



AGRICULTURE AND FOOD ADMINISTRATION

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
 STAFF: IVAN DJAMBOV & ANGELA OH

BUDGET BRIEF

SUMMARY

The Department of Agriculture and Food 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. The Agriculture Administration line item currently contains most of the department’s programs.

For the programs in this line item, the Analyst recommends a base appropriation for FY 2014 of \$21,538,400.

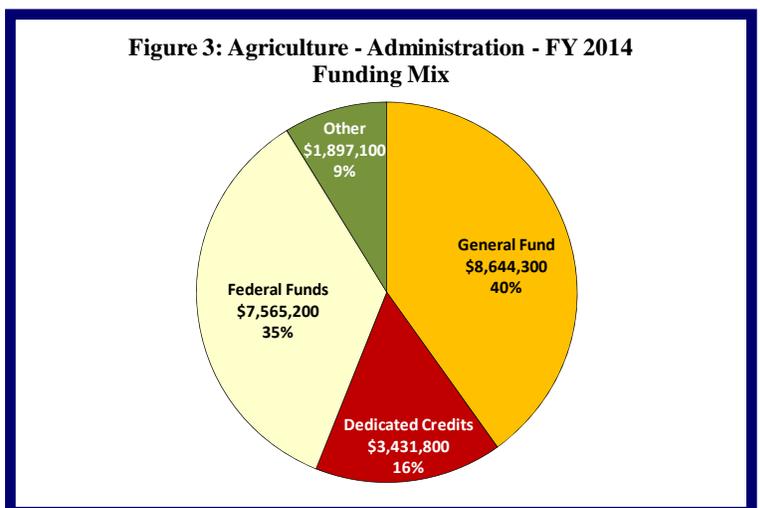
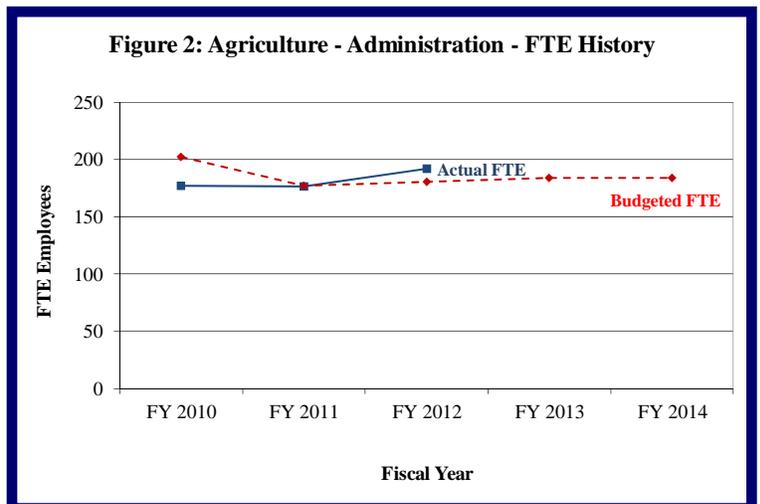
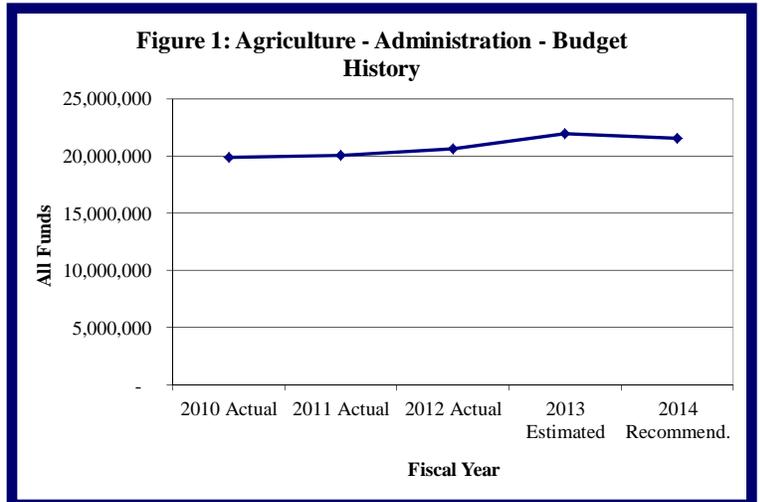
Restricted Funds Adjustments

The department has requested an adjustment in the appropriations from two of the agency’s restricted funds: the GFR – Livestock Brand (current ongoing appropriation is \$952,300) and the GFR – Wildlife Damage Prevention (current ongoing appropriation is \$54,500). The request is to increase the first and decrease the second by the same amount, \$19,500, with a net zero impact on the total department appropriation.

The reason for the requested increase in appropriation from the GFR – Livestock Brand fund is because the department needed to help fund the position of Brand Bureau Chief. This position was unfilled for a few years and a portion of the funding was eliminated during the budget cuts.

The request for the reduction in the appropriation from the GFR – Wildlife Damage Prevention fund is because it is used only in the Sheep Promotion Program and \$35,000 is sufficient to operate this program efficiently.

The Analyst recommends the Legislature appropriate the amounts as requested by the department.



Grazing Improvement Program

The mission for the Grazing Improvement Program (GIP) is “Improving the productivity and sustainability of our rangelands and watershed for the benefit of all.” Between FY 2006 and FY 2014 the Legislature has appropriated \$15.4 million: \$3.4 million for administration and \$12 million for grazing improvement projects. The funding for the GIP administration is included in the General Administration line item, and the money for the projects is appropriated in a separate line item, the Rangeland Improvement line item.

The Legislature has also been funding a companion program, housed in the Department of Natural Resources, the Watershed Restoration Program. The total funding appropriated for the Watershed program between FY 2006 and FY 2014 is \$18.2 million: \$940,000 for direct administration and \$17.3 million for projects.

The two tables below provide detailed information for the amount of funding spent for administration and actual projects over time.

Administration Appropriations*		
Fiscal Year	Watershed	GIP
2007	\$119,400	
2008	\$151,000	
2009	\$135,800	373,700
2010	\$8,800	315,700
2011	\$135,300	471,500
2012	\$129,200	611,300
2013 Appropriated	\$130,300	805,100
2014 Appropriated	\$130,300	835,100
Total	\$940,100	\$3,412,400
<i>*Excludes "Other Charges/Pass Thru"</i>		

State-Funded Projects		
Fiscal Year	Watershed	GIP
2006	\$1,195,408	Details not available
2007	\$1,524,282	Details not available
2008	\$1,276,114	Details not available
2009	\$2,202,008	Details not available
2010	\$2,998,431	Details not available
2011	\$1,506,937	Details not available
2012	\$2,250,853	Details not available
2013 Appropriated	\$2,498,600	\$1,346,300
2014 Appropriated	\$1,819,300	\$1,346,300
Total	\$17,271,933	\$11,998,686**
<i>** Based on totals from Finance & appropriations</i>		

The reason there is no detail for the completed projects by year for the GIP program is because they do not yet have a functional database to provide accurate details for each project. The Department of Agriculture and Food leadership has reported that they have been working on such database for the last several years but that it is not yet completed. The department was not able to identify how much they have spent thus far on the development of their database. Without the ability to generate data in a timely manner, it is hard for the managers to complete meaningful analyses and provide transparency and accountability to the stakeholders and the public.

In a report to the Executive Appropriations Committee in December, 2012, the Governor’s Office of Planning and Budget (GOPB) made three recommendations regarding the Grazing Improvement Program. The first one was to improve the transparency and accountability, stating “each project should also show how it benefits the public.” It is hard to do that without a good database with sufficient details for each project.

The second recommendation in the GOPB report was for GIP to set up metrics and measure the public and landowner benefits. This was consistent with the motion passed by the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee in their September 2012 meeting requiring the department to provide a “detailed plan” to the subcommittee during the 2013 General Session “on how the Grazing Improvement Program will track and report the public benefits from the GIP projects.”

The third GOPB recommendation was for both the GIP and the Watershed programs. Since both programs are similar in nature and often have similar objectives and purposes, the report recommended that the

managers of the two programs work together and “focus on the most efficient and effective way of accomplishing the objectives of both programs while meeting the needs of the public.”

One step towards implementing these recommendations may be by GIP management exploring the possibilities for using the database set up by the Watershed Restoration program. The Watershed database is available online to both the participants and the public, and has the capacity to provide detailed financial information, maps, photographs, and comments for each project. Due to the partnerships with the Utah Automated Geographic Reference Center (AGRC), the project database is maintained free of charge for the Watershed Restoration program and its partners.

New Line Items

The department’s Administration line item currently is the largest and includes 15 programs. In order to have better oversight and increase the level of transparency of the department, the Analyst recommends the Legislature divide the Administration line item into four line items: Administration, Animal Health, Plant Industry, and Regulatory Services & Lab, by dividing the programs in each new line items as follows:

Base Budget FY 2014	
Administration	\$5,350,900
General Administration	\$2,929,700
Grazing Improvement	\$1,806,600
Marketing and Development	\$549,800
Sheep Promotion	\$35,000
Utah Horse Commission	\$29,800
Animal Health	\$4,919,700
Animal Health	\$1,374,500
Auction Market Veterinarians	\$72,000
Brand Inspection	\$1,401,600
Meat Inspection	\$2,071,600
Plant Industry	\$6,750,500
Environmental Quality	\$3,081,200
Grain Inspection	\$240,200
Insect Infestation	\$1,369,000
Plant Industry	\$2,060,100
Regulatory Services & Lab	\$4,517,300
Chemistry Laboratory	\$857,600
Regulatory Services	\$3,659,700
Grand Total	\$21,538,400

This recommendation will not impact the total appropriation of the department in any way.

Intent Language

The Legislature intends that the managers of the Grazing Improvement Program and the Watershed Restoration Program present to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee by November 2013 a plan to improve the coordination and collaboration between the two programs. The Legislature further intends that each program identify performance measures that track and report the public benefits from their projects.

Under the terms of 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the General Administration line item in Item 24, Chapter 6, Laws of Utah 2012, shall not lapse at the close of FY 2013. Expenditures of these funds are limited to: Capital Equipment or Improvements \$118,000; Computer Equipment/Software \$93,000; Employee Training/Incentives \$179,000; Equipment/Supplies \$95,500; Vehicles \$20,000; Special Projects/Studies \$1,213,000.

BUDGET DETAIL TABLE

Agriculture - Administration						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
General Fund	8,497,000	8,644,300	0	8,644,300	0	8,644,300
Federal Funds	5,898,900	6,553,500	0	6,553,500	1,011,700	7,565,200
Dedicated Credits Revenue	4,091,100	3,431,800	0	3,431,800	0	3,431,800
GFR - Cat & Dog Spay & Neuter	80,000	80,000	0	80,000	0	80,000
GFR - Horse Racing	20,000	20,000	0	20,000	0	20,000
GFR - Livestock Brand	931,400	952,300	0	952,300	19,500	971,800
GFR - Wildlife Damage Prev	54,500	54,500	0	54,500	(19,500)	35,000
Agri Resource Development	175,100	179,600	0	179,600	0	179,600
Transfers	812,500	553,800	0	553,800	0	553,800
Pass-through	224,200	56,900	0	56,900	0	56,900
Beginning Nonlapsing	1,458,200	0	1,421,400	1,421,400	(1,421,400)	0
Closing Nonlapsing	(1,421,400)	0	0	0	0	0
Lapsing Balance	(226,400)	0	0	0	0	0
Total	\$20,595,100	\$20,526,700	\$1,421,400	\$21,948,100	(\$409,700)	\$21,538,400
Programs						
General Administration	3,922,300	2,817,700	1,533,400	4,351,100	(1,440,900)	2,910,200
Meat Inspection	2,015,700	2,108,800	(37,200)	2,071,600	0	2,071,600
Chemistry Laboratory	824,700	821,400	36,200	857,600	0	857,600
Animal Health	1,365,100	1,342,300	(12,100)	1,330,200	44,300	1,374,500
Plant Industry	1,835,900	2,372,800	(273,500)	2,099,300	(39,200)	2,060,100
Regulatory Services	3,229,300	3,405,800	46,600	3,452,400	207,300	3,659,700
Sheep Promotion	22,700	35,000	0	35,000	0	35,000
Auction Market Veterinarians	61,000	72,000	0	72,000	0	72,000
Brand Inspection	1,310,800	1,445,200	(43,600)	1,401,600	19,500	1,421,100
Utah Horse Commission	22,300	29,800	0	29,800	0	29,800
Environmental Quality	3,570,600	3,161,100	(49,300)	3,111,800	(30,600)	3,081,200
Grain Inspection	213,100	240,200	0	240,200	0	240,200
Insect Infestation	959,600	1,569,300	(125,200)	1,444,100	(75,100)	1,369,000
Marketing and Development	534,200	549,800	0	549,800	0	549,800
Grazing Improvement	707,800	555,500	346,100	901,600	905,000	1,806,600
Total	\$20,595,100	\$20,526,700	\$1,421,400	\$21,948,100	(\$409,700)	\$21,538,400
Categories of Expenditure						
Personnel Services	12,197,900	12,783,700	93,900	12,877,600	(179,100)	12,698,500
In-state Travel	229,100	195,700	27,200	222,900	0	222,900
Out-of-state Travel	109,400	87,400	16,100	103,500	0	103,500
Current Expense	1,882,200	2,016,000	1,448,900	3,464,900	(864,000)	2,600,900
DP Current Expense	740,700	583,100	99,700	682,800	(73,500)	609,300
Capital Outlay	152,200	22,800	95,200	118,000	(118,000)	0
Other Charges/Pass Thru	5,283,600	4,838,000	(359,600)	4,478,400	824,900	5,303,300
Total	\$20,595,100	\$20,526,700	\$1,421,400	\$21,948,100	(\$409,700)	\$21,538,400
Other Data						
Budgeted FTE	181	186	(2)	184	0	184
Actual FTE	178	0	0	0	0	0
Vehicles	102	101	0	101	0	101