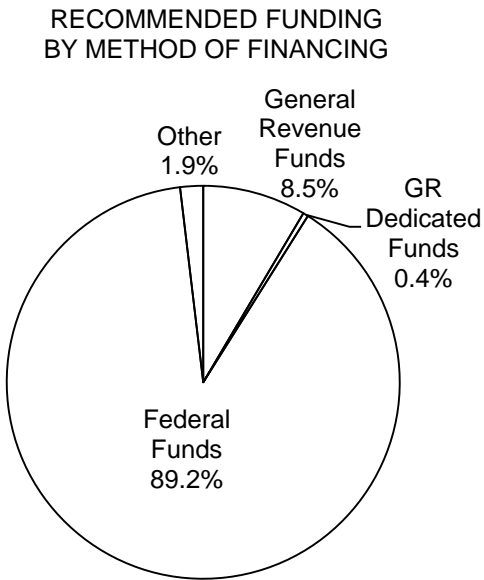


Section 1

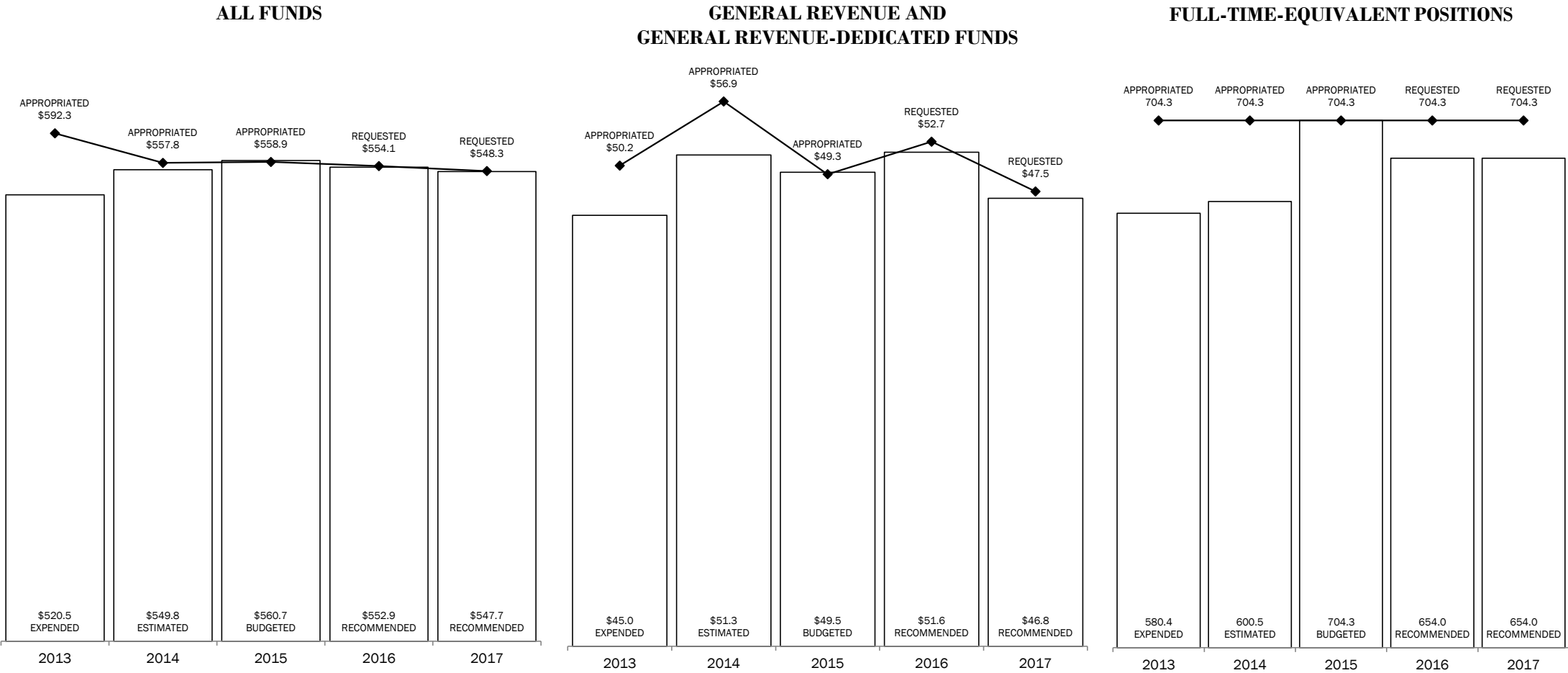
Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$95,111,220	\$93,663,946	(\$1,447,274)	(1.5%)
GR Dedicated Funds	\$5,697,098	\$4,721,982	(\$975,116)	(17.1%)
Total GR-Related Funds	\$100,808,318	\$98,385,928	(\$2,422,390)	(2.4%)
Federal Funds	\$989,963,354	\$981,428,190	(\$8,535,164)	(0.9%)
Other	\$19,780,813	\$20,786,214	\$1,005,401	5.1%
All Funds	\$1,110,552,485	\$1,100,600,332	(\$9,952,153)	(0.9%)

	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	704.3	654.0	(50.3)	(7.1%)



The bill pattern for this agency (2016-17 Recommended) represents an estimated 99.8% of the agency's estimated total available funds for the 2016-17 biennium. See Selected Fiscal and Policy Issue - Senate No. 1(d) for an explanation of the reduction in FTEs.

TOTAL= \$1,100.6 MILLION



Expended amounts were less than appropriated amounts in FY 2013 due to a lapse of \$71.8 million in All Funds, which is comprised of a lapse of \$40.3 million in federal funds, primarily for fewer awards of USDA food and nutrition grants based on demand from eligible grant recipients; and, a lapse of \$26.4 million due to timing of awards for the Community Development Block Grant Program resulting in FY 2013 awards instead being obligated in FY 2012. In FY 2013, there was also a lapse of \$5.2 million in General Revenue, primarily for revenue shortfalls in cost recovery programs and savings due to position vacancies. See Selected Fiscal and Policy Issue - Senate No. 1(d) for an explanation of the reduction of FTEs in 2016-17 recommendations.

Section 2

Department of Agriculture					
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS					
Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
ECONOMIC DEVELOPMENT A.1.1	\$22,501,039	\$20,895,867	(\$1,605,172)	(7.1%)	Recommendations reflect a decrease of \$1.6 million in All Funds, which includes an increase in General Revenue (\$12,840) and the Texas Economic Development Fund No. 183 (\$0.8 million – Other Funds) in alignment with the agency’s baseline request, offset by a decrease from the General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051 due to the decline of available fund balances (\$1.0 million), and in one-time State Small Business Credit Initiative Federal Funds receipts (\$1.3 million). See Rider Highlight - Senate No. 29.
REGULATE PESTICIDE USE A.1.2	\$10,260,938	\$11,303,552	\$1,042,614	10.2%	Recommendations reflect an increase of \$1 million in All Funds, which includes an increase in General Revenue reallocated from other strategies to cover cost recovery programs in alignment with the agency’s baseline request (\$1.2 million) offset by a decrease in Federal Funds (\$0.1 million). See Rider Highlight - Senate No. 29.
INTEGRATED PEST MANAGEMENT A.1.3	\$20,624,929	\$19,025,160	(\$1,599,769)	(7.8%)	Recommendations reflect a decrease of \$1.6 million in All Funds, which includes a total decrease of \$1.9 million in General Revenue which includes a decrease in alignment with the agency’s requested savings in the transfer to the Boll Weevil Eradication Foundation (\$1 million); an agency-requested reallocation to other strategies (\$0.9 million); and a decrease related to nutrition-related reductions (\$41,473), offset by an increase of \$0.3 million in Federal Funds. See Selected Fiscal and Policy Issue - Senate Nos. 1(a) and 2, and Rider Highlight - Senate Nos. 14 and 29.
CERTIFY PRODUCE A.1.4	\$336,889	\$339,584	\$2,695	0.8%	
AGRICULTURAL PRODUCTION DEVELOPMENT A.1.5	\$8,353,668	\$8,795,042	\$441,374	5.3%	Recommendations include an increase of \$0.4 million in Federal Funds for specialty crop funding.
<b>Total, Goal A, MARKETS &amp; PUBLIC HEALTH</b>	<b>\$62,077,463</b>	<b>\$60,359,205</b>	<b>(\$1,718,258)</b>	<b>(2.8%)</b>	
SURVEILLANCE/BIOSECURITY EFFORTS B.1.1	\$8,032,542	\$8,000,552	(\$31,990)	(0.4%)	Recommendations include decrease of \$122,361 in General Revenue in alignment with the agency’s request, offset by an increase of \$90,371 million in Federal Funds for fire ant pest control efforts.

Section 2

Department of Agriculture  
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
VERIFY SEED QUALITY B.1.2	\$2,868,578	\$3,122,798	\$254,220	8.9%	Recommendations include an increase of \$0.3 million in General Revenue for cost recovery programs reallocated from other strategies in alignment with the agency's baseline request. See Selected Fiscal and Policy Issue - Senate No. 1(a) and Rider Highlight - Senate No. 29.
AGRICULTURAL COMMODITY REGULATION B.1.3	\$2,603,453	\$2,603,729	\$276	0.0%	
STRUCTURAL PEST CONTROL B.1.4	\$3,254,134	\$3,268,184	\$14,050	0.4%	
<b>Total, Goal B, ENFORCE STANDARDS</b>	<b>\$16,758,707</b>	<b>\$16,995,263</b>	<b>\$236,556</b>	<b>1.4%</b>	
INSPECT MEASURING DEVICES C.1.1	\$15,128,848	\$15,469,912	\$341,064	2.3%	Recommendations include an increase of \$0.1 million from General Revenue in alignment with the agency's request, and an increase of \$0.2 million in Federal Funds.
<b>Total, Goal C, ENSURE PROPER MEASUREMENT</b>	<b>\$15,128,848</b>	<b>\$15,469,912</b>	<b>\$341,064</b>	<b>2.3%</b>	
SUPPORT NUTRITION PROGRAMS D.1.1	\$71,115,589	\$61,196,114	(\$9,919,475)	(13.9%)	Recommendations include an agency-anticipated decrease of \$10.6 million in Federal Funds to administer child nutrition programs, offset by an increase of \$0.7 million in Federal Funds for a new capital budget item, Schedule Optimization Software, in alignment with the agency's request. While there is an overall decrease of professional services, client services, and grants in this program, the agency did budget an additional \$4.3 million in salary increases for the FTEs in this strategy, which includes a 10 percent increase compared to 2015 spending levels. There is only \$0.4 million in General Revenue in this strategy. See Selected Fiscal and Policy Issue – Senate No. 1(a)-(c).
NUTRITION ASSISTANCE D.2.1	\$806,663,320	\$809,465,590	\$2,802,270	0.3%	Recommendations reflect an increase of \$2.8 million in All Funds, which includes a decrease in General Revenue in alignment with the agency's request (\$0.9 million) offset by an increase of \$3.7 million in Federal Funds. See Selected Fiscal and Policy Issue - Senate No. 1(a).
<b>Total, Goal D, FOOD AND NUTRITION</b>	<b>\$877,778,909</b>	<b>\$870,661,704</b>	<b>(\$7,117,205)</b>	<b>(0.8%)</b>	
RESEARCH AND DEVELOPMENT E.1.1	\$800,000	\$806,400	\$6,400	0.8%	
<b>Total, Goal E, FOOD AND FIBERS RESEARCH</b>	<b>\$800,000</b>	<b>\$806,400</b>	<b>\$6,400</b>	<b>0.8%</b>	
RURAL COMMUNITY AND ECO DEVELOPMENT F.1.1	\$127,642,470	\$126,570,388	(\$1,072,082)	(0.8%)	Recommendations include a decrease of \$1.1 million in expected Community Development Block Grants (Federal Funds).

Section 2

Department of Agriculture					
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS					
Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
RURAL HEALTH F.1.2	\$10,366,088	\$9,737,460	(\$628,628)	(6.1%)	Recommendations include an anticipated decrease of \$0.6 million in Federal Funds for rural hospitals and agency administrative costs.
Total, Goal F, RURAL AFFAIRS	\$138,008,558	\$136,307,848	(\$1,700,710)	(1.2%)	
Grand Total, All Strategies	\$1,110,552,485	\$1,100,600,332	(\$9,952,153)	(0.9%)	

Section 2

Department of Agriculture  
Summary of Recommendations - Senate, By Method of Finance -- 1 - General Revenue Fund

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
ECONOMIC DEVELOPMENT A.1.1	\$1,957,197	\$1,970,037	\$12,840	0.7%	All recommended General Revenue in this strategy is subject to cost recovery from the marketing and international trade program, along with administrative support for the program. See Selected Fiscal and Policy Issue – Senate Nos. 1(a), 3, and Rider Highlight – Senate No. 29.
REGULATE PESTICIDE USE A.1.2	\$6,645,329	\$7,814,480	\$1,169,151	17.6%	All recommended General Revenue in this strategy is subject to cost recovery from the regulation of agricultural pesticides, in alignment with the agency's baseline request. Appropriations also provide administrative support for this function. See Selected Fiscal and Policy Issue - Senate No. 1(a), 3, and Rider Highlight - Senate No. 29.
INTEGRATED PEST MANAGEMENT A.1.3	\$19,607,775	\$17,702,186	(\$1,905,589)	(9.7%)	Recommended General Revenue in this strategy includes a \$14 million transfer to the Boll Weevil Eradication Foundation, pest management for the Mediterranean fruit fly, Mexican fruit fly and Obliqua programs (\$3.3 million), and \$0.4 million related to cost recovery for plant health and organic programs, along with administrative support for those programs. See Selected Fiscal and Policy Issue - Senate Nos. 1(a), 2 and 3, and Rider Highlight - Senate Nos. 14 and 29.
CERTIFY PRODUCE A.1.4	\$336,889	\$339,584	\$2,695	0.8%	AAll recommended General Revenue in this strategy is subject to cost recovery in the Texas Cooperative Inspection Program to inspect and grade fruits, vegetables peanuts and tree nuts. Appropriations also provide administrative support for this function. See Selected Fiscal and Policy Issue - Senate Nos. 1(a), 3 and Rider Highlight – Senate No. 29.
AGRICULTURAL PRODUCTION DEVELOPMENT A.1.5	\$5,046,556	\$5,086,928	\$40,372	0.8%	Recommended General Revenue in this strategy includes \$1.1 million related to cost recovery programs for plant health and related administrative support. Remaining General Revenue in this strategy funds oversight of commodity boards, feral hog abatement, livestock export facilities, Equine Incentive Program payments, and administrative support for those programs. See Selected Fiscal and Policy Issue - Senate Nos. 1(a), 3, 6, and Rider Highlight - Senate Nos. 15 and 29.
Total, Goal A, MARKETS & PUBLIC HEALTH	\$33,593,746	\$32,913,215	(\$680,531)	(2.0%)	

Section 2

Department of Agriculture  
Summary of Recommendations - Senate, By Method of Finance -- 1 - General Revenue Fund

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
SURVEILLANCE/BIOSECURITY EFFORTS B.1.1	\$6,011,081	\$5,888,720	(\$122,361)	(2.0%)	All recommended General Revenue in this strategy is subject to cost recovery activities in the plant health program (verification of seed quality and seed testing) and administrative support for those activities. See Selected Fiscal and Policy Issue – Senate No. 1(a), 3 and Rider Highlight – Senate No. 29.
VERIFY SEED QUALITY B.1.2	\$2,868,578	\$3,122,798	\$254,220	8.9%	
AGRICULTURAL COMMODITY REGULATION B.1.3	\$2,603,453	\$2,603,729	\$276	0.0%	Recommended General Revenue in this strategy includes \$1.7 million related to the cost recovery programs for egg quality regulation, grain wareSenates, and the handling and marketing of perishable commodities, along with administrative support for those programs. The remaining General Revenue in this strategy is allocated to supplement these efforts and provide administrative support (\$0.9 million). See Selected Fiscal and Policy Issue – Senate No. 1(a), 3 and Rider Highlight - Senate No. 29.
STRUCTURAL PEST CONTROL B.1.4	\$3,181,597	\$3,123,110	(\$58,487)	(1.8%)	All recommended General Revenue in this strategy is subject to cost recovery, in alignment with the agency's baseline request. See Selected Fiscal and Policy Issue - Senate No. 1(a), 3 and Rider Highlight - Senate No. 29.
<b>Total, Goal B, ENFORCE STANDARDS</b>	<b>\$14,664,709</b>	<b>\$14,738,357</b>	<b>\$73,648</b>	<b>0.5%</b>	
INSPECT MEASURING DEVICES C.1.1	\$13,676,824	\$13,780,644	\$103,820	0.8%	Recommended General Revenue in this strategy includes \$9.9 million related to cost recovery programs for inspection and certification of weights and measures, along with administrative support for these functions. Remaining General Revenue in this strategy is allocated to the testing of motor fuels for national quality standards, along with administrative support for that function (\$3.9 million). See Selected Fiscal and Policy Issue - Senate No. 1(a), 3 and Rider Highlight - Senate No. 29.
<b>Total, Goal C, ENSURE PROPER MEASUREMENT</b>	<b>\$13,676,824</b>	<b>\$13,780,644</b>	<b>\$103,820</b>	<b>0.8%</b>	
SUPPORT NUTRITION PROGRAMS D.1.1	\$465,425	\$444,222	(\$21,203)	(4.6%)	See Selected Fiscal and Policy Issue - Senate No. 1(a).
NUTRITION ASSISTANCE D.2.1	\$26,757,145	\$25,815,160	(\$941,985)	(3.5%)	
<b>Total, Goal D, FOOD AND NUTRITION</b>	<b>\$27,222,570</b>	<b>\$26,259,382</b>	<b>(\$963,188)</b>	<b>(3.5%)</b>	

Section 2

Department of Agriculture  
Summary of Recommendations - Senate, By Method of Finance -- 1 - General Revenue Fund

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
RESEARCH AND DEVELOPMENT E.1.1	\$800,000	\$806,400	\$6,400	0.8%	
Total, Goal E, FOOD AND FIBERS RESEARCH	\$800,000	\$806,400	\$6,400	0.8%	
RURAL COMMUNITY AND ECO DEVELOPMENT F.1.1	\$0	\$0	\$0	0.0%	
RURAL HEALTH F.1.2	\$1,572,141	\$1,584,718	\$12,577	0.8%	
Total, Goal F, RURAL AFFAIRS	\$1,572,141	\$1,584,718	\$12,577	0.8%	
Grand Total, All Strategies	\$91,529,990	\$90,082,716	(\$1,447,274)	(1.6%)	



Section 3

Texas Department of Agriculture  
Selected Fiscal and Policy Issues - Senate

1. Senate Bill 2 as Introduced

Senate Bill 2 as Introduced begins with the agency’s 2016-17 baseline request and incorporates the following adjustments:

- a. **Reduce General Revenue Reallocated from Child and Adult Nutrition Strategies:** a decrease of \$963,188 in General Revenue that the agency reduced in its baseline request in its two nutrition strategies and reallocated to other strategies, including several with cost recovery programs. Recommendations maintain the agency’s reductions in the nutrition strategies, because the \$26.3 million from General Revenue in these strategies appropriated to the Texas Department of Agriculture (TDA) is not tied to federal maintenance of effort (MOE) requirements. Although TDA administers funds for the National School Lunch Program, and other nutrition programs, it is the Texas Education Agency (TEA) that continues to have the related MOE appropriation (\$29.2 million in the 2016-17 biennium –for perspective, the FY 2014 MOE requirement was \$14.3 million). The following table compares agency-requested reallocations and the recommended reduction:

Comparison of General Revenue Funding Levels						
Strategy/Goal	2014-15 Base	2016-17 Requested Base	Biennial Change	% Change	2016-17 Recommended	Difference (Requested- Recommended)
Economic Development (A.1.1)	\$1,957,197	\$1,970,037	\$12,840	0.7%	\$1,970,037	\$0
Regulate Pesticide Use (A.1.2)	\$6,645,329	\$7,814,480	\$1,169,151	17.6%	\$7,814,480	\$0
Integrated Pest Management (A.1.3)	\$19,607,775	\$17,743,659	(\$1,864,116)	(9.5%)	\$17,702,186	(\$41,473)
Certify Produce (A.1.4)	\$336,889	\$367,460	\$30,571	9.1%	\$339,584	(\$27,876)
Agricultural Production Development (A.1.5)	\$5,046,556	\$5,248,524	\$201,968	4.0%	\$5,086,928	(\$161,596)
<b>Total, Goal A, MARKETS &amp; PUBLIC HEALTH</b>	<b>\$33,593,746</b>	<b>\$33,144,160</b>	<b>(\$449,586)</b>	<b>(1.3%)</b>	<b>\$32,913,215</b>	<b>(\$230,945)</b>
Surveillance/Biosecurity Efforts (B.1.1)	\$6,011,081	\$5,888,720	(\$122,361)	(2.0%)	\$5,888,720	\$0
Verify Seed Quality (B.1.2)	\$2,868,578	\$3,570,480	\$701,902	24.5%	\$3,122,798	(\$447,682)
Agricultural Commodity Regulation (B.1.3)	\$2,603,453	\$2,603,729	\$276	0.0%	\$2,603,729	\$0
Structural Pest Control (B.1.4)	\$3,181,597	\$3,123,110	(\$58,487)	(1.8%)	\$3,123,110	\$0
<b>Total, Goal B, ENFORCE STANDARDS</b>	<b>\$14,664,709</b>	<b>\$15,186,039</b>	<b>\$521,330</b>	<b>3.6%</b>	<b>\$14,738,357</b>	<b>(\$447,682)</b>

Section 3

Comparison of General Revenue Funding Levels, Continued						
Strategy/Goal	2014-15 Base	2016-17 Requested Base	Biennial Change	% Change	2016-17 Recommended	Difference (Requested- Recommended)
Inspect Measuring Devices (C.1.1)	\$13,676,824	\$13,780,644	\$103,820	0.8%	\$13,780,644	\$0
<b>Total, Goal C, ENSURE PROPER MEASUREMENT</b>	<b>\$13,676,824</b>	<b>\$13,780,644</b>	<b>\$103,820</b>	<b>0.8%</b>	<b>\$13,780,644</b>	<b>\$0</b>
Support Nutrition Programs (D.1.1)	\$465,425	\$444,222	(\$21,203)	(4.6%)	\$444,222	\$0
Nutrition Assistance (D.2.1)	\$26,757,145	\$25,815,160	(\$941,985)	(3.5%)	\$25,815,160	\$0
<b>Total, Goal D, FOOD AND NUTRITION</b>	<b>\$27,222,570</b>	<b>\$26,259,382</b>	<b>(\$963,188)</b>	<b>(3.5%)</b>	<b>\$26,259,382</b>	<b>\$0</b>
Research and Development (E.1.1)	\$800,000	\$884,192	\$84,192	10.5%	\$806,400	(\$77,792)
<b>Total, Goal E, FOOD AND FIBERS RESEARCH</b>	<b>\$800,000</b>	<b>\$884,192</b>	<b>\$84,192</b>	<b>10.5%</b>	<b>\$806,400</b>	<b>(\$77,792)</b>
Rural Community and Economic Development (F.1.1)	\$3,581,230	\$3,581,230	\$0	0.0%	\$3,581,230	\$0
Rural Health (F.1.2)	\$1,572,141	\$1,791,487	\$219,346	14.0%	\$1,584,718	(\$206,769)
<b>Total, Goal F, RURAL AFFAIRS</b>	<b>\$5,153,371</b>	<b>\$5,372,717</b>	<b>\$219,346</b>	<b>4.3%</b>	<b>\$5,165,948</b>	<b>(\$206,769)</b>
<b>Grand Total, All Strategies</b>	<b>\$95,111,220</b>	<b>\$94,627,134</b>	<b>(\$484,086)</b>	<b>(0.5%)</b>	<b>\$93,663,946</b>	<b>(\$963,188)</b>
<b>Notes:</b> 1) Recommendations include a decrease of \$963,188 from General Revenue that the agency had reduced in its baseline request for nutrition programs and reallocated to other strategies. See Selected Fiscal and Policy Issue - Senate Nos. 1(a), Rider Highlight - Senate No. 29. 2) General Revenue in Strategy F.1.1, Rural Community and Economic Development is from the General Revenue Match for Community Development Block Grants Account No. 8039. All other General Revenue in agency appropriations is General Revenue Fund 1.						

## Section 3

- b. ***Reduction of Federal Funds in Child Nutrition Programs:*** Recommendations provide \$844.4 million in Federal Funds in the two nutrition strategies, which includes an agency-requested reduction of \$6.2 million. This amount reflects an increase of \$3.7 million to biennialize child and adult food program funding, offset by a decrease of \$9.9 million in nonrecurring amounts to implement the new nutrition standards established in the Healthy, Hunger-Free Kids Act of 2010. TDA contracted with the 20 regional Educational Service Centers to offer technical assistance and training to school districts implementing the new requirements. School staff received training on “meal patterns” (serving components and amounts), that must be provided to student for reimbursable breakfasts, lunches, suppers or snacks. Schools statewide are now operating under the new standards.
- c. ***Creation of New Capital Budget Items in Accordance with Agency’s Request:*** In alignment with the agency’s original exceptional item requests, recommendations increase capital budget authority for two new information technology projects—one the agency indicated it could fund from General Revenue within baseline funding levels and another funded from an increase in Federal Funds:
- Licensing and Regulation System: \$600,006 from General Revenue in several strategies was allocated to a new capital budget project to replace the agency’s 11-year-old licensing system. The new system will use web-based technology to allow faster application processing and greater self-service capabilities for agency constituents. See Items not Included in Recommendations - Senate No. 7.
  - Schedule Optimization Software: an increase of \$700,000 in Federal Funds in Strategy D.1.1, Support Nutrition Programs in Schools, was allocated to a new capital budget project to more efficiently schedule on-site reviews, training, and provide the technical assistance to local districts required by federal nutrition programs. The new application is expected to reduce travel costs.

Section 3

- d. **Reduction in the FTE Cap to be More in Alignment with Historical Levels.** Since both the transfer of non-disaster related functions of the Department of Rural Affairs to TDA and the implementation of cost recovery efforts in fiscal year 2012, TDA has consistently been under its FTE cap of 704.3 FTEs. An analysis of the historical number of employees by strategy supports a reduction to TDA’s cap of 50.3 FTEs:

Analysis of FTEs by Strategy and Fiscal Years <i>Expended, Estimated, Budgeted, Requested and Recommended</i>								
Strategy	Exp 2012	Exp 2013	Est 2014	Bud 2015	Req 2017	Rec 2017	Difference	
Economic Development (A.1.1)	22.3	32.9	36.4	38.0	38.0	38.0	0.0	
Regulate Pesticide Use (A.1.2)	62.0	69.6	70	78.3	78.3	73.0	(5.3)	
Integrated Pest Management (A.1.3)	11.7	26.4	25.3	34.4	34.4	28.0	(6.4)	
Certify Produce (A.1.4)	1.3	1.5	1.5	3.8	3.8	2.0	(1.8)	
Agricultural Production Development (A.1.5)	16.7	29.3	15.6	38.1	38.1	31.0	(7.1)	
Surveillance/Biosecurity Efforts (B.1.1)	69.8	45.7	54	54.2	54.2	54.0	(0.2)	
Verify Seed Quality (B.1.2)	13.0	12.2	14.1	21.5	21.5	15.0	(6.5)	
Agricultural Commodity Regulation (B.1.3)	15.9	16.7	18.1	24.5	24.5	19.0	(5.5)	
Structural Pest Control (B.1.4)	29.8	26.4	26.7	34.5	34.5	31.0	(3.5)	
Inspect Measuring Devices (C.1.1)	86.4	97.4	98.5	106.2	106.2	103.0	(3.2)	
Support Nutrition Programs (D.1.1)	139.2	140.2	149.9	157.5	157.5	156.0	(1.5)	
Nutrition Assistance (D.2.1)	45.0	46.0	42.1	56.6	56.6	48.0	(8.6)	
Research and Development (E.1.1)	1.1	1.6	0.0	0.0	0.0	0.0	0.0	
Rural Community and Economic Development (F.1.1)	49.7	31.1	43.4	49.0	49.0	49.0	0.0	
Rural Health (F.1.2)	7.0	3.4	4.9	7.7	7.7	7.0	(0.7)	
	570.9	580.4	600.5	704.3	704.3	654.0	(50.3)	

Most of the 50.3 FTE positions reduced were scaled on the assumption that the highest number of FTEs in each strategy was still at least 5 percent under desired amounts, together with rounding to a whole number. To the extent TDA expects to need the services of additional FTEs for the two nutrition-related strategies (D.1.1 and D.2.1), the agency should be able to use Article IX, Sec. 6.10, Limitation on State Employment Levels, related to 100 percent federally funded FTEs.

## Section 3

2. **Maintain Reductions for Boll Weevil Eradication and the GO TEXAN Partner Program.** Recommendations maintain \$1,975,116 in General Revenue-Related reductions in alignment with the agency's baseline request. The agency's 2016-2017 General Revenue-Related baseline request of \$99.3 million was \$1,975,116 less than the agency's General Revenue-Related limit. The agency's self-imposed reduction was in two items:
  - a. Boll Weevil Eradication: TDA indicates the Boll Weevil Eradication Foundation's efforts at active eradication in the current and previous biennia has resulted in reduced funding needs for ongoing maintenance in 2016-17, barring new outbreaks that can occur as a result of natural disasters such as hurricanes or infestations from neighboring countries (\$1 million from General Revenue). After the reduction of \$1 million, \$14 million remains in the 2016-17 baseline for boll weevil eradication efforts. The agency expects the \$14 million funding need in the 2016-17 to be the last installment for eradication purposes, unless there is a new outbreak.
  - b. GO TEXAN Partner Program: Also, the baseline amounts were sized to available balances of \$114,884 in the General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051 (\$975,116). The GO TEXAN Partner Program was created by the 76<sup>th</sup> Legislature, 1999, to promote consumer awareness of Texas agricultural products. The revenue stream to Account No. 5051 was to consist of legislative appropriations, gifts, grants, donations, matching funds, interest earnings and the sale of GO TEXAN license plate accounts. The 83<sup>rd</sup> Legislature enacted HB 7, which redirected proceeds from the sale of GO TEXAN license plates from the General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051 to Account No. 802 in Other Funds. With the transfer of license plate proceeds and the decline of other revenue sources, Account No. 5051 may become inactive. See Selected Fiscal and Policy Issue - Senate No. 5(b).

### 3. Status of Agency Efforts to Manage Cost Recovery Programs and New Reporting Requirement

Recommendations continue cost recovery programs for TDA's marketing and regulatory programs. Prior to the 2012-13 biennium, the agency's marketing and regulatory programs were largely non-self-supporting. In its efforts to close the budget gap projected for the 2012-13 biennium, the 82<sup>nd</sup> Legislature made appropriations for marketing and regulatory programs subject to collected fee revenues. In the 2014-15 biennium, \$45.2 million in General Revenue for the agency's marketing and regulatory programs was contingent on TDA generating revenue to cover the appropriations. Due to the continuation of fee amounts established prior to the 2014-15 biennium and unanticipated fluctuations in the number of constituents paying fees, the revenue target for fiscal year 2014 was not achieved and the revenue target for fiscal year 2015 is not expected to be achieved. Based upon 11 months of collections in FY 2014, a lapse of \$7.8 million was made to 2014-15 appropriations in the strategies including cost recovery programs. Recommendations include the following:

- Add rider language making \$30.4 million in direct appropriations from General Revenue contingent on the agency's generating enough revenues to cover both the direct and indirect costs (an additional \$9.3 million) for each cost recovery program. A significant portion of the agency's reallocation of \$963,188 in General Revenue had supplemented strategies with cost recovery programs. In the same rider, require the agency to report actual and projected revenues to the Comptroller and the Legislative Budget Board for its cost recovery programs in the second, third, and fourth quarters of each fiscal year. See Selected Fiscal and Policy Issue - Senate No. 1(a) and Rider Highlight - Senate No. 29.

## Section 3

- Clarify that transferability provisions do not apply to amounts appropriated for cost recovery programs. See Rider Highlight No. 4.
- Do not include supplemental amounts (non-fee generated funds) in appropriations for cost recovery programs with revenue targets.

A portion of agency costs for indirect administration, which will include executive office functions, are embedded in each strategy with cost recovery programs. Also, based upon an analysis of amounts appropriated for nutrition strategies in 2014-15 compared to amounts budgeted, it would appear the agency used its transferability provisions to redirect \$1.4 million in General Revenue away from the two nutrition strategies to other strategies, including strategies with cost recovery programs in the current biennium. General Revenue appropriations in 2014-15 for the nutrition strategies were \$28.6 million, compared to the \$26.2 million expended and budgeted reported in the agency's LAR submission.

Relevant statutory provisions: Although TDA's marketing and regulatory programs were not transitioned to cost recovery until the 2012-13 biennium, TDA has long set and collected fees for regulatory activities pursuant to statutory requirements. The 71<sup>st</sup> Legislature, 1989, enacted legislation to direct TDA to submit a proposed fee schedule in amounts that would recover all direct costs of administering each regulatory program to the Legislative Budget Board with each legislative appropriations request (Agriculture Code §12.0145). Further, the 74<sup>th</sup> Legislature, 1995 enacted legislation which expanded this requirement that the agency should collect sufficient fees to offset both direct and indirect costs of administering regulatory activities, unless those activities were exempted in the General Appropriations Act (Agriculture Code §12.0144).

### 4. **Former General Revenue-Dedicated Young Farmer Loan Guarantee Account No. 5002.**

TDA is requesting that \$205,741 be transferred from General Revenue into an Other Funds account in the Texas Agriculture Fund No. 683 (Fund No. 683). The amount is related to swept balances from the dormant General Revenue-Dedicated Young Farmer Loan Guarantee Account No. 5002 (Account No. 5002). Recommendations include \$993,669 each fiscal year from Fund No. 683 in the 2016-17 biennium, which does not include TDA's request. See Items Not Included in the Recommendation - Senate No. 12.

The 76th Legislature abolished Account No. 5002 and redirected its revenue stream from farm truck license fees to the new Texas Agriculture Fund No. 683 (Other Funds). Because the rededication was not exempted from the funds consolidation bill, this revenue stream instead was deposited to General Revenue. Although Account No. 5002 was abolished, the Comptroller maintained records of Account No. 5002 to identify the funds moved to General Revenue.

The 77th Legislature recreated the Young Farmer Loan Guarantee Account within the Texas Agriculture Fund No. 683, along with the revenue stream from farm truck license fees. This rededication was exempted from funds consolidation. Accordingly, farm truck license fees have been a revenue stream to Fund No. 683 since fiscal year 2002.

The 81st Legislature appropriated a portion of balances from the administrative Account No. 5002 maintained by the Comptroller to TDA in the 2010-11 biennium (\$213,168 out of an estimated \$564,000 available). The agency did not seek an appropriation from this source in either the 82nd or the

Section 3

83rd Legislative session through its Legislative Appropriations Request.

In February 2014, the Comptroller swept the remaining \$205,741 from the dormant Account No. 5002 into regular unappropriated balances in the General Revenue Fund. The dormant Account No. 5002 was officially closed.

5. **Farm and Ranch Finance Program Fund 575 and License Plate Trust Fund Account No. 802**

Recommendations do not include appropriations in 2016-17 from two Other Funds accounts, in alignment with the agency’s request:

- a. Farm and Ranch Finance Program Fund No. 575 (Fund 575): The fund was created by the 69<sup>th</sup> Legislature to receive proceeds from the sale of Veterans Farm and Ranch Finance Program Bonds. The agency reports expenditures of \$41,725 in fiscal year 2014 depleted the remaining balances in Fund 575. The 84<sup>th</sup> Legislature should evaluate whether the fund officially can be abolished.
- b. License Plate Trust Fund Account No. 802 (Account No. 802). The 83<sup>rd</sup> Legislature enacted HB 7, which redirected proceeds from the sale of GO TEXAN license plates from the General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051 to Account No. 802 in Other Funds. Although the agency expects to spend \$10,000 from this source in the 2014-15 biennium, it did not request license plate receipts in the 2016-17 biennium. Despite the agency not requesting these amounts, it is anticipated that under Article IX, Sec. 13.05, Appropriations of Specialty License Plate Receipts, the agency can access proceeds from plate sales for appropriate expenditures in the GO TEXAN partner program under estimated appropriation authority.

6. **Equine Incentive Program**

The 81<sup>st</sup> Legislature enacted HB 1881, which created an equine incentive program to provide an incentive for owners of Texas-based show horses to enter the horses as participants in horse competitions. The program authorized TDA to collect a \$30 fee from owners participating in the program, upon the birth of a foal expected to compete in future years. Program receipts are not available for horse show awards until 3-7 years after the foal’s birth, when the horse is old enough to compete in events. While appropriations included estimated collections of at least \$25,000 per fiscal year, actual collections at least since fiscal year 2012 have fallen short of that amount. The 82<sup>nd</sup> Legislature appropriated the \$37,260 the agency said it had collected in the 2010-11 biennium, but it would appear that a portion of that amount must not have been expended and contributes toward the \$40,459 in requested balances in FY 2016.

Recommendations for the Equine Incentive Program direct TDA to expend up to the \$40,459 identified by the agency as available from prior year balances for incentive pay outs from amounts appropriated, and do not add any additional funding for this purpose. It is possible TDA will not expend the full \$40,459 in the 2016-17 biennium, given that eligible foals will continue to need to reach an appropriate age to compete which may not occur in the 2016-17 biennium. The following table traces appropriations, collections, expended and requested amounts from the program’s inception to the 2016-17 biennium:

Section 3

Equine Incentive Program, Appropriations and Collections Expended 2010 to Requested 2017										
	Exp 2010	Exp 2011	Exp 2012	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017	Rec 2016 <sup>3</sup>	Rec 2017
Appropriation Authority										
<i>Estimated Collections</i>	NA	NA	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 120	\$ 120	\$ 120	\$ 120
<i>Prior Year Balances</i>	NA	NA	\$ 37,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,459	\$ -
	NA	NA	\$ 62,260	\$ 25,000	\$ 25,000	\$ 25,000	\$ 120	\$ 120	\$ 40,579	\$ 120
Actual Collections	Est. \$37,260 <sup>1</sup>		\$ 9,653	\$ 750	\$ 120	TBD	NA	NA	NA	NA
Agency Expenditures <sup>2</sup>	NA	NA	\$ 350	\$ 531	\$ 274	\$ -	NA	NA	NA	NA
Notes										
<sup>1</sup> Agency reported estimates. The Comptroller cannot independently verify these amounts. Amounts for 2012-13 were reported by the agency in the annual Non-Tax Revenue Survey or in the 2016-17 LAR submission.										
<sup>2</sup> The agency lapsed a portion of appropriation authority for the Equine Incentive Program as part of its 2012-13 and 2014-15 base reconciliation cost recovery lapses.										
<sup>3</sup> Although the agency submitted a budget request that was \$1,975,116 in General Revenue-related amounts under its General Revenue-Related limit, the agency did not use the appropriation authority under this limit to access the \$40,459 requested in agency Items not Included in the Recommendations - Senate No. 14.										

See Items Not Included in the Recommendations – Senate No. 14 for agency requests related to the Equine Incentive Program, and Rider Highlight - Senate No. 15. Note that the agency is requesting that balances of collections for this program be provided to the agency in a dedicated account, and that collections be carried forward between biennia.



Section 3

Texas Department of Agriculture  
Performance Measure Highlights - Senate

	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
<ul style="list-style-type: none"><li>Number of Pounds of Fruits, Vegetables, Peanuts and Nuts Inspected (In Billions)</li></ul> <p>Measure Explanation: TDA inspects shipments of fresh produce and certify quality under USDA standards before the commodities are offered for sale. Demand for imported avocados, tomatoes, citrus and onion from Mexico coupled with a large Texas peanut harvest has contributed to the increase in pounds inspected in fiscal years 2013 and 2014.</p>	2.94	2.86	2.67	2.67	2.67
<ul style="list-style-type: none"><li>Number of Egg Packer, Dealer, Wholesaler, and Retailer Inspections Conducted</li></ul> <p>Measure Explanation: TDA inspects eggs to determine if they are in compliance with state and federal standards.</p>	2,025	2,036	2,100	2,100	2,100
<ul style="list-style-type: none"><li>Number of Licenses Renewed (Individuals and Businesses)</li></ul> <p>Measure Explanation: In fiscal years 2013 and 2015 more individuals and business renewed structural pest control licenses than are expected to renew such licenses in fiscal year 2015 and out years.</p>	16,512	19,219	14,100	14,100	14,100
<ul style="list-style-type: none"><li>Number of Compliance Reviews Conducted in National School Lunch and School Breakfast Programs</li></ul> <p>Measure Explanation: Under recent federal regulation changes, beginning in fiscal year 2014 compliance reviews are to be conducted at least once in every three-year period, rather than once in every five-year period.</p>	52	459	430	430	430
<ul style="list-style-type: none"><li>Average Number of Children and Adults Served Meals through Child and Adult Care Food Program Per Day</li></ul> <p>Measure Explanation: The agency depressed economic conditions and the broadening of federal criteria have led to increased program eligibility and participation, especially in demand for afterschool programs serving meals. Recommendations modify FY 2015 budgeted and 2016-17 targeted amounts.</p>	377,256	1,620,956	1,550,000	1,550,000	1,550,000

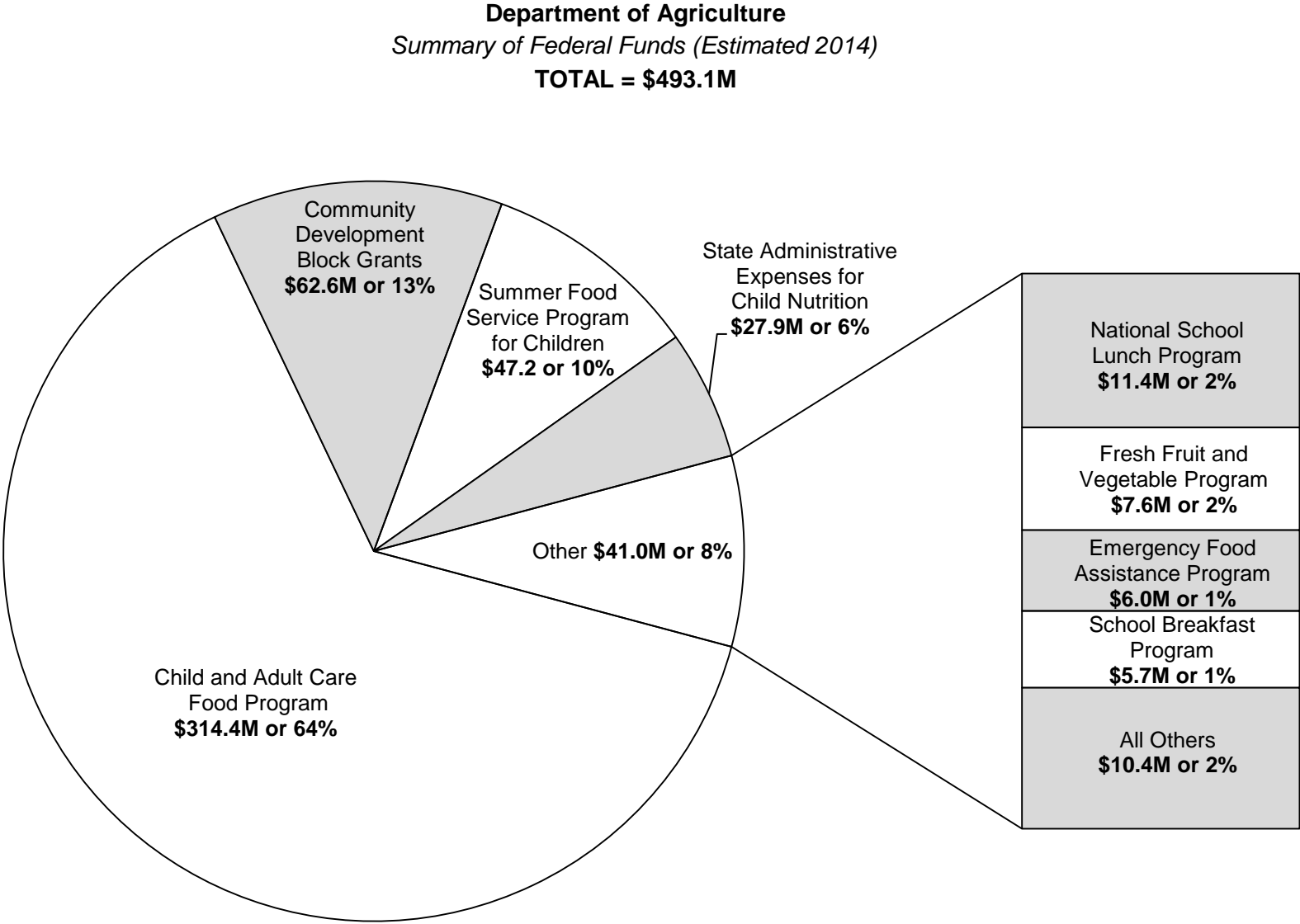
Section 3

Texas Department of Agriculture  
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
Cap	704.3	704.3	704.3	654.0	654.0
Actual/Budgeted	580.4	600.5	704.3	NA	NA
Schedule of Exempt Positions (Cap)					
Commissioner of Agriculture	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500

See Selected and Fiscal Policy Issue - Senate No. 1(c) for an explanation of recommended FTE levels.

Section 3



Note: Amounts and percentages shown may sum greater/less than actual total due to rounding.

Section 3

Department of Agriculture								
Summary of Federal Funds								
CFDA	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	Rec 2016	Rec 2017	Rec 2016-17 % total
Child and Adult Care Food Program	\$306.8	\$314.4	\$318.5	\$318.5	\$318.5	\$318.5	\$318.5	64.9%
Community Development Block Grants	\$52.9	\$62.6	\$61.5	\$61.5	\$61.5	\$61.5	\$61.5	12.5%
Summer Food Service Program for Children	\$47.3	\$47.2	\$47.2	\$47.2	\$47.2	\$47.2	\$47.2	9.6%
State Administrative Expenses for Child Nutrition	\$23.2	\$27.9	\$27.6	\$23.0	\$22.5	\$22.4	\$22.4	4.6%
National School Lunch Program	\$11.2	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	2.3%
Fresh Fruit and Vegetable Program	\$7.7	\$7.6	\$7.6	\$7.6	\$7.6	\$7.6	\$7.6	1.5%
Emergency Food Assistance Program	\$6.9	\$6.0	\$6.0	\$6.0	\$6.0	\$6.0	\$6.0	1.2%
School Breakfast Program	\$5.4	\$5.7	\$5.2	\$5.2	\$5.2	\$5.2	\$5.2	1.1%
Commodity Supplemental Food Program	\$2.6	\$2.4	\$2.4	\$2.4	\$2.4	\$2.4	\$2.4	0.5%
Specialty Crop Block Grant Program	\$1.8	\$1.4	\$1.9	\$1.9	\$1.9	\$1.9	\$1.9	0.4%
Plant and Animal Disease, Pest Control,	\$1.0	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	0.3%
Market Protection and Promotion	\$0.9	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	0.2%
WIC Farmers Market Nutrition Program	\$0.5	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	0.2%
Small Rural Hospital Improvement Grant Program	\$0.3	\$1.1	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	0.2%
State Rural Hospital Flexibility Program	\$0.7	\$0.6	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	0.1%
Consolidated Pesticide Compliance	\$0.6	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	0.1%
Organic Certification Cost Share Programs	\$0.0	\$0.0	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	0.1%
Grants to States for Operation of Offices	\$0.2	\$0.5	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	0.0%
Senior Farmers Market Nutrition Program	\$0.1	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	0.0%
Special Milk Program for Children	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Market News	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
State Trade and Export Promotion Pilot Grant Program	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Market Access Program	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal-State Marketing Improvement	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
National Foreclosure Mitigation Counseling Program	\$2.7	\$0.0	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
TOTAL:	\$473.0	\$493.1	\$496.9	\$491.0	\$490.5	\$490.4	\$490.4	

Section 3

Department of Agriculture Significant Federal Funds Changes					
CFDA No.	Program Name	2014-15 Base	2016-17 Recommended	Recommended Over/(Under) Base	Comments (Optional)
10.025.000	Plant and Animal Disease, Pest Control,	\$2,524,452	\$2,485,362	(\$39,090)	
10.025.002	Plant and Animal Disease/Pest Control Fire Ant	\$111,702	\$197,284	\$85,582	
10.163.000	Market Protection and Promotion	\$2,366,000	\$2,312,000	(\$54,000)	
10.169.000	Specialty Crop Block Grant Program	\$3,275,013	\$3,708,114	\$433,101	
10.171.000	Organic Certification Cost Share Programs	\$317,600	\$635,200	\$317,600	
10.553.000	School Breakfast Program	\$10,895,369	\$10,458,970	(\$436,399)	
10.555.000	National School Lunch Program	\$22,787,258	\$22,826,000	\$38,742	
10.556.000	Special Milk Program for Children	\$46,972	\$67,772	\$20,800	
10.558.000	Child and Adult Care Food Program	\$632,898,077	\$636,922,402	\$4,024,325	
10.559.000	Summer Food Service Program for Children	\$94,390,433	\$94,386,594	(\$3,839)	
10.560.000	State Administrative Expenses for Child Nutrition	\$55,499,046	\$44,899,656	(\$10,599,390)	
10.565.000	Commodity Supplemental Food Program	\$4,745,000	\$4,750,000	\$5,000	
10.568.000	Emergency Food Assistance Program	\$11,969,167	\$11,975,370	\$6,203	
10.572.000	WIC Farmers Market Nutrition Program	\$2,020,122	\$2,020,722	\$600	
10.576.000	Senior Farmers Market Nutrition Program	\$153,777	\$242,600	\$88,823	
10.582.000	Fresh Fruit and Vegetable Program	\$15,151,118	\$15,152,236	\$1,118	
10.601.000	Market Access Program	\$5,000	\$0	(\$5,000)	
14.228.000	Community Development Block Grants	\$124,061,240	\$122,989,158	(\$1,072,082)	

21.000.004	State Small Business Credit Initiative	\$1,303,291	\$0	(\$1,303,291)
59.061.000	State Trade and Export Promotion Pilot Grant Program	\$102,762	\$0	(\$102,762)
93.241.000	State Rural Hospital Flexibility Program	\$1,316,979	\$1,344,618	\$27,639
93.301.000	Small Rural Hospital Improvement Grant Program	\$1,844,514	\$1,533,026	(\$311,488)
93.913.000	Grants to States for Operation of Offices	\$717,356	\$360,000	(\$357,356)

Section 4

Texas Department of Agriculture  
Performance Review and Policy Report Highlights - Senate

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

## Section 5

### Texas Department of Agriculture Rider Highlights - Senate

2. **Capital Budget.** Recommendations modify the rider to include two new capital budget projects: a) Licensing and Regulation, a \$600,006 project the agency indicated it could fund within its baseline request from General Revenue; and b) Schedule Optimization Software, a project for nutrition programs funded by an increase of \$700,000 in federal funds. (See Selected Fiscal and Policy Issue - Senate No. 1(c) and Items Not Included in the Recommendations - Senate No. 1.) Also added were line items for PC, Laptop, and Tablet purchases and Network equipment.
4. **Transfer Authority.** Recommendations delete provisions providing TDA with unlimited transferability of appropriations between strategy line items. Instead TDA will have transfer authority available to all agencies for its other strategies under Article IX, Sec. 14.01, Appropriation Transfers, except for the agency's cost recovery programs. Recommendations amend the rider to exclude cost recovery programs from the unlimited transferability authority in this rider. The revision would both exclude appropriations for cost recovery programs from being transferred to other programs and exclude appropriations from other programs from being transferred to cost recovery programs. See Selected and Fiscal Policy Issue - Senate No. 3.
7. **(former) Interagency Contract: Oyster Promotions and Education.** Recommendations delete the rider. The 83<sup>rd</sup> Legislature enacted HB 1903, which removed oyster marketing and promotion provisions from the Health and Safety Code, which authorized fees for oyster marketing. Language referencing TDA's duties related to oyster marketing was also removed from the Agriculture Code.
9. **(former) Contingency to Increase the Full-Time-Equivalents (FTE) Cap for New Initiatives.** Recommendations delete the rider, because it is somewhat duplicative of Article IX, Sec. 6.10(h) which authorizes new FTEs funded 100 percent from federal funds to be exempt from an agency's FTE cap, except that the Article IX provision includes the State Auditor's Office in the list of those agencies that must be notified (Comptroller, LBB, and Governor's Office) if the agency employs new 100-percent federally funded FTEs, and specifies the authority is for programs related to surveying, controlling or eradicating invasive pests or disease. The deletion of the rider will clarify the agency can use Article IX provisions for all of its programs, in addition to programs for pest or plant diseases.
9. **Food and Nutrition Programs.** Recommendations modify the rider to reflect recommended funding levels of General Revenue and Federal Funds for nutrition assistance and child nutrition programs. See Selected Fiscal and Policy Issue – Senate No. 1(a) and 1(b).
14. **Boll Weevil Eradication.** Recommendations include a decrease from \$15 million to \$14 million in the biennial transfer to the Boll Weevil Eradication Foundation in alignment with the agency's baseline request. TDA reports the \$14 million appropriated in 2016-17 is expected to be the final installment of active eradication efforts. In future years, smaller amounts will be needed for maintenance on monitoring against reinfestation. See Selected Fiscal and Policy Issue – Senate No. 2.



## Section 5

15. **(former) Appropriation: Marketing:** Recommendations replace the rider specific to marketing cost recovery efforts with new Rider No. 29. See also Selected Fiscal and Policy Issue - Senate No. 3.
15. **Equine Incentive Program.** Recommendations modify the rider to reflect estimated program collections (\$120 per fiscal year) in alignment with agency-requested amounts in the baseline. Recommendations also direct the agency to expend up to \$40,459 from funds appropriated for incentive payments to eligible horse owners, based upon the agency's estimate of balances of prior year collections. See Selected and Fiscal Policy Issue - Senate No. 6 and Items Not Included in the Recommendations - Senate No. 14.
16. **(former) Appropriations Limited to Revenue Collections: Regulatory.** Recommendations replace the rider specific to cost recovery efforts for certain regulatory programs with new Rider No. 29. See also Selected Fiscal and Policy Issue - Senate No. 3.
18. **Administrative Allocation: Councils of Governments.** Recommendations update the rider to reflect that local officials serving the Council of Governments include officials other than elected officials.
19. **(former) Additional Appropriation Authority: Selected Regulatory Programs.** Recommendations replace the rider specific to cost recovery efforts for certain regulatory programs with new Rider No. 29. See also Selected Fiscal and Policy Issue - Senate No. 3.
29. **Appropriations Limited to Revenue Collections: Cost Recovery Programs.** Recommendations consolidate cost recovery programs in former Riders 15, 16 and 19 into one rider and reflect recommended collection levels. Recommendations also identify cost recovery program amounts by strategy and include a new reporting requirement in which the agency reports actual and projected collections to the Comptroller and the LBB in the second, third, and fourth quarters of each fiscal year. See also Selected Fiscal and Policy Issue - Senate No. 3 and Rider Request No. 29 in Agency Exceptional Items.
33. **(former) Contingency for Legislation Relating to Texas Economic Development Fund at Texas Department of Agriculture.** Recommendations modify the rider to reflect appropriations from the Texas Economic Development Fund No. 683 being included in the agency's baseline request.

Section 6

Department of Agriculture  
Items not Included in Recommendations - Senate

	2016-17 Biennial Total	
	GR & GR-Dedicated	All Funds
<b>Agency Exceptional Items - In Priority Order</b>		
<b>1. Reappropriation of Baseline Budget.</b>	\$ 2,703,004	\$ 2,703,004
a) Restore reduction of General Revenue reallocated from Child and Adult Nutrition strategies (\$963,188). See Selected Fiscal and Policy Issue - Senate, No. 1(a). Includes a request to remove \$400,000 from capital budget authority for a licensing and regulation software upgrade and to return this amount to operating expenses in several strategies.		
b) Restore agency-requested cost recovery amounts in the baseline request, which includes a reduction of cost recovery General Revenue, offset by a corresponding increase in non-fee General Revenue, primarily for program support costs added to each program in recommendations (\$1,739,816 from non-fee General Revenue). See Selected Fiscal and Policy Issue – Senate, No. 3.		
<b>2. Promotion of Texas Agriculture</b>	\$ 20,920,817	\$ 20,920,817
Funding to promote Texas agricultural products both in-state and abroad, and to provide marketing assistance to Texas producers and rural communities, including 30.0 FTEs (Strategy A.1.1, Economic Development). Activities would include:		
a) Enhancing the GO TEXAN certification program, which promotes Texas products, communities and wildlife services (\$11,679,751);		
b) Development of agriculture (\$3,241,102);		
c) Development of foreign markets (\$3,728,566);		
d) Compiling and reporting of state agricultural statistics (\$881,398); and,		
e) Administering the certification of retirement communities, under statutory provisions which require TDA to promote Texas as a retirement destination (\$1,390,000).		

Section 6

Department of Agriculture  
Items not Included in Recommendations - Senate

		2016-17 Biennial Total	
		GR & GR-Dedicated	All Funds
3. Restore Mandated Marketing Services	Funding to restore a portion of cost recovery lapses in the 2014-15 biennium with non-cost recovery General Revenue to maintain basic economic development/marketing services on behalf of Texas agricultural products (including the GO TEXAN program, in which constituent membership is voluntary) and Texas certified-retirement communities (Strategy A.1.1, Economic Development).	\$ 4,188,020	\$ 4,188,020
4. Consumer Protection - Weights, Measures and Fuel Quality	Funding to expand licensing and inspection of fuel pumps, grocery store scales, large-capacity vehicle scales, liquefied petroleum gas meters, and precious metal scales, as well as ensuring packaged commodities are properly labeled and contain the declared amount of contents when sold, including 31.0 FTEs (Strategy C.1.1, Inspect Measuring Devices). A portion of the General Revenue requested would be collected revenue (\$1.3 million).	\$ 2,810,946	\$ 3,384,324
5. GO TEXAS Partner Program (GOTEPP) Business Development Grants	Funding from General Revenue to provide GO TEXAN small business partners and other members with matching grants for promotional activities such as website development for e-commerce, trade show participation and packaging redesign (Strategy A.1.1, Economic Development). Unexpended balance authority within the biennium is requested.	\$ 1,000,000	\$ 1,000,000
6. Fraud Investigation Team	Funding for a new fraud investigation team to investigate and prepare court-ready cases involving fraud affecting the Texas food supply chain as it travels from farm to table. The new team would also support civil enforcement actions of the agency. Funding would provide for 6.0 FTEs in fiscal year 2015 and an additional 2.0 FTEs in fiscal year 2016 (Strategy B.1.3, Agricultural Commodity Regulation).	\$ 1,213,514	\$ 1,213,514

Section 6

Department of Agriculture  
Items not Included in Recommendations - Senate

		2016-17 Biennial Total	
		GR & GR-Dedicated	All Funds
7. <b>Replacement of Legacy System - Licensing and Regulatory</b>		\$ 8,308,535	\$ 8,308,535
Funding to develop a new licensing and regulatory system to support agency programs and constituents to replace the current legacy system, which has been in place for twelve years. Primary functions would include an online application portal for constituency access to licenses and programs, maintaining records for TDA licensees, enforcing regulatory controls, and monitoring compliance of licensees, all with enhanced security protections. See Selected Fiscal and Policy Issue - Senate Nos. 1(a) and 1(c), and Rider Highlight – Senate, No. 2.			
8. <b>Access to Rural Healthcare</b>		\$ 2,479,918	\$ 2,479,918
Funding for new programs to increase rural Texan’s ability to access healthcare in their respective communities, including telemedicine, electronic health records, mobile service delivery systems, including 15.0 FTEs (Strategy F.1.2, Rural Health).			
9. <b>Information Systems Security Strategy</b>		\$ 648,372	\$ 648,372
Funding to implement immediate, near-term, and mid-term recommendations to improve the security of the agency’s information technology systems.			
10. <b>Water Quality</b>		\$ 866,000	\$ 866,000
Funding for two items related to water use and conservation (Strategy E.1.1, Research and Development):			
a) Agricultural Water Use Survey. The agency is requesting that \$100,000 be included in the 2015 Supplemental Bill for an initial water survey, with ongoing costs to maintain the resulting data of \$100,000 per fiscal year in the 2016-17 biennium, which is reflected in this request. (Should the 2015 request not be funded, a total of \$287,500 is requested.)			
b) Nutrient Tracking Tool for (NTT) Texas. Funds to make the NTT available in a web-based interface to farmers, crop consultants, government officials and the general public to estimate the impact of conservation practices on nutrient and sediment losses and flow from agricultural fields (\$333,000 per fiscal year).			

Section 6

Department of Agriculture  
Items not Included in Recommendations - Senate

		2016-17 Biennial Total	
		GR & GR-Dedicated	All Funds
11. <b>Consumer Protection - Structural Pest Control</b>		\$ 780,606	\$ 780,606
Funding for additional inspection and program support resources to establish risk-based inspection protocols and decrease the number of violations found during structural pest control inspections, including 8.0 FTEs (Strategy B.1.4, Structural Pest Control).			
12. <b>Replenishment Young Farmers Loan Program Swept Funds</b>		\$ 205,741	\$ 205,741
Funds from General Revenue for the Texas Agricultural Finance Authority (TAFA) to assist young farmers with low interest loans (Strategy A.1.1, Economic Development). The requested amount is related to swept balances from the dormant General Revenue-Dedicated Young Farmer Loan Guarantee Account No. 5002. See Selected Fiscal and Policy Issue - Senate, No. 4.			
13. <b>Grazinglands Research</b>		\$ 1,109,464	\$ 1,109,464
Funds to research intensive rotational grazing practices to benefit Texas cattle producers with the latest alternative and efficient management of rangeland (Strategy E.1.1, Resarch and Development).			
14. <b>Texas Equine Incentive Program</b>		\$ 40,459	\$ 40,459
Requested appropriation of the balance of prior year collections in the Equine Incentive Program to make incentive payments to eligible horse owners (Strategy A.1.5, Agricultural Production Development). See Selected Fiscal and Policy Issue - Senate, No. 6 and Rider Highlight - Senate No. 15.			
15. <b>Zebra Chip Research</b>		\$ 1,600,000	\$ 1,600,000
Funds to increase the Zebra Chip Grant from \$0.8 million for the biennium to \$2.4 million for the biennium (an increase of \$1.6 million) from General Revenue to supplement ongoing research at the Texas A&M AgriLife on the Zebra Chip disease affecting potatoes in Texas (Strategy E.1.1, Research and Development).			

Section 6

Department of Agriculture  
Items not Included in Recommendations - Senate

		2016-17 Biennial Total	
		GR & GR-Dedicated	All Funds
16. Rider 2, Capital Budget	The agency requests \$400,000 in capital budget authority related to an upgrade of the agency's licensing and regulatory system be removed from the capital budget and returned to strategy-level opertating expenses. See Selected Fiscal and Policy Issue No. 1(c) and Items not Included in the Recommendations - Senate No. 7.	\$ -	\$ -
17. Rider 4, Transfer Authority	The agency is requesting that unlilimited transferability of appropriations between strategies be restored. See Selected Fiscal and Policy Issue - Senate No. 3 and Rider Highlight - Senate, No. 4.	\$ -	\$ -
18. Rider 9 (former), Contingency to Increase the Full-Time-Equivalents (FTE) Cap for New Initiatives.	The agency requests retaining this rider in the agency’s bill pattern, even though Article IX, Sec. 6.01(h) provides duplicative authority, although with a reporting requirement.		
19. Rider 29, Appropriations Limited to Revenue Collections: Cost Recovery Programs.	The agency is requesting that agency marketing efforts be removed from cost recovery requirements, because marketing efforts are not a regulatory function and participation in agency programs is voluntary. The agency will continue to collect fees from program participants. See Selected Fiscal and Policy Issue – Senate No. 3 and Rider Highlight – Senate No. 29.	\$ -	\$ -
Total, Items Not Included in the Recommendations		\$ 48,875,396	\$ 49,448,774

Section 7

Department of Agriculture  
Summary of 10 Percent Biennial Base Reduction Options - Senate

Biennial Reduction Amounts								
Priority	Item	Description/Impact	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
1	GO TEXAN Partner Program	Reduces grant program's total funding by the instructed 10%.	\$11,480	\$11,480		\$0	10%	No
2	Rural Health Capital Improvement Grant/Loan Program	Reduces grant program's total funding by the instructed 10%.	\$460,710	\$460,710		\$0	10%	No
3	3Es Nutrition Education Grant Program	Reduces grant program's total funding by the instructed 10%.	\$90,000	\$90,000		\$0	10%	No
4	ACES for Health Grant	Reduces grant program's total funding by the instructed 10%.	\$60,000	\$60,000		\$0	10%	No
5	Boll Weevil Eradication	Reduces grant program's total funding by the instructed 10%.	\$1,400,000	\$1,400,000		\$0	10%	No
6	Brighter Bites Grant	Reduces grant program's total funding by the instructed 10%.	\$60,000	\$60,000		\$0	10%	No
7	Feral Hog Abatement	Reduces grant program's total funding by the instructed 10%.	\$90,000	\$90,000		\$0	10%	No
8	Home Delivered Meals	Reduces grant program's total funding by the instructed 10%.	\$1,800,000	\$1,800,000		\$0	10%	No
9	Surplus Ag (Food Banks) Grant	Reduces grant program's total funding by the instructed 10%.	\$290,000	\$290,000		\$0	10%	No
10	Zebra Chip Research	Reduces grant program's total funding by the instructed 10%.	\$80,000	\$80,000		\$0	10%	No
11	TDA Agency wide cost recovery savings	Reduces agency - wide cost recovery program's total funding by the instructed 10%.	\$2,814,180	\$2,814,180		\$0	10%	No
12	TDA Non-cost recovery agency wide savings	Reduces agency - wide non- cost recovery program's total funding by the incremented required to get to the instructed 10%	\$2,676,960	\$2,676,960		\$0	4%	No
13	Boll Weevil Eradication Addl Amt	Reduces grant program's total funding by the instructed additional 10%.	\$100,000	\$100,000		\$0	0.7%	No
14	GO TEXAN Additional Amount	Reduces grant program's total funding by the instructed additional 10%.	\$97,534	\$97,534		\$0	85%	No
TOTAL, 10% Reduction Options			\$10,030,864	\$10,030,864		\$0		

Department of Agriculture  
Summary of 10 Percent Biennial Base Reduction Options - Senate  
Agency 10% Reduction Options by Category of Reduction

