

Budget Brief – Department of Agriculture and Food

NUMBER: NRAS-BB-07-19

SUMMARY

The Department of Agriculture and Food (DAF) is responsible for the administration of Utah’s agricultural laws, which mandate a wide variety of activities including inspection, regulation, information, rulemaking, loan issuance, marketing and development, pest and disease control, improving the economic position of agriculture, and consumer protection. Though not a part of DAF, the Utah State Fair Corporation has been included as a line item in DAF’s budget since FY 2003. For detailed information on DAF, please see Compendium of Budget Information for the 2007 General Session, pages 145-187.

ISSUES AND RECOMMENDATIONS

Pesticide Fee Increase

The Department is proposing a fee increase for registration of pesticide products, which is estimated to generate additional \$270,000 per year in Dedicated Credits. If this fee increase is approved, the Department is requesting the new revenues to be spent as follows:

- \$80,000 for the Grain Inspection Program
- \$60,000 for Homeland Security
- \$130,000 for the Weed Program

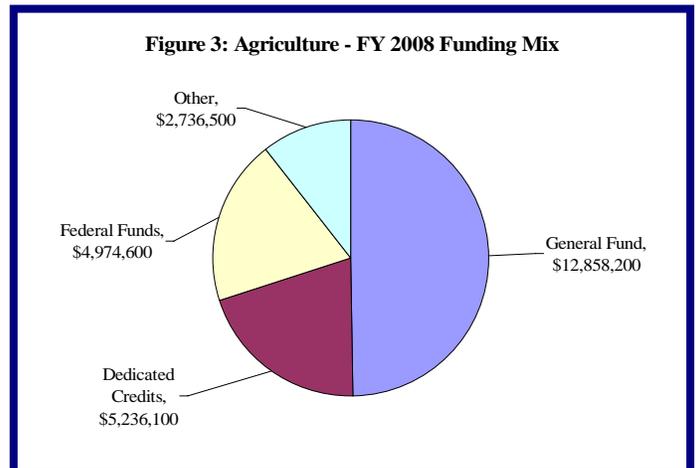
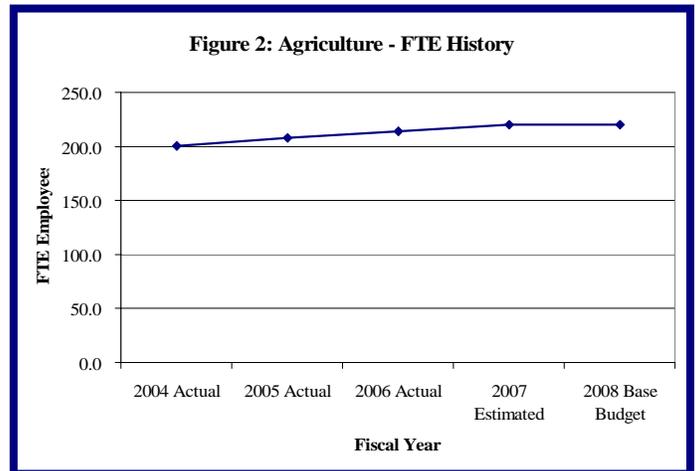
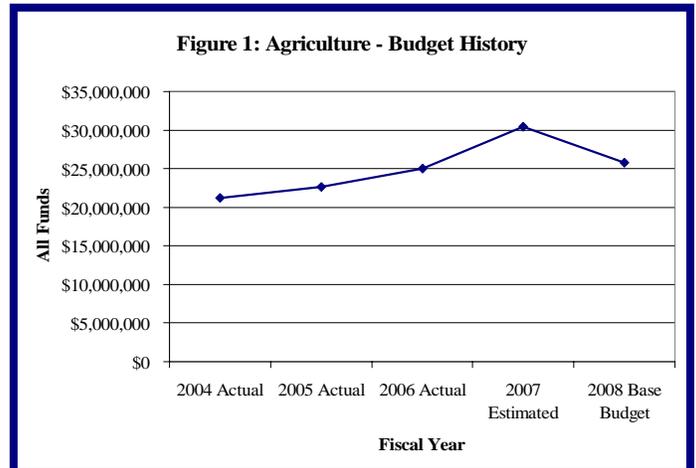
The Analyst recommends the Committee fund this request.

Meat Inspector

The Department reports that in the last two years 11 new plants and slaughter houses were opened in rural Utah, with additional seven to be opened in the first part of 2007 calendar year. The number of inspectors, however, has increased by one in the last 15 years. In order to provide adequate meat inspection in rural areas, the Department is requesting ongoing appropriation from the General Fund in order to hire a meat inspector. The Analyst recommends the Committee consider placing on the funding priority list for EAC a request for \$60,000 ongoing from the General Fund.

Utah’s Own Promotion

The 2006 Legislature provided a supplemental appropriation for FY 2006 of \$400,000 from the General Fund and a non-lapsing intent language. In FY 2006 the Department has spent \$132,900 from other programs to promote Utah’s Own companies, and the full \$400,000 is available in FY 2007. The Department is requesting for FY 2008 additional General Funds for the Utah’s Own Program. The Analyst recommends the Department use



its nonlapsing balances if this Program needs additional funds in FY 2008.

Agricultural Energy Development Program

The Department is requesting funding to start an Agricultural Energy Development Program, which will provide direction, guidance, and correlation for the development of new energy sources in the agricultural sector. The Department is to work closely with producers, scientists, and other agencies to assure that effective and efficient production methods are developed and implemented. The Analyst recommends the Committee provide one-time \$45,000 from the Rural Rehab Loan restricted funds.

State Fair Corporation Reimbursement

The Utah State Fair Corporation is requesting reimbursement for capital improvements to the State Fairpark incurred during 2006. The expenditures were for infrastructure and other emergency repairs necessary to host the 2006 Utah State Fair totaling \$313,000. Management anticipated the additional revenues generated by these projects adequate to fund the expenditures. However, the cold and rain during the last part of the 2006 State Fair negatively impacted their revenues by \$285,000.

ACCOUNTABILITY DETAIL

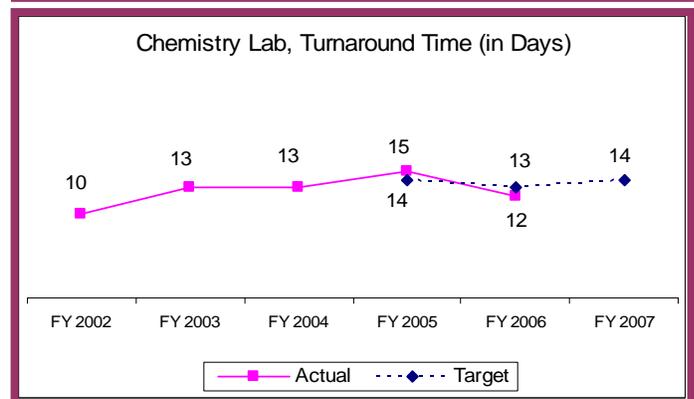
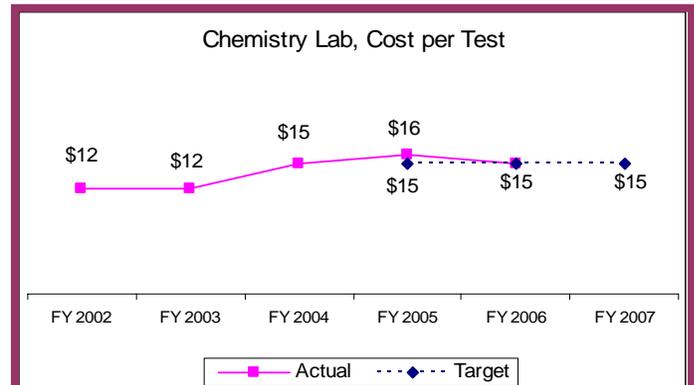
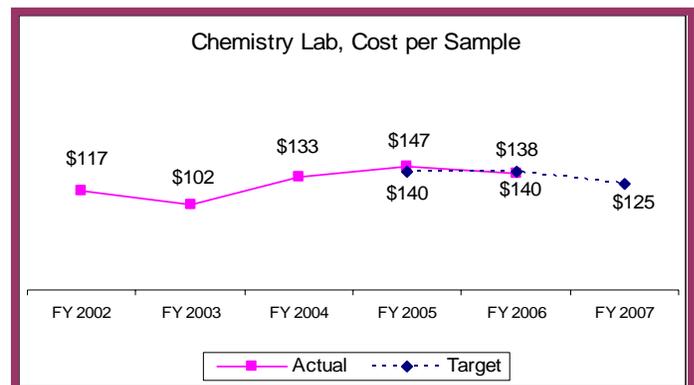
These three indicators provide information on the efficiency of the chemistry laboratory. Increased efficiencies should result in lowered costs and/or shorter turn around time for results.

Measure: Cost per sample tested, cost per test performed on each sample, time (days) required to complete all tests and report results to clients.

Goal: Lab efficiency by maintaining or reducing laboratory costs while maintaining or reducing turn around time.

Methodology: Budget spent divided by number of samples and tests performed. Turn around time is calculated based on date sample received until date results reported. This is not "working days".

In FY 2006 the lab staff was able to meet or exceed their goals for cost per test and sample, as well as for turnaround time.



BUDGET DETAIL***Budget Recommendation***

The Analyst recommends for the Department of Agriculture and Food for FY 2008 a base budget appropriation of \$25,805,400, with \$ 12,858,200 from the General Fund (see Budget Detail Table).

The Analyst also recommends \$270,000 ongoing appropriation from the Dedicated Credits if the fees increases for pesticide registration are approved by the Legislature.

At this time the Executive Appropriations Committee (EAC) has not allocated any General Funds beyond the agencies' base budgets. The Analyst recommends the Subcommittee consider placing the request for \$60,000 from the General Fund for a meat inspector on the funding priority list for the EAC.

None of the requests for funding increase are built in the tables and charts of this Budget Brief.

Intent Language

It is the intent of the Legislature that the appropriation for conservation easements, whether granted to charitable organizations specified under UCA 57-18-3 or held by the Department of Agriculture & Food, be used to conserve agricultural lands and be nonlapsing.

It is the intent of the Legislature that funds collected in the Organic Certification Program be nonlapsing.

It is the intent of the Legislature that the appropriation to the Agricultural Inspection Program be nonlapsing.

It is the intent of the Legislature that the appropriation to the Resource Conservation program be nonlapsing.

It is the intent of the Legislature that the appropriation for Utah's Own be non-lapsing.

It is the intent of the Legislature that the appropriation to the Utah State Fair Corporation be nonlapsing.

It is the intent of the Legislature that the funds collected for registration under the Utah Wholesome Food Act and Weights & Measures Act be nonlapsing.

It is the intent of the Legislature that funding approved for Soil Conservation District elections be nonlapsing and be spent only during even-numbered years when elections take place.

It is the intent of the Legislature that the appropriation to the Predatory Animal Control Program be nonlapsing

It is the intent of the Legislature that the Soil Conservation Districts submit annual reports documenting supervisory expenses to the Legislative Fiscal Analyst, the Office of Planning and Budget, and the Soil Conservation Commission. It is also the intent of the Legislature that these documents be reviewed and reported to the Governor and the Legislature.

BUDGET DETAIL TABLE

Agriculture						
	FY 2006	FY 2007		FY 2007		FY 2008*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	11,943,300	12,858,200	0	12,858,200	0	12,858,200
General Fund, One-time	658,000	600,900	0	600,900	(600,900)	0
Federal Funds	4,988,800	5,040,800	1,384,800	6,425,600	(1,451,000)	4,974,600
Dedicated Credits Revenue	4,580,600	4,716,800	0	4,716,800	519,300	5,236,100
Restricted Revenue	333,300	0	333,300	333,300	(333,300)	0
GFR - Horse Racing	50,000	50,000	0	50,000	0	50,000
GFR - Livestock Brand	931,000	916,000	0	916,000	1,500	917,500
GFR - Wildlife Damage Prev	582,900	611,700	0	611,700	900	612,600
Agri Resource Development	296,100	629,400	(333,300)	296,100	333,300	629,400
Utah Rural Rehab Loan	18,000	18,000	0	18,000	0	18,000
Transfers	1,648,800	775,200	(99,600)	675,600	(18,500)	657,100
Transfers - Fed Pass-thru	35,900	0	0	0	0	0
Pass-through	38,100	0	0	0	0	0
Beginning Nonlapsing	3,068,500	583,700	2,885,100	3,468,800	(2,899,600)	569,200
Closing Nonlapsing	(3,472,500)	(572,900)	3,700	(569,200)	(148,100)	(717,300)
Lapsing Balance	(693,100)	0	0	0	0	0
Total	\$25,007,700	\$26,227,800	\$4,174,000	\$30,401,800	(\$4,596,400)	\$25,805,400
Line Items						
Administration	17,925,000	19,248,200	4,148,700	23,396,900	(4,684,600)	18,712,300
Building Operations	270,000	270,000	0	270,000	0	270,000
Utah State Fair Corporation	3,685,600	3,655,700	0	3,655,700	247,000	3,902,700
Predatory Animal Control	1,418,200	1,303,200	400	1,303,600	(16,700)	1,286,900
Resource Conservation	1,406,200	1,436,600	24,900	1,461,500	(142,100)	1,319,400
Loans	302,700	314,100	0	314,100	0	314,100
Total	\$25,007,700	\$26,227,800	\$4,174,000	\$30,401,800	(\$4,596,400)	\$25,805,400
Categories of Expenditure						
Personal Services	11,907,700	13,803,800	(125,300)	13,678,500	(463,100)	13,215,400
In-State Travel	331,300	443,200	3,500	446,700	5,100	451,800
Out of State Travel	112,300	146,900	(11,000)	135,900	(900)	135,000
Current Expense	2,703,500	3,109,800	(508,100)	2,601,700	(223,200)	2,378,500
DP Current Expense	252,700	274,900	260,300	535,200	(103,300)	431,900
Capital Outlay	174,200	42,000	207,000	249,000	(207,000)	42,000
Other Charges/Pass Thru	9,526,000	8,407,200	4,337,600	12,744,800	(3,594,000)	9,150,800
Total	\$25,007,700	\$26,227,800	\$4,164,000	\$30,391,800	(\$4,586,400)	\$25,805,400
Other Data						
Budgeted FTE	213.9	226.0	(5.9)	220.1	0.0	220.1
Vehicles	109	109	0	109	0	109

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.