrity of the livestock industry against animal diseases through diagnostic, preventative eradication and other deterrent measures; to protect the food chain, public health, and general welfare of the Louisiana citizenry by assuring that meat, seafood, poultry, eggs, fruits and vegetables and their products are properly identified, labeled, inspected and accurately graded; and to control livestock theft by denying a market for stolen cattle and horses in Louisiana.

The Animal Health & Food Safety Program Includes:

- Livestock Brand Commission - Investigates farm related crimes with the main focus on the identification of livestock through registered brands and markings.
- Food Quality Services (FQS) Program - Provides unbiased third party inspections, state inspections, and shipping point inspections for fresh fruits and vegetables grown in Louisiana.
- Poultry & Egg Division - Establishes grades for poultry and eggs sold in Louisiana. It also enforces state laws, rules and regulations for egg and poultry production, packing, and sales.
- Louisiana Egg Commission - Promotes eggs and egg products in Louisiana and issues licenses. In addition, the commission can hold hearings on violation of the state egg marketing laws and enforce penalties for found violations.
- Veterinary Health Division - Protects Louisiana livestock from infectious diseases; ensures the safety of the meat and poultry that enter the food chain.
- Meat & Poultry Inspection Program - Provides consumers with safe, wholesome, properly labeled meat and poultry products.
- Food Distribution Program - Ensures the US Department of Agriculture (USDA) commodities are distributed to eligible recipient agencies. It is an integral part in the National School Lunch Program.

# DEPARTMENT FUNCTIONS

## Agro-Consumer Services



The mission of the Office of Agro-Consumer Services is to ensure that equity prevails in the marketplace by regulating various aspects of commerce and trade and by promoting and heightening consumer awareness of Louisiana's agricultural commodities to increase sales, thereby enhancing the economic well being of Louisiana farmers and the state as a whole.

The Agro-Consumer Services Program Includes:

- Grain Sampler/Grader Certification - Handles the certification and testing of samplers and graders.
- Grain Commodity Program - Inspectors compare quality or condition of agricultural commodities with official standards to determine the official grade.
- Weights and Measures - Inspects and tests all weighing, measuring, metering, scanning, and packaging devices used commercially.
- Metrology Laboratory - Maintains the standards of mass, length, and volume, and calibrates and certifies those standards and instruments used in commerce, industry, education, and research institutions.
- Dairy Testing and Programs - Work with other agencies to regulate and test dairy within the state. They also enforce the Milk Buyers Bonding Law, which ensures dairy farmers will be paid for the milk they produce.
- Commodity Promotion and Research - Administers promotion and research development programs that serve farmers and consumers. It is responsible for the Senior Farmer's Market Nutrition Program and the Women, Infants, and Children (WIC) Farmer's Market Nutrition Program.

# DEPARTMENT FUNCTIONS

## Forestry



The mission of the Office of Forestry is to protect, conserve and replenish the forest resources of the state.

The Forestry Program Includes:

- Forestry Protection - Includes detection, suppression, and prevention of wildfires on the forest land of Louisiana. Included in these objectives are community education, training, and outreach.
- Forestry Management - Provides landowner assistance to ensure proper forest management practices. These services include technical and practical assistance as well as administering landowner subsidy programs.



# DEPARTMENT FUNCTIONS

## Soil & Water Conservation



The mission of the Office of Soil and Water Conservation (OSWC) is to conserve and sustain these resources on Louisiana's croplands, grasslands, woodlands, wetlands, urban areas and waterways.

The Soil & Water Conservation Program Includes:

- Coastal Marsh Revegetation Planting Program - Plans and implements vegetative planting for erosion control and restoration on private and state owned coastal marshes.
- Soil Survey Program - Ensures availability of current scientific soils data and interpretive information for the development and application of effective conservation and environmental and protective practices.
- EPA Clean Water Act, Section 319 - Implements site specific conservation and environmental protection plans within priority watersheds.
- Agricultural Solid Waste Program - Reduces the costly disposal of agricultural waste at regulated solid waste sites, increases the beneficial use of most agricultural and forestry processing by-products for improving soil condition, fertility, and production and protects air and water quality.
- Information/Education Outreach Program - Delivers quality standards-based conservation education materials and resources to classroom educators and students, communities, individuals and agricultural producers.
- Federal Conservation Programs - Directed toward wetland restoration, soil erosion control, water quality protection, wildlife habitat creation/enhancement and native vegetation restoration.

# DEPARTMENT FUNCTIONS

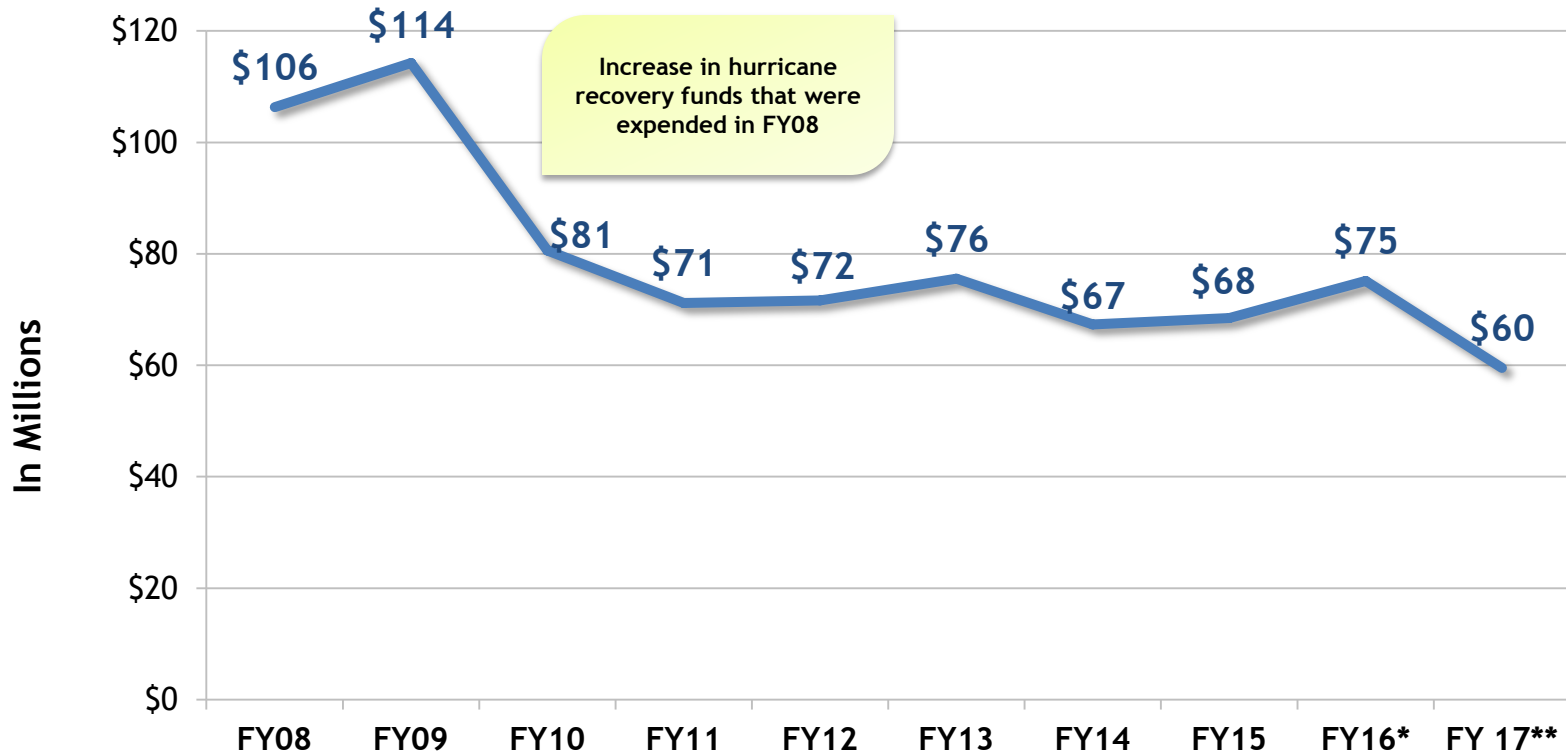
## Auxiliary



The Auxiliary Program Includes:

- Indian Creek Recreation Area-Alexandria - Used for the operation and maintenance of the Indian Creek Recreation Area and Reservoir Area in Woodworth, Louisiana, which is used for timber production, research, education, recreation, water control and environmental protection.

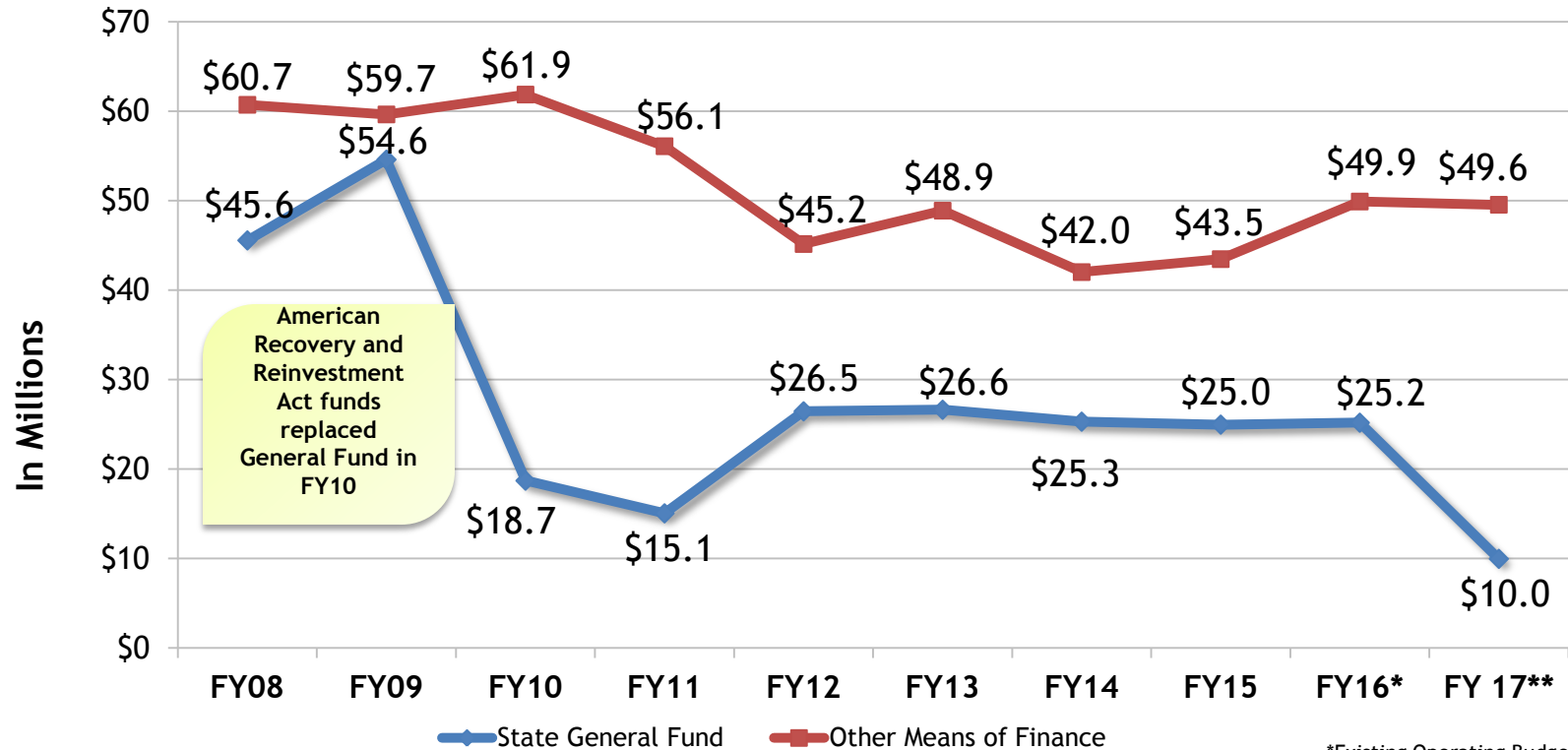
# BUDGET HISTORY



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/15  
\*\* Governor's Executive Budget Recommendation FY16-17

# BUDGET HISTORY



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/15  
 \*\* Governor's Executive Budget Recommendation FY16-17

# MEANS OF FINANCE BREAKDOWN

Means of Financing	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$24,978,022	\$25,193,802	\$9,971,651	(\$15,222,151)	(60.4%)
Interagency Transfers	\$620,030	\$636,945	\$641,125	\$4,180	0.7%
Fees and Self-Gen Rev.	\$6,089,614	\$7,282,424	\$7,296,414	\$13,990	0.2%
Statutory Dedications	\$29,461,427	\$33,822,471	\$32,547,947	(\$1,274,524)	(3.8%)
Federal Funds	\$7,306,299	\$8,176,775	\$9,071,078	\$894,303	10.9%
<b>Total Means of Finance</b>	<b>\$68,455,392</b>	<b>\$75,112,417</b>	<b>\$59,528,215</b>	<b>(\$15,584,202)</b>	<b>(20.7%)</b>

The Division of Administration estimates that \$26.9 million in State General Fund is needed in FY 17 to fully fund projected normal operating costs and other priorities. Therefore, \$16.9 million additional SGF is needed to fully fund operations.

# MAJOR SOURCES OF REVENUE

## Federal Funds \$9.1 Million

Funds are primarily received from the US Department of Agriculture (USDA) to help administer services throughout Louisiana. Other sources of Federal Funding include the Environmental Protection Agency (EPA) to ensure environmental safety while administering pesticides and other substances to the crops of Louisiana.

## Stat Deds \$32.5 Million

The four largest include:

- \$12 Million - Louisiana Agriculture Authority Fund
- \$4 .6 Million - Petroleum Products Fund
- \$4 Million - Pesticide Fund
- \$2.6 Million - Horticulture & Quarantine Fund

Statutory dedications are listed in further detail on the following slide.

## Self Generated \$7.3 Million

Derived from miscellaneous sources such as:

- Various fees and fines for violations of agricultural regulations
- Pesticide dealer licenses
- Agriculture dealing
- Reimbursement from the Louisiana Agricultural Finance Authority (LAFA) for salaries of maintenance personnel
- Poultry, egg, fruit and vegetable inspections
- Market Bulletin subscriptions.

## Interagency Transfers \$641,125

Funds received from various agencies for: the storage of the state's antiviral cache of medications which would be needed during an influenza pandemic to treat and protect citizens; restoration of fire prevention and suppression activities; and to develop erosion control along the coast of Louisiana and the critical area treatment for erosion control and vegetation management.

# MAJOR SOURCES OF REVENUE

Statutory Dedication Name	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Louisiana Agricultural Finance Authority Fund	\$12,004,156	\$12,004,470	\$12,000,742	(\$3,728)	(0.0%)
Petroleum Products Fund	\$4,559,281	\$5,000,000	\$4,600,000	(\$400,000)	(8.0%)
Pesticide Fund	\$3,443,858	\$3,803,131	\$4,000,000	\$196,869	5.2%
Horticulture and Quarantine Fund	\$1,847,945	\$2,551,418	\$2,550,000	(\$1,418)	(0.1%)
Agricultural Commodity Dealers & Warehouse Fund	\$1,929,413	\$2,714,313	\$2,341,988	(\$372,325)	(13.7%)
Weights and Measures Fund	\$2,210,752	\$2,289,286	\$2,228,776	(\$60,510)	(2.6%)
Feed and Fertilizer Fund	\$980,025	\$1,167,116	\$1,500,000	\$332,884	28.5%
Structural Pest Control Commission Fund	\$727,830	\$987,721	\$980,212	(\$7,509)	(0.8%)
Seed Fund	\$529,389	\$866,931	\$866,931	\$0	0.0%
Forest Protection Fund	\$819,669	\$830,000	\$806,606	(\$23,394)	(2.8%)
Sweet Potato Pests and Diseases Fund	\$157,008	\$315,107	\$300,000	(\$15,107)	(4.8%)
Forestry Productivity Fund	\$220,000	\$263,024	\$262,692	(\$332)	(0.1%)
Boll Weevil Eradication Fund	\$22,154	\$100,000	\$100,000	\$0	0.0%
Livestock Brand Commission Fund	\$9,947	\$45,920	\$10,000	(\$35,920)	(78.2%)
Ag. Commodity Commission Self-Insurance Fund	\$0	\$350,000	\$0	(\$350,000)	(100.0%)
Grain and Cotton Indemnity Fund	\$0	\$534,034	\$0	(\$534,034)	(100.0%)
<b>Total Statutory Dedications</b>	<b>\$29,461,427</b>	<b>\$33,822,471</b>	<b>\$32,547,947</b>	<b>(\$1,274,524)</b>	<b>(3.8%)</b>

\* Denotes the fund being moved to the Pass Through Funds agency in FY17

# STATUTORY DEDICATION DETAILS

Statutory Dedication Name	Type	Reverts to SGF?	Fund Source	Fund Use
Ag. Commodity Commission Self-Insurance Fund	Statutory	No	Fees charged for the participation in the program	Administration of the self-insurance program
Agricultural Commodity Dealers & Warehouse Fund	Statutory	No	Assessments and fees for warehouse licensing, grain dealer licensing, moisture meter inspection and registration, grain exam, certification, and grading	Funds regulation of grain industry, licensing, regulation of commercial grain warehouses, and grain dealers; grain sampling, official grading; licensing, regulation of cotton merchants
Boll Weevil Eradication Fund	Statutory	No	Fines from the Boll Weevil Eradication Commission	Provides for the maintenance of Louisiana's Boll Weevil free status
Feed and Fertilizer Fund	Statutory	No	Fees from registration and filing a label with the commissioner	Funds the regulation of the feed, fertilizer and lime industries and provides funding for required lab analyses
Forest Protection Fund	Statutory	No	Assessment paid by owners of timberland	Purchasing forest fire fighting equipment
Forestry Productivity Fund	Statutory	Yes	Twenty-five percent of a severance tax on timber	Implementation of reforestation of forest lands
Grain and Cotton Indemnity Fund	Statutory	No	.04% of all commodities sold to grain dealers and cotton merchants	Covers farmers that aren't fully compensated by failing grain elevators
Horticulture and Quarantine Fund	Statutory	No	Fees, fines, and assessments charged by the state entomologist	Funds the regulation of licensed horticulture professions, including inspections and investigations; funds the regulation of horticulture permit holders, including inspections and investigations; funds and regulates the Louisiana bee industry

\* Denotes the fund being moved to the Pass Through Funds agency in FY17

# STATUTORY DEDICATION DETAILS

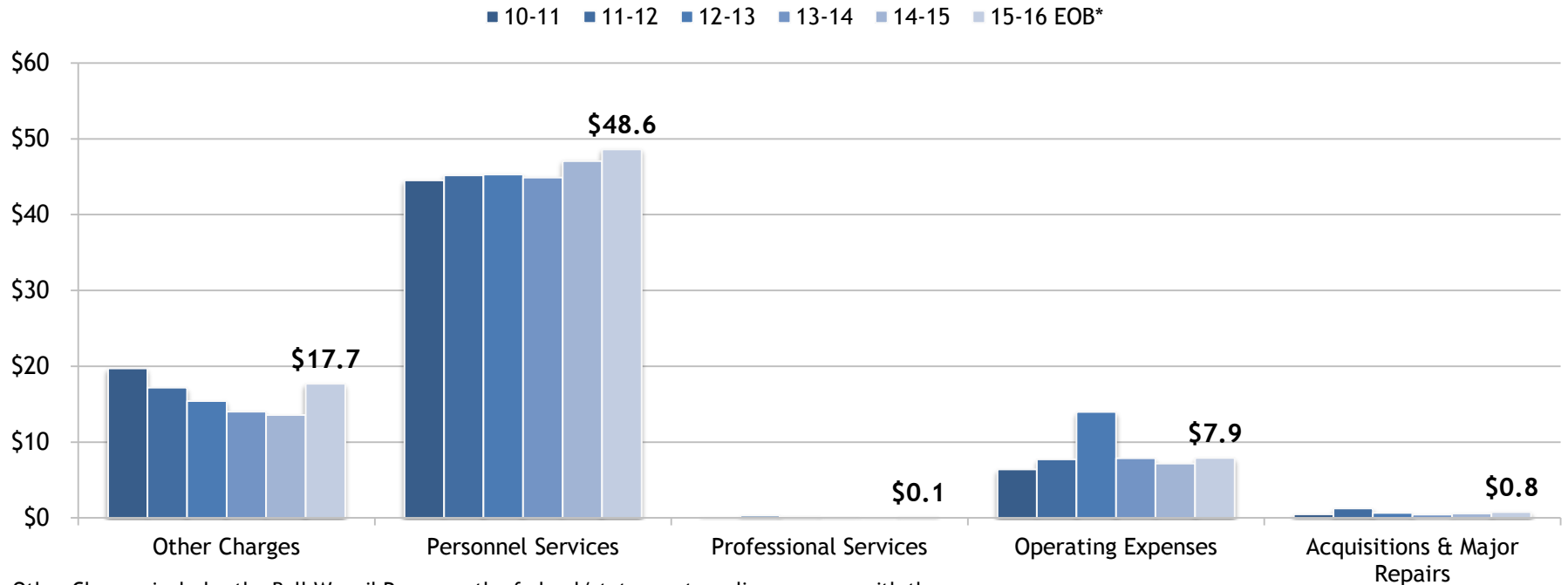
Statutory Dedication Name	Type	Reverts to SGF?	Fund Source	Fund Use
Livestock Brand Commission Fund	Statutory	No	Various assessments, fees, and penalties for livestock branding	Funds registration & certification of livestock brands
Louisiana Agricultural Finance Authority Fund	Statutory	Yes	Slot machine proceeds (R.S. 27:392)	Funds bond debt obligation
Pesticide Fund	Statutory	No	Permits, registration, and fines for pesticides	Funds the regulation of the pesticide industry, to include such persons as aerial applicators, mosquito control, pesticide dealers, etc., and supports LDAF's agreement with EPA (FIFRA)
Petroleum Products Fund	Statutory	No	4/32 of a penny per gallon of fuel sold	Funds inspection, regulation, and analysis of petroleum products
Seed Fund	Statutory	No	Assessments and fees of the Seed Program	Funds the regulation of the seed industry, supports Louisiana's seed certification program and provides funding for required lab analyses
Structural Pest Control Commission Fund	Statutory	No	Fees and fines for Place of Business Permit, Technician Exam and Certification, and Wood Destroying Insect Eradication and Reporting	Funds the regulation of the pest control industry, including inspections and investigations
Sweet Potato Pests and Diseases Fund	Statutory	No	Six cents per bushel of potatoes moved within Louisiana	Funds the regulation of the sweet potato industry to prevent the spread of the sweetpotato weevil and to certify that all shipments of sweet potatoes from Louisiana are weevil free
Weights and Measures Fund	Statutory	No	Registration fees from commercial weighing and measuring devices	Funds the regulation of motor fuel quality & dispenser accuracy; funds price verification of scanners and scales, commercial weight testing and calibration; funds taximeter registration, inspection; country of origin labeling for USDA

# EXPENDITURE BREAKDOWN

Expenditure	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$28,010,527	\$28,225,823	\$22,511,163	(\$5,714,660)	(20.2%)
Other Compensation	\$1,353,461	\$1,220,565	\$878,563	(\$342,002)	(28.0%)
Related Benefits	\$17,710,473	\$19,165,502	\$12,463,147	(\$6,702,355)	(35.0%)
Travel	\$144,764	\$224,385	\$190,783	(\$33,602)	(15.0%)
Operating Services	\$4,557,508	\$4,481,725	\$4,084,202	(\$397,523)	(8.9%)
Supplies	\$2,486,460	\$3,194,674	\$2,622,287	(\$572,387)	(17.9%)
Professional Services	\$38,649	\$133,590	\$122,040	(\$11,550)	(8.6%)
Other Charges	\$13,557,595	\$17,692,653	\$16,291,050	(\$1,401,603)	(7.9%)
Acq/Major Repairs	\$595,955	\$773,500	\$364,980	(\$408,520)	(52.8%)
Unalloted	\$0	\$0	\$0	\$0	0.0%
<b>Total Expenditures</b>	<b>\$68,455,392</b>	<b>\$75,112,417</b>	<b>\$59,528,215</b>	<b>(\$15,584,202)</b>	<b>(20.7%)</b>
Authorized Positions	555	553	563	10	1.8%

Increase of 10 positions provides for ten additional firefighters to improve response times to wildfires and alleviate scheduling and safety issues for crews.

# EXPENDITURE HISTORY (IN MILLIONS)



Other Charges includes the Boll Weevil Program, the federal/state meat grading program with the USDA, WIC grant expenses, forestry conservation programs, the Vegetative Planting Program, expenses for the Soil and Water Conservation Districts, and expenses for the Indian Creek Reservation Area.

Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/15

# PROGRAM COMPARISONS

Program	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Management & Finance	\$16,978,698	\$17,632,394	\$10,985,776	(\$6,646,618)	(37.7%)
Ag & Env Sciences	\$17,836,614	\$20,165,090	\$20,865,292	\$700,202	3.5%
An Hlth & Food Safety	\$11,191,089	\$11,409,029	\$8,879,531	(\$2,529,498)	(22.2%)
Agro-Consumer Services	\$6,667,485	\$7,656,639	\$7,296,163	(\$360,476)	(4.7%)
Forestry	\$13,448,213	\$15,192,078	\$9,623,668	(\$5,568,410)	(36.7%)
Soil & Water Conservation	\$1,156,468	\$1,173,466	\$1,050,921	(\$122,545)	(10.4%)
Auxiliary	\$1,176,825	\$1,883,721	\$826,864	(\$1,056,857)	(56.1%)
<b>Total Expenditures</b>	<b>\$68,455,392</b>	<b>\$75,112,417</b>	<b>\$59,528,215</b>	<b>(\$15,584,202)</b>	<b>(20.7%)</b>

# SIGNIFICANT ADJUSTMENTS



**\$36,674**  
**SGF/FSGR**

Decrease is the net change between an increase of \$710,799 in Forestry's State General Fund budget to fund the 10 additional firefighters and a reduction of \$747,473 in the Auxiliary Accounts Fees & Self-generated Revenue's budget authority in order to better address the needs of the department.



**\$0**  
**MOF Swap**

Reduction of Statutory Dedications by \$1.1 Million corresponding with an increase of \$1.1 Million in State General Fund. This swap is to balance to the Revenue Estimating Conference projected revenues for the Structural Pest Control Fund, Pesticide Fund, Forest Protection Fund, Forestry Productivity Fund, Petroleum Products Fund, Livestock Brand Commission Fund, Agricultural Commodity Dealers & Warehouse Fund, Sweet Potato Pests & Diseases Fund, Feed & Fertilizer Fund, and Horticulture & Quarantine Fund.



**\$884,034**  
**Stat Ded**

Decrease in Statutory Dedications by \$884,034 is a result of the transfer of Agriculture Commodity Commission Self-Insurance Fund and the Grain & Cotton Indemnity Fund into the department's Pass Through Funds Agency, which is included in the Other Requirements portion of the Executive Budget.

# FY17 DISCRETIONARY/NON-DISCRETIONARY FUNDING

**TOTAL BUDGET**  
**\$59.5 Million**

\$641,125 IAT  
Double Count

**\$58.9  
Million  
Remaining**

Self Generated  
Revenue  
**\$7.3 Million**

Statutory  
Dedications  
**\$32.5 Million**

Federal Funds  
**\$9.1 Million**

State General Fund  
**\$10.0 Million**

**Non-Discretionary  
\$4.1 Million**

Management & Finance  
**\$4.1 Million**

**Discretionary  
\$5.9 Million**  
(Compared to  
\$16.6M in FY16)

Ag & Env Sciences  
**\$301,495**

Animal Health & Food Safety  
**\$1.4 Million**

Agro-Consumer Services  
**\$294,639**

Forestry  
**\$3.8 Million**

Soil & Water Conservation  
**\$142,032**

# PERSONNEL INFORMATION

## 10 Year FTE Positions/Avg Salary

### Personnel Budget Percentage

\$23.4 M Salaries and Other Comp

\$12.5 M Related Benefits

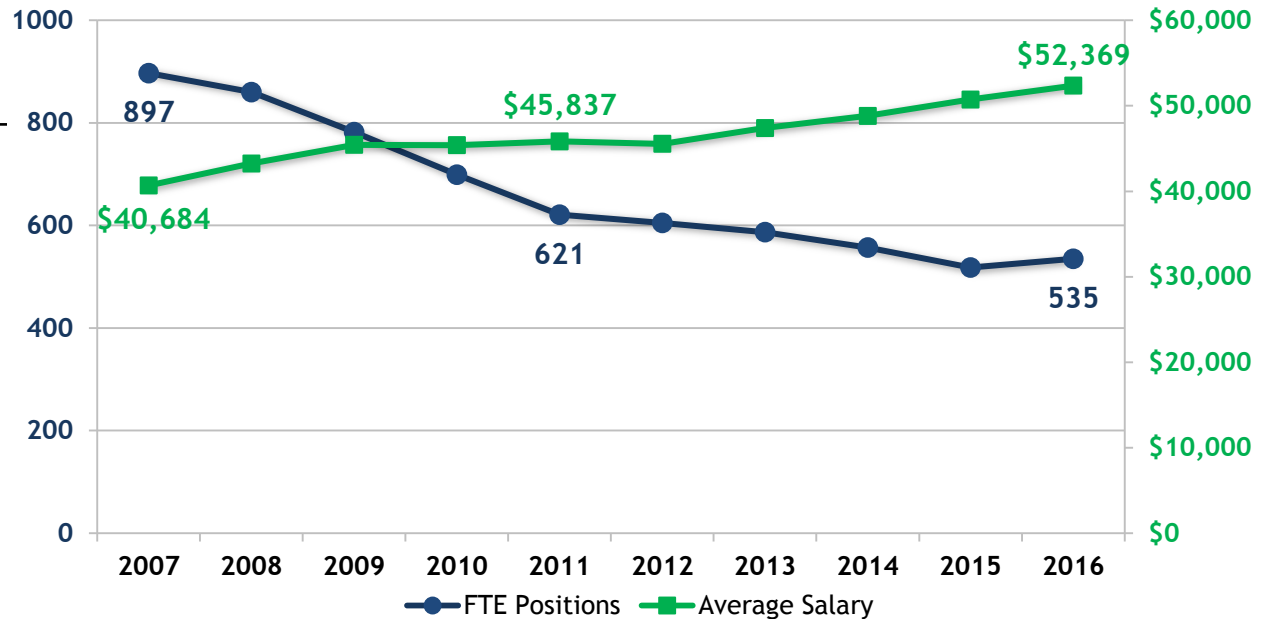
**\$35.9 M Total Personnel Services**

- 83% of the department's total Executive Budget Recommendation (excluding Other Charges)

### Authorized Positions

- 563 (525 classified and 38 unclassified)
- 42 full-time non-T.O. positions
- 26 Other Charges positions

\*As of 1/29/2016, Agriculture & Forestry had 32 vacancies



Source: Prepared by House Fiscal Division staff using information from Civil Service

# PASS THROUGH FUNDS

The Agriculture & Forestry Pass Through Funds Include:

- Pass through funds for the 44 Soil and Water Conservation Districts in Louisiana
- The Temporary Emergency Food Assistance Program
- Specialty Crop Block Grant
- Volunteer Fire Assistance
- Forest Land Enhancement Program
- Urban and Community Forestry
- State Fire Assistance - Mitigation
- Forest Health Monitoring
- Forest Productivity Program
- Grain and Cotton Indemnity Fund

Means of Financing	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$1,572,577	\$1,572,577	\$582,342	(\$990,235)	(63.0%)
Interagency Transfers	\$202,090	\$262,090	\$197,910	(\$64,180)	(24.5%)
Fees and Self-Gen Rev.	\$0	\$400,000	\$0	(\$400,000)	(100.0%)
Statutory Dedications	\$1,428,826	\$1,936,976	\$3,121,010	\$1,184,034	61.1%
Federal Funds	\$3,348,207	\$5,046,260	\$5,046,260	\$0	0.0%
<b>Total Means of Finance</b>	<b>\$6,551,700</b>	<b>\$9,217,903</b>	<b>\$8,947,522</b>	<b>(\$270,381)</b>	<b>(2.9%)</b>

The Division of Administration estimates that \$1.6 million in State General Fund is needed in FY 17 to fully fund projected normal operating costs and other priorities. Therefore, \$999,235 additional SGF is needed to fully fund operations.

## Significant Adjustments

- Reduction of \$990,235 in State General Fund is in accordance with the Louisiana Constitution, Article VII, Section 11(A).
- Increase in \$1.18 in Statutory Dedications is largely
- due to the Agricultural Commodity Commission Self-Insurance Fund (\$350,000) and the Grain & Cotton Indemnity Fund (\$534,034) being moved from the Department of Agriculture and Forestry to its Pass Through agency.
- Reduction of \$400,000 in Fees & Self-generated Revenue is due to non-recurring funding for the Louisiana Coastal Prairie Conservation

# DEPARTMENT CONTACTS

POSITION	Name	Contact
Commissioner of Agriculture & Forestry	Dr. Mike Strain	225.922.1234
Assistant Commissioner of Management and Finance	Col. Dane Morgan	225.952.8142
Deputy Undersecretary	Ms. Judy Fletcher	225.922.1290