

Texas A&M Forest Service **Summary of Recommendations - House**

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Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$64,395,488	\$63,038,735	(\$1,356,753)	(2.1%)
GR Dedicated Funds	\$65,055,308	\$40,055,308	(\$25,000,000)	(38.4%)
<i>Total GR-Related Funds</i>	<i>\$129,450,796</i>	<i>\$103,094,043</i>	<i>(\$26,356,753)</i>	<i>(20.4%)</i>
Federal Funds	\$6,517,625	\$6,889,066	\$371,441	5.7%
Other	\$1,509,430	\$1,517,382	\$7,952	0.5%
All Funds	\$137,477,851	\$111,500,491	(\$25,977,360)	(18.9%)

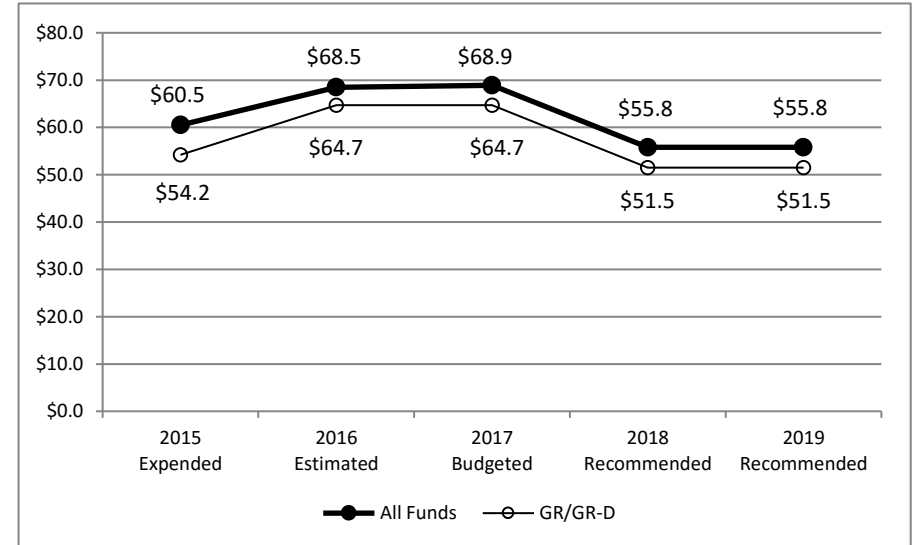
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	558.2	501.1	(57.1)	(10.2%)

Agency Budget and Policy Issues and/or Highlights

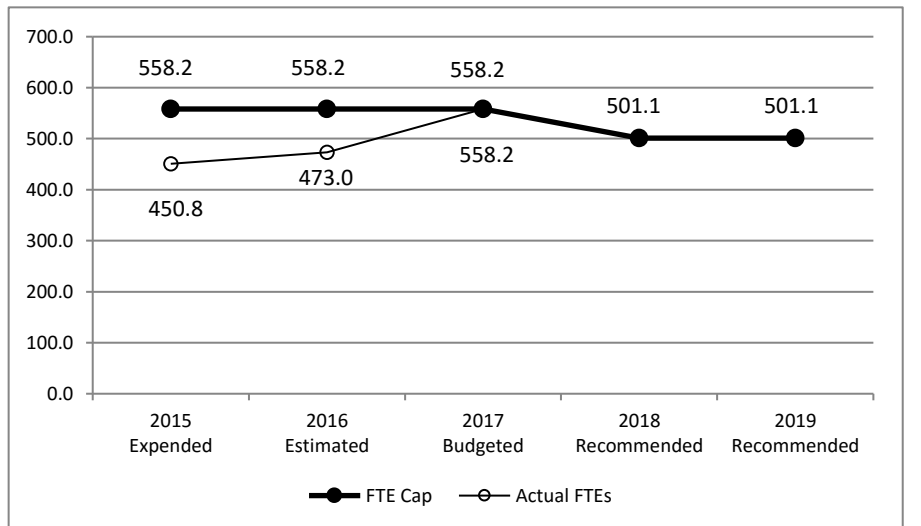
Texas A&M Forest Service (TFS) provides wildfire prevention, detection, and suppression services and administers the statewide Texas Wildfire Protection Plan. TFS also assists during all-hazard emergencies such as flooding, ice storms, tornados, and hurricanes. TFS is involved in reforestation efforts, urban forestry programs, and conducts applied research on forest insects and diseases.

The bill pattern for this agency (2018-19 Recommended) represents an estimated 90.0% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Texas A&M Forest Service
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Funding decrease for agency firefighting equipment replacement, and professional forestry leadership and resource marketing, as a result of the agency's four percent General Revenue Funds reduction.	(\$3.4)	\$0.0	\$0.0	\$0.0	(\$3.4)	A.1.1, B.1.1.
B)	Volunteer fire departments grants decrease due to one-time contingency rider appropriation.	\$0.0	(\$23.0)	\$0.0	\$0.0	(\$23.0)	B.1.2.
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
C)	Federal Funds increases.	\$0.0	\$0.0	\$0.4	\$0.0	\$0.4	9 strategies
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$3.4)	(\$23.0)	\$0.4	\$0.0	(\$26.0)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.4	\$0.0	\$0.4	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$3.4)	(\$23.0)	\$0.0	\$0.0	(\$26.4)	As Listed

NOTE: Totals may not sum due to rounding.

**Texas A&M Forest Service
Selected Fiscal and Policy Issues - House**

1. **Four Percent General Revenue Funds Reduction.** Recommendations include reductions of \$3.4 million in General Revenue Funds due to the four percent reduction (note: Infrastructure Support funding was exempted from the reduction calculation because it is formula funded). The funding reduction is in the following two areas:
 - \$0.9 million in General Revenue Funds for the replacement of agency firefighting equipment that is reported to be aged and undersized (e.g., dozers and transport trucks); and
 - \$2.5 million in General Revenue Funds in professional forestry leadership and resource marketing.

The Texas A&M Forest Service (TFS) submitted the above-noted \$0.9 million decrease as part of its four percent reduction; however, the \$2.5 million balance of the reduction requirement was submitted as a GR-Dedicated Funds reduction for pass-through grants to local fire departments (primarily volunteer fire departments) for equipment, training, and insurance related to wildfire and emergency response (Texas Wildfire Protection Plan). The recommendations include the above-noted reduction in professional forestry leadership and resource marketing as an alternative to the pass-through grants decrease. TFS has submitted an Exceptional Item request to restore the reduction.

2. **Volunteer Fire Department Grants Decrease due to One-time Contingency Rider Appropriation.** Recommendations include a \$23.0 million decrease in GR-Dedicated Funds due to deletion of a one-time contingency rider appropriation. With the enactment of HB7 (84th Legislature), the 2016-17 General Appropriations Act includes a contingency rider appropriation from GR-D Volunteer Fire Department Assistance Account No. 5064 reserve balances for the purpose of making grants to local volunteer fire departments. TFS included continuation of the contingency rider appropriation in the agency's base request; however, HB7 only authorized the use of reserve balances for the 2016-17 biennium and similar legislation is required for continuation of the contingency appropriations. The Comptroller's 2018-19 Biennial Revenue Estimate indicates GR-D Account No. 5064 balances carried forward from fiscal year 2017 to the 2018-19 biennium are estimated to be \$69.4 million.
3. **Infrastructure Support.** Funding to Texas A&M System agencies for infrastructure support within Brazos County aligns with the General Academic Institutions' Infrastructure Formula rate. Texas A&M System agricultural agencies also receive funding for infrastructure support outside Brazos County which is proportionally allocated to those agencies by their percentage of total actual square footage, and the 2018-19 funding recommendations are maintained at 2016-17 total appropriations.
4. **Potential Supplemental Appropriations Bill Request.** TFS reports that fiscal years 2015 and 2016 have been active years for the agency to be called upon to respond to various all-hazard incidents (e.g., wildfires, floods, tornados, ice storms, etc.). While final billing for emergency responses from the U.S. Forest Service and reimbursements from the Federal Emergency Management Agency (FEMA) have not yet been received, TFS estimates \$5.1 million will be needed in a Supplemental Appropriations Bill to cover anticipated bills.

Texas A&M Forest Service
FTE Highlights - House

Section 3a

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	558.2	558.2	558.2	501.1	501.1
Actual/Budgeted	450.8	473.0	558.2	NA	NA

Schedule of Exempt Positions (Cap)

None.

Notes:

- a) The Actual/Budgeted FTEs for FY2015-17 are lower than the respective FY2015-17 FTE Caps and the agency reports the vacancies are due to turnover and lower levels of emergency response activity.
- b) The recommended FY2018-19 FTE Cap of 501.1 represents a decrease of 57.1 FTEs compared to the FY2016-17 FTE Cap of 558.1. This 57.1 FTE decrease is not a reduction in filled positions, it represents a change in FTE Cap authority only, to accurately realign the agency's FTE Cap to its available funds. According to the State Auditor's Office, TFS' FY2014 average FTE count was 422.0, FY2015 was 450.8, and FY2016 was 473.0. Based on LBB staff analysis of the FTE number each TFS strategy can sustain assuming current funding levels and recommended 2018-19 funding levels and maintaining FY2016 average salary rates per FTE, a 2018-19 FTE Cap of 501.1 is recommended.

**Texas A&M Forest Service
Rider Highlights - House**

Modification of Existing Riders

5. **Urban Forestry License Plate Fund – Appropriation of License Plate Receipts.** Recommendations revise this rider upon guidance from the Comptroller's Office to the agency for purposes of clarifying the intended text. The revised text conforms to recommended language from the Comptroller's Office.

Deleted Riders

9. **Contingency for Grants to Rural Volunteer Fire Departments.** Recommendations delete this rider because it relates to one-time contingency funding (see Section 3 for details).

Texas A&M Forest Service
Items Not Included in Recommendations - House

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items - In Agency Priority Order							
1)	Restore the Four Percent General Revenue Funds Reduction General Revenue Funds for the following: • \$0.9 million for the replacement of agency firefighting equipment that is reported to be aged and undersized (e.g., dozers and transport trucks); and • \$2.5 million in professional forestry leadership and resource marketing. (see Section 3 for details)	\$3,381,142	\$3,381,142	0.0	No	No	\$3,381,142
2)	Rural Volunteer Fire Departments Grants Funding in General Revenue - Dedicated Volunteer Fire Department Assistance Account No. 5064 to provide pass-through grants to local volunteer fire departments for equipment, training, and insurance related to wildfire and emergency response. (see Section 3 for details)	\$23,000,000	\$23,000,000	0.0	No	No	\$23,000,000
TOTAL Items Not Included in Recommendations		\$26,381,142	\$26,381,142	0.0			\$26,381,142

**Texas A&M Forest Service
Appendices - House**

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* Appendix is not included - no significant information to report

** Information is included in the presentation section of the packet

Texas A&M Forest Service
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FORESTRY LEADERSHIP A.1.1	\$12,022,464	\$9,714,400	(\$2,308,064)	(19.2%)	Recommendations include: 1) \$0.1 million net increase in Federal Funds primarily related to forestry research; 2) \$46,959 increase in General Revenue Funds due to reallocation between strategies to meet agency operational needs; 3) \$18,129 increase in Other Funds related to appropriated receipts; and 4) \$2.5 million decrease in General Revenue Funds resulting from the four percent base reduction requirement (see Section 3 for details).
FOREST / TREE RESOURCES ENHANCEMENT A.1.2	\$3,317,570	\$3,449,952	\$132,382	4.0%	Recommendations include: 1) \$0.1 million net increase in Federal Funds primarily related to cooperative forestry assistance; 2) \$22,961 increase in General Revenue Funds due to reallocation between strategies to meet agency operational needs; and 3) \$2,496 decrease in Other Funds primarily related to appropriated receipts.
FOREST INSECTS AND DISEASES A.1.3	\$1,571,429	\$1,673,588	\$102,159	6.5%	Recommendations include: 1) \$0.1 million increase in General Revenue Funds due to reallocation between strategies to meet agency operational needs; and 2) \$0.1 million net increase in Federal Funds primarily related to cooperative forestry assistance.
Total, Goal A, DEVELOP FOREST RESOURCES	\$16,911,463	\$14,837,940	(\$2,073,523)	(12.3%)	

Texas A&M Forest Service
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
TWPP - TFS OPERATIONS B.1.1	\$56,300,887	\$55,975,005	(\$325,882)	(0.6%)	Recommendations include: 1) \$0.9 million decrease in General Revenue Funds resulting from the four percent reduction (see Section 3 for details); and 2) \$0.5 million increase in General Revenue Funds and General Revenue - Dedicated Funds due to reallocation between strategies to meet agency operational needs.
TWPP - VFD GRANTS B.1.2	\$51,919,202	\$28,919,202	(\$23,000,000)	(44.3%)	Recommendations include a \$23.0 million decrease in GR-D Volunteer Fire Department Assistance Account 5064 related to a contingency rider appropriation (see Section 3 for details).
TWPP - TIFMAS GRANTS B.1.3	\$2,000,000	\$2,000,000	\$0	0.0%	
Total, Goal B, PROTECT FOREST RESOURCES	\$110,220,089	\$86,894,207	(\$23,325,882)	(21.2%)	
STAFF GROUP INSURANCE C.1.1	\$1,956,498	\$1,993,578	\$37,080	1.9%	Recommendations include a \$37,080 net increase in All Funds due to benefits costs proportionality requirements.
WORKERS' COMP INSURANCE C.1.2	\$416,188	\$414,880	(\$1,308)	(0.3%)	Recommendations include a \$1,308 net decrease in All Funds due to benefits costs proportionality requirements.
UNEMPLOYMENT INSURANCE C.1.3	\$5,793	\$5,838	\$45	0.8%	Recommendations include a \$45 net increase in All Funds due to benefits costs proportionality requirements.
OASI C.1.4	\$693,130	\$727,306	\$34,176	4.9%	Recommendations include a \$34,176 net increase in All Funds due to benefits costs proportionality requirements.
HAZARDOUS DUTY PAY C.1.5	\$29,550	\$28,260	(\$1,290)	(4.4%)	Recommendations include \$1,290 decrease in All Funds due to reallocation between strategies to meet agency operational needs.
Total, Goal C, STAFF BENEFITS	\$3,101,159	\$3,169,862	\$68,703	2.2%	
INDIRECT ADMINISTRATION D.1.1	\$4,732,116	\$4,790,236	\$58,120	1.2%	Recommendations include \$0.1 million increase in All Funds due to reallocation between strategies to meet agency operational needs.

Texas A&M Forest Service
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
INFRASTRUCTURE SUPPORT IN BRAZOS CO D.1.2	\$735,945	\$260,060	(\$475,885)	(64.7%)	Recommendations include a General Revenue formula funding increase of \$11,152 for infrastructure support within Brazos County that aligns with the General Academic Institutions' Infrastructure Formula rate. FY2016-17 base amount includes funding that agency reallocated to other strategies to meet operational needs in 2018-19.
INFRASTRUCT SUPP OUTSIDE BRAZOS CO D.1.3	\$1,777,079	\$1,548,186	(\$228,893)	(12.9%)	Recommendations include General Revenue formula funding for infrastructure support outside Brazos County that is based on FY2016-17 total appropriations for infrastructure support outside Brazos County for all Texas A&M System agencies and adjusted for each respective agency's updated data.
Total, Goal D, INDIRECT ADMINISTRATION	\$7,245,140	\$6,598,482	(\$646,658)	(8.9%)	
Grand Total, All Strategies	\$137,477,851	\$111,500,491	(\$25,977,360)	(18.9%)	

Texas A&M Forest Service
Performance Measure Highlights - House

Appendix D

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
<ul style="list-style-type: none"> Number of Hours Spent for Emergency Response 	33,844	132,550	66,842	67,000	67,000
<i>Measure Explanation: The actual number of hours that agency employees spend preparing for and participating in emergency response activities.</i>					
<ul style="list-style-type: none"> Number of Contact Hours of Firefighter and Emergency Responder Training 	75,522	62,085	50,000	50,000	50,000
<i>Measure Explanation: The actual number of hours of training provided to firefighter and emergency responders by the agency.</i>					

Texas A&M Forest Service
Summary of Ten Percent Biennial Base Reduction Options - House

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Texas Wildfire Protection Plan - Operations	Reduction in capital equipment purchases which the agency reports would delay needed upgrades to dozers and transport trucks that are undersized and aging.	\$1,030,717	\$1,030,717	0.0	\$0	5%	No
2)	Texas Wildfire Protection Plan - Volunteer Fire Department Grants	Reduction in grant assistance provided to volunteer fire departments for training, equipment and insurance that fire departments are not able to purchase which the agency reports can have an impact on firefighter safety and the wildfire/emergency response capabilities of the state.	\$3,026,655	\$3,026,655	0.0	\$0	5%	No
3)	Texas Wildfire Protection Plan - Operations	Reduction in capital equipment purchases which the agency reports would delay needed upgrades to dozers and transport trucks that are undersized and aging.	\$1,030,717	\$1,030,717	0.0	\$0	5%	No
4)	Texas Wildfire Protection Plan - Volunteer Fire Department Grants	Reduction in grant assistance provided to volunteer fire departments for training, equipment and insurance that fire departments are not able to purchase which the agency reports can have an impact on firefighter safety and the wildfire/emergency response capabilities of the state.	\$3,026,655	\$3,026,655	0.0	\$0	5%	No
TOTAL, 10% Reduction Options			\$8,114,744	\$8,114,744	0.0	\$0		