

Department of Agriculture Summary of Recommendations - Senate

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Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$113,111,824	\$105,610,041	(\$7,501,783)	(6.6%)
GR Dedicated Funds	\$4,721,982	\$4,607,098	(\$114,884)	(2.4%)
Total GR-Related Funds	\$117,833,806	\$110,217,139	(\$7,616,667)	(6.5%)
Federal Funds	\$1,190,011,577	\$1,348,490,712	\$158,479,135	13.3%
Other	\$28,450,562	\$15,216,674	(\$13,233,888)	(46.5%)
All Funds	\$1,336,295,945	\$1,473,924,525	\$137,628,580	10.3%

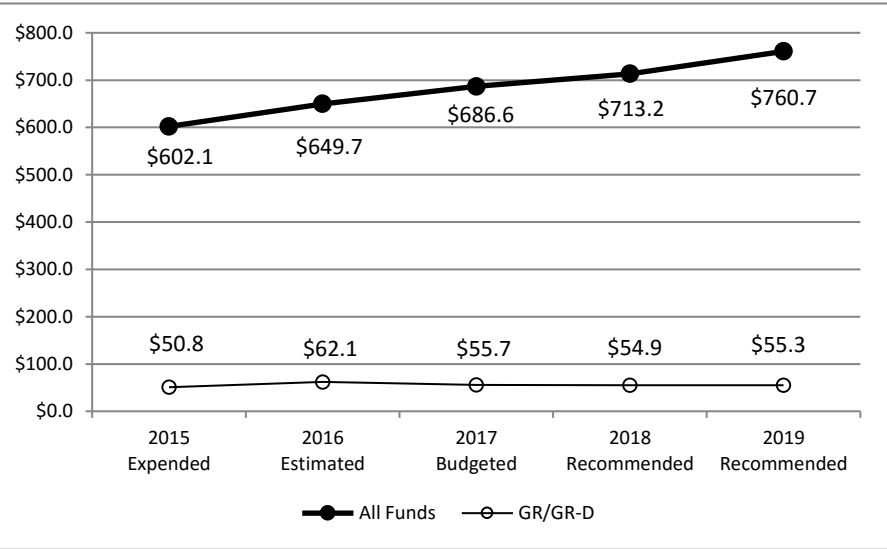
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	711.0	711.0	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

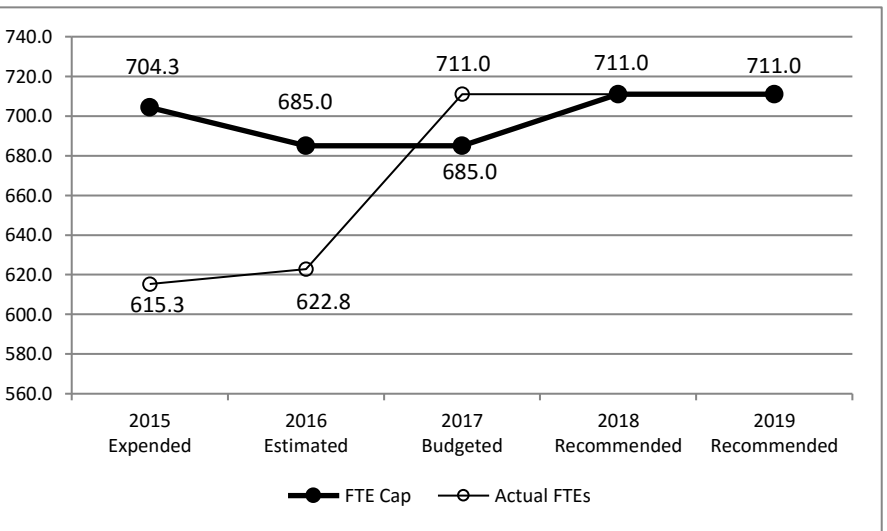
The Department of Agriculture is under Strategic Fiscal Review (SFR) for the Eighty-Fifth Legislative Session. The 2018-19 recommendations for TDA incorporate the SFR findings.

The bill pattern for this agency (2018-19 Recommended) represents an estimated 99.8% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Department of Agriculture
Summary of Funding Changes and Recommendations - Senate

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	Program in Appendix A	Detail in SFR Appendix 6
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A and SFR Appendices, when applicable):</i>								
A)	A decrease of \$4,200,000 in General Revenue for the Boll Weevil Eradication Fund program as a result of successful eradication of the boll weevil in most of the state. A decrease of \$3,000,000 was submitted by the agency as part of the 4 percent reduction. (See Selected Fiscal and Policy Issues - Senate, Item 2).	(\$4.2)	\$0.0	\$0.0	\$0.0	(\$4.2)	Boll Weevil Eradication	6.r
B)	A decrease of \$725,000 in General Revenue for a one-time Border Inspection Grant provided through a new program created by the Eighty-Fourth Legislature in SB 797. The program is statutorily set to expire at the end of fiscal year 2017. (See Selected Fiscal and Policy Issues - Senate, Item 4).	(\$0.7)	\$0.0	\$0.0	\$0.0	(\$0.7)	Plant Health	6.f
C)	A decrease of \$793,600 in General Revenue for the Zebra Chip Research Grant program to zero-fund the program. (See Selected Fiscal and Policy Issues - Senate, Item 5).	(\$0.8)	\$0.0	\$0.0	\$0.0	(\$0.8)	Zebra Chip Research Grant	6.ad
D)	A decrease of \$484,422 in cost-recovery General Revenue previously appropriated for the Texas Cooperative Inspection Program (TCIP) offset by an increase of \$399,776 in Appropriated Receipts for the same purpose, and an increase of \$177,306 due to increased fees for the Fuel Quality Program. (See Selected Fiscal and Policy Issues - Senate, Item 6).	(\$0.5)	\$0.0	\$0.0	\$0.6	\$0.1	Texas Cooperative Inspection Program; Indirect Administration; Fuel Quality	6.s; 6.c
E)	A decrease of \$6,720,000 in the Texas Economic Development Fund No. 183 due to depletion of the original balance of \$46.6 million deposited into the account as a result of the State Small Business Credit Initiative. (See Selected Fiscal and Policy Issues - Senate, Item 7; Appendix 5 - Senate, Account No. 183).	\$0.0	\$0.0	\$0.0	(\$6.7)	(\$6.7)	Rural Community & Economic Development	6.i
F)	A decrease of \$7,065,000 from the Texas Agriculture Finance Account No. 683 (TAFA) due to debt retirement on loans provided to farmers and ranchers in order to promote and develop Texas agricultural products. (See Selected Fiscal and Policy Issues - Senate, Item 9; Appendix 5 - Senate, Account No. 683).	\$0.0	\$0.0	\$0.0	(\$7.1)	(\$7.1)	Rural Community & Economic Development	6.i

Department of Agriculture
Summary of Funding Changes and Recommendations - Senate

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	Program in Appendix A	Detail in SFR Appendix 6
G)	A decrease in funding for the following capital projects: a) \$903,800 for the Computer Equipment & Software capital project primarily from a \$721,500 decrease in Federal Funds due to one-time funding for computer purchases for the Child Nutrition Federal programs, included in Item I below, and a \$207,900 decrease in General Revenue funds. (See Selected Fiscal and Policy Issues - Senate, Item 9); and b) \$484,400 in funding for the Fleet Vehicles capital project (a decrease in General Revenue of \$515,800 and an increase in Appropriated Receipts of \$31,400), primarily due to one-time vehicle costs associated with the Weights and Measures program (See Selected Fiscal and Policy Issues - Senate, Item 10).	(\$0.7)	\$0.0	(\$0.7)	\$0.0	(\$1.4)	Rural Health; Plant Health; Weights & Measures; Child Nutrition - Community Nutrition; Child Nutrition - School Nutrition	6.b; 6.f; 6.e; 6.l; 6.m
H)	A decrease of \$114,884 in General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051 funding due to anticipated ending balances in the account being appropriated and spent in fiscal year 2016. Funding for the GO TEXAN Program will continue through Federal Funds, General Revenue, and Other Funds. (See Selected Fiscal and Policy Issues - Senate, Item 12).	\$0.0	(\$0.1)	\$0.0	\$0.0	(\$0.1)	International and Domestic Trade	6.a
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A and SFR appendices, when applicable):								
I)	A net increase in Federal Funds for Child Nutrition Programs of \$178.6 million primarily due to population growth, including an increase of \$161.1 million for the Child and Adult Care Food Program, an increase of \$11.9 million for the Summer Food Service Program for Children, an increase of \$4.8 million in the Fresh Fruit & vegetable Program, and an offsetting decrease of \$5.0 million in the State Administrative Expenses for Child Nutrition. (This includes the reduction in Item G above).	\$0.0	\$0.0	\$179.4	\$0.0	\$179.4	Child Nutrition - Community Nutrition; Child Nutrition - School Nutrition	6.l; 6.m

Department of Agriculture
Summary of Funding Changes and Recommendations - Senate

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	Program in Appendix A	Detail in SFR Appendix 6
J)	Various Federal Funds decreases, primarily \$17,000,000 for the one-time Biofuel Infrastructure Partnership Grant, used for increasing the number of fueling stations in Texas that provide ethanol fuels; \$279,575 for the Specialty Crop Block Grant Program; \$1,029,626 for the Community Development Block Grant Program; \$807,516 for the treatment of plant and animal diseases; \$853,696 for the Market Protection and Promotion Program; and \$214,746 for the Pesticide Enforcement Program, which ends in 2017.	\$0.0	\$0.0	(\$20.2)	\$0.0	(\$20.2)	Multiple programs	Multiple programs
K)	A decrease in General Revenue for one-time funding for the Octane Analyzers capital project (\$380,000, zero funded at the request of the agency) and operating costs for the Weights & Measures program (\$193,925).	(\$0.6)	\$0.0	\$0.0	\$0.0	(\$0.6)	Weights & Measures	6.e

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	(\$7.5)	(\$0.1)	\$158.5	(\$13.2)	\$137.7	As Listed	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$179.4	\$0.6	\$179.5	As Listed	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$7.5)	(\$0.1)	(\$20.9)	(\$13.8)	(\$37.5)	As Listed	As Listed

NOTE: Totals may not sum due to rounding.

**Department of Agriculture
Selected Fiscal and Policy Issues - Senate**

1. **Strategic Fiscal Review Overview:** Texas Department of Agriculture (TDA) is under Strategic Fiscal Review (SFR). Below is a summary of the Legislative Budget Board's analysis of the agency's submissions:

- **Program Highlights:** TDA has 31 programs. Of these programs, 15 were evaluated to have strong mission centrality and authority; 6 have moderate mission centrality and strong authority; 4 have moderate mission centrality and moderate authority; 1 (Biofuels Infrastructure program) has moderate mission centrality and weak authority; 2 (Rural Health program, Wine Marketing, Research, and Education program) have weak mission centrality and strong authority; 1 (Zebra Chip Research Grant program) has strong mission centrality and weak authority; and 1 (Texans Feeding Texans (Home Delivered Meals) program) has weak mission centrality and weak authority (See Appendix 4 – Senate for all mission centrality and authority program evaluations). The Rural Health program was ranked second on the agency's prioritization of programs, behind only the International and Domestic Trade program. However, the agency requested a reduction of \$600,000 in GR-D funding as part of the 4 percent reduction; this reduction is not included in recommendations.
- **General Findings:** Although all programs were reviewed, three programs, the Boll Weevil Eradication Program; the cost-recovery viability of the Plant Health Program; the Wine Marketing, Research and Education Program; and the Plant Health – Border Inspection Grant Program, have key findings found below in Items 2, 3, and 4. In addition, the Zebra Chip Research Grant program is recommended to be zero-funded below in Item 5. Further information is found in the SFR Appendices.

2. **Boll Weevil Eradication Funding:** Recommendations include \$9.8 million in General Revenue funding for the 2018-19 biennium, a reduction of \$4.2 million from 2016-17 funding levels.

Issue Detail: The SFR evaluated the need for state funding for the Boll Weevil Eradication Program. The Texas Boll Weevil Eradication Foundation was established as a non-profit organization by the Legislature in 1993 to eradicate and suppress the boll weevil and pink bollworm from Texas cotton fields and is overseen by TDA. All of the recommended funding would be allocated by the agency towards eradication efforts in the Lower Rio Grande Valley (LRGV) cotton producing region zone, which continues to experience infestation and retains quarantine status. The Foundation predicts that all regions in the state besides the LRGV region will enter the maintenance phase of the program beginning in 2018. (See Appendix 6.r – Senate).

The Foundation is funded through grower assessments (55.4%), General Revenue funds (20.2%), and Federal Funds (24.5%). The Texas Agricultural Finance Authority (TAFA), operated by TDA, was authorized by the General Appropriations Act for the 2010-11 biennium to allocate \$9.3 million to be split between the three eradication zones in order to pay down a portion of the higher-interest debt to the USDA Farm Service Agency's Commodity Credit Corporation (CCC). As of November 30, 2016, only the LRGV region had outstanding debt to TDA (\$0.9 million) on the \$3.1 million loan. The LRGV region's debt to the CCC was reduced by \$3.1 million due to the TAFA funding in the 2010-11 biennium, but this funding did not cover all outstanding debts from the region to the CCC. The LRGV region also had outstanding debt to the CCC for \$5.4 million in addition to the \$0.9 million outstanding to TDA.

In addition to revenue provided by grower assessments, General Revenue, and Federal Funds, the Foundation reported having an operating reserve balance of \$87.0 million as of August 31, 2016, and access to a contingency fund available to members of the National Cotton Council called the Boll Weevil Protection Fund, which has a balance of \$7.5 million. This Protection Fund was established in 2014 and is funded by an assessment contributed by the state grower association or eradication entity and managed by the National Cotton Council.

Due to the existence of this contingency fund and the availability of the Foundations' reserves, recommendations include a reduction of \$4.2 million for the 2018-19 biennium, which includes a \$1.2 million reduction in addition to the agency's requested \$3.0 million reduction. The \$1.2 million further reduction to the agency's base request funding for the program was submitted by the agency as part of its 10 percent Biennial Reduction Options Schedule.

3. **Wine Marketing, Research and Education Program:** Recommendations include a reduction in funding from the Wine Industry Development Fund Account 5165 (WIDF) of \$600,000 for the 2018-19 biennium compared to 2016-17 funding levels due to the inability to track related tax revenues pursuant to SB 881. Recommendations include \$500,000 in WIDF funding for the 2018-19 biennium for the Wine Marketing activity within the Wine Marketing, Research and Education program, continuing 2016-17 funding levels for this activity.

Issue Detail: The SFR evaluated the Wine Industry Development Fund Account 5165 (WIDF) in the General Revenue Fund. The WIDF is to be used by TDA for projects related to developing the Texas wine industry, viticulture and enology-related education programs. One source of revenue to the account is established in the Alcoholic Beverage Code, §205.03 by SB 1370 (Seventy-Ninth Legislature). Via a complex formula, the code allocates growth in wine related tax revenue compared to 2004 collection levels to fund wine- and grape-related research and education at certain Institutions of Higher Education (IHEs) up to a maximum amount determined by statute (see Wine Marketing, Research and Education Program Summary, Appendix 5 – Senate, Wine Industry Development Fund; Appendix 6.o – Senate for maximum appropriation amounts). The allocation would also provide funding of up to \$300,000 per year to TDA for the WIDF if the growth in revenue was high enough after covering the appropriations to the IHEs. The Eighty-Fourth Legislature, with SB 881, updated the allocation amounts and extended the expiration date for the provisions in the bill to 2025. In addition, the revenue level is compared to 2014 collection levels instead of 2004 collection levels.

The Comptroller is unable to isolate the revenue sources that fund the IHEs and WIDF under the provisions of SB 881; this would require distinguishing between tax revenues paid by in-state payers and out-of-state payers, and distinguishing between taxes on winery sales and other wine-related revenues. The Comptroller is, therefore, also unable to measure revenue growth from the baseline in 2014 (and previously 2004) as it cannot isolate the relevant revenue amounts. The allocation to the IHEs was not exempted from the Eighty-Fourth Legislature's HB 6, the funds consolidation bill, resulting in the allocation being funded from undedicated General Revenue; however, the allocation to the WIDF was exempted from the funds consolidation bill. As a result, the IHEs have been funded from General Revenue at maximum allocation levels set in statute by SB 881; TDA has not received funding. In the 2016-17 biennium, TDA was appropriated \$600,000 for the WIDF, but appropriation authority was lapsed due to the inability to measure the relevant revenue growth. Recommendations do not include funding that would result from SB 881 appropriations; the agency's base request did not include this funding either.

Recommendations continue funding for the Wine Marketing, Research and Education Program at 2016-17 levels. Separate from the provisions of Alcoholic Beverage Code §205.03, TDA is appropriated \$250,000 each fiscal year through an interagency contract with the Texas Alcoholic Beverage Commission for the purpose of administering the Texas Wine Marketing Program (Texas Alcoholic Beverage Code, §5.56) through Rider 24, Texas Wine Marketing Assistance Program. The Texas Wine Marketing Assistance program carries out promotional activities for wine produced in Texas, delivers wine to consumers, provides public education and publicity about wine and wineries based in Texas, and develops and maintains a database of wineries and package stories in the state. These activities are distinct from the activities that would be funded under Alcoholic Beverage Code, §205.03, which are focused on funding research and technological improvements relating to the effects of frost, pestilence, or infestation on grapevines.

A statutory change would be required to amend the current language in Alcoholic Beverage Code, §205.03 and replace it with language that would allocate, contingent on the legislature making an appropriation, a certain amount of money from wine tax revenue (contingent on CPA certification) to the IHEs and TDA for the Wine Industry Development Fund.

4. **Border Inspection Grant:** Recommendations do not include funding for this program in the 2018-19 biennium, as the program is scheduled to expire at the end of fiscal year 2017.

Issue Detail: The SFR evaluated the Border Inspection Grant, which was created by the Eighty-Fourth Legislature in SB 797 and provided one-time funding through the new Trade Agricultural Inspection Grant Program. The program's purpose was to allow TDA to establish a grant program to reduce wait times for agricultural inspections of vehicles at ports of entry along the border. For the 2016-17 biennium, this program was appropriated \$725,000 in General Revenue, which is the maximum amount for grants allowed under law, with the expectation of providing 3,400 additional inspection hours in fiscal year 2016 and 2,400 additional inspection hours in fiscal year 2017. The appropriation was used by TDA to fund grants passed through the South Texas Assets Consortium (STAC) for the purpose of reducing wait times for agricultural inspections of vehicles entering Texas from Mexico. Grant funds total \$652,500, to be made available to STAC in the amount of \$382,500 on January 1, 2016 and \$270,000 on September 1, 2016. The remaining \$44,500 are reserved by TDA for program operating expenses. In the statutorily-required report submitted by TDA to the legislature on the performance of the program, the number of additional inspection hours funded by the grant was 75 in fiscal year 2016. TDA cites the lack of available Customs and Border Protection (CBP) officers as a reason that this number was lower than the target amount; a request for 2,080 hours (\$218,400 in grant funding) was declined by CBP due to not having available inspection officers. TDA has been advised that further requests in fiscal year 2017 will be made for the peak produce season for February, March, and April, as well as in the summer, and that CBP is expecting to hire additional officers over the next 12-18 months.

5. **Zebra Chip Research Grant Program:** Recommendations zero-fund the Zebra Chip Research program for the 2018-19 biennium, which represents a decrease of \$800,000 in General Revenue. The Zebra Chip Research Grant program funds research at Texas A&M AgriLife to minimize the impact of the Zebra Chip disease on Texas potato production and processing industries through research and extension activities. The agency directs grant solicitation and application documents, makes grant awards, and monitors Texas A&M AgriLife for performance and compliance, processes payment reimbursements, and provides technical assistance. Recommendations zero fund the program because General Revenue is being used to fund research that is economically beneficial to a select population of farmers, has been supported with \$5.6 million in General Revenue since the state of Texas began funding the research in 2008, and additional research funding can be reasonably expected to come from the affected industry. In addition, the agency ranked the Zebra Chip Research Grant program as second to last in the agency's list of priorities (30 out of 31 programs) in the SFR submission, and the program has only weak authority. (See Rider Highlights – Senate, Rider 16; Appendix 4 – Senate; Appendix 6.ad – Senate).
6. **Cost Recovery Programs:** Cost recovery appropriation amounts are updated for the 2018-19 biennium based on updated program allocations from the agency which incorporate revenue collected in excess of the Biennial Revenue Estimate (BRE) and lapses from fiscal years 2016-17. (See Rider Highlights – Senate, Rider 28). Direct costs for the cost recovery programs in 2018-19 total \$39.9 million, a decrease of \$0.6 million from the 2016-17 spending level.

In addition, the agency has not fully complied with the reporting requirements instructing the agency to provide a report to the Comptroller of Public Accounts and the Legislative Budget Board detailing the amount of fee generated revenues collected for each cost recovery program and a projection of the revenues for each cost recovery program at various points in the fiscal year. All reports by the agency in 2016-17 are in terms of the revenues generated in a strategy, not within a particular cost recovery program. Multiple strategies in 2016-17 collect revenue from multiple cost recovery programs. The agency has indicated that it is unable to identify revenue associated with each cost recovery program. Recommendations amend the Appropriations Limited to Revenue Collections: Cost Recovery Programs rider to explicitly require the agency to provide the necessary information by program only.

Funding for the Texas Cooperative Inspection Program (TCIP) is changed from cost-recovery General Revenue to Appropriated Receipts. TCIP is a cooperative program between the U.S. Department of Agriculture (USDA) and TDA; the service provider under contract with TDA and USDA inspects and certifies grading and packing of fruits, vegetables, and other agricultural products. The funding is a reimbursement from the federal government for the administration of this program, and funds the salary, benefits, and expenses of the executive director of TCIP. Recommendations include a reduction of \$484,422 in General Revenue for the biennium with an offsetting increase of \$399,776 in Appropriated Receipts. (See Appendix 5 – Senate, Appropriated Receipts; Appendix 6.s – Senate).

7. **Texas Economic Development Fund No. 183 (Account 183):** Recommendations include a decrease of \$6,720,000 in Account 183 (Other Funds) due to depletion of the fund's original balances; total funding from Account 183 for the 2018-19 biennium is \$9.0 million. Account 183 funds investments in small businesses, including loans to small businesses focused on rural Texas. Some of these investments are debt structured with unguaranteed returns. These first investments were made in 2012, while the majority were made in the 2014-15 biennium. In fiscal year 2011, 2013, and 2014, a total of \$46.6 million in funding was added to the account as part of the State Small Business Credit Initiative passed by the federal government in 2010. (See SFR Appendix 4 – Senate, Account 183). The \$6.7 million reduction in recommended funding is due to the balance of the account having been spent down in previous years through investments. The agency predicts that as the investments start to generate more in returns in the 2018-19 biennium and in future years, more revenue to the account will be available. From the account, \$7.9 million was appropriated each fiscal year of the 2016-17 biennium, leaving an expected \$1,833 in the account at the end of fiscal year 2017. In fiscal year 2013, \$1.9 million was collected, and \$2.5 million was collected in fiscal year 2014. Negligible revenue was collected in fiscal year 2015, and no revenue was collected from investment returns in fiscal year 2016. The Comptroller's BRE includes \$1.0 million in investment return revenue in fiscal year 2017 and \$4.5 million in each fiscal year of the 2018-19 biennium. (See Appendix 5 – Senate, Texas Economic Development Fund; Appendix 6.i – Senate).

8. **Texas Agricultural Fund No. 683 (TAFE):** Recommendations include \$1,987,338 in Other Funds from TAFE for the 2018-19 biennium, a decrease of \$7,065,000 due to debt retirement. Texas Agricultural Code, Chapter 58, created the TAFE within TDA through HB 49 in 1987 to provide financial assistance for the expansion, development, and diversification of production, processing, marketing, and export of Texas agricultural products. TAFE is required to administer a loan guarantee program for eligible applicants seeking to establish or enhance a farming or ranching operation or an agriculture-related business (Texas Agricultural Code, §58.02(e)). The program provides reduced interest rates on loans through payments made from the Texas Agricultural Fund No. Loan guarantee recipients may use loan proceeds for working capital to operate a farm or ranch, including the lease of facilities and the purchase of machinery and equipment, or for any agriculture-related business purpose, including the purchase of real estate. Revenue to the TAFE is predominately from the Motor Vehicle Assessment – Young Farmer Program, a voluntary \$5 fee paid at the time of registration of a Commercial Farm Motor Vehicle (Texas Transportation Code, §502.404) and on the principal repayments and interest payments on existing loans. The Comptroller’s BRE anticipates revenue collections of approximately \$1.1 million each fiscal year of the 2018-19 biennium in addition to an ending fund balance of \$22.3 million for fiscal year 2017. (See Rider Highlights – Senate, Rider 5; Appendix 5 – Senate, Texas Agricultural Fund No. 683; Appendix 6.i – Senate).
9. **Computer Equipment and Software Capital Funding:** Recommendations include a reduction of \$903,800 in All Funds for the Computer Equipment and Software capital project. The reduction is primarily due a decrease of \$721,500 in Federal Funds (from the National School Lunch Program and the Child Adult Care Food Program) and \$207,900 in General Revenue for one-time computer equipment and software purchases. Recommendations re-allocate \$10,400 in CDBG Federal Funds, \$10,000 in CDBG General Revenue matching funds, and \$5,200 in Appropriated Receipts for this project in alignment with the agency’s request.
10. **Fleet Vehicles Capital Funding:** Recommendations include a reduction of \$484,400 in All Funds for the Fleet Vehicles capital project. The reduction is primarily due to one-time funding in fiscal year 2016 of \$543,400 in General Revenue in the Weights & Measures program. Various increases in funding for other programs offsets this decrease, including an increase of \$31,400 in Appropriated Receipts funding in the Fuel Quality program. Funding include \$927,600 in General Revenue and \$31,400 in Appropriated Receipts for the Fleet Vehicles project for a total of \$959,000 in funding for the 2018-19 biennium to replace 19 vehicles that will have more than 150,000 miles by the end of fiscal year 2019. The agency has identified an additional 17 vehicles that will have more than 150,000 miles by the end of fiscal year 2019 which it did not request funding to replace.
11. **Master Lease Purchase Plan (MLPP) Lease Payments:**
 - **Metrology Lab Funding:** Recommendations include includes \$292,048 in General Revenue for the Metrology Lab MLPP lease payments - \$146,583 in fiscal year 2018 and \$145,465 in fiscal year 2019. This is a reduction of \$4,262 compared to 2016-17 funding levels.
 - **Weight Truck Capital Funding:** Recommendations include \$27,573 in fiscal year 2018 and \$26,244 in fiscal year 2019 of cost-recovery General Revenue for the purchase of a weight truck using the MLPP.
 - **Liquid Chromatograph/Tandem Mass Spectrometer Capital Funding:** Recommendations include \$45,744 in fiscal year 2018 and \$43,935 in fiscal year 2019 of General Revenue funds for the purchase of this mass spectrometer using the MLPP. The Liquid Chromatograph/Tandem Mass Spectrometer will provide additional capacity for pesticide analysis in the Pesticide Lab in College Station. (See Rider Highlights – Senate, Rider 6).
12. **GO TEXAN Account:** Recommendations provide funding for the GO TEXAN Program within the International and Domestic Trade Program from General Revenue (\$515,084 for the biennium), Federal Funds (\$22,000 for the biennium from Market News funding), Interagency Contracts (\$313,734 from Texas Parks and Wildlife for the Texas Shrimp Marketing Assistance program), and Appropriated Receipts (\$267,874 in funding for the Food and Fiber Pavilion at the State Fair). The General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051 was projected to have its remaining balances spent down by the end of fiscal year 2016. The agency spent its full appropriation of \$114,884 in fiscal year 2016, with no appropriations made in fiscal year 2017. Funding from the account may only be used for activities promoting the sale of Texas agricultural products.

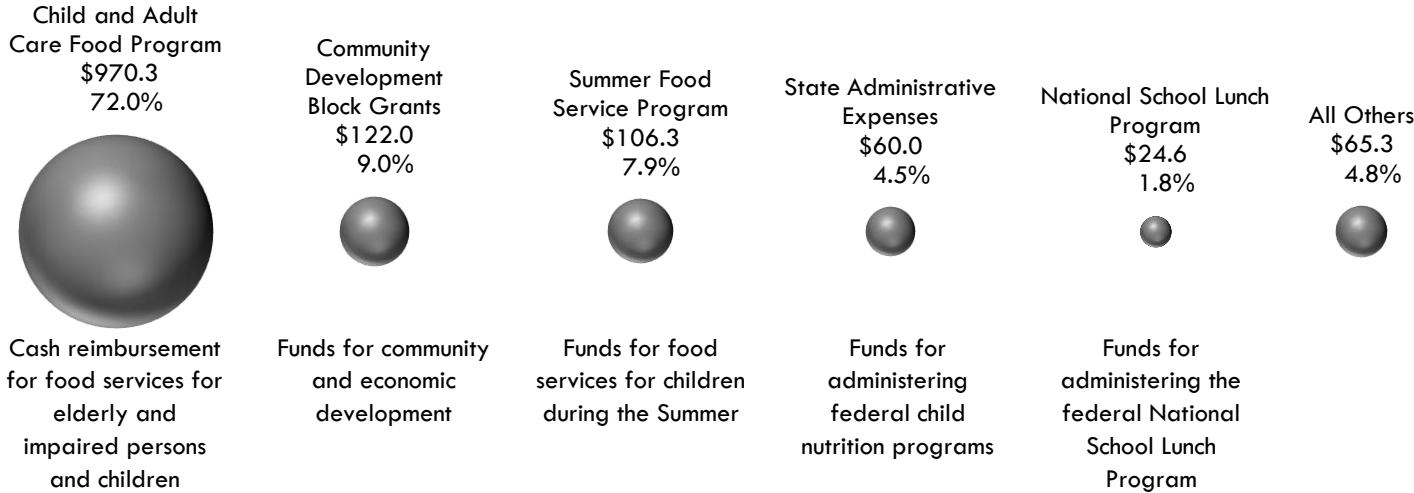
The account was created by the Seventy-Sixth Legislature in HB 3084 as the GO TEXAN Partner Program Plates Account No. 5051. The enactment of HB 7 by the Eighty-Third Legislature required interest generated by the account to be deposited as General Revenue and specialty license plate fees previously deposited to the account to be deposited to the credit of the License Plate Trust Fund No. 802 (Transportation Code, §504.625). Subsequently, the account was renamed the General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051. The account can receive gifts and matching funds as revenue into the account, as well as legislative appropriations. According to the Comptroller’s BRE, the balance in the fund is estimated to be \$142,000 at the end of fiscal year 2017. (See Appendix 5 – Senate, GO TEXAN Account No. 5051).

13. **Permanent Fund for Rural Health Facility Capital Improvement:** Recommendations for the Rural Health program include \$8,688,842 in All Funds for the 2018-19 biennium, including \$4,607,098 in General Revenue-Dedicated Permanent Fund for Rural Health Facility Capital Improvement Account No. 5047 (Account 5047) funding which continues 2016-17 funding levels from this account. Created by the Seventy-Sixth Legislature, Account 5047 records the receipt of General Revenue from the tobacco settlement, in addition to gifts and grants contributed to the account. Only the available earnings of the account from interest on the \$50.0 million corpus of tobacco settlement money may be appropriated. Appropriations from the account may be used to make a grant or low-interest loan to, or guarantee a loan for, a public or nonprofit hospital located in a rural county. These grants, loan, or loan guarantee recipients may use the money only to make capital improvements to existing health facilities, construct new health facilities, or purchase capital equipment for a health facility. The Comptroller's BRE includes revenue of \$1.6 million in fiscal year 2018 and \$1.7 million in fiscal year 2019, in addition to an estimated balance of \$2.3 million at the end of fiscal year 2017. Recommendations rely on the existing balance in 2018-19 to continue 2016-17 funding levels; future appropriations will have to be reduced to match available revenues. (See Appendix 5 – Senate, Account 5047; Appendix 6.b – Senate).

Department of Agriculture

Summary of Federal Funds (2018 - 19)- Senate

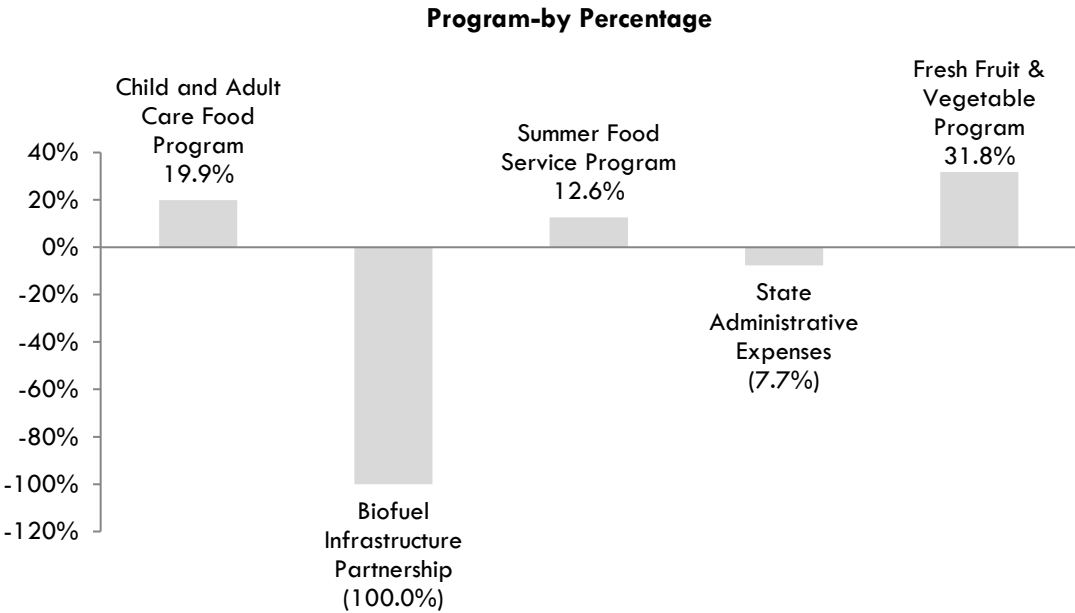
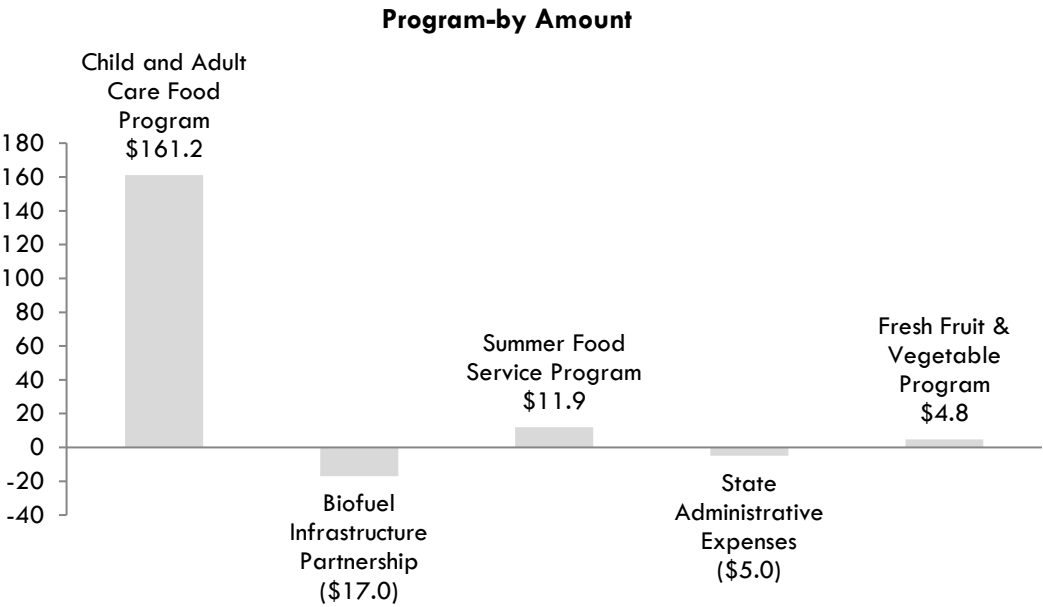
Total \$1,348.5M



Selected Federal Fiscal and Policy Issues

- 1. LBB recommendations increase expenditures for the Child and Adult Care Food Program and Fresh Fruit & Vegetable Program due to anticipated population growth and greater need in school districts and the community.
- 2. The Biofuel Infrastructure Partnership, a program that supports increased ethanol consumption, is a one-time grant that will end after fiscal year 2017. No other federal grants are expected to replace this funding.

Programs with Significant Federal Funding Changes from 2016 - 17



Texas Department of Agriculture
Contracting Highlights - Senate

Summary of Contracts Awarded 09/01/2014 to 01/17/2017 and Reported to LBB Contracts Database*

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	408	\$ 116.5	\$ 0.3	100%

Award Method

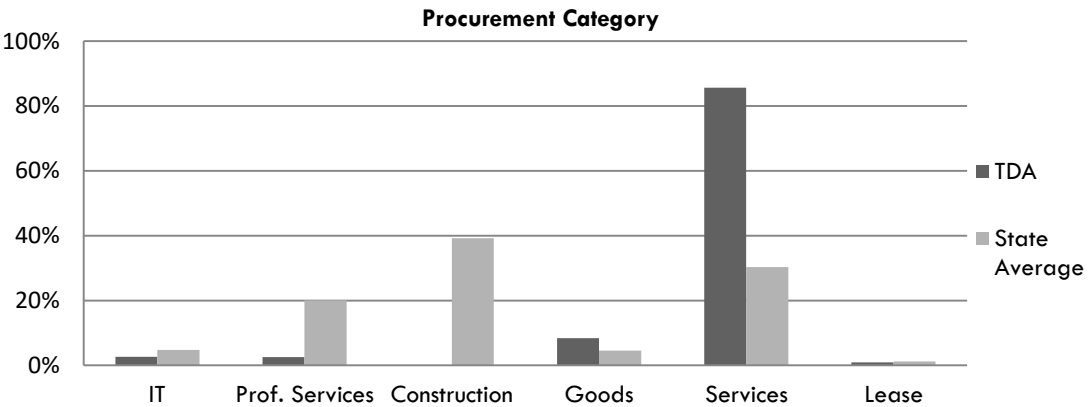
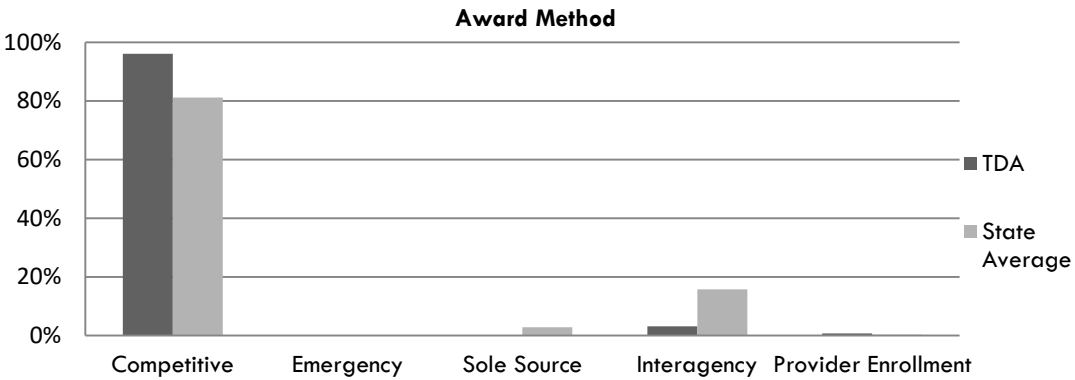
Total Competitive Contracts	385	\$ 112.0	\$ 0.3	96.1%
Total Non-Competitive	23	\$ 4.5	\$ 0.2	3.9%
Emergency	0	\$ -	\$ -	0.0%
Sole Source	1	\$ 0.0	\$ 0.0	0.0%
Interagency Agreement	21	\$ 3.6	\$ 0.2	3.1%
Provider Enrollment	1	\$ 0.9	\$ 0.9	0.7%

Procurement Category

Information Technology	13	\$ 3.0	\$ 0.2	2.6%
Professional Services	13	\$ 2.9	\$ 0.2	2.5%
Construction	0	\$ -	\$ -	0.0%
Goods	9	\$ 9.7	\$ 1.1	8.3%
Other Services	370	\$ 99.8	\$ 0.3	85.7%
Lease/Rental	3	\$ 1.1	\$ 0.4	0.9%

Revenue Generating Contracts	2	\$ 0.5	\$ 0.3	0.5%
Competitive	2	\$ 0.5	\$ 0.3	0.5%
Non-competitive	0	\$ -	\$ -	0.0%

Comparisons with State Averages



*Note: These figures reflect the total value of reported contracts awarded 09/01/2014 to 01/17/2017 and reported to the LBB contract database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

Texas Department of Agriculture
Contracting Highlights - Senate

(Dollar values rounded to the nearest tenth of a million)

Largest Competitive Contracts Awarded in FY 15-16		Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1	Texas Biofuel Infrastructure Partnership	Competitive	\$ 8.0	-	11/05/15	7 years	-	Protec Fuel Management LLC
2	Agricultural Surplus Products Grant Program	Competitive	\$ 5.6	-	10/06/15	2 years	-	Feeding Texas
3	Lamb County	Competitive	\$ 1.5	-	06/14/16	3 years	-	Lamb County
4	Texans Feeding Texas Home Delivery Meals Grant	Competitive	\$ 1.5	-	01/31/15	1 year	-	Interfaith Ministries Houston
Largest Non-Competitive Contracts Awarded in FY 15-16								
1	Boll Weevil Eradication	Interagency	\$ 14.0	-	01/26/16	<2 years	-	TX Boll Weevil Erad. Foundation
2	Agency Fleet Fuel & Maintenance ¹	Provider Enrollment	\$ 0.9	-	09/01/15	1 year	-	US Bank National Assoc.
3	Zebra Chip Research Grant Program	Sole Source	\$ 0.7	-	01/26/16	10 years	-	TAMU AgriLife Research
Largest Active Contracts from Previous Fiscal Years								
1	Dallas Office Lease	Sole Source	\$ 1.0	-	03/01/03	20 years	-	Gerber Properties Ltd.
2	San Antonio Office Lease	Interagency	\$ 0.5	-	09/04/13	6 years	-	Domicilio Conocido Inc.
3	Texas Tech Univ. Health Science Center	Competitive	\$ 0.3	-	04/03/14	4 years	-	TTU HSC

¹ Agency has misreported “Agency Fleet Fuel and Maintenance” as “Provider Enrollment”; this designation is reserved for medical providers who contract with state agencies (HHS) and health science centers (UT, Texas Tech and Texas A&M).

*Note: The percent change in contract value between initial award amount and the current contract value. Includes contract amendments and renewals.

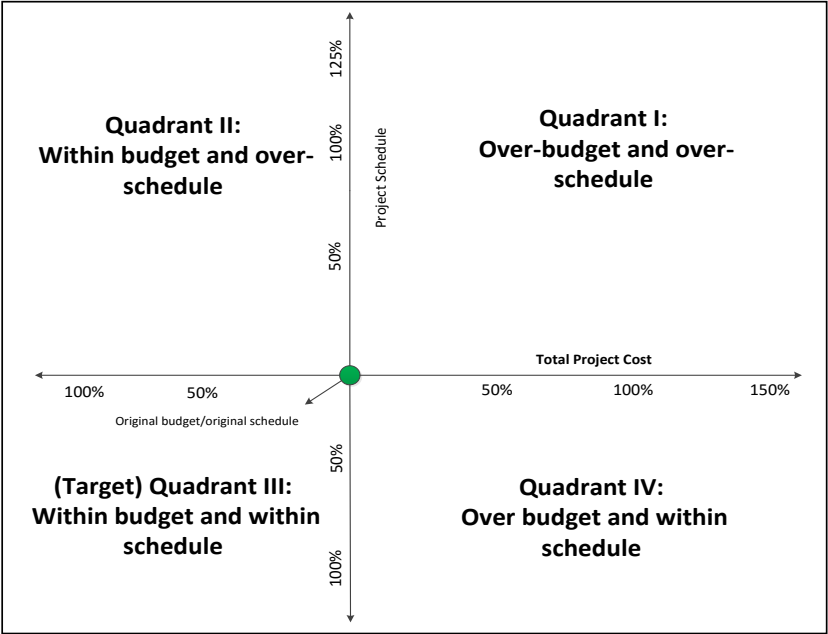
Texas Department of Agriculture
Quality Assurance Team Highlights - House

Section 3c

Summary of Total Costs (in millions) and Time Frames reported to the Quality Assurance Team*

	Original Projected Costs	Current Projected Costs	Difference in Costs	Expenditures to Date	Original Timeline in Months	Current Timeline in Months	Difference in Time	% Complete	
Project Name									
1 Menu Analysis & Planning System Project (MAPS)	\$2.5	\$2.5	\$0.0	\$1.7	24	24	0	97%	●
Project Totals (1)									
	\$2.5	\$2.5	\$0.0	\$1.7					

Major Information Resources Projects



- Legend**
- Project which is within budget and within schedule
 - Project which exceeds budget OR schedule
 - Project which is over budget and behind schedule

*Note: These figures reflect all project costs (Capital and Informational) and timelines from self-reported monitoring reports that are sent to the Quality Assurance Team (QAT) for review. QAT includes representatives from the Legislative Budget Board, the State Auditor’s Office, and the Department of Information Resources.

**Texas Department of Agriculture
Quality Assurance Team Highlights - House**

Section 3c

Significant Project Highlights

1 Menu Analysis & Planning System Project (MAPS)

This project was appropriated \$2.0 million (USDA Grant) for project development and authorized to begin in FY 2015 for a duration of 24 months.

The Texas Department of Agriculture (TDA) administers the USDA National School Lunch Program (NSLP) and School Breakfast Program (SBP) in Texas and is purchasing software application(s) that will provide solutions to support USDA's meal pattern requirements for Texas schools who participate in the NSLP and SBP.

According to the agency, the Menu Analysis & Planning System (MAPS) will help TDA, Educational Service Centers (ESCs) and Contracting Entities (CEs) implement USDA meal pattern requirements, provide assistance to CEs for critical child nutrition planning, create sustainable ongoing implementation of the new meal patterns and encourage students to develop and embrace healthy eating habits.

MAPS is being implemented to automate manual processes, capture data and provide real-time information for monitoring purposes. It will identify CEs at risk for noncompliance, specify corrective actions needed (for example, to correct deficiencies in meal components) and measure the impact and success of corrective action. Another goal of MAPS is to move from a reactive model of corrective action required by TDA to a proactive model of risk identification and prevention by CEs and ESCs.

* Note: TDA is implementing a software application that will provide a solution and support of USDA's new meal pattern requirements for Texas schools who participate in the National School Lunch Program (NSLP) and School Breakfast Program (SBP). The USDA Food and Nutrition Service (FNS) approved the project. The project is funded using federal administrative funds provided to state agencies through Section 201 of the Healthy, Hungry-Free Kids Act of 2010.

QAT Budget Highlights (in millions)

Project Name	2016-17 Base	2018-19 Requested	2018-19 Recommended
MAPS	\$0.0	\$0.0	\$0.0
Total	\$0.0	\$0.0	\$0.0

Major Information Resources Projects
Pursuant to the Texas Government Code, Chapter 2054, a major information resources project is:

- Any information resources technology project identified in a state agency's *Biennial Operating Plan* whose development costs exceed \$1.0 million and that:
- Requires one year or longer to reach operations status,
- Involves more than one state agency, or
- Substantially alters the work methods of state agency personnel or the delivery of services to clients.

▪Any information resources technology project designated by the Legislature in the General Appropriations Act as a major information resources project.
Chapter 2054 does not apply to higher education institutions that do not submit a Biennial Operating Plan.

Texas Department of Agriculture
Supplemental Schedule: Budget Structure Crosswalk - Senate

Section 3d

GOAL A	Strategy	Former Strategy	Program	Activity	Method of Finance/ Funding Notes¹	Statute
A.1.1	Economic Development	A.1.1	International and Domestic Trade Program	Yardage Fees	Cost Recovery	Agriculture Code, Chapter 146
		A.1.1	International and Domestic Trade Program	Shrimp Marketing Assistance	Interagency Contract	Agriculture Code, Chapter 47
		A.1.1	International and Domestic Trade Program	State Fair	Appropriated Receipts	Agriculture Code, Chapter 46
		A.1.1	Plant Health	Border Inspection Grant	General Revenue	Agriculture Code, Chapter 12
		A.1.5	Livestock Export Pens		General Revenue	Agriculture Code, Chapter 146
		A.1.4	Texas Cooperative Inspection Program		Appropriated Receipts	Agriculture Code, Chapter 91
		A.1.5	Specialty Crop Block Grant Program (SCBGP)		Federal Funds	Agriculture Code, Chapter 12; Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note) and amended under Section 10010 of the Agricultural Act of 2014, Public Law 113-79 (the Farm Bill); 7 CFR Part 1291 (published March 27, 2009; 74 FR 13313)
		N/A	Biofuels Infrastructure Partnership (BIP) Grants		Federal Funds	Agriculture Code Ch. 12; Commodity Credit Corporation Charter Act (15 U.S.C. 714c(b) and 714c(e)), Sections 5(b) and 5(c)
		A.1.1	Rural Community & Economic Development	Texas Agriculture Finance Authority/Young Farmer Grants	Other - TAFA	Agriculture Code, Chapter 58
		A.1.2	Rural Community & Economic Development	Texas Economic Development Fund	Other - TEDF	Agriculture Code, Chapter 12
		A.1.1	Wine Marketing, Research and Education		Interagency Contract	Agriculture Code, Chapters 12 and 50B
A.1.2	Promote Texas Agriculture	A.1.1	International and Domestic Trade Program	GO TEXAN Program	Cost Recovery	Agriculture Code, Chapter 46
A.2.1	Rural Community and Economic Development	F.1.1	Rural Community & Economic Development	Community Development Block Grant	Federal Funds/ GR Match CDBG	Government Code, Chapter 487; US Code Title 42, Chapter 69, § 5301
A.2.2	Rural Health	F.1.2	Rural Health	State Office of Rural Health	General Revenue/ Federal Funds	Government Code, Chapter 487; 42 USC § 912
		F.1.2	Rural Health	Rural Health Facility Capital Improvement Fund	GR-D Account No. 5047	Government Code, Chapters 403 and 487
		F.1.2	Rural Health	Medicare Rural Hospital Flexibility Program	Federal Funds	Government Code, Chapter 487; 42 USC § 912
		F.1.2	Rural Health	Small Rural Hospital Improvement Program	Federal Funds	Government Code, Chapter 487; 42 USC § 912
		F.1.2	Rural Health	Rural Communities Investment Program	Other - Rural Communities Health Care Endowment	Government Code Chapter 487
GOAL B						
B.1.1	Plant Health and Seed Quality	B.1.1	Plant Health	Surveillance/Biosecurity	General Revenue/ Federal Funds	Agriculture Code, Chapter 61
		B.1.2	Plant Health	Verify Seed Quality	Cost Recovery	Agriculture Code, Chapter 61

Texas Department of Agriculture
Supplemental Schedule: Budget Structure Crosswalk - Senate

Section 3d

		A.1.5	Plant Health	Seed Certification - Agricultural Production Development	Cost Recovery	Agriculture Code, Chapter 62
		E.1.1	Zebra Chip Research Grant Program		General Revenue	Agriculture Code, Chapter 12
B.1.2	Agricultural Commodity Regulation and Production	B.1.3	Egg Quality Regulation		Cost Recovery	Agriculture Code, Chapter 132
		B.1.3	Handling and Marketing of Perishable Commodities		Cost Recovery	Agriculture Code, Chapter 101
		B.1.3	Grain Warehouse		Cost Recovery	Agriculture Code, Chapter 14
		A.1.5	Commodity Boards		General Revenue	Agriculture Code, Chapter 41
		A.1.5	Feral Hog Abatement Program		General Revenue	Agriculture Code, Chapter 12
B.2.1	Regulate Agricultural Pesticide Use	A.1.2	Agricultural Pesticide Regulation		Cost Recovery	Agriculture Code, Chapter 76
		A.1.3	Plant Health	Fruit Fly & Obliqua - Integrated Pest Management	General Revenue/ Federal Funds	Agriculture Code, Chapter 72
		A.1.3	Boll Weevil Eradication		General Revenue	Agriculture Code, Chapter 74
		A.1.3	Organic Certification Program		Cost Recovery	Agriculture Code, Chapter 18
		A.1.2	Prescribed Burn Program		Cost Recovery	Natural Resources Code, Chapter 153
		A.1.3	Pesticide Data Program		Federal Funds	Agriculture Code, Ch. 76; Federal Insecticide, Fungicide and Rodenticide Act and Food Quality Protection Act (7 U.S.C. §136)
B.2.2	Structural Pest Control	B.1.4	Structural Pest Control		Cost Recovery	Occupations Code, Chapter 1951
B.3.1	Weight & Measure Device Accuracy	C.1.1	Weights & Measures Program	Weights & Measures	Cost Recovery	Agriculture Code, Chapter 13
		C.1.1	Weights & Measures Program	Package & Devices	General Revenue	Agriculture Code, Chapter 13
		C.1.1	Metrology		Cost Recovery	Agriculture Code, Chapter 13
		C.1.1	Fuel Quality		Appropriated Receipts	Agriculture Code, Chapter 17

GOAL C

C.1.1	Support Nutrition Programs in Schools and Communities (Federal)	D.1.1	Child Nutrition - Community Nutrition Program	Child and Adult Care Food Program Meals	General Revenue/ Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 226
		D.1.1	Child Nutrition - Community Nutrition Program	The Emergency Food Assistance Program	General Revenue/ Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 251
		D.1.1	Child Nutrition - Community Nutrition Program	Child and Adult Care Food Program 1.5% Audit	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 226
		D.1.1	Child Nutrition - Community Nutrition Program	Commodity Supplement Food Program	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 247
		D.1.1	Child Nutrition - Community Nutrition Program	Farmers Market Nutrition Program	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 248
		D.1.1	Child Nutrition - Community Nutrition Program	Senior Farmers Market Nutrition Program	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 249
		D.1.1	Child Nutrition - Community Nutrition Program	Summer Food Service Program	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 245
		D.2.1	Child Nutrition - School Nutrition Program	National School Lunch Program - Seamless Summer Option	General Revenue/ Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 210

Texas Department of Agriculture
Supplemental Schedule: Budget Structure Crosswalk - Senate

Section 3d

		D.2.1	Child Nutrition - School Nutrition Program	Food Distribution Program	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 250
		D.2.1	Child Nutrition - School Nutrition Program	Fresh Fruit and Vegetable Program	Federal Funds	Agriculture Code, Chapter 12; 42 USC 1769a
		D.2.1	Child Nutrition - School Nutrition Program	School Breakfast Program	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 220
		D.2.1	Child Nutrition - School Nutrition Program	Special Milk Program	Federal Funds	Agriculture Code, Chapter 12; 7 CFR Part 215
C.1.2	Nutrition Access Assistance for at-Risk Children and Adults		International and Domestic Trade Program	Urban School	General Revenue	Agriculture Code, Chapter 48
		D.2.1	Texans Feeding Texans (Home Delivered Meals)		General Revenue	Agriculture Code, Chapter 12
		D.2.1	Texans Feeding Texans (Surplus Agricultural Products Grant Program)		General Revenue	Agriculture Code, Chapter 21
		D.2.1	Surplus Agricultural Product Grant Program (Low Income Students)		General Revenue	HB 1, Eighty-fourth Legislature, 2015, General Appropriations Act, Article VI, page 8, Rider 27
		D.2.1	3 E's (Education, Exercise & Eating Right) Nutrition Education		General Revenue	Agriculture Code, Chapter 12; Education Code, Chapter 38; Human Resources Code, Chapter 33

GOAL D

D.1.1	Central Administration		Indirect Administration (Direct Administration)		General Revenue	Agriculture Code, Chapter 11
D.1.2	Information Resources		Indirect Administration (Information Resources)		General Revenue	Agriculture Code, Chapter 11
D.1.3	Other Support Services		Indirect Administration (Other Support Services)		General Revenue	Agriculture Code, Chapter 11

1. Shaded program activities are funded through cost recovery General Revenue

**Department of Agriculture
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Various changes are made to the capital budget to align funding with recommendations. (See Selected Fiscal and Policy Issues – Senate, Items 9, 10 and 11).
5. **Appropriation: Texas Agricultural Fund.** Recommendations modify the rider to clarify that the funding appropriated to the Texas Agricultural Finance Authority from the Texas Agricultural Fund No. 683 for defaults on loans (Texas Agriculture Code, Chapter 4, Subchapter E) or for payments to reduce interest rates on loans guaranteed to borrowers (Texas Agriculture Code, §58.052(e)) is in addition to the amounts appropriated in the Rural Community & Economic Development program. This is to align the rider with statute. (See Selected Fiscal and Policy Issues – Senate, Item 10; Appendix 5 – Senate, Texas Agricultural Fund No. 683; Appendix 6.i – Senate).
6. **Master Lease Purchase Program (MLPP) Payments.** Recommendations modify the rider to update the required lease payments for revenue bonds issued for construction of the metrology laboratory. Recommendations include the agency's request for MLPP payment authority for a Weight Truck in the amount of \$27,573 in fiscal year 2018 and \$26,244 in fiscal year 2019 of General Revenue funds. Recommendations include new MLPP payments for a Liquid Chromatograph/Tandem Mass Spectrometer in the amount of \$45,744 in fiscal year 2018 and \$43,935 in fiscal year 2019 from General Revenue funds. (See Selected Fiscal and Policy Issues – Senate, Item 11).
8. **Food and Nutrition Programs.** Recommendations modify the rider to update the amounts appropriated to the Food and Nutrition Programs, and to modify the rider format.
10. **Appropriation: Surplus Agricultural Product Grant Program.** Recommendations modify the rider to annualize the appropriation to the Texans Feeding Texans (Surplus Agricultural Product Grant Program) of \$5,900,000 of General Revenue in fiscal year 2016 so that \$2,930,353 is appropriated in fiscal year 2018 and \$2,937,765 is appropriated in fiscal year 2019. Recommendations clarify that this funding is for the Texans Feeding Texans (Surplus Agricultural Product Grant Program). (See Appendix 6.z – Senate).
12. **Appropriation: Feral Hog Abatement Program.** Recommendations modify the rider to annualize the appropriation of \$900,000 in fiscal year 2016 to the Feral Hog Abatement Program so that \$442,592 in General Revenue is appropriated each fiscal year of the biennium for direct program costs, and \$7,408 in General Revenue is appropriated each fiscal year for indirect program costs. (See Appendix 6.x – Senate).
13. **Boll Weevil Eradication.** Recommendations modify the rider to reflect the agency's updated budget structure and to reduce the amount appropriated to the Boll Weevil Eradication Program from \$7.0 million each fiscal year to \$4.9 million each fiscal year. (See Selected Fiscal and Policy Issues – Senate, Item 2; Appendix 6.r – Senate).
20. **Coordination with Texas Water Development Board.** Recommendations modify the rider to allow that, if there are an insufficient number of Texas Water Development Board (TWDB) Economically Distressed Areas Program (EDAP) projects that are ready for Colonia Economically Distressed Areas Program (CEDAP) connection funding, then CEDAP funds may be transferred at the agency's discretion. Recommendations modify the rider to expand the description of what projects are eligible for CEDAP funding to include not only TWDB EDAP projects, but any projects with similar federal or state funding.
21. **Colonia Set-Aside Program Allocation.** Recommendations modify the rider to expand the types of projects that are eligible for funding from the Community Development Block Grant (CDBG) Colonia Set-Aside Program per the agency's request. The rider allocates, at minimum, 10 percent of the yearly allocation of CDBG grants to provide for housing, planning, and infrastructure needs in colonias. Of this amount set aside, 34 percent is reserved for units of general local government located in economically distressed areas to pay for various water supply or sewer service improvements of which any part is financed under EDAP (Water Code, Subchapter J, Chapter 16; Water Code, Chapter 17, Subchapter K). Recommendations modify the rider to expand the description of what projects are eligible for the 34 percent set-aside to include not only projects financed under EDAP, but any projects with similar federal or state funding.

27. **Surplus Agricultural Product Grant Programs Serving Low Income Students.** Recommendations update the funding amount for the program; \$592,588 of General Revenue is appropriated each fiscal year. Recommendations clarify that this funding is for the Surplus Agricultural Product Grant Program (Low Income Students). (See Appendix 6.aa – Senate).
28. **Appropriations Limited to Revenue Collections: Cost Recovery Programs.** Recommendations modify the rider to update the direct program costs and “other direct and indirect costs” amounts and to conform the rider to a new standard format. Recommendations extend the reporting requirement on the amount of fee generated revenues collected from the last business day in August to three business days after the end of the fourth quarter. Recommendations also remove the agency’s authority to collect revenue in excess of the BRE, and clarify the requirement that the agency is to report revenue collections by program. (See Selected Fiscal and Policy Issues – Senate, Item 6; Items Not Included in recommendations – Senate, Items 2 and 7).
29. **Appropriation: Home Delivered Meals Grant Program.** Recommendations update the funding amounts for the program to \$9,175,856 of General Revenue each fiscal year. Recommendations clarify that this funding is for the Texans Feeding Texans (Home Delivered Meals Program). (See Appendix 6.y – Senate).

Deleted Riders

3. **Equine Incentive Program.** Recommendations delete the rider, as the Equine Incentive Program no longer exists. The balances of the program were swept by the Comptroller.
16. **Zebra Chip Research.** Recommendations delete the rider, as the program is zero-funded for the 2018-19 biennium. (See Selected Fiscal and Policy Issues – Senate, Item 5; Appendix 4 – Senate; Appendix 6.ad – Senate).

Department of Agriculture
Items Not Included in Recommendations - Senate

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)	New Rider, Unexpended Balances Within the Biennium: Add a new rider to appropriate unexpended balances within the 2018-19 biennium for the same purpose.	\$0	\$0	0.0	No	No	\$0
2)	Operational Costs Funding: General Revenue to maintain current service levels. Funding would be used primarily in the Weights & Measures program to regulate gas pumps, test scales for accuracy, and make sure items purchased are consistent with the measurement stated by the seller.	\$1,782,047	\$1,782,047	0.0	No	No	\$1,782,047
3)	Rider Modification, Rider 4, Transfer Authority: Amend the rider to allow the agency to transfer appropriations between programs.	\$0	\$0	0.0	No	No	\$0
4)	New Rider, Appropriation of Receipts: Civil Monetary Damages and Penalties: General Revenue funding and a new rider to provide appropriation authority for the penalties assessed for regulatory violations in programs identified as Standards & Measurements programs. This would likely require statutory change to allow TDA to utilize revenue from penalties collected.	\$450,000	\$450,000	0.0	No	No	\$450,000
5)	State Metrology Lab Remedial Construction: General Revenue funding for a complete HVAC system change-out. Temperature instability and humidity inside the laboratories make accurate testing dependent on weather conditions. During construction, calibration services would be temporarily suspended, halting cost-recovery revenue. (See Appendix 6.h - Senate).	\$1,929,000	\$1,929,000	0.0	No	Yes	\$0
6)	International and Domestic Trade Program: General Revenue funding and additional staff to promote sales from rural Texas businesses and Texas agricultural products and services nationally and abroad. The funds would promote business expansion primarily by national and international outreach. This program is funded with cost-recovery General Revenue. (See Selected Fiscal and Policy Issues - Senate, Item 6; Rider Highlights - Senate, Rider 28; Item 7 below; and Appendix 6.a - Senate).	\$4,500,000	\$4,500,000	3.0	No	Yes	\$4,500,000

Department of Agriculture
Items Not Included in Recommendations - Senate

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
7)	Rider Modification, Rider 25, Appropriations Limited to Revenue Collections: Cost Recovery Programs: Amend the rider to allow revenue collected in excess of the Comptroller's Biennial Revenue Estimate (BRE) to be appropriated each fiscal year to the strategy in which revenues are collected for the same purposes. (See Selected Fiscal and Policy Issues - Senate, Item 6; and Rider Highlights - Senate, Rider 28).	\$0	\$0	0.0	No	No	\$0
8)	Information Systems Security Strategy: General Revenue funding to implement information technology (IT) security recommendations supplied by Gartner, an IT research and advisory firm, which include Predictive Analytics & Data Mining software.	\$648,372	\$648,372	0.0	Yes	Yes	\$785,000
9)	Centralized Accounting and Payroll/Personnel System (CAPPS) Conversion: General Revenue funding and additional staff to facilitate the CAPPS conversion process. The conversion is mandated by the Comptroller. The agency predicts that project management, contractor support for implementation gap analysis, and temporary staff for backfilling key subject matter expert positions will be necessary.	\$353,865	\$353,865	3.0	Yes	Yes	\$100,000
10)	Replace Legacy System - Licensing and Regulatory: General Revenue funding to replace the agency's 14-year old core business applications for licensing and regulation. This system would support both cost recovery and non-cost recovery programs.	\$6,000,000	\$6,000,000	0.0	Yes	Yes	\$600,000
11)	Licensing System Data Conversion Costs: General Revenue funding for an automated licensing and inspection processing system run by a third party outsourcing partner. The funds would be used for data conversion to the vendor's application. The cost of ongoing operating expenses after the conversion would be covered by a convenience fee per transaction/volume. This system would support both cost recovery and non-cost recovery programs.	\$1,500,000	\$1,500,000	0.0	Yes	Yes	\$0
TOTAL Items Not Included in Recommendations		\$17,163,284	\$17,163,284	6.0			\$8,217,047

Department of Agriculture
Appendices - Senate

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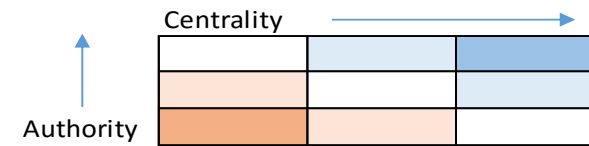
Department of Agriculture
Strategic Fiscal Review: Appendix 1-- Program Funding - Senate

Department of Agriculture

The Department of Agriculture's mission is to make Texas the nation's leader in agriculture while providing efficient and extraordinary service.

\$1,474,006,144

Mission Centrality/Authority



2018-19 Recommendations				2018-19 Agency Total Request
Total Budget		Agency Ranking		
100%	Budget, Ordered by Mission Centrality and Authority		\$1,473,924,525	\$1,491,766,666
	<i>Indirect Administration</i>	14	\$22,334,972	\$31,328,031
	Texans Feeding Texans (Home Delivered Meals)	25	\$18,351,712	\$18,254,096
	Surplus Agricultural Product Grant Program (Low Income Students)	27	\$1,185,176	\$1,125,176
	Feral Hog Abatement Program	24	\$885,184	\$885,184
	Zebra Chip Research Grant Program	30	\$0	\$793,600
	3 E's (Education, Exercise & Eating Right) Nutrition Education	28	\$895,046	\$835,046
	Wine Marketing, Research and Education	15	\$500,000	\$500,000
	Child Nutrition - Community Nutrition Program	13	\$1,117,709,767	\$1,117,709,767
	Child Nutrition - School Nutrition Program	12	\$97,432,435	\$97,432,435
	Rural Health	2	\$8,688,842	\$8,107,127
	Texans Feeding Texans (Surplus Agricultural Products Grant Program)	26	\$5,868,118	\$5,824,118
	Prescribed Burn Program	23	\$2,076	\$2,076
	Commodity Boards	22	\$74,206	\$74,206
	Rural Community & Economic Development	9	\$135,469,509	\$135,469,509
	International and Domestic Trade Program	1	\$1,162,870	\$5,662,870

The difference between the agency's requested funding and the appropriated level of funding is due to several exceptional items (Data Conversion for 3rd Party Licensing System, Information Systems Security Strategy, CAPPs Conversion, Replace Legacy System - Licensing and Regulatory) that are not included in appropriations.

Recommendations zero-fund the Zebra Chip Research Grant Program for the 2018-19 biennium. (See Selected Fiscal and Policy Issues - Senate, Item 6).

Department of Agriculture
Strategic Fiscal Review: Appendix 1-- Program Funding - Senate

0%				Recommendations reduce funding for the Boll Weevil Eradication Program by \$4.2 million due to the effective eradication of the Boll Weevil in most of the state and the available reserves to the Texas Boll Weevil Eradication Foundation. The agency submitted a reduction of \$3.0 million to the Boll Weevil Eradication program as part of the 4 percent reduction. (See Selected Fiscal and Policy Issues - Senate, Item 2).	
	Boll Weevil Eradication	18	\$9,785,628		\$10,985,628
	Specialty Crop Block Grant Program (SCBGP)	21	\$3,428,438		\$3,428,438
	Pesticide Data Program	29	\$1,458,304		\$1,458,304
	Organic Certification Program	20	\$1,290,846		\$1,290,846
	Texas Cooperative Inspection Program	19	\$243,776		\$243,776
	Livestock Export Pens	17	\$2,185,211		\$2,185,211
	Grain Warehouse	16	\$952,418		\$952,418
	Handling and Marketing of Perishable Commodities (HMPC)	11	\$46,278		\$46,278
	Egg Quality Regulation	10	\$946,544		\$946,544
	Metrology	8	\$906,421		\$906,421
	Structural Pest Control	7	\$4,682,838		\$4,682,838
				There is ongoing analysis on transitioning the Plant Health - Surveillance and Biosecurity activities to cost recovery by counting existing nursery floral registration fees towards the Plant Health program's cost recovery requirement. (See Appendix 6.f - Senate)	
	Plant Health	6	\$10,020,804		\$10,169,289
	Weights & Measures Program	5	\$14,705,981		\$17,765,836
	Agricultural Pesticide Regulation	4	\$10,271,173		\$10,261,646
	Fuel Quality	3	\$2,439,952		\$2,439,952

Note: Indirect administration program names are italicized.

Department of Agriculture
Strategic Fiscal Review Appendix 2 Program Listing -- Services and Administration - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings ¹	Contracts for Outsourced Services
1	International and Domestic Trade Program	1999	Admin Code, Statute	No Federal Requirement	Strong	Moderate	Natural Resources Management & Regulation	Statewide	No	No
2	Rural Health	1991	Admin Code, Statute	Public Law *	Strong	Weak	Local Government & Community Support	Statewide	No	No
3	Fuel Quality	1998	Admin Code, Statute	No Federal Requirement	Strong	Strong	Natural Resources Management & Regulation	Statewide	No	Yes
4	Agricultural Pesticide Regulation	1975	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	Yes
5	Weights & Measures Program	1925	Admin Code, Statute	No Federal Requirement	Strong	Strong	Natural Resources Management & Regulation	Statewide	No	Yes
6	Plant Health	1919	Admin Code, Statute	Public Law *	Strong	Strong	Natural Resources Management & Regulation	Statewide	Yes	Partial
7	Structural Pest Control	2007	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	Partial
8	Metrology	1925	Admin Code, Statute	No Federal Requirement	Strong	Strong	Natural Resources Management & Regulation	Statewide	Yes	No
9	Rural Community & Economic Development	1983	Admin Code, Constitution, Statute	Appropriations Bill, Public Law *	Strong	Moderate	Local Government & Community Support; Natural Resources Management & Regulation	Statewide	Qualified ²	No
10	Egg Quality Regulation	1957	Admin Code, Statute	No Federal Requirement	Strong	Strong	Natural Resources Management & Regulation	Statewide	No	N/A
11	Handling and Marketing of Perishable Commodities (HMPC)	1977	Admin Code, Statute	No Federal Requirement	Strong	Strong	Natural Resources Management & Regulation	Statewide	No	N/A
12	Child Nutrition - School Nutrition Program	1946	Statute	Appropriations Bill, Public Law, Rules	Moderate	Moderate	Family & Nutrition Services	Statewide	Yes	Partial
13	Child Nutrition - Community Nutrition Program	1968	Statute	Rules	Moderate	Moderate	Family & Nutrition Services	Statewide	Qualified ³	Partial
15	Wine Marketing, Research and Education	2003	Admin Code, Statute	No Federal Requirement	Strong	Weak	Natural Resources Management & Regulation	Statewide	No	N/A
16	Grain Warehouse	1969	Admin Code, Statute	No Federal Requirement	Strong	Strong	Natural Resources Management & Regulation	Statewide	No	N/A

Department of Agriculture
Strategic Fiscal Review Appendix 2 Program Listing -- Services and Administration - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings ¹	Contracts for Outsourced Services
17	Livestock Export Pens	1972	Admin Code, Statute	Rules	Strong	Strong	Natural Resources Management & Regulation	Statewide	Yes	N/A
18	Boll Weevil Eradication	1997	Admin Code, Agency Rider, Statute	No Federal Requirement	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	No
19	Texas Cooperative Inspection Program	1992	Statute	Public Law *	Strong	Strong	Natural Resources Management & Regulation	Statewide	Yes	N/A
20	Organic Certification Program	1990	Admin Code, Statute	Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	N/A
21	Specialty Crop Block Grant Program (SCBGP)	2006	Statute	Public Law	Strong	Strong	Natural Resources Management & Regulation	Statewide	No	No
22	Commodity Boards	1969	Statute	No Federal Requirement	Strong	Moderate	Natural Resources Management & Regulation	Statewide	No	N/A
23	Prescribed Burn Program	1999	Admin Code, Statute	No Federal Requirement	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	N/A
24	Feral Hog Abatement Program	2005	Agency Rider, Statute	No Federal Requirement	Weak	Moderate	Natural Resources Management & Regulation	Statewide	No	No
25	Texans Feeding Texans (Home Delivered Meals)	2008	Admin Code, Agency Rider, Statute	No Federal Requirement	Weak	Weak	Family & Nutrition Services	Statewide	No	No
26	Texans Feeding Texans (Surplus Agricultural Products Grant Program)	2001	Admin Code, Agency Rider, Statute	No Federal Requirement	Strong	Moderate	Family & Nutrition Services	Statewide	No	No
27	Surplus Agricultural Product Grant Program (Low Income Students)	2014	Agency Rider, Statute	No Federal Requirement	Weak	Moderate	Family & Nutrition Services	Statewide	No	No
28	3 E's (Education, Exercise & Eating Right) Nutrition Education	2010	Admin Code, Statute	No Federal Requirement	Moderate	Moderate	Family & Nutrition Services	Statewide	No	N/A
29	Pesticide Data Program	1991	Statute	Public Law	Strong	Strong	Business & Workforce Development & Regulation	Statewide	Yes	Yes
30	Zebra Chip Research Grant Program	2008	Agency Rider, Statute	No Federal Requirement	Weak	Strong	Natural Resources Management & Regulation	Statewide	No	No
31	Biofuels Infrastructure Partnership	2015	Statute	Public Law	Weak	Moderate	Business & Workforce Development & Regulation	Statewide	No	No
Indirect Administration Programs										

Department of Agriculture
Strategic Fiscal Review Appendix 2 Program Listing -- Services and Administration - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings ¹	Contracts for Outsourced Services
14	Indirect Administration	1907	Statute	No Federal Requirement			Business & Workforce Development & Regulation; Family & Nutrition Services; Local Government & Community Support; Natural Resources Management & Regulation	Statewide	Qualified	Partial

* One or more activities within the program has no state or federal authority.

Note:

1) Significant Audit and/or Report Findings responses indicate the following:

No: The agency did not identify any related audits or reports for this program

Yes: The agency did identify related audits or reports for this program. The findings were either not significant, or they were significant and have been addressed.

Qualified: The agency identified a related report with significant findings. To date, the findings have not been fully addressed.

2) The agency reports that it has implemented or is in the process of implementing all recommendations from an internal audit (#2015-01--Rural Community & Economic Development-2015 Annual Financial Audit). The report included the following findings related to the program: 1) the need for updated fiscal controls and loan standards; 2) the misclassification of non-operating expenses; 3) a lack of documentation from the Department of Motor Vehicles (DMV) ensuring all revenue received by the Texas Agricultural Finance Authority (TAFA); and 4) a lack of updated operational policies and procedure document. The report recommended that the agency implement sufficient controls and reporting related to the agricultural loan guarantee program; analyze closing and journal entries review processes; continue to work with the DMV to reconcile county remittances; and review and update operational policies and procedures.

3) The following are summaries of evaluations and audits performed of the Child Nutrition - Community Nutrition Program:

a) USDA Child and Adult Care Food Program Management Evaluations in both 2013 and 2014 identified that TDA's review process did not adequately determine whether costs by contracting entities are necessary, reasonable, and allowable for administration of the program. The 2014 report referenced an example of a contracting entity including approved vacation pay in its program budget without an adequate explanation for why these amounts were included. The USDA requested that TDA provide the budgets of these contracting entities to USDA for review of TDA's assessment of these budgets prior to these contracting entities applications being approved. The agency's response was to comply with the recommendations by developing written guidelines and procedures to evaluate budget items to determine if budgeted costs are reasonable, developing a quality control process that requires supervisory review of a selection of applicant budgets to ensure grant guidelines and procedures are followed, providing training to agency staff on the budgetary approval process, and providing the budgets of the contracting entities to regional USDA staff for their review.

b) A USDA Community Supplemental Food Program Management Evaluation in fiscal year 2015 identified that TDA did not have procedures to identify dual participation between participating agencies, did not ensure that local agencies comply with applicable procurement standards when purchasing equipment with program funds, and that TDA does not instruct local agencies to initiate claims against participants that fraudulently receive or use USDA Foods. The report also identified a lack of standards for determining when pursuing a claim is cost effective. TDA 's response was to correct the deficiencies noted in the findings on site.

Department of Agriculture
Strategic Fiscal Review Appendix 2 Program Listing -- Services and Administration - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings ¹	Contracts for Outsourced Services

c) Both a CFDA issued report and an audit by an SAO audit in fiscal year 2013 identified that TDA lacked controls over review of cash draw requests by local recipients that receive Federal Funds. The third-party auditor also identified a lack of procedures for tracking capital purchases by program on an ongoing basis and lack of a process to ensure that daycare homes with carryover funds spent the money within the period of availability. The agency's response was to implement a review and approval process for draws for federal meal reimbursement and administrative expenses and other development of their processes to ensure capital expenses and daycare home use of carryover funds are tracked. Implementation of the changes to address these deficiencies is ongoing.

4) The agency reported that recommendations made in a State Auditor's Office (SAO) 2016 Financial Reporting and Contracting at TDA audit (SAO – 16-019) have either been completed or are in progress. The audit found that TDA (1) did not consistently maintain documentation to support that it accurately recorded fiscal year 2014 revenue transactions; (2) did not complete its fiscal year 2014 Report on Non-Financial Data and that data reported was inaccurate; and (3) should improve certain key aspects of contract management and controls over information technology.

Department of Agriculture
Strategic Fiscal Review Appendix 3: Program Listing -- Fiscal - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission				LBB Staff Review and Analysis								Appropriate Use of Constitutional and GR-Dedicated Funds?
Agency Ranking	Program Name	2012-13 Expended*	2014-15 Expended	2016-17 Est / Budg	2017 FTEs Budg	2018-19 Recommended	2019 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?		
1	International and Domestic Trade Program	\$ 3,569,191	\$ 3,940,835	\$ 1,057,574	6.5	\$ 1,162,870	5.1	10.0%	-1.4	Yes	Compliant	
2	Rural Health	\$ 8,202,936	\$ 8,174,528	\$ 9,004,453	4.0	\$ 8,688,842	4.0	-3.5%	0.0	Yes	Compliant	
3	Fuel Quality	\$ 1,663,553	\$ 1,618,727	\$ 2,262,646	6.1	\$ 2,439,952	11.3	7.8%	5.2	Yes	Compliant	
4	Agricultural Pesticide Regulation	\$ 4,918,742	\$ 7,670,049	\$ 10,364,402	53.6	\$ 10,271,173	45.4	-0.9%	-8.2	Yes	N/A	
5	Weights & Measures Program	\$ 7,501,244	\$ 9,566,406	\$ 16,913,336	112.0	\$ 14,705,981	108.8	-13.1%	-3.2	Yes	N/A	
6	Plant Health	\$ 7,661,782	\$ 9,437,242	\$ 11,882,833	86.0	\$ 10,020,804	84.1	-15.7%	-1.9	Yes	N/A	
7	Structural Pest Control	\$ 2,248,372	\$ 2,940,439	\$ 4,840,910	25.0	\$ 4,682,838	25.0	-3.3%	0.0	Yes	N/A	
8	Metrology	\$ 603,295	\$ 642,996	\$ 785,808	3.0	\$ 906,421	3.0	15.3%	0.0	Yes	N/A	
9	Rural Community & Economic Development	\$ 158,891,726	\$ 146,719,774	\$ 150,331,735	43.6	\$ 135,469,509	43.1	-9.9%	-0.5	Yes	Compliant	
10	Egg Quality Regulation	\$ 384,105	\$ 821,130	\$ 946,544	7.1	\$ 946,544	7.2	0.0%	0.1	Yes	N/A	
11	Handling and Marketing of Perishable Commodities (HMPC)	\$ 111,901	\$ 60,842	\$ 46,278	0.4	\$ 46,278	0.4	0.0%	0.0	Yes	N/A	
12	Child Nutrition - School Nutrition Program	\$ 68,930,302	\$ 82,691,205	\$ 88,287,805	106.9	\$ 97,432,435	106.9	10.4%	0.0	No	N/A	
13	Child Nutrition - Community Nutrition Program	\$ 725,444,425	\$ 815,939,760	\$ 948,207,110	96.1	\$ 1,117,709,767	96.1	17.9%	0.0	No	N/A	
15	Wine Marketing, Research and Education	\$ 296,598	\$ 562,997	\$ 500,000	1.3	\$ 500,000	1.3	0.0%	0.0	Yes	Compliant	
16	Grain Warehouse	\$ 960,096	\$ 1,022,316	\$ 866,050	8.5	\$ 952,418	6.5	10.0%	-2.0	Yes	N/A	
17	Livestock Export Pens	\$ 1,248,552	\$ 1,412,360	\$ 2,106,559	11.1	\$ 2,185,211	11.8	3.7%	0.7	Yes	N/A	
18	Boll Weevil Eradication	\$ 15,088,920	\$ 14,533,026	\$ 13,985,628	0.3	\$ 9,785,628	10.3	-30.0%	10.0	No	N/A	
19	Texas Cooperative Inspection Program	\$ 225,747	\$ 258,011	\$ 328,422	1.0	\$ 243,776	1.0	-25.8%	0.0	Yes	Compliant	
20	Organic Certification Program	\$ 487,073	\$ 867,715	\$ 1,290,846	5.8	\$ 1,290,846	5.8	0.0%	0.0	Yes	N/A	
21	Specialty Crop Block Grant Program (SCBGP)	\$ 3,153,137	\$ 3,457,138	\$ 3,708,114	2.0	\$ 3,428,438	2.0	-7.5%	0.0	Yes	N/A	
22	Commodity Boards	\$ 21,753	\$ 74,192	\$ 74,206	0.6	\$ 74,206	0.7	0.0%	0.1	No	N/A	
23	Prescribed Burn Program	\$ 13,633	\$ 7,348	\$ 2,076	0.2	\$ 2,076	0.2	0.0%	0.0	Yes	N/A	
24	Feral Hog Abatement Program	\$ 818,999	\$ 585,192	\$ 888,508	0.1	\$ 885,184	0.0	-0.4%	-0.1	No	N/A	
25	Texans Feeding Texans (Home Delivered Meals)	\$ 17,209,971	\$ 17,344,490	\$ 18,404,112	6.9	\$ 18,351,712	6.6	-0.3%	-0.3	No	N/A	
26	Texans Feeding Texans (Surplus Agricultural Products Grant Program)	\$ 1,619,967	\$ 2,669,804	\$ 5,880,353	0.0	\$ 5,868,118	1.5	-0.2%	1.5	No	N/A	

Department of Agriculture
Strategic Fiscal Review Appendix 3: Program Listing -- Fiscal - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission				LBB Staff Review and Analysis							
Agency Ranking	Program Name	2012-13 Expended*	2014-15 Expended	2016-17 Est / Budg	2017 FTEs Budg	2018-19 Recommended	2019 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?
27	Surplus Agricultural Product Grant Program (Low Income Students)	\$ -	\$ 990,341	\$ 1,182,588	0.2	\$ 1,185,176	0.2	0.2%	0.0	No	N/A
28	3 E's (Education, Exercise & Eating Right) Nutrition Education	\$ 739,279	\$ 845,206	\$ 885,399	0.4	\$ 895,046	0.4	1.1%	0.0	No	N/A
29	Pesticide Data Program	\$ 1,963,304	\$ 1,573,342	\$ 2,312,000	9.3	\$ 1,458,304	9.3	-36.9%	0.0	Yes	N/A
30	Zebra Chip Research Grant Program	\$ 701,137	\$ 736,578	\$ 800,000	0.0	\$ -	0.0	-100.0%	0.0	No	N/A
31	Biofuels Infrastructure Partnership	\$ -	\$ -	\$ 17,000,000	0.0	\$ -	0.0	-100.0%	0.0	No	N/A
Indirect Administration Programs											
14	Indirect Administration	\$ 18,438,537	\$ 19,800,108	\$ 21,149,650	113.0	\$ 22,334,972	113.0	5.6%	0.0	No	Compliant
Total		\$ 1,053,118,277	\$ 1,156,964,097	\$ 1,336,295,945	711.0	\$ 1,473,924,525	711.0	10.3%	0.0		

	2016-17 Est/Budg	2018-19 Recommended
Inside the Treasury	\$ 1,336,295,945	\$ 1,473,924,525
Outside the Treasury	\$ -	\$ -
Total	\$ 1,336,295,945	\$ 1,473,924,525

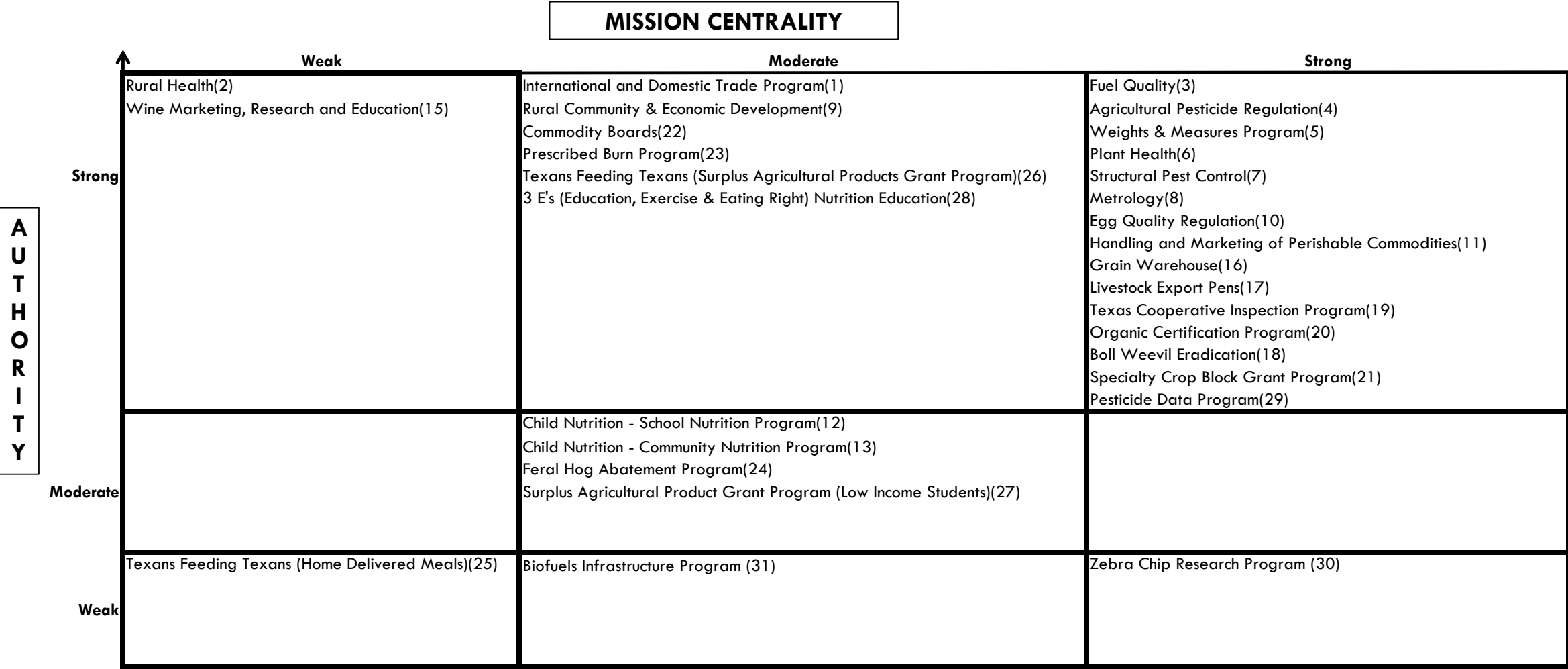
Notes: **Qualified** indicates that the agency may be using the funds for the purpose(s) intended or for similar purposes which are not specifically authorized by the constitution or statute, or that there may be conflicts within authorizing laws.

Revenue Supported includes fees, tuition set asides and donations.

*TDA has reported that Direct Administration costs were not identified across all programs for fiscal years 2012-14 due to historical data limitations which prohibited the agency from allocating these costs accurately. The agency did not indicate that the total of all program costs provided for those years were inaccurate.

Department of Agriculture
Strategic Fiscal Review Appendix 4: Assessments of Mission Centrality and Authority - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission centrality is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.
Authority is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.



Notes: Agency program rankings included after the program name. The matrix does not include Indirect Administration programs.

Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

1	Account No:	5047	Account Type:	GR DEDICATED
	Account Name:	Permanent Fund for Rural Health Facility Capital Improvement		
	Legal Cite(s):	Texas Government Code, Chapter 487, Subchapter H		
	Authorized Use:	The Permanent Fund for Rural Health Facility Capital Improvement may be used to make a grant or low-interest loan to, or guarantee a loan for, a public or nonprofit hospital located in a rural county. These grants, loan, or loan guarantee recipients may use the money only to make capital improvements to existing health facilities, construct new health facilities, or purchase capital equipment for a health facility.		
	Revenue Source:	Revenue is drawn from interest on the account's \$50.0 million corpus of tobacco settlement money in addition to gifts, and grants contributed to the account. The Comptroller's Biennial Revenue Estimate (BRE) includes revenue collections of \$1.6 million in fiscal year 2018 and \$1.7 million in fiscal year 2019 in addition to an estimated balance of \$2.3 million at the end of fiscal year 2017.		

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
2	Rural Health	\$ 4,607,098	\$ 4,607,098	Yes
Total		\$ 4,607,098	\$ 4,607,098	

Notes/Comments:	The agency requested to reduce funding from Account 5047 by \$600,000 to meet the required 4 percent reduction. Recommendations do not include this reduction, and continue funding from the account at 2016-17 levels. Revenue to this account has been projected by the agency to remain constant, given that the only revenue source for the account is interest on the corpus. Revenue in the 2016-17 biennium was \$1,970,435 per fiscal year. Future appropriations will likely have to be reduced in order to match revenue levels, as appropriations have exceeded annual revenue deposits each year and relied on existing fund balances.
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

2	Account No:	5051	Account Type:	GR DEDICATED
	Account Name:	GO TEXAN Partner Program		
	Legal Cite(s):	Texas Agriculture Code, §46.008		
	Authorized Use:	The GO TEXAN Partner Program account may be used only for the purpose of implementing and maintaining the "Go Texan" Partner Program, the purpose of which is to encourage the development and expansion of markets for Texas agricultural products through participation of eligible applicants who provide funds to be matched for promotional marketing programs implemented by the department.		
	Revenue Source:	None.		

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
1	International and Domestic Trade Program	\$ 114,884	\$ -	Yes
Total		\$ 114,884	\$ -	

Notes/Comments:	The GO TEXAN Partner Program account was composed of revenue from proceeds of the "Go Texan" specialty license plates minus the department's administrative costs in the past. House Bill 7 (Eighty-Third Legislature) eliminates Account 5051 and "all dedicated accounts established for specialty license plates". Starting in fiscal year 2016, the revenue previously deposited to Account 5051 began being deposited instead to the credit of the License Plate Trust Fund 0802, administered by the Comptroller. The Comptroller may allocate the corpus and earnings in accordance with the dedications of the revenue deposited to the trust fund account - i.e., the revenue from sales of the GO TEXAN license plates that were going to Account 5051 may only be used to implement the GO TEXAN Partner Program. The interest on these revenues is required to be deposited to General Revenue. Revenue has been deposited to Fund 802 in AY 2016. The Comptroller's BRE estimates a balance of \$142,000 remaining at the end of fiscal year 2017. (See Selected Fiscal and Policy Issues - Senate, Item 12).
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

3	Account No: 5165	Account Type: GR DEDICATED
	Account Name: Wine Industry Development	
	Legal Cite(s): Texas Agriculture Code, §50B.003 Texas Alcoholic Beverage Code, §205.03	
	Authorized Use: The Wine Industry Development Account Used for projects related to developing the Texas wine industry, viticulture and enology-related education programs. Used for technologies or practices that benefit grape and wine production eradicate diseases and pests. The department may use amounts for administrative costs.	
	Revenue Source: TDA may accept grants, gifts, or gratuities for the fund. The account may receive up to \$300,000 per fiscal year in wine excise taxes (see revenue object code 3259 Wine Tax) for appropriations to the department.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
15	Wine Marketing, Research and Education	\$ 500,000	\$ 500,000	Yes
Total		\$ 500,000	\$ 500,000	

Notes/Comments:	TDA receives funding from the Wine Industry Development Fund through an Interagency Contract with the Texas Alcoholic Beverage Commission (TABC). In the 2016-17 biennium, the appropriated \$500,000 in GR-D Wine Industry Development Funding was lapsed due to insufficient funds pursuant to the enactment of HB 6 and SB 881 by the Eighty-Fourth Legislature. (See Selected Fiscal and Policy Issues - Senate, Item 3; SFR Appendix 6.o - Senate).
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

4	Account No:	183	Account Type:	OTHER FUNDS
	Account Name:	Texas Economic Development Fund		
	Legal Cite(s):	Texas Agriculture Code, §12.0272; Public Law 111-240 (Small Business Jobs Act of 2010)		
	Authorized Use:	Funds from the Texas Economic Development Fund may be appropriated only to the Department of Agriculture's economic development programs.		
	Revenue Source:	The original revenue source of the Texas Economic Development Fund was a deposit of federal funds from the U.S. Department of the Treasury as part of the State Small Business Credit Initiative (created by the Small Business Jobs Act of 2010) totaling \$46.6 million in the 2013-14 biennium. The deposit has been used to support venture capital fund companies to promote economic development in rural Texas; interest and returns from these investments are collected as revenue in the account.		

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
9	Rural Community & Economic Development	\$ 15,627,781	\$ 8,907,781	Yes
14	Indirect Administration	\$ 92,219	\$ 92,219	Yes
Total		\$ 15,720,000	\$ 9,000,000	

Notes/Comments:	The Comptroller's BRE includes revenues of \$4.5 million each fiscal year in the 2018-19 biennium. (See Selected Fiscal and Policy Issues - Senate, Item 7; Appendix 6.i - Senate).
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

5	Account No:	364	Account Type:	OTHER FUNDS
	Account Name:	Permanent Endowment Fund for the Rural Community Health Care Investment Program		
	Legal Cite(s):	HB 1, General Appropriations Act 2016-17, Article VI, Riders 22 and 23 Government Code, §487.558		
	Authorized Use:	Funds from the Permanent Endowment Fund for the Rural Community Health Care Investment Program may be appropriated only for providing stipends, loan reimbursements, and loan repayments under the rural veterinarian loan repayment program under the rural communities health care investment program and to pay the expenses of managing the fund.		
	Revenue Source:	The Seventy-Seventh Legislature appropriated \$2.5 million paid from tobacco settlement proceeds to establish the corpus of the fund. Revenue credited to the account is the result of interest on the endowment, as well as any gifts or grants contributed; appropriations made by the legislature; or penalties incurred by a health professional who participated in the program who does not provide the required services to the community or provides those services for less than the required time (Government Code, Section 487.555(e)).		

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
2	Rural Health	\$ 308,000	\$ 308,000	Yes
Total		\$ 308,000	\$ 308,000	

Notes/Comments:	Based on the Comptroller's BRE, which estimates a balance of \$385,000 at the end of fiscal year 2017, the Permanent Endowment Fund for Rural Communities Health Care Investment Program fund is projected to have a balance of around \$365,000 at the end of fiscal year 2019; appropriation levels of \$154,000 per fiscal year are higher than the predicted interest revenues of \$144,000 per fiscal year. In the future, appropriations from the account will have to be reduced if revenue from interest does not increase.
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

6	Account No: 666	Account Type: OTHER FUNDS
	Account Name: Appropriated Receipts	
	Legal Cite(s): Texas Agriculture Code, Ch. 12 & Ch. 46; Texas Agriculture Code, §17.104; Texas Agriculture Code, Ch. 91; 7 USC §1621; HB 1 (General Appropriations Act) 2016-17, Page VI-9, Rider 28, Appropriations Limited to Revenue Collections: Cost Recovery Programs	
	Authorized Use: Funds collected under Texas Agriculture Code, §46.009 (concerning the International and Domestic Trade program) may only be used for activities promoting the sale of Texas agricultural products. Fees collected under Texas Agriculture Code, §17.104 (concerning Fuel Quality revenue) may only be used to administer and enforce Ch. 17, which governs the sale and regulation of certain fuel mixtures. Funding under Texas Agriculture Code, Ch. 91 may only be appropriated for the purpose of employing personnel to supervise an inspection service, not to operate the inspection service.	
	Revenue Source: Revenue from TDA's Food and Fiber Pavilion at the State Fair of Texas is deposited as Appropriated Receipts (revenue object code 3722). Fees, membership dues, or similar charges collected from the service beneficiary. Currently, the Gasohol Pump Labeling Fee (revenue object code 3015) is deposited as Appropriated Receipts revenue for the Fuel Quality program. Beginning in the 2018-19 biennium, reimbursements for the Texas Cooperative Inspection Program (TCIP) costs (revenue object code 3795) are recommended to be considered Appropriated Receipts instead of cost recovery General Revenue.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
1	International and Domestic Trade	\$ 267,874	\$ 267,874	Yes
3	Fuel Quality	\$ 2,262,646	\$ 2,439,952	Yes
19	Texas Cooperative Inspection Program	\$ -	\$ 399,776	Yes
Total		\$ 2,530,520	\$ 3,107,602	

Notes/Comments:	Revenue from the Food and Fiber Pavilion funds TDA's State Fair exhibition entirely in the International and Domestic Trade Program. (See Appendix 6.a - Senate). Revenue from the Gasohol Pump Labeling Fee entirely funds the Fuel Quality program. (See Appendix 6.c - Senate). TCIP costs are reimbursed by the U.S. Department of Agriculture. The program is required by statute to be self-financed. (See Selected Fiscal and Policy Issues - Senate, Item 6; Appendix 6.s. - Senate).
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

7	Account No: 683	Account Type: OTHER FUNDS
	Account Name: Texas Agricultural Fund	
	Legal Cite(s): Texas Administrative Code, Ch. 28, Art 3, §§49-f and 49-i, Texas Ag. Code, Ch. 58 & 44	
	Authorized Use: The Texas Agricultural Fund may be used only to provide financial assistance to develop, increase, improve, or expand the production, processing, marketing, or export of crops or products grown or produced in Texas. The Texas Agricultural Finance Authority administers a loan guarantee program within the Department of Agriculture which provides reduced interest rates on loans to farming or ranching operations or agricultural-related businesses with funding from the Texas Agricultural Fund. Loan guarantee recipients may use loan proceeds for working capital to operate a farm or ranch, including the lease of facilities and the purchase of machinery and equipment, or for any agriculture-related business purpose, including the purchase of real estate.	
	Revenue Source: The Texas Agricultural Fund receives proceeds from license fees on motor vehicles (farm trucks) for the Young Farmer Grant Program, interest on the fund balance, and interest on TAFA loans.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
9	Rural Community & Economic Development	\$ 8,874,264	\$ 1,761,664	Yes
14	Indirect Administration	\$ 178,074	\$ 225,674	
Total		\$ 9,052,338	\$ 1,987,338	

Notes/Comments:	The reduction of \$7,065,000 in funding for TAFA in the International and Domestic Trade program is due to debt retirement. (See Selected Fiscal and Policy Issues, Item 8; Appendix 6.i - Senate).
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

8	Account No: 974	Account Type: Outside the Treasury
	Account Name: Produce Recovery Trust Fund	
	Legal Cite(s): Texas Agriculture Code, §103.001 & §103.002	
	Authorized Use: The Produce Recovery Trust Fund is administered by the Commissioner of Agriculture without appropriation for the payment of claims against a perishable commodities handler license holders.	
	Revenue Source: Revenues consist of late renewal fees (Agriculture Code, §101.008) and annual fees (Agriculture Code, §103.011), as well as 50% of the penalty fees under §101.020 and §103.013 are deposited to this fund.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
11	Handling and Marketing of Perishable Commodities	\$ 50,000	\$ -	Yes
Total		\$ 50,000	\$ -	

Notes/Comments:	The expenditure from this account in fiscal year 2016 was \$50,000, paid from one claim.
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9	Account No: N/A	Account Type: Outside the Treasury
	Account Name: State of Texas Agricultural Relief (STAR) Fund	
	Legal Cite(s):	
	Authorized Use: Assist farmers and ranchers in responding to and recovering from natural disasters. Funds may be used to rebuild fences, restore operations and pay for other agricultural relief efforts.	
	Revenue Source: Revenue received from gifts, donations, grants or other contributions.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
		\$ 168,888	\$ -	
Total		\$ 168,888	\$ -	

Notes/Comments:	The agency has not submitted any estimated or budgeted expenditures for the 2018-19 biennium. The STAR Fund (State of Texas Agriculture Relief Fund) was created solely with monetary donations from private individuals and companies. STAR Fund money may be used to assist farmers and ranchers in rebuilding fences, restoring operations and paying for other agricultural disaster relief. Funds are not paid for the "loss" of any assets, but to help offset the costs of replacing, repairing or otherwise getting an operation back into working condition. A recipient must show documentation of expenses incurred after the date of disaster. TDA will reimburse the applicant for up to 50% of those eligible expenses or a maximum amount set by TDA.
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Department of Agriculture
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

10	Account No:	N/A	Account Type:	Outside the Treasury
	Account Name:	Rural Foundation		
	Legal Cite(s):	Tex. Gov't Code Chapter 487, Subchapter P		
	Authorized Use:	Funds used to finance health, community, and economic development programs in the rural areas of the state		
	Revenue Source:	Revenue received from gifts, donations, grants or other contributions.		

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
		\$ -	\$ -	
Total		\$ -	\$ -	

Notes/Comments:	The agency has not submitted any estimated or budgeted expenditures for the 2016-17 biennium.
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	2016-17 Est/Budg	2018-19 Recommended
Inside the Treasury	\$ 32,832,840	\$ 19,510,038
Outside the Treasury	\$ -	\$ -
Total	\$ 32,832,840	\$ 19,510,038

Department of Agriculture
Strategic Fiscal Review Appendix 6a: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: International and Domestic Trade Program

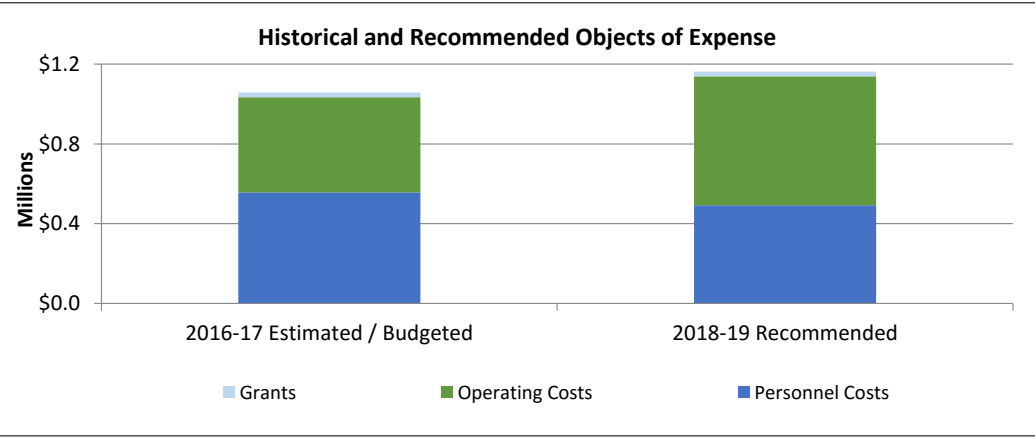
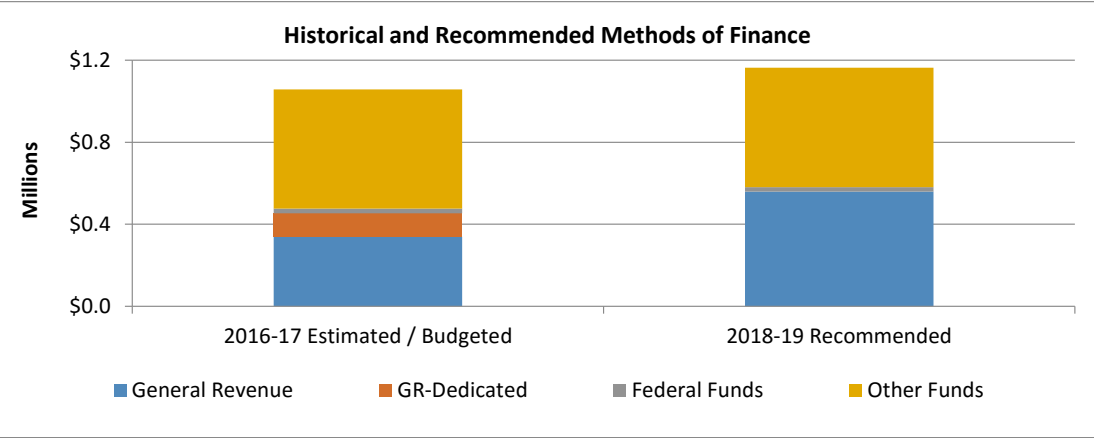
Agency Ranking 1 out of 31

TDA supports Texas agriculture through GO TEXAN activities to increase awareness of Texas-made and Texas-raised products, culture and communities, and showcase Texas agriculture domestically, nationally and internationally.

Legal Authority:	Texas Agriculture Code, Ch. 12; Texas Agriculture Code, Ch. 46 & 47				
Year Implemented	1999	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Facilitate the marketing and promotion of Texas agricultural products.	\$ 918,377	5.1	\$ 1,096,550	4.2	94.3%
Direct Administration	\$ 139,197	1.4	\$ 66,320	0.9	5.7%
Total	\$ 1,057,574	6.5	\$ 1,162,870	5.1	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,162,870	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,162,870	100.0%



Summary of Program and Activities

The GO TEXAN program is a broad-based strategic marketing campaign that promotes all Texas agricultural products under one trademark domestically, nationally and internationally. The program provides Texas producers with opportunities for joint advertising, event participation and partnerships with retailers. In 2011, marketing activities underwent major changes moving from a General Revenue funded program to a cost recovery model.

Summary of Recommendations and Fiscal and Policy Issues

- The Comptroller's BRE estimates that the General Revenue-Dedicated GO TEXAN Partner Program Account No. 5051 will have a balance of \$142,000 at the end of fiscal year 2017 due to a lack of revenue in the past several years. The account has been used in part to fund the GO TEXAN Partner Program; the agency has not requested that Account 5051 be revived because the GO TEXAN Partner Program is being phased out in favor of the GO TEXAN cost recovery program, funded with revenue deposited to General Revenue. Transportation Code, §504.625 instructs TDA to issue specialty license plates that include the words "Go Texan" and the "Go Texan" logo, and to deposit the revenue available after deducting the department's administrative expenses to Account 5051. Transportation Code, §504.6012, effective September 1, 2015, eliminates Account 5051 and "all dedicated accounts established for specialty license plates". Starting in fiscal year 2016, the revenue previously deposited to Account 5051 is paid instead to the credit of an account in a trust fund created by the Comptroller outside the General Revenue fund. The revenue from sales of GO TEXAN license plates may only be used to implement the GO TEXAN Partner Program. (See Selected Fiscal and Policy Issues - Senate, Item 12; Appendix 5 - Senate, GR-D GO TEXAN Partner Program Account No. 5051).
- Texas Agriculture Code, §47.052(d) states that the Shrimp Marketing Assistance Program must be funded at a minimum level of \$250,000 each fiscal year. Currently, revenues collected by the Texas Parks and Wildlife Department (TPWD) for the funding of this program do not allow for this minimum level of funding. \$154,031 is transferred from TPWD to TDA each year.

Recommended Statutory Changes for Program Improvement

- The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

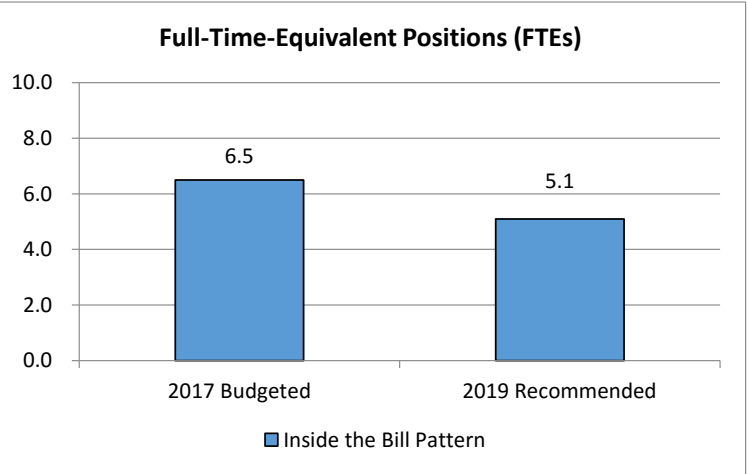
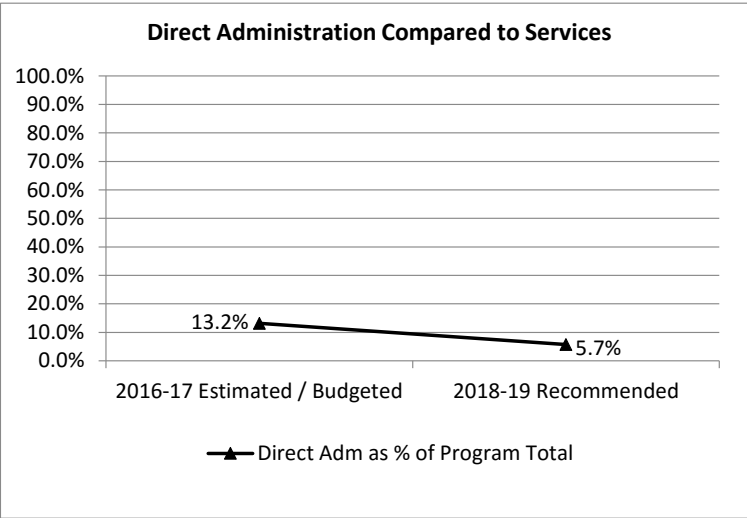
- The agency reports that the program would reach a larger number of Texas producers and consumers, provide more one-on-one assistance to producers and retailers, update materials, increase social media outreach and utilize more up to date services and marketing vehicles with additional resources. The agency has requested additional funding for the International and Domestic Trade program. The requested amount is \$4.5 million of General Revenue for the 2018-19 biennium, to be used for more aggressively promoting sales from rural Texas business and other Texas products and services. The focus of this exceptional item would be on international trade developed independently of the trade facilitated by the federal government. Funding for this item is not included in recommendations. (See Items Not Included in Recommendations - Senate, Item 5).

Challenges to Operation of Program

- The agency has indicated that it does not believe the International and Domestic Trade program is a good candidate for cost recovery. The agency cites the difficulty in recovering cost from a program that is voluntary for participants. There is also a problem identifying the economic impact of this program; it is difficult to directly link successful sales and promotion of Texas products with a business's involvement in the program.

Funding Alternatives

- The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6b: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Rural Health

**Agency
Ranking** 2 out of 31

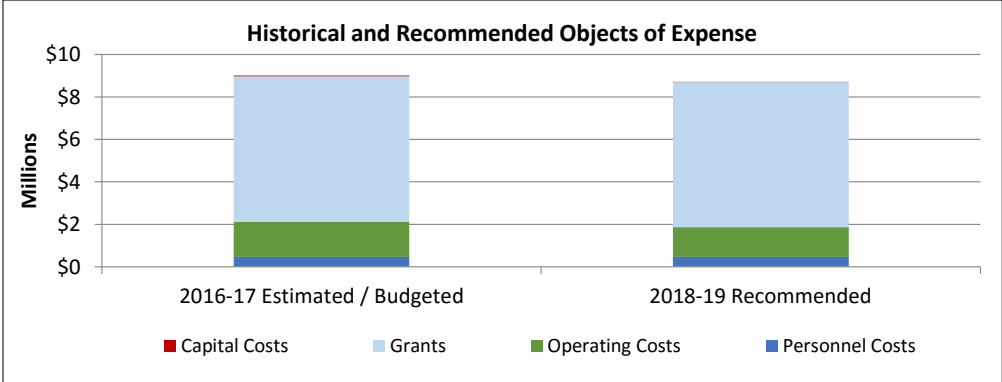
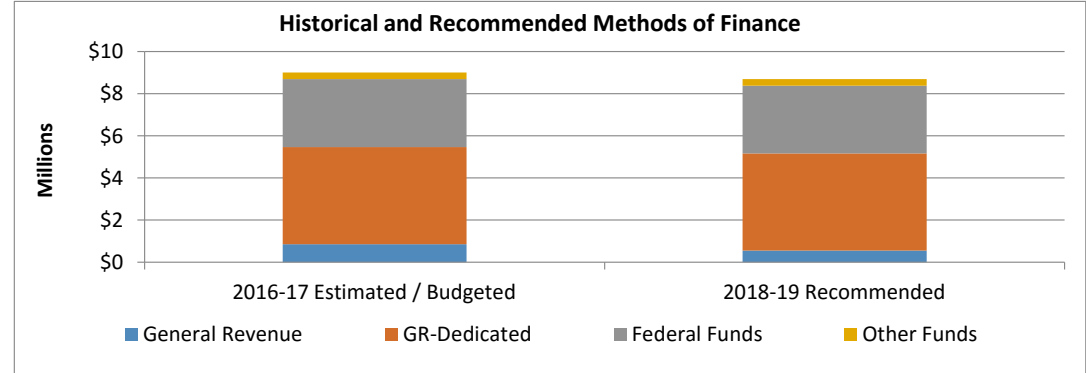
Dedicated to serving the health needs of rural Texas, the State Office of Rural Health (SORH) staff work with local health care providers, county leaders and state partners to support access to quality health care for rural Texans.

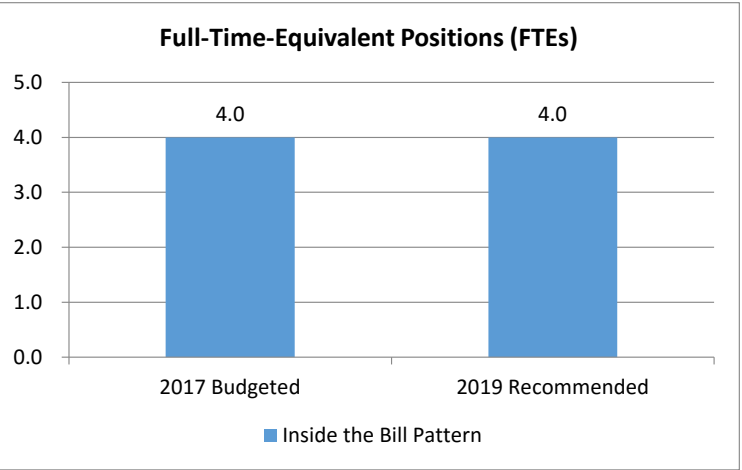
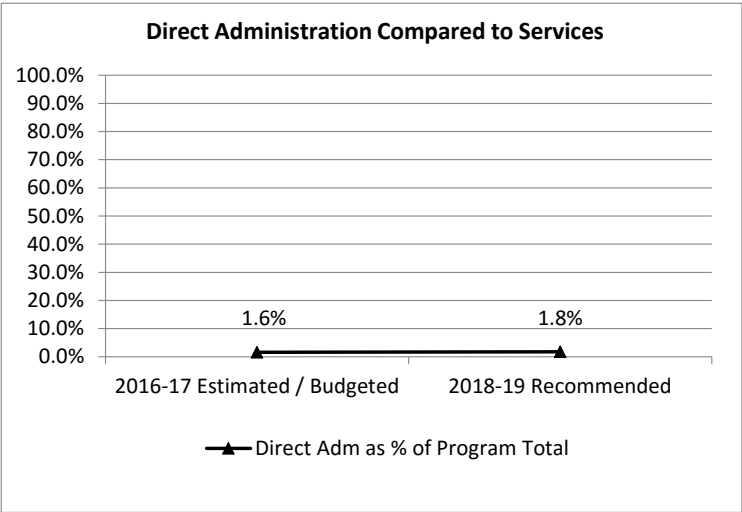
Legal Authority: Texas Government Code, Ch. 487; Medicare Rural Hospital Flexibility Grant: §4201 of the Balanced Budget Act of 1997; Small Hospital Improvement Grant: §1820(g)(3) of the Social Security Act; State Office of Rural Health Funding: §711 of the Social Security Act; 42 U.S.C. 912, as amended, Public Law 108-173

Year Implemented	1991	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	No	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Local Government & Community Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Rural Health Facility Capital Improvement	\$ 4,607,098	0.0	\$ 4,607,098	0.0	53.0%
Small Rural Hospital Improvement Program	\$ 1,986,594	0.5	\$ 1,970,376	0.5	22.7%
Medicare Rural Hospital Flexibility Program	\$ 1,005,986	0.8	\$ 1,005,986	0.8	11.6%
State Office of Rural Health (SORH)	\$ 952,319	1.6	\$ 652,926	1.6	7.5%
All Other Activities	\$ 452,456	1.1	\$ 452,456	1.1	5.2%
Total	\$ 9,004,453	4.0	\$ 8,688,842	4.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 8,107,127	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 8,107,127	100.0%





Summary of Program and Activities

The Office of Rural Community Affairs (ORCA) was created in 2001 to assist rural communities by administering rural health programs, among other activities. ORCA combined and consolidated the Department of Health's Center for Rural Health Initiatives Programs and the Community Development Block Grant (CDBG) Program at the Texas Department of Housing and Community Affairs. With HB 2542, the Eightieth Legislature instructed ORCA to coordinate more closely with TDA by cross-training ORCA employees with TDA employees on programs administered by each agency that relate to rural communities. The Eighty-First Legislature changed the name of ORCA to the Texas Department of Rural Affairs (TDRA). The Eighty-Second Legislature transferred TDRA to TDA in SB 1, §62.02, passed during the 2011 special session. The newly created Office of Rural Affairs within TDA oversaw the CDBG Program, the State Office of Rural Health (SORH), the Texas Agricultural Finance Authority (TAFa), and other programs.

The Rural Health program consists of several activities. The Rural Health Facility Capital Improvement Program provides grants for rural public and non-profit hospitals for construction, capital improvements, or to purchase capital equipment. Funding for the program comes from the Permanent Fund for Rural Health Facility Capital Improvement, which utilizes interest from an endowment of \$50 million resulting from the settlements of tobacco companies with Texas.

The Small Rural Hospital Improvement Program provides assistance to rural hospitals with 49 or fewer beds. Services include providing funding for equipment or training, aiding hospitals in joining or becoming accountable care organizations, or creating shared savings programs; and providing funding for health information technology, equipment, or training to comply with meaningful use electronic health record provisions, International Statistical Classification of Diseases and Related Health Problems (ICD-10) standards, payment bundling, or care transitions.

The Medicare Rural Hospital Flexibility Program (Flex) provides incentives to rural health providers to achieve Critical Access Hospital (CAH) status. For CAHs, the program provides support for strategic planning, training and development, and quality improvement and data reporting services. These activities are intended to encourage the development of a statewide rural health plan, development of rural health networks associated with CAH facilities, integration and strengthening of rural emergency medical systems, and improving the quality of healthcare services for rural populations.

The State Office of Rural Affairs (SORA) provides services, programs, and grants for rural health. SORA also serves as a data clearinghouse for rural health information and provides technical assistance to rural communities.

Other activities related to rural health include the recruitment and retention of health care professionals to rural areas and identifying rural policy priorities and evaluating existing rural programs.

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations provide for \$8.7 million in appropriations for the program in 2018-19. This represents a decrease of \$0.3 million as compared to 2016-17 expended/budgeted levels. The agency requested a \$600,000 decrease in GR-D Rural Health Facility Capital Improvement Fund Account No. 5047 funding as part of the 4 percent reduction; recommendations do not include this reduction. (See Selected Fiscal and Policy Issues - Senate, Item 13; Appendix 5 - Senate, Account 5047).

Recommended Statutory Changes for Program Improvement

- 1 LBB staff will continue to explore any coordination between Texas Health and Human Services and TDA on rural hospital and health funding.

Enhancement Opportunities

- 1 According to the agency, additional staff would enable the program to strengthen the relationship with hospitals and communities it already serves, as well as to cultivate collaborative efforts with new entities that are interested in working on rural health issues.
- 2 Using \$281,108 in salary savings from the Indirect Administration program in fiscal year 2016, the Rural Health program furthered contracts with Texas Tech University Health Sciences Center (TTUHSC) and the Texas Organization of Rural and Community Health (TORCH). These contracts existed before fiscal year 2016, but the additional funding allowed TTUHSC to extend their online education courses to more rural hospitals and to increase the evaluation of grants support activity conducted by the State Office of Rural Health (SORH), and TORCH to run a workshop for rural health clinics and projects to promote population health and education. Funding these contracts at fiscal year 2016 levels would enhance the program.

Challenges to Operation of Program

- 1 The agency reports that rural hospitals are closing, forcing local residents to drive further to access health care.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6c: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Fuel Quality

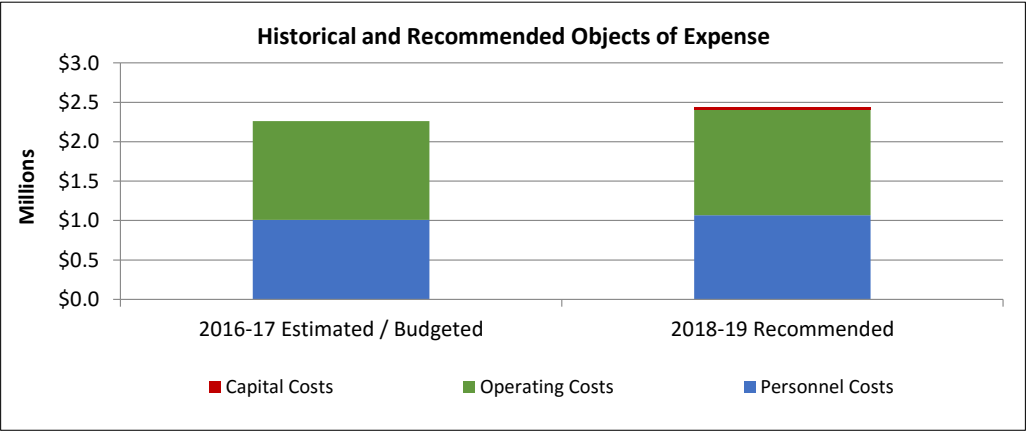
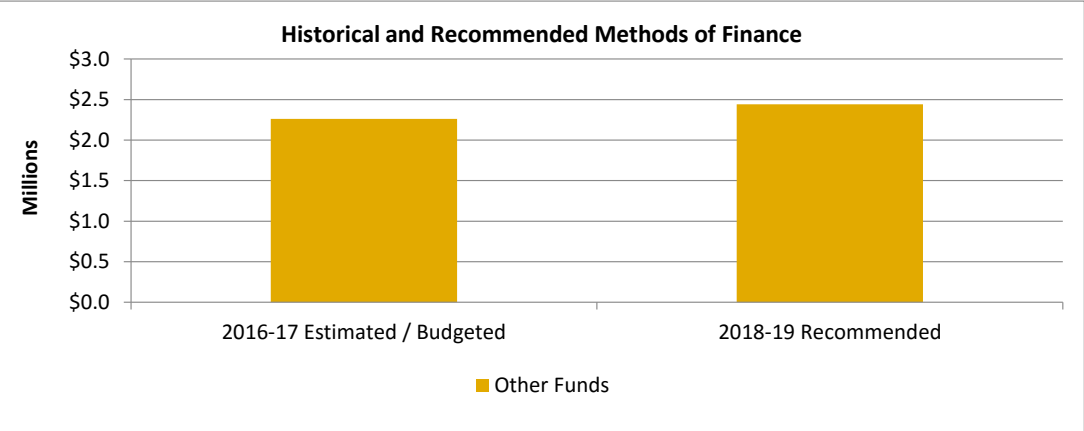
**Agency
Ranking** 3 out of 31

Testing of motor fuel for national quality standards. Testing may be conducted at any location where motor fuel is kept, transferred, sold, or offered for sale. If a sample is found to be contaminated or does not meet standards, fuel is subject to stop-sale order until noncompliance issue is corrected.

Legal Authority:	Texas Agriculture Code, Ch. 17				
Year Implemented	1998	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 2,071,266	4.5	\$ 2,248,572	9.7	92.2%
Direct Administration	\$ 191,380	1.6	\$ 191,380	1.6	7.8%
Total	\$ 2,262,646	6.1	\$ 2,439,952	11.3	100.0%

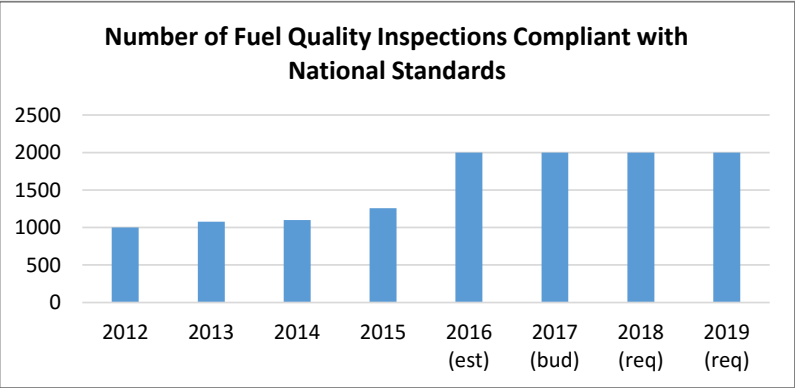
	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,439,952	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 2,439,952	100.0%



Program: Fuel Quality

Agency
Ranking

3 out of 31



Summary of Program and Activities

The Fuel Quality program was created in 1998 for octane testing and expanded in 2009 to include broader fuel quality specifications and inspections. The program conducts routine inspections to verify compliance with standards. Random and complaint-generated inspections are used to ensure octane ratings are equal to or greater than posted ratings, that fuel is not contaminated with water or sediment, that gasoline and diesel are not cross-contaminated, and that required ethanol content and octane labeling is properly posted. Noncompliant fuel and labeling is subject to stop-sale until the problem is corrected. Texas Agriculture Code, §§12.020 and 17.155 authorize the department to assess administrative penalties that can range up to a statutorily-imposed maximum of \$5000 for each violation. Each day that a violation continues or occurs may be considered a separate violation. Each transaction may be considered a separate violation and, under certain circumstances, each unit of measure involved in a transaction also may be considered a separate violation. The performance measures target for total inspections increased from 1,000 to 2,000 per year in fiscal year 2016.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$2.4 million in Appropriated Receipts for 2018-19, which is an increase of 7.8 percent. The Fuel Quality program is funded by the Motor Fuel Mixture Testing fee (revenue object code 3015), collected from dealers, distributors, jobbers, suppliers, and wholesalers for testing, inspection or performance of other services provided as necessary. The fee is set by TDA.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

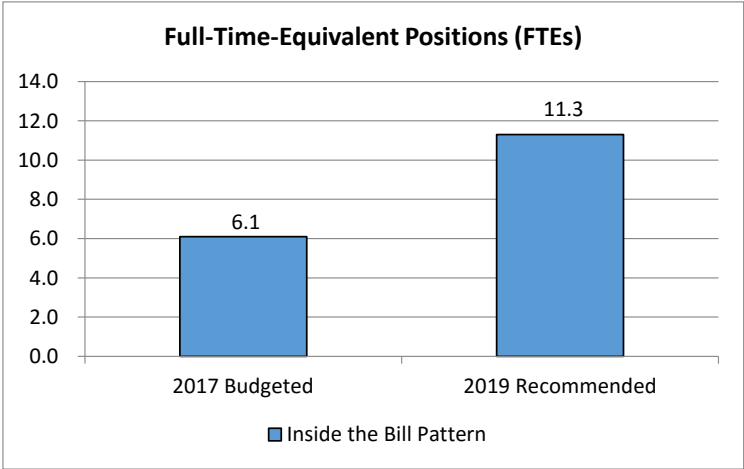
- 1 Expansion of fuel types tested including E-85 and Bio-Diesel.

Challenges to Operation of Program

- 1 Rapid response times are vital to addressing complaints when fuel is frequently replaced and resupplied, as well as to prevent additional vehicle damage from noncompliant fuel.
- 2 Constituent awareness of the program is limited and results in potential risks from noncompliant fuel going unaddressed.
- 3 Facilities with stop-saled fuel that has since been corrected must remain shut down until available inspection staff can perform a reinspection.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6d: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Agricultural Pesticide Regulation

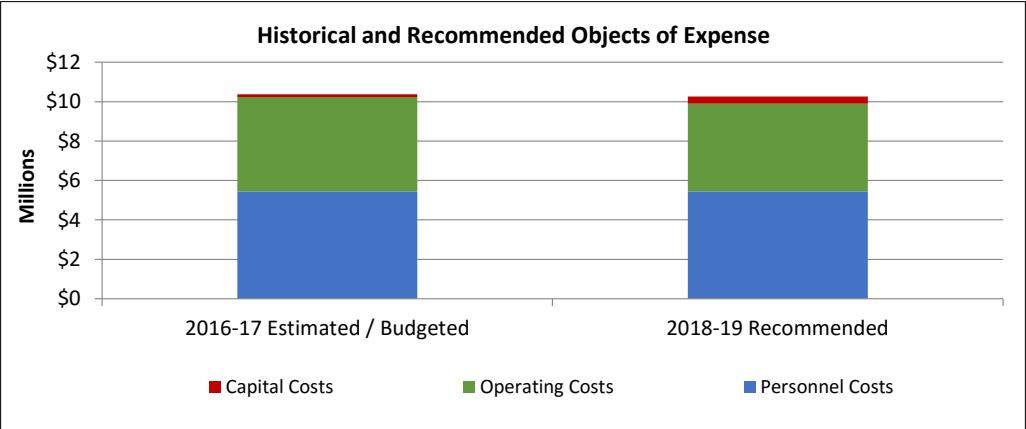
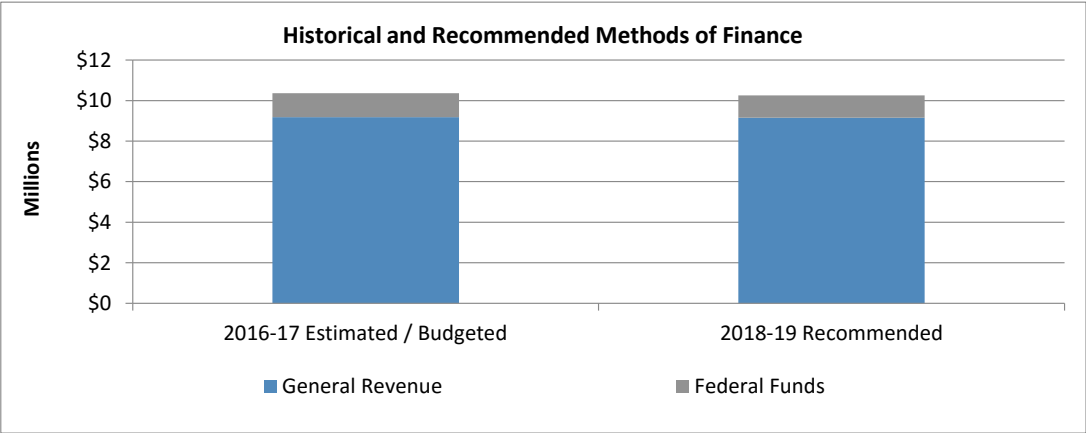
**Agency
Ranking** 4 out of 31

Provides regulatory oversight of pesticide laws, certification of applicators, registration of pesticides, and protection and education of pesticide workers and handlers. Includes investigation of complaints and provides for laboratory analysis of pesticide residue samples.

Legal Authority:	Texas Agriculture Code, Ch. 76; Federal Insecticide, Fungicide and Rodenticide Act.				
Year Implemented	1975	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 9,157,994	45.1	\$ 9,046,544	45.6	88.2%
Direct Administration	\$ 1,206,408	8.5	\$ 1,215,102	7.9	11.8%
Total	\$ 10,364,402	53.6	\$ 10,261,646	53.5	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 10,261,646	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 10,261,646	100.0%



Program: Agricultural Pesticide Regulation

Agency Ranking

4 out of 31

Summary of Program and Activities

The Agricultural Pesticide Regulation program deals with the regulation of restricted-use pesticides, state-limited-use pesticides, and regulated herbicides, as well as licensing the applicators who apply them. The program provides education for applicators to prevent adverse health and environmental impacts from the use of herbicides and pesticides, licenses private, commercial, and noncommercial applicators, enforces laws and regulations related to pesticide and herbicide use through the issuance of fines and penalties, investigates complaints of alleged pesticide misuse, performs inspections to ensure that all licensees meet requirements, and provides alerts and information on pest and disease issues.

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations provide for \$10.3 million in All Funds for the Agricultural Pesticides Regulation Program, which represents a decrease of \$0.1 million. The agency collects revenues for the program, including a portion of fees from the Business Fees - Agriculture and the Agriculture Registration Fees. These fees are authorized in Agricultural Code, Chapter 12. The agency is required by rider to generate fees sufficient to cover the total General Revenue costs of the Agricultural Pesticide Regulation Program.

Recommended Statutory Changes for Program Improvement

The agency has made three requests regarding statutory improvement:

- Clarify statute relating to the definition of advertising for commercial businesses in Texas Occupations Code, §1951.003 in order to help with enforcement with unlicensed businesses.
- Clarify statute concerning mosquito control licensing requirements (Texas Occupations Code, §1951.053 and Texas Agriculture Code, §76.109). Noncommercial applicators or their contractors are required to license under Texas Agriculture Code, Ch. 76; commercial applicators, including those installing mosquito misting systems, are required to license under Texas Occupations Code, Ch. 195. The agency reports that there is confusion in the regulated community as to which license is required, and that the training and supervision requirements are different in the two chapters.
- Standardize statute concerning landscape maintenance in Texas Agriculture Code, Ch. 76 and Texas Occupations Code, Ch. 1951 as business licensing, training, and supervision requirements diverge in the two chapters for similar work.

SFR analysis concurs that these statutory changes would improve program implementation and would not have a negative fiscal effect.

Enhancement Opportunities

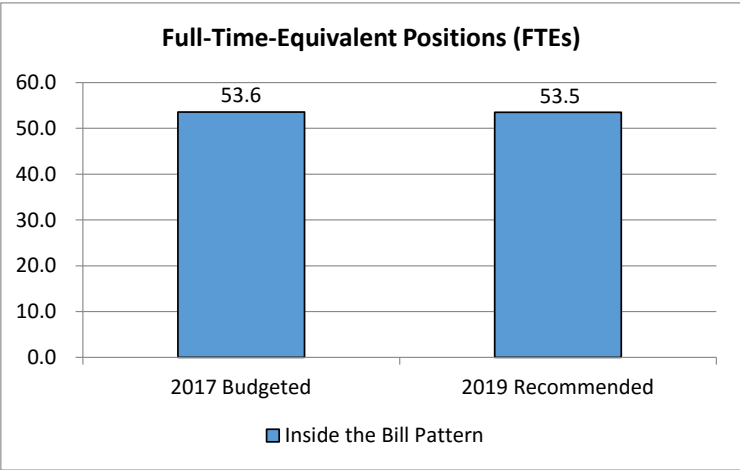
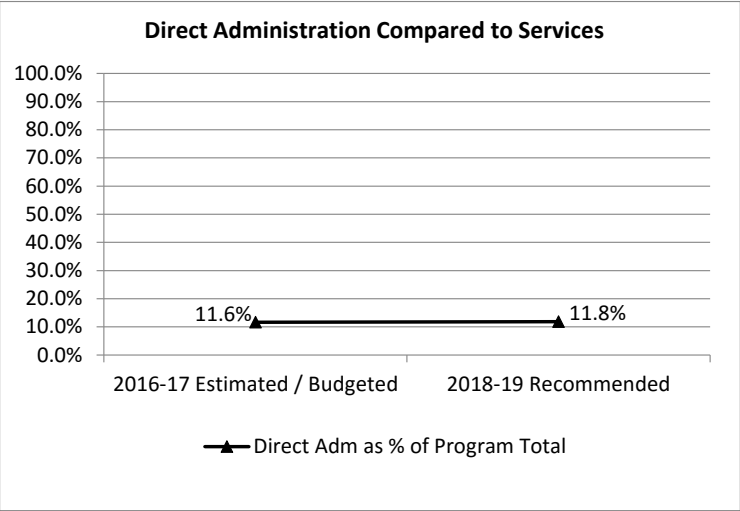
- The agency reports that additional inspection staff would provide the ability to respond more timely in pesticide complaint investigations, particularly during the growing season.

Challenges to Operation of Program

- The agency reports that it is difficult to identify unlicensed commercial businesses and obtain proof of compensation to prosecute these offenses. In addition, the agency faces challenges in inspecting the large number of program licensees with the given number of field inspectors for the program. The agency also reports that there is overlap between licensing requirements in Texas Agricultural Code, Chapter 76, which affects agricultural pesticide regulation, and Texas Occupations Code, Chapter 1951, which affects the regulation of applicators for mosquito control and landscape maintenance applications.

Funding Alternatives

- The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6e: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Weights & Measures Program

**Agency
Ranking** 5 out of 31

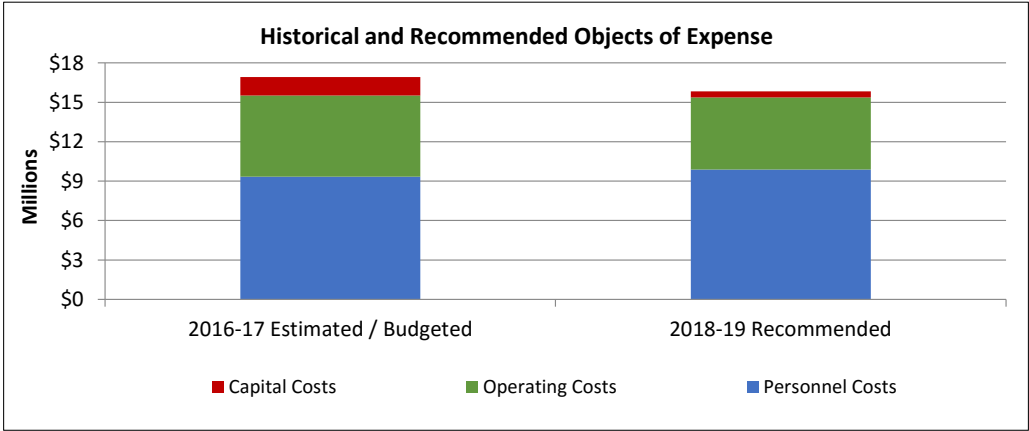
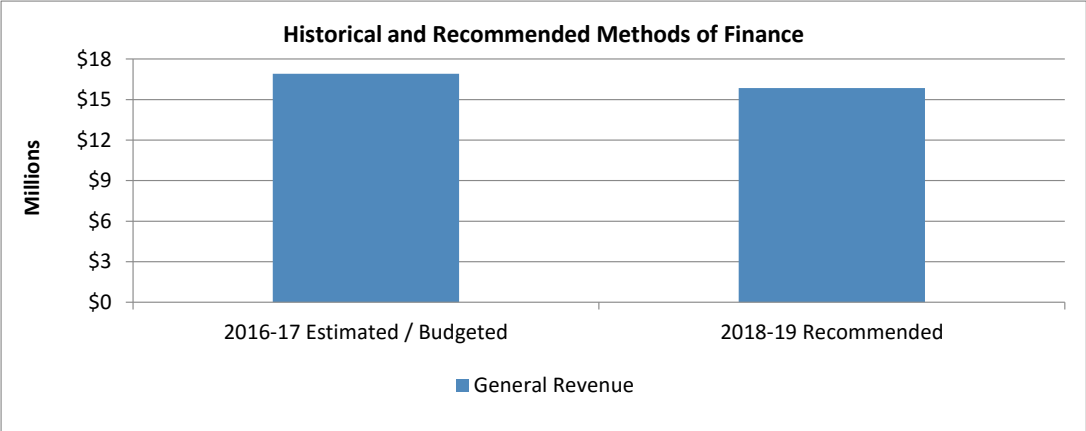
Protects consumers and businesses by ensuring that equity prevails in all commercial transactions involving determinations of quantity.

Legal Authority: Texas Agriculture Code, Ch. 13

Year Implemented	1925	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 15,000,132	92.3	\$ 12,792,777	89.1	87.0%
Direct Administration	\$ 1,913,204	19.7	\$ 1,913,204	19.7	13.0%
Total	\$ 16,913,336	112.0	\$ 14,705,981	108.8	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 14,705,981	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 14,705,981	100.0%



Program: Weights & Measures Program

Agency
Ranking

5 out of 31

Summary of Programs and Activities

TDA inspects weighing and measuring devices to ensure performance within acceptable tolerances, and inspects packaging to enforce net content and labeling regulations. The packaging activities are funded through General Revenue; the Weights & Measures activities are funded through cost recovery General Revenue.

TDA is statutorily required to test all weighing or measuring devices used by a state institution and to report the results of those tests to the chairman of the governing body. Texas Agriculture Code §13.007 authorizes penalties up to \$500 per violation, and each day a violation continues may be considered a separate violation. Texas Agriculture Code §§13.115 and 13.1151 authorize the agency to assess fees for inspection and for registration of devices.

TDA's field staff inspect a wide variety of measuring devices to protect consumers from overcharges and poor quality fuel.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$14.7 million in General Revenue for 2018-19. This is a decrease of \$2.2 million, primarily due to a \$1.5 million decrease in operating expenses resulting from available budget from one-time funding items in the 2016-17 biennium, including Octane Analyzers, vehicle purchases, computer purchases, and operating costs for an exceptional item in the Weights & Measures program.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

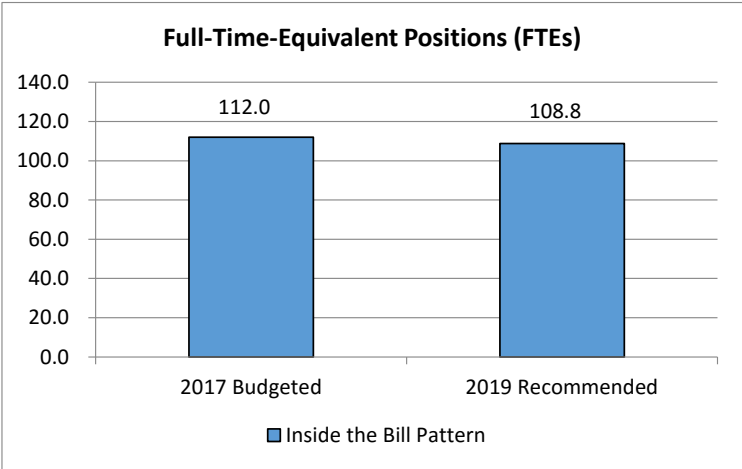
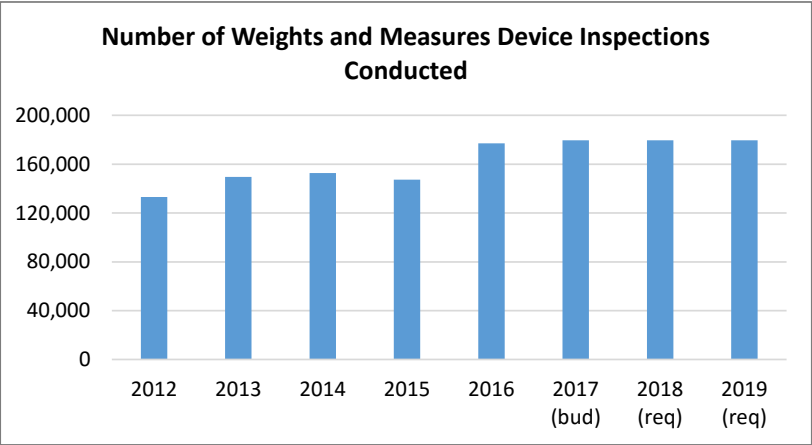
- 1 Additional trained staff would provide the opportunity to identify and inspect unlicensed retail operations as well as inspect all licensed retailers on a routine bases. New and updated equipment (calibrated field standards and registration/inspection software) would improve the quality, scope and range of inspections increasing protection for the consumer.

Challenges to Operation of Program

- 1 The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1 The agency has requested \$1.1 million in General Revenue funding in an exceptional item to fund the Weights & Measures program to continue 2016-17 activities. (See Items Not Included in Recommendations - Senate, Item 2).



Department of Agriculture
Strategic Fiscal Review Appendix 6f: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Plant Health

Agency Ranking 6 out of 31

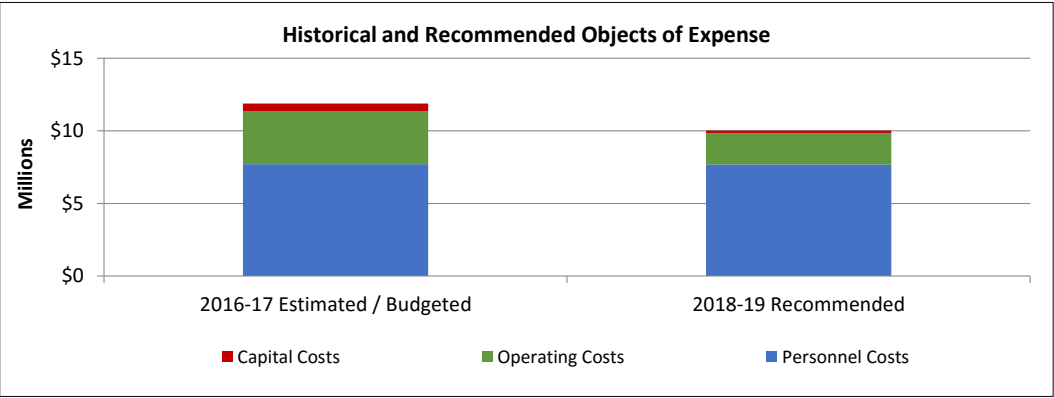
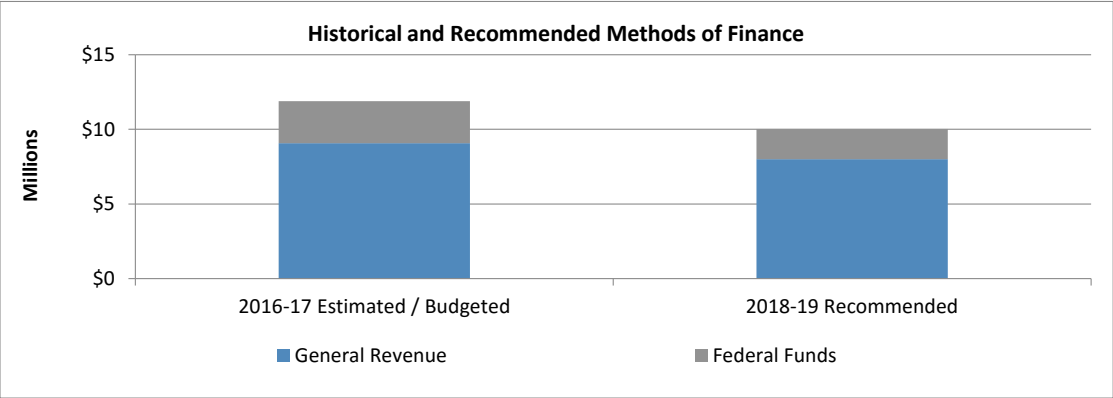
This program protects consumers and industry by regulating nursery/floral licensing, phytosanitary inspection, ensuring that consumers receive the quality and type of seed they pay for, and make available a quality source of seeds and vegetative propagating materials.

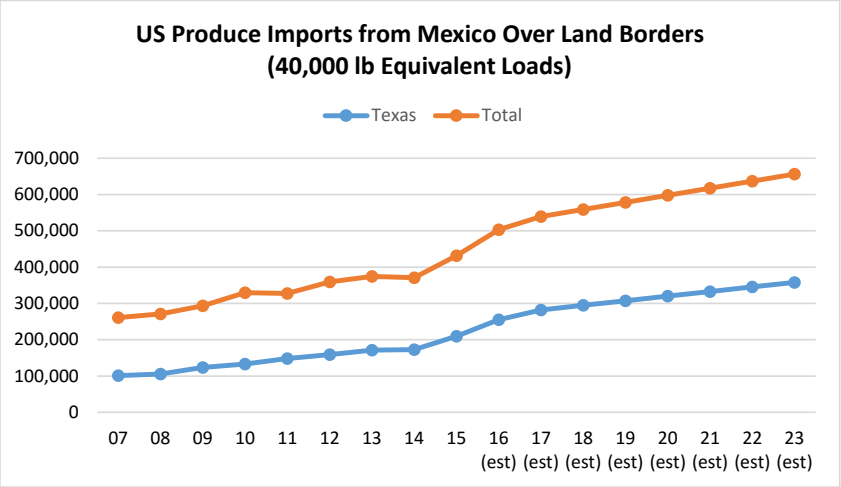
Legal Authority: Texas Agriculture Code, Ch. 61-62; Texas Agriculture Code, Ch. 64; Texas Agriculture Code, Ch. 71-74; Texas Agriculture Code, Ch. 80; U.S. Plant Protection Act enacted through the Code of Federal Regulation 7, Parts 300-399; Federal Seed Act (7 U.S.C. 1151-1611)

Year Implemented	1919	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 9,885,382	76.0	\$ 8,778,716	74.3	87.6%
Direct Administration	\$ 1,287,968	10.0	\$ 1,242,088	9.8	12.4%
Ag Border Inspection Grant	\$ 709,483	0.0	\$ -	0.0	0.0%
Total	\$ 11,882,833	86.0	\$ 10,020,804	84.1	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 10,020,804	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 10,020,804	100.0%





Summary of Program and Activities

Significant program activities include direct administration, compliance and enforcement, and a grant program intended to reduce wait times for agricultural inspections of vehicles at land ports of entry along the Texas-Mexico border. The grant program was authorized by SB 797, Eighty-Fourth Legislature, 2015, and is scheduled to sunset on September 1, 2017 unless continued by the Eighty-Fifth Legislature. According to TDA, compliance and enforcement includes: (1) seed test analysis; (2)issuing Texas Tested Seed Fee labels, other licenses and certificates; (3) monitoring and sampling plants for the detection of pests; and (4) conducting inspections to verify compliance with standards and quarantine regulations. The latter activity includes inspections of plant shipments at Texas Department of Public Safety road stations.

Summary of Recommendations and Fiscal and Policy Issues

1 Funding for the 2016-17 biennium included \$725,000 in General Revenue appropriations to fund the border inspection grant program authorized by SB 797. The program's purpose was to allow TDA to establish a grant program to reduce wait times for agricultural inspections of vehicles at ports of entry along the border. For the 2016-17 biennium, this program was appropriated \$725,000 in General Revenue, which is the maximum amount for grants allowed under law, with the expectation of providing 3,400 additional inspection hours in fiscal year 2016 and 2,400 additional inspection hours in fiscal year 2017. The appropriation was used by TDA to fund grants passed through the South Texas Assets Consortium (STAC) for the purpose of reducing wait times for agricultural inspections of vehicles entering Texas from Mexico. Grant funds total \$652,500, to be made available to STAC in the amount of \$382,500 on January 1, 2016 and \$270,000 on September 1, 2016. The remaining \$44,500 are reserved by TDA for program operating expenses. In the statutorily-required report submitted by TDA to the legislature on the performance of the program, the number of additional inspection hours funded by the grant was 75 in fiscal year 2016. TDA cites the lack of available Customs and Border Protection (CBP) officers as a reason that this number was lower than the target amount; a request for 2,080 hours (\$218,400 in grant funding) was declined by CBP due to not having available inspection officers. TDA has been advised that further requests in fiscal year 2017 will be made for the peak produce season for February, March, and April, as well as in the summer, and that CBP is expecting to hire additional officers over the next 12-18 months. Recommendations do not include funding for this program in the 2018-19 biennium, as the program is scheduled to expire at the end of fiscal year 2017. (See Selected Fiscal and Policy Issues - Senate, Item 4).

2 The SFR evaluated transitioning the Surveillance and Biosecurity activity in the Plant Health program to cost recovery funding. Currently, only the Verify Seed Quality and Seed Certification activities in the Plant Health program are required to fund program operations through cost recovery. The costs of the Surveillance and Biosecurity activities are not currently recovered by fee collection, though several fees are collected in the Surveillance and Biosecurity activity that are deposited to General Revenue and not counted as cost recovery. These fees include nursery floral registration fees and phytosanitary fees, among other inspection fees.

The conclusion is that the most feasible option for increasing cost recovery of the Plant Health regulatory program is to count existing fees (the nursery floral registration fees) towards the Plant Health program's cost recovery requirement, as these revenues are currently being deposited to the General Revenue Fund. A proposal to increase phytosanitary fees for cost recovery purposes was made by TDA and subsequently withdrawn in fiscal year 2016. It is not recommended that the phytosanitary fee be counted towards cost recovery requirements because it was so recently withdrawn. Recommendations include no change for required cost recovery in the Plant Health program, as the agency has not provided an estimate of revenue collection from the existing nursery floral registration fee. Without the estimated revenue information, cost recovery appropriation amounts for the Plant Health program cannot be decided with confidence.

Recommended Statutory Changes for Program Improvement

- The agency did not identify any specific statutory changes that could improved the program's effectiveness.

Enhancement Opportunities

- According to the agency, the addition of new and the improvement of existing road station sites for monitoring of commodities entering Texas would better safeguard the state's agricultural and natural resources. The road station inspections, both the TDA inspectors and the contract with the Texas Department of Public Safety (DPS) for use of the road stations, are funded primarily by federal funds – the U.S. Department of Agriculture (USDA) Critical Entry Point agreement. The fiscal year 2017 budget for road station inspections consists of \$682,926 in federal funds and approximately \$24,000 in General Revenue Funds. General Revenue is used to fund a portion of the contract with DPS – \$26,675 in fiscal year 2016. TDA did not request an exceptional item to increase state funding for additional road station sites or improvements to the existing sites. It should be noted that the road station sites are operated by DPS and that DPS now allocates a greater proportion of its resources for border security. TDA staff highlight this when explaining the fluctuation in the number of scheduled 72-hour inspections of plant shipments entering Texas from other states that are conducted at road stations.

Challenges to Operation of Program

- The agency reports that weather events, rising invasive pest insurgencies due to global commerce and an increase in the number of out-of-state seed samples are challenges to safeguarding the agricultural and natural resources of the state. Nonetheless TDA did not request additional funds via an exceptional item or reallocate funds within baseline funding levels for the plant health program.

Funding Alternatives

- Review TDA’s evaluation of the grant program, and monitor legislation that may be filed to continue the grant program.
- The agency has requested \$148,485 in General Revenue funding in an exceptional item to fund the Plant Health program to continue 2016-17 activities. (See Items Not Included in Recommendations - Senate, Item 2).

Department of Agriculture
Strategic Fiscal Review Appendix 6g: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Structural Pest Control

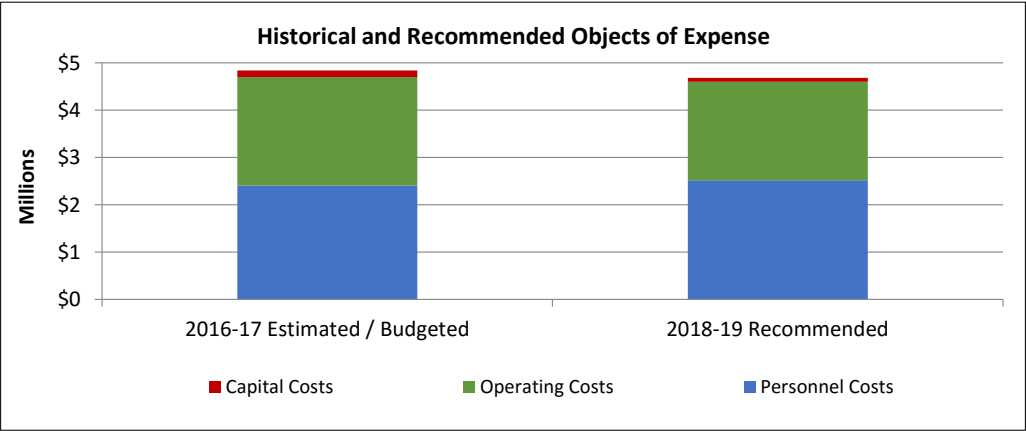
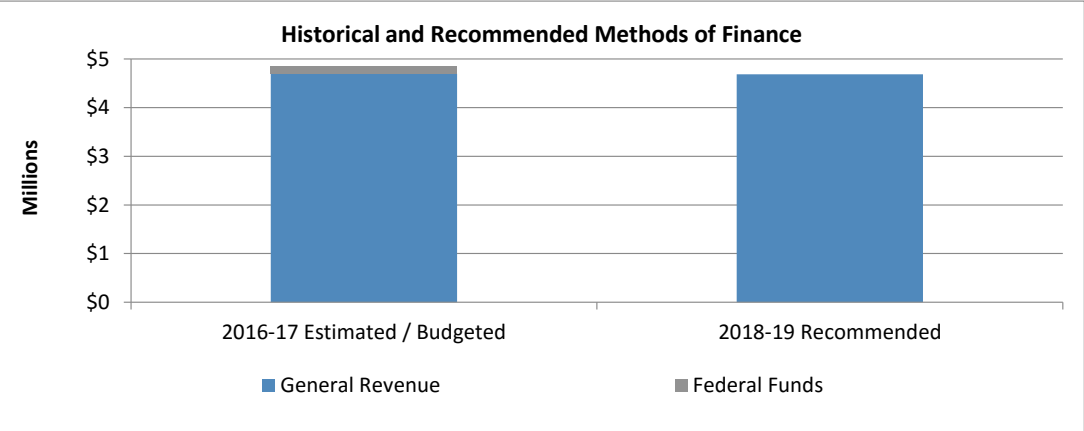
**Agency
Ranking** 7 out of 31

Program provides for the licensing and regulation of all persons engaged in the business of structural pest control by performing inspections to ensure compliance with state and federal pesticide laws and regulations, investigating complaints, and monitoring the use of pesticides.

Legal Authority:	Texas Occupations Code, Ch. 1951; Federal Insecticide, Fungicide and Rodenticide Act				
Year Implemented	2007	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 4,225,440	20.4	\$ 4,067,368	20.4	86.9%
Direct Administration	\$ 615,470	4.6	\$ 615,470	4.6	13.1%
Total	\$ 4,840,910	25.0	\$ 4,682,838	25.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 4,682,838	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 4,682,838	100.0%



Program: Structural Pest Control

Agency
Ranking

7 out of 31

Summary of Program and Activities

The Structural Pest Control Service licenses and regulates pest management professionals who apply pesticides in and around structures, such as schools or other buildings. The agency performs inspections and investigates complaints of alleged misuse of regulated pesticides, and assesses penalties for violations. The program also provides tools for consumers to locate licensed pest control companies and for applicators to locate approved training course providers.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations provide \$4.7 million in All Funds appropriations for the Structural Pest Control program. This represents a decrease of \$0.2 million as compared to 2016-17 funding levels. The agency is required to generate revenue to cover costs of the Structural Pest Control Program.

Recommended Statutory Changes for Program Improvement

The agency has made three requests regarding statutory improvement:

- 1 Clarify statute relating to the definition of advertising for commercial businesses in Texas Occupations Code, §1951.003 in order to help with enforcement with unlicensed businesses.
- 2 Clarify statute concerning mosquito control licensing requirements (Texas Occupations Code, §1951.053 and Texas Agriculture Code, §76.109). Noncommercial applicators or their contractors are required to license under Texas Agriculture Code, Ch. 76; commercial applicators, including those installing mosquito misting systems, are required to license under Texas Occupations Code, Ch. 195. The agency reports that there is confusion in the regulated community as to which license is required, and that the training and supervision requirements are different in the two chapters.
- 3 Standardize statute concerning landscape maintenance in Texas Agriculture Code, Ch. 76 and Texas Occupations Code, Ch. 1951 as business licensing, training, and supervision requirements diverge in the two chapters for similar work.

SFR analysis concurs that these statutory changes would improve program implementation and would not have a negative fiscal effect.

Enhancement Opportunities

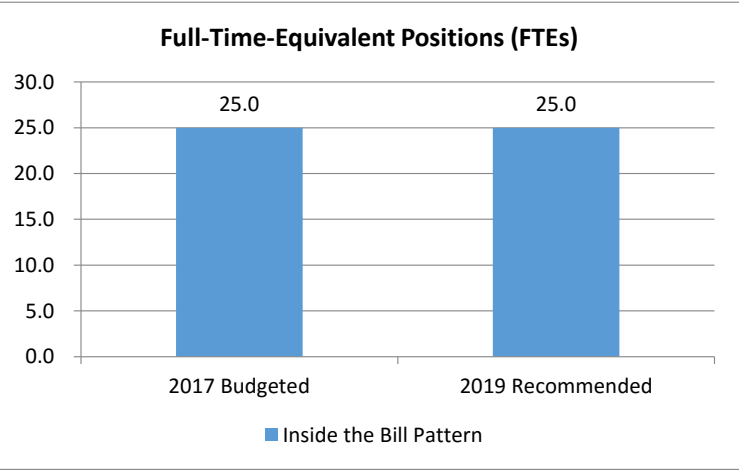
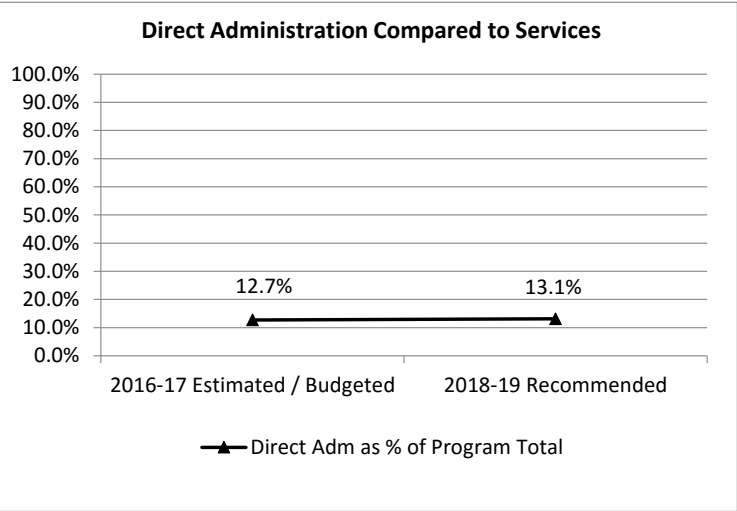
- 1 The agency reports that additional inspection staff would provide more opportunities to investigate unlicensed applicator businesses, and that additional program and legal staff would assist in reviewing and prosecuting cases.

Challenges to Operation of Program

- 1 The agency reports that it is difficult to identify unlicensed commercial businesses and obtain proof of compensation to prosecute these offenses. In addition, the agency faces challenges in inspecting the large number of program licensees with the given number of field inspectors for the program. The agency also reports that there is overlap between licensing requirements in Texas Agricultural Code, Ch. 76, which affects agricultural pesticide regulation, and Texas Occupations Code, Ch. 1951, which affects the regulation of applicators for mosquito control and landscape maintenance applications.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6h: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Metrology

Agency Ranking 8 out of 31

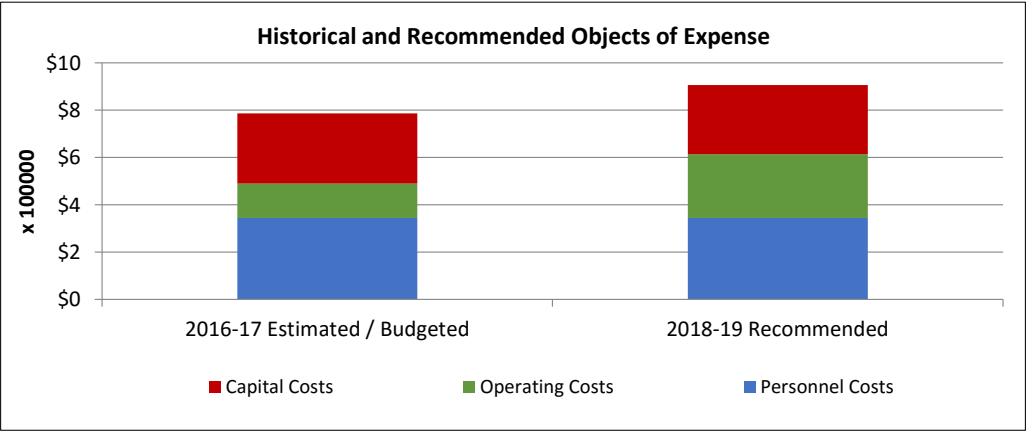
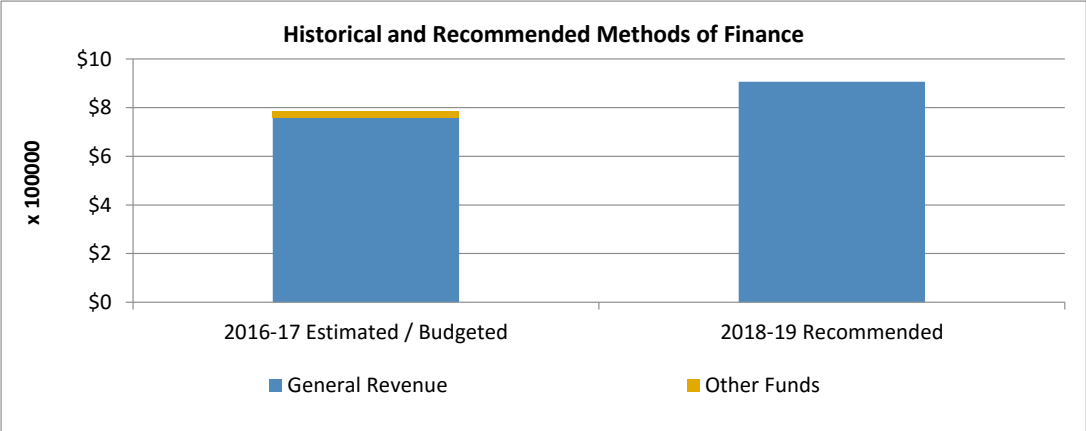
Certification of weights and measures standards that are supported by national and international standards. TDA is the custodian of measurement standards at the state level for mass and volume.

Legal Authority: Texas Agriculture Code, Ch. 13

Year Implemented	1925	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance	\$ 762,166	0.0	\$ 882,779	0.0	97.4%
Direct Administration	\$ 23,642	3.0	\$ 23,642	3.0	2.6%
Total	\$ 785,808	3.0	\$ 906,421	3.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 906,421	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 906,421	100.0%



Summary of Program and Activities

All field standards used to calibrate weighing and measuring devices in Texas must be calibrated by a recognized laboratory on an annual basis to ensure accuracy recognition for interstate commerce. The TDA metrology laboratory is recognized as being traceable to the International System of Units through the National Institute of Standards and Technology by compliance to the ISO 17025 standard. Agriculture Code §13.115 authorizes the agency to collect inspection fees, and the program is funded through cost recovery General Revenue.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$0.9 million in General Revenue for 2018-19, an increase of \$120,613 from 2016-17 funding levels due mainly to an increase in operating expenses. Funding for the MLPP payments for the metrology lab capital project are included in recommendations in the amount of \$292,048.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

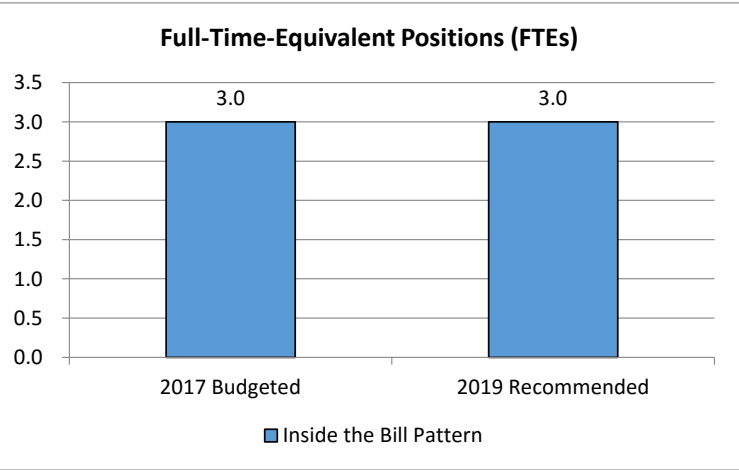
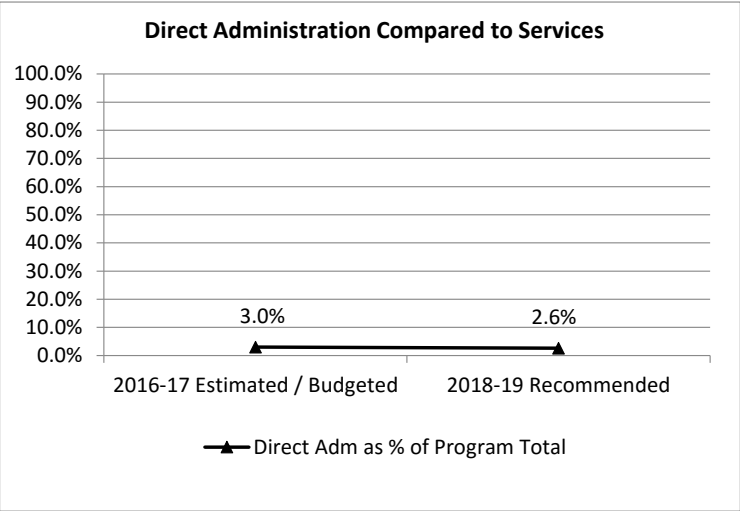
- 1 Currently, the metrology lab's HVAC system does not allow the laboratory to operate within standards at all times. As this laboratory is the only metrology lab in Texas, these periods of time during which the lab is non-operational result in some larger weights being shipped out of state to calibrate. The agency has submitted an exceptional item request for \$1,929,000 in General Revenue funding for a complete replacement of the metrology lab's HVAC system. This update would enable the laboratory to operate within standards at all times. In addition, it would allow the lab to increase its scope to a higher Echelon enabling personnel to calibrate the state working standards and higher class customer field standards reducing costs and increasing revenue. (See Items Not Included in Recommendations - Senate, Item 5).
- 2 Replacement of aging and obsolete equipment would reduce expenditures for maintenance and repair and improve efficiency and safety.
- 3 Integrated software improvements would allow TDA to better regulate violations calibration requirements.

Challenges to Operation of Program

- 1 Current environmental conditions (temperature, humidity) due to aging and inadequate HVAC systems have created conditions that limit when calibrations by staff can be performed. This creates a challenge to maintain traceability and creates funding issues as state standards must be shipped out of state to be calibrated. Aging and obsolete equipment presents challenges to efficiency and accuracy in the performance of calibrations. Outdated software programs create a challenge in reconciling calibrations in the lab with equipment used for field calibrations.

Funding Alternatives

- 1 The agency requested funding for a complete replacement of the metrology lab's HVAC system. This funding is not included in recommendations. (See Items Not Included in Recommendations - Senate, Item 5).



Department of Agriculture
Strategic Fiscal Review Appendix 6i: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Rural Community & Economic Development

Agency Ranking 9 out of 31

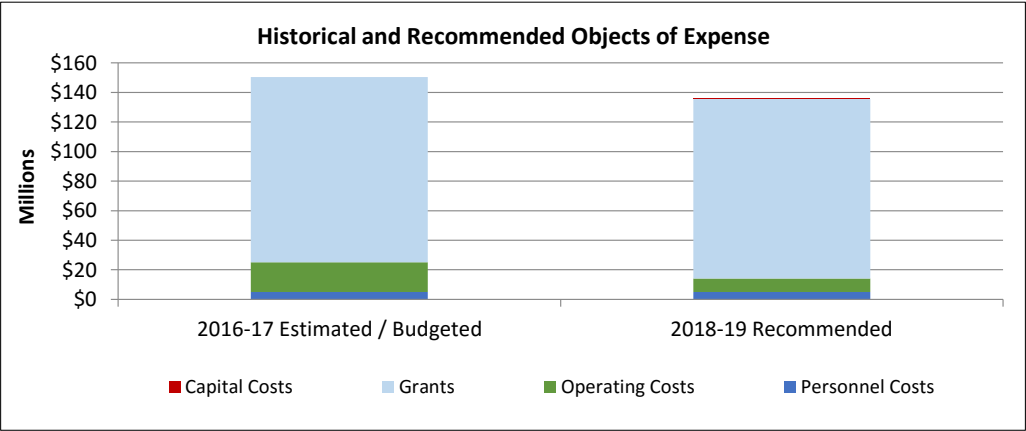
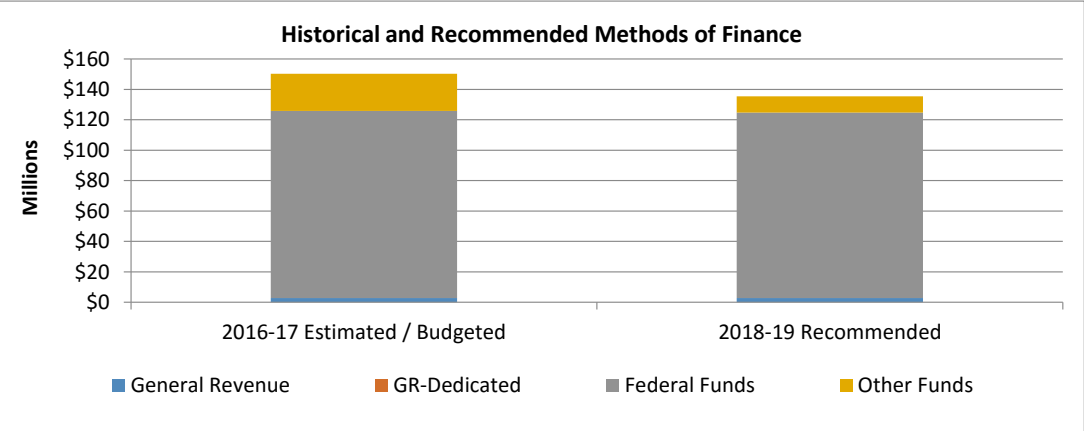
Activities under this program are focused on economic development and include the community development block grants, Texas Agricultural Finance Authority and venture capital investments and CDFI partnerships.

Legal Authority: Texas Government Code, Ch. 487; Texas Agriculture Code, Ch. 44 and 58; Texas Agriculture Code, §12.0272; 24 CFR 570.480-.497
Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq)

Year Implemented	1983	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Local Government & Community Support; Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Community Development Block	\$ 124,398,266	24.0	\$ 123,368,640	24.0	91.1%
Texas Economic Development Fund	\$ 15,586,798	1.2	\$ 8,861,523	0.8	6.5%
Texas Agricultural Finance Authority	\$ 8,540,098	1.2	\$ 1,427,498	1.2	1.1%
Direct Administration	\$ 1,806,573	17.2	\$ 1,811,848	17.1	1.3%
Total	\$ 150,331,735	43.6	\$ 135,469,509	43.1	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 135,469,509	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 135,469,509	100.0%



Program: Rural Community & Economic Development

Agency
Ranking

9 out of 31

Summary of Program and Activities

The Community Development Block Grant (CDBG) program is intended to develop viable communities by providing suitable housing and living environments and expanding economic opportunities for low- and moderate-income persons. To be eligible, cities must have populations under 50,000 and counties with non-metropolitan populations under 200,000 and that are not eligible for funding directly from the US Department of Housing and Urban Development. CDBG provides funding for numerous purposes, including public facilities and infrastructure improvements, downtown revitalization projects, planning and capacity building initiatives, and for colonia communities, which are rural communities within 150 miles of the international border and meet certain criteria of economic distress.

The Texas Economic Development Fund (TEDF) was created in 2011 with a deposit of Federal Funds totaling \$46.6 million, and receives all interest, income, and revenue of the activities of the Fund. The TEDF is used to support venture capital initiatives and investments to promote economic development nonexclusively focused on rural Texas.

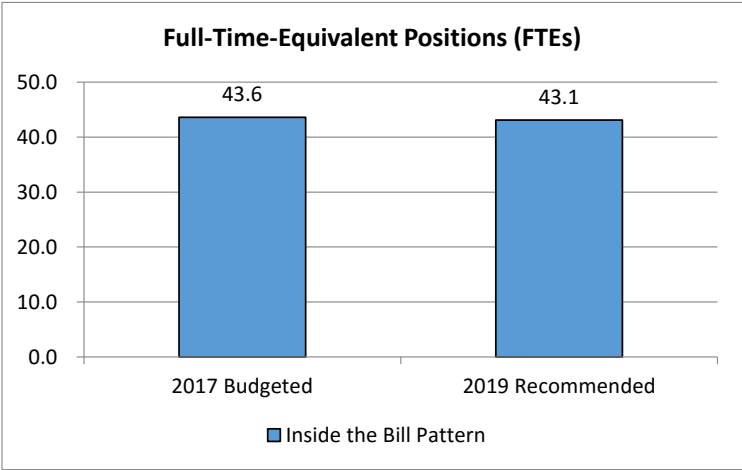
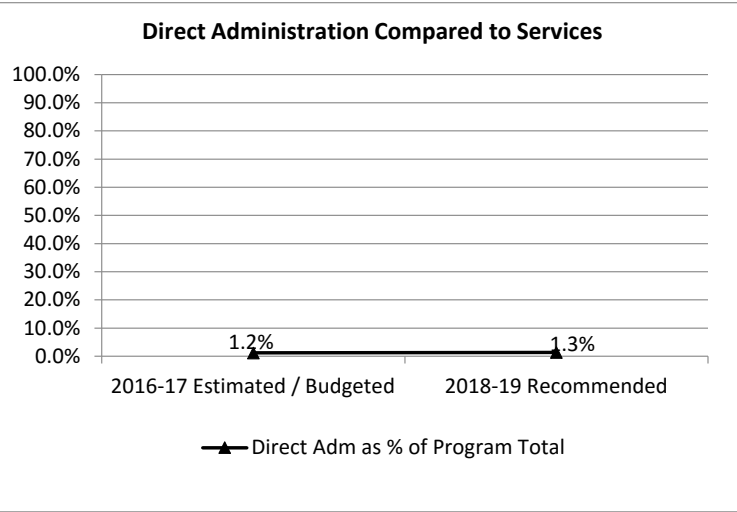
The Texas Agriculture Finance Authority (TAFA) provides financial assistance for the expansion, development, and diversification of the production, processing, marketing, and exporting of Texas agricultural products. TAFA provides outreach and technical assistance for producers, agribusiness owners, and financial institutions through the following programs: the Agricultural Loan Guarantee Program, the Interest Rate Reduction Program, the Young Farmer Interest Rate Reduction Program, and the Young Farmer Grant Program. (See Selected Fiscal and Policy Issues - Senate, Item 8; Rider Highlights - Senate, Rider 5).

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations provide for \$135.5 million in All Funds for the 2018-19 biennium, which represents a decrease of \$14.9 million. Most of the decrease is attributable to a decrease in funding for the Texas Agriculture Finance Authority due to debt retirement (\$7,065,000) and a decrease in funding for the Texas Economic Development Fund (\$6,720,000).
- The program uses revenues generated from the Motor Vehicle Assessment - Young Farmer Program, estimated to be \$782,820 in each fiscal year of the 2018-19 biennium. Texas Transportation Code, §502.404 provides for a \$5 voluntary assessment when a person registers a commercial motor vehicle. As the fee is voluntary, there is no requirement that revenues cover appropriations for the program or any activity within the program.
- The agency reports that it has implemented or is in the process of implementing all recommendations from an internal audit (#2015-01--Rural Community & Economic Development-2015 Annual Financial Audit). The report included the following findings related to the program: 1) the need for updated fiscal controls and loan standards; 2) the misclassification of non-operating expenses; 3) a lack of documentation from the Department of Motor Vehicles (DMV) ensuring all revenue received by TAFA; and 4) a lack of updated operational policies and procedure document. The report recommended that the agency implement sufficient controls and reporting related to the agricultural loan guarantee program; analyze closing and journal entries review processes; continue to work with the DMV to reconcile county remittances; and review and update operational policies and procedures.

Recommended Statutory Changes for Program Improvement

- The agency did not identify any specific statutory changes that could improve the program's effectiveness.



Program: Rural Community & Economic Development

**Agency
Ranking**

9 out of 31

Enhancement Opportunities

- 1 The agency reports that additional funding could provide for microenterprise loans, housing rehabilitation for persons with disabilities, or renewable energy.

Challenges to Operation of Program

- 1 The agency reports that local economic conditions, natural disasters, retaining skilled workers, and demand for funding exceeding available funds are a few challenges that this program faces.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6j: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Egg Quality Regulation

Agency Ranking 10 out of 31

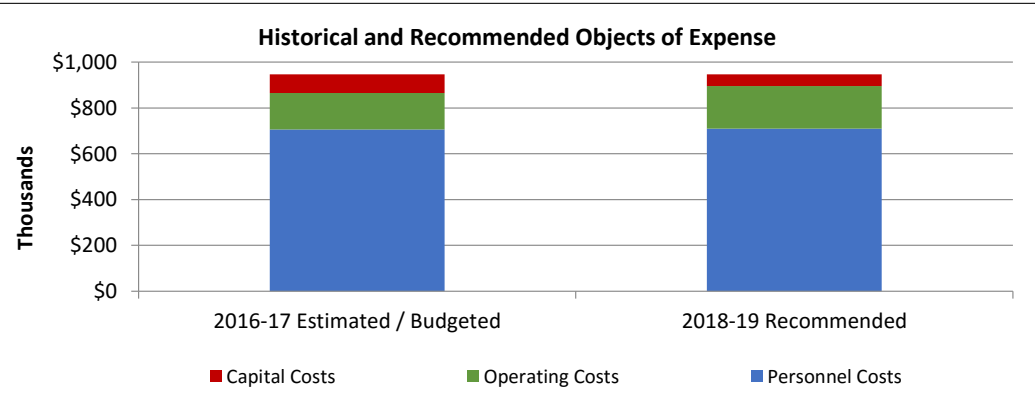
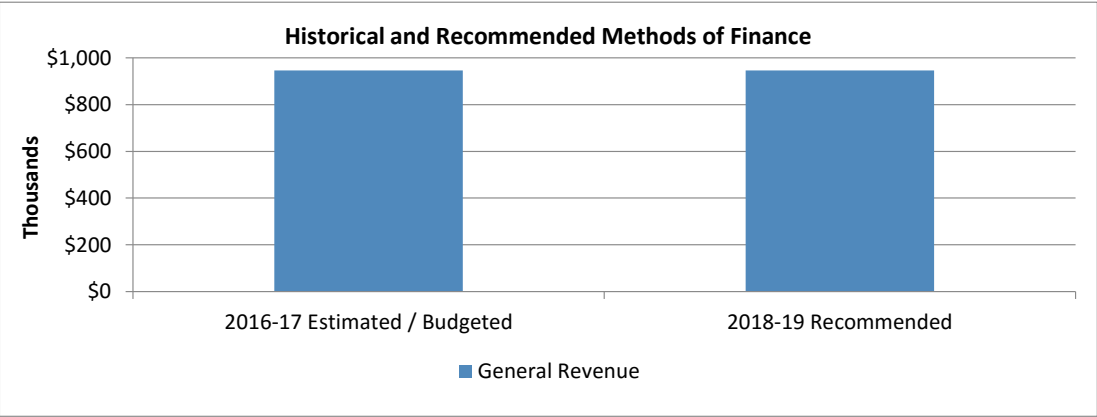
Enforces standards of egg quality by licensing egg packers, wholesalers and distributors. To avoid duplication of inspection efforts at retail stores, agency has entered into a memorandum of understanding with the Department of State Health Services (DSHS) that specifies each agency's egg inspection responsibilities.

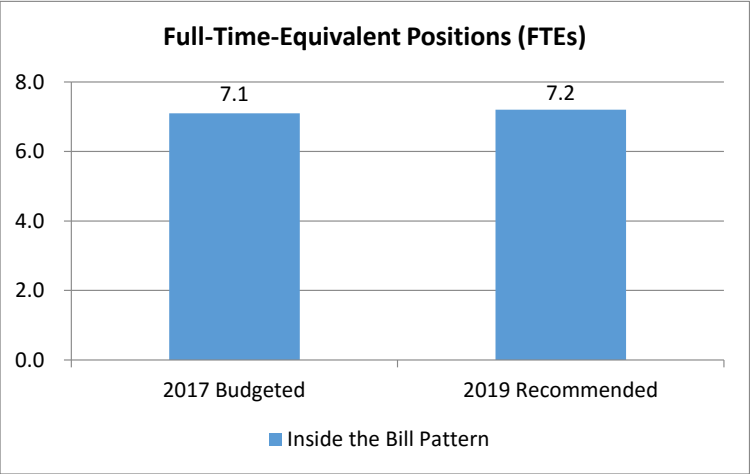
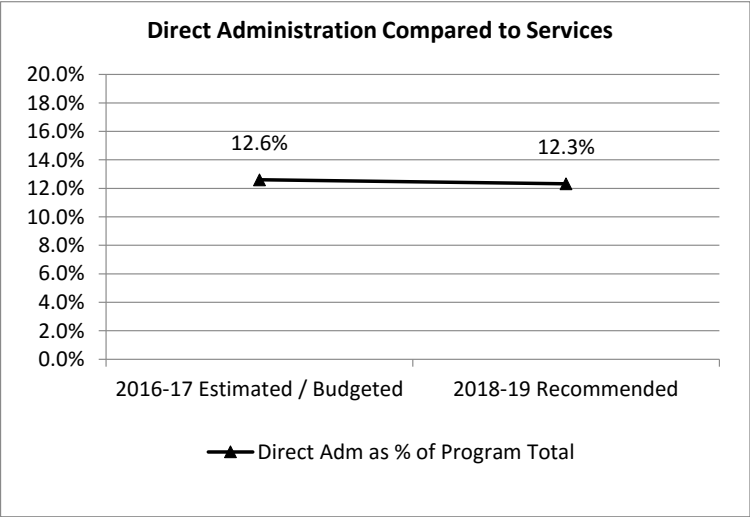
Legal Authority: Texas Agriculture Code, Ch. 132

Year Implemented	1957	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 827,209	6.4	\$ 829,914	6.5	87.7%
Direct Administration	\$ 119,335	0.7	\$ 116,630	0.7	12.3%
Total	\$ 946,544	7.1	\$ 946,544	7.2	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 946,544	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 946,544	100.0%





Summary of Program and Activities

The Egg Quality Regulation program works to ensure that eggs sold to Texas consumers meet quality standards so that customers receive the proper size and grade of eggs that are being marketed. The program receives and processes license applications for egg packers, wholesalers, processors, brokers, and distributors to buy sell eggs in Texas for the purpose of resale, collects fee revenue, conducts routine inspections to verify compliance, and processes violations for administrative penalties. The program is required to recover its costs through assessed fee revenues.

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations provide \$0.9 million in General Revenue funding for the 2018-19 biennium, continuing 2016-17 levels of funding. TDA has entered into a Memorandum of Understanding (MOU) with the DSHS that specifies each agency's egg inspection responsibilities at the retail level. TDA inspects size and grade of eggs at packing plants, distribution centers, and retail outlets while DSHS inspects for storage temperature and cleanliness.
- TDA inspectors are not able to inspect the eggs at the out-of-state packer level and must inspect at non-registered retail locations. TDA staff only perform record audits at USDA inspected packers to prevent duplication of services. Program fees assessed to cover the cost of operating the program were increased in 2016.

Recommended Statutory Changes for Program Improvement

- LBB staff will continue to explore possible duplicative responsibilities stemming from this overlap in inspection duties.

Enhancement Opportunities

- The agency has reported that an online self-reporting system would increase efficiencies in reconciling reports and fees paid while reducing the burden on small operations. The agency has also reported that additional and updated equipment (candlers and scales) would improve the quality, scope and range of inspections increasing protection for the consumer.

Challenges to Operation of Program

- The agency reports having a limited ability to identify unlicensed facilities, which creates challenges in enforcing the laws. It also has identified deficiencies in the self-reporting system which creates challenges and inefficiencies in reconciliation of reports.

Funding Alternatives

- The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6k: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Handling and Marketing of Perishable Commodities (HMPC)

**Agency
Ranking**

11 out of 31

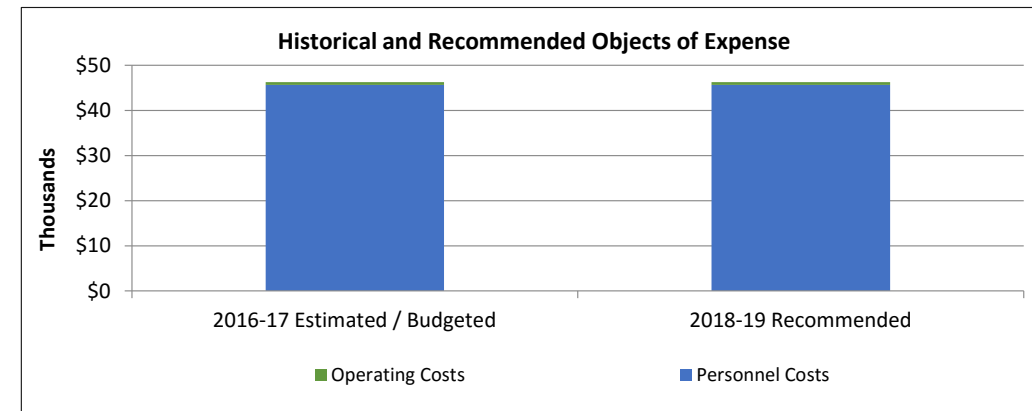
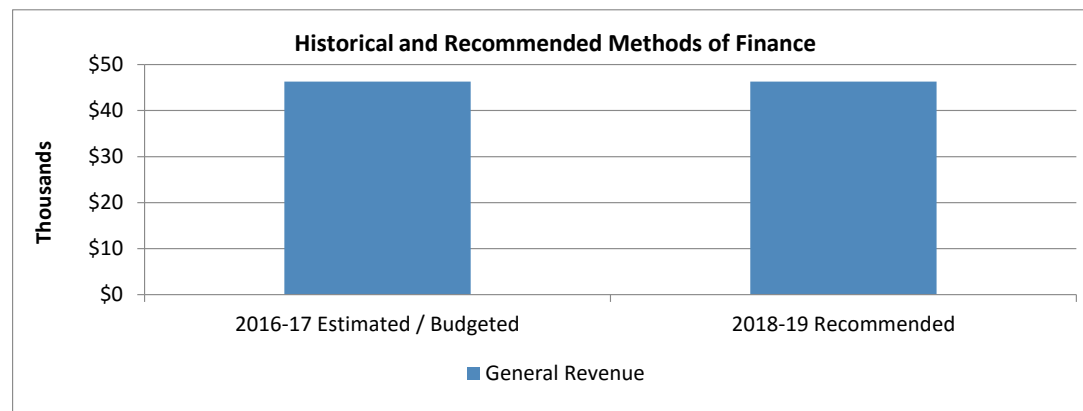
HMPC ensures that producers of Texas-grown perishable commodities receive timely compensation for commodities they sell. The producer and/or seller is allowed to recover a portion of their damages from the Produce Recovery Fund, a special account funded with a portion of the license fees paid.

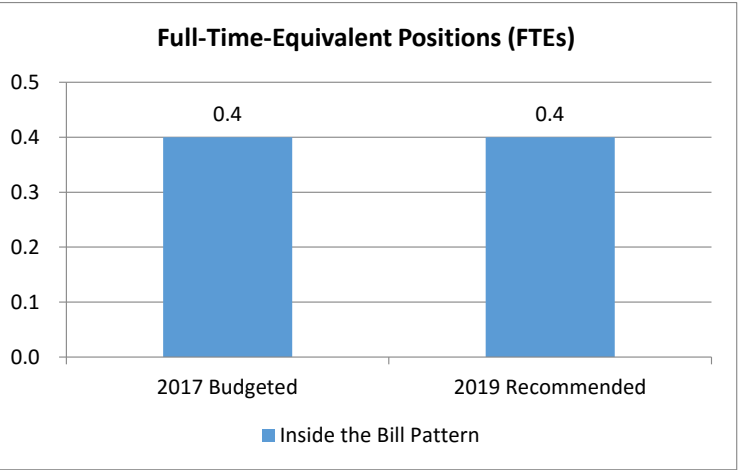
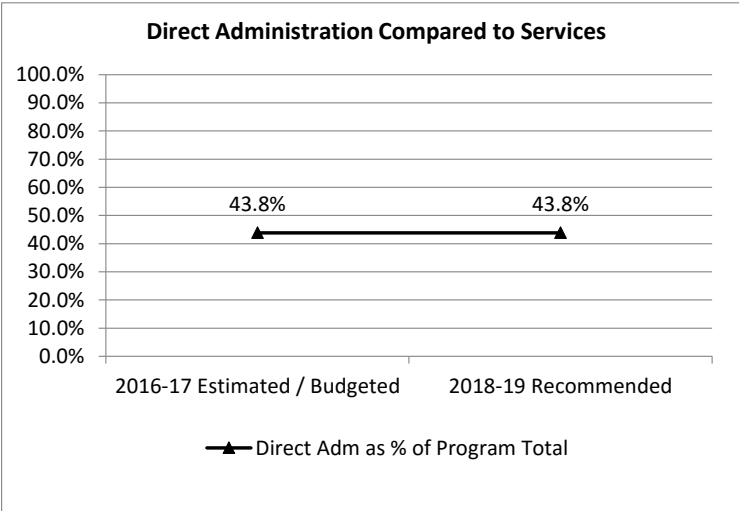
Legal Authority: Texas Agriculture Code, Ch. 101

Year Implemented	1977	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 25,992	0.3	\$ 25,992	0.3	56.2%
Direct Administration	\$ 20,286	0.1	\$ 20,286	0.1	43.8%
Distribute fund disbursements from Produce	\$ -	0.0	\$ -	0.0	0.0%
Total	\$ 46,278	0.4	\$ 46,278	0.4	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 46,278	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 46,278	100.0%





Summary of Program and Activities

The HMPC program ensures that producers, or produce dealers, of Texas-grown perishable commodities receive timely compensation for commodities they sell by licensing handlers of perishable commodities purchased on credit. The program receives and processes license applications, assesses and collects fee revenue, and determines if applicants meet eligibility requirements for licensure. The program also receives and evaluates complaints, conducts investigations, and processes violations for administrative penalties. The program is required to recovery its costs.

Producers and other produce dealers who do not receive payment for Texas-grown perishable commodities sold on consignment or credit are provided with a means of recovery under the Produce Recovery Fund Law by filing a claim with TDA. After a claim is initiated, TDA investigates the claim for compliance with state law and to collect evidence referring to the claim. (See Appendix 5 - Senate, Produce Recovery Fund).

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations provide \$46,278 in General Revenue funding for the 2018-19 biennium, continuing 2016-17 levels of funding. The federal Perishable Agriculture Commodities Act (PACA) regulates perishable commodities shipped out-of-state or out-of-country, promotes fair trade, and performs dispute resolution in the industry. Direct administration costs are significantly higher for this program than others due to the small size of the program. Program fees assessed to cover the cost of operating the program were increased in 2016.
- The Produce Recovery Fund No. 974 is a special trust fund administered by TDA without appropriation for the payment of claims against a perishable commodities handler license holders. Late renewal fees assessed under Texas Agricultural Code, §101.008 and fees assessed under §103.011 are 50 percent of the penalty fees under §§101.020 and 103.013 are deposited to the credit of the fund. Statute limits no more than 10 percent of the fund to be expended during any one year for administration of the claims process. In fiscal year 2016, a total of \$50,000 was paid in claims. As of August 31, 2016, the cash balance of the fund totaled \$1,911,266. (See Appendix 5 - Senate, Produce Recovery Fund).

Recommended Statutory Changes for Program Improvement

- The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

- The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6I: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Child Nutrition - School Nutrition Program

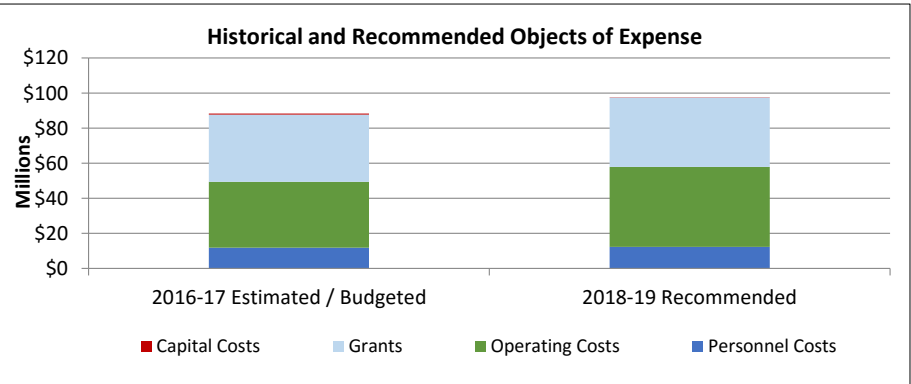
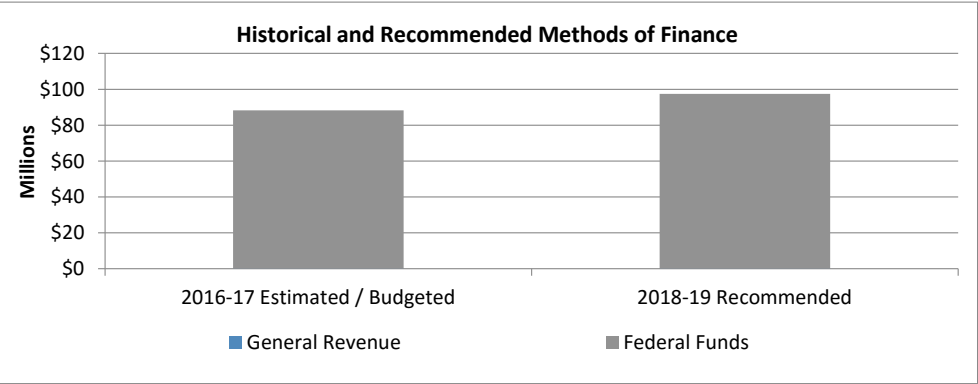
Agency Ranking 12 out of 31

Administration of federally assisted meal programs operated by school food authorities (SFA) in public, charter and non-profit private schools and residential child care institutions. SFAs receive USDA food commodities and cash reimbursement based on household eligibility and program guidelines.

Legal Authority:	Texas Agriculture Code, §12.0025; 7 CFR Part 210, 215, 220, 235, 250, and 252; 42 USC 1769a				
Year Implemented	1946	Performance and/or		Revenue Supported	No
Authority	Moderate	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
National School Lunch Program (NSLP)	\$ 62,608,827	106.9	\$ 65,078,778	106.9	66.8%
Fresh Fruit and Vegetable Program (FFVP)	\$ 15,152,236	0.0	\$ 19,971,944	0.0	20.5%
School Breakfast Program (SBP)	\$ 10,458,970	0.0	\$ 12,306,284	0.0	12.6%
Special Milk Program (SMP)	\$ 67,772	0.0	\$ 75,429	0.0	0.1%
All Other Activities	\$ -	0.0	\$ -	0.0	0.0%
Total	\$ 88,287,805	106.9	\$ 97,432,435	106.9	100.0%

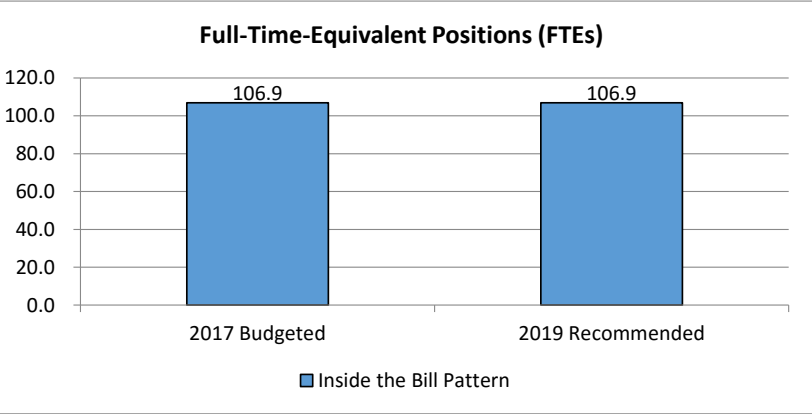
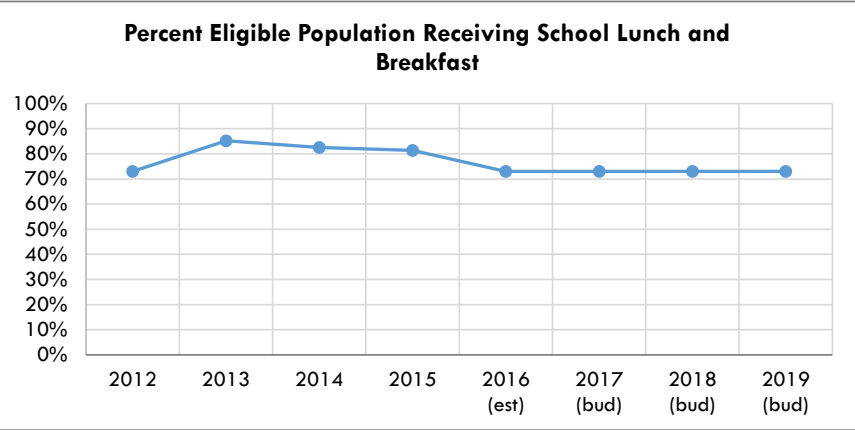
	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 97,432,435	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 97,432,435	100.0%



Program: Child Nutrition - School Nutrition Program

Agency Ranking

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Summary of Program and Activities

The School Nutrition Program consists of several programs whose collective purpose is to safeguard the health and wellbeing of children by providing nutritional meals and snacks each school day with each program having its own criteria for program participation. These include the National School Lunch Program and School Breakfast Program that each provide cash assistance to public and non-profit private schools for every lunch or breakfast served to students that meet program requirements. Additional programs include the Afterschool Care Program that provides cash assistance for snacks provided by these programs, Seamless Summer Option that provides assistance to feed children in low-income areas during the summer months, and the Special Milk Program that provides cash assistance to nonprofit child care institutions, summer camps, or nonprofit schools that do not participate in a federal child nutritional meal service program to defray the cost of providing milk to children and to encourage milk consumption by children.

TDA is currently the only agency with administrative and program oversight for the School Nutrition Program, though the Texas Education Agency (TEA) previously administered and oversaw the program. The state appropriation for these programs is with TEA for charter schools and public independent school districts (ISD). TEA serves as the payment proceesor for those entities with TDA providing a payment file to TEA containing information needed for TEA to submit information through the state's accounting system for payment to public and charter schools. All other claims are processed for payment by TDA. Federal funding is also used by TDA to pay TEA to maintain the IT system and related IT support for this program. TDA maintains an MOU with the Health and Human Services Commission to receive household eligibility information used by ISDs to identify students eligible for program benefits.

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations increase the National School Lunch Program (including the Seamless Summer Option) by \$2.5 million in Federal Funds and the Fresh Fruit and Vegetable Program by \$4.9 in Federal Funds due to increases in the number of students eligible for these meals.
- A USDA Program Management Evaluation report from fiscal year 2014 included the following findings:
 - TDA returned \$9 million in National School Lunch Program Federal Funds due to vacant staff positions and other budgeted miscellaneous items that were not expended to the USDA in Fiscal Year 2014. This return was not in accordance with the agency's initially approved state plan for this program, nor did the agency amend its plan to account for this change. The agency has complied with the finding through submission of a revised plan on December 31, 2015.
 - TDA's level of unobligated Federal Funds in fiscal year 2014 did not support the full use of Federal Funds provided for the administration of the Child Nutrition.
 - TDA monitoring of food service management company (FSMC) contracts during the 2012–13 school year did not include a determination of how schools with cost-reimbursable contracts that abdicate purchasing authority to a FSMC ensure a return of discounts, rebates, and other credits to the nonprofit food service account for commercially purchased foods. The agency response to comply with the recommendations was to train staff on the requirement to record credit return monitoring observations.
 - TDA did not review and validate a Verification Summary Report using data submitted by schools for the 2013–14 school year. This oversight contributed to a decrease in the Direct Certification rate from 97% to 68.7%. The Direct Certification Rate is a measure of the number of children certified for free school meals without the need for a household application. This includes children from households that participate in Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), or Food Distribution Program on Indian Reservations (FDPIR) programs. The agency response was to comply with the recommenations through development and implementation of an improvement plan to address this problem.

- 3

Other audits of this program include:

 - a. An Evaluation of Program Grant Statement of Account Reconciliation Process report in fiscal year 2013 that identified deficiencies within the review and reconciliation of grant revenues, expenditures, and supporting transactions included by TDA in an annual report to USDA. The agency response that complied with the recommendations was to implement processes in response that included additional review by TDA staff to address these deficiencies.
 - b. A State Auditors Office audit in fiscal year 2015 that identified inadequate data verification processes for values supplied to a vendor that was contracted to develop the indirect cost rate used by the agency for the purposes of recapturing allowable federal reimbursements. The agency responded by revising its procedures to ensure proper data verification and developed procedures. The audit also identified inadequate sample size rational and documentation used to determination eligibility and allowability of program activities. TDA complied with the recommendations by developing procedures to ensure adequate sample sizes and updated review processes to include compliance review instruments. Finally, the SAO report noted several procurement-related control processes that needed improvement. The agency response was to update templates and other policies used for making small value purchases in aggregate to establish stronger controls.
 - c. A State Auditors Office audit in fiscal year 2013 identified the following findings 1. a need for straonger cash management controls by reviewing cash draw requests. The agency response was the development of an oversight process to review and approva federal meal reimbursement and administrative expense draws. 2. Equipment capital purchases were not tracked by program on an ongoing basis. The agency responded by describing the process used to track all expenses through CFDA number and by account code, and 3. that the agency lacked a process to ensure that daycare homes with carryover funds spend the money within the period of availability. The agency complied with the recommendations by developing a process to ensure that daycare homes expend the funding within allowable timeframes.

Recommended Statutory Changes for Program Improvement

- 1

The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Challenges to Operation of Program

- 1

The Healthy, Hunger-Free Kids Act of 2010 increased state compliance monitoring requirements and technical assistance provided to schools for the School Nutrition Program.

Enhancement Opportunities

- 1

The Healthy, Hunger-Free Kids Act of 2010 changed state compliance monitoring requirements and technical assistance to school food authorities for the National School Lunch Program. The agency has indicated that additional funding and FTEs would improve both implementation of these new regulations and provide more positions for providing technical assistance delivery.

Funding Alternatives

- 1

The agency did not provide any additional funding alternatives.
- 2

LBB staff note that the program could reside at TEA.

Department of Agriculture
Strategic Fiscal Review Appendix 6m: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Child Nutrition - Community Nutrition Program

Agency
Ranking

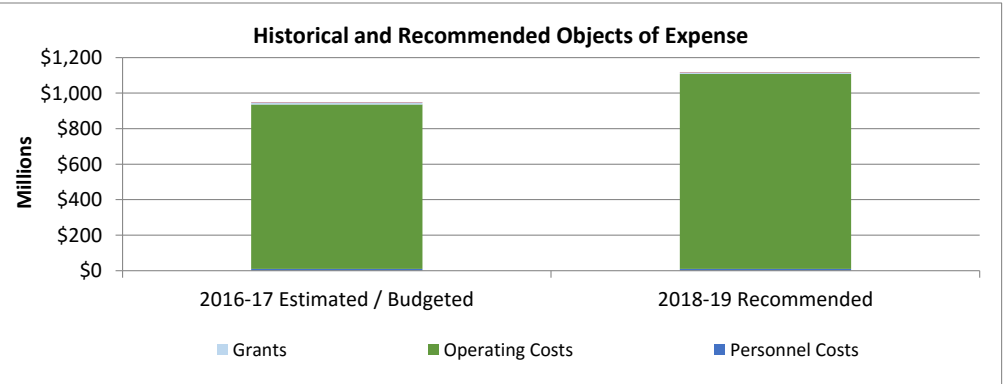
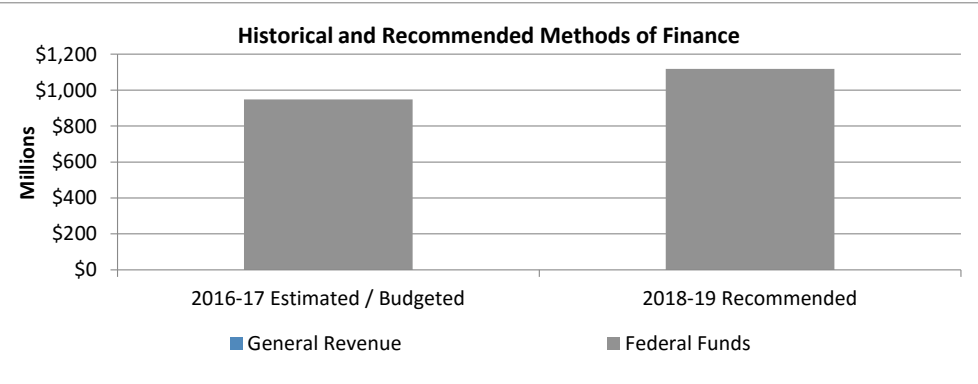
13 out of 31

State administration and funding for federal nutrition programs providing meals or food packages to qualifying individuals by private nonprofit organizations, governmental agencies, for profit organizations, residential child care facilities, schools or food banks.

Legal Authority:	Texas Agriculture Code, §12.0025; 7 CFR Part 225, 226, 235, 240, 247, 248.4, 248.9, 250, and 251				
Year Implemented	1968	Performance and/or		Revenue Supported	No
Authority	Moderate	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Child and Adult Care Food Program - Meals	\$ 828,697,638	53.4	\$ 979,273,418	53.4	87.6%
Summer Food Service Program (SFSP)	\$ 94,386,594	0.0	\$ 106,312,717	0.0	9.5%
The Emergency Food Assistance Food Program (TEFAP)	\$ 12,086,328	1.2	\$ 13,878,213	1.2	1.2%
Child and Adult Care Food Program - 1.5% Audit	\$ 5,456,338	37.4	\$ 10,491,131	37.4	0.9%
All Other Activities	\$ 7,580,212	4.1	\$ 7,754,288	4.1	0.7%
Total	\$ 948,207,110	96.1	\$ 1,117,709,767	96.1	100.0%

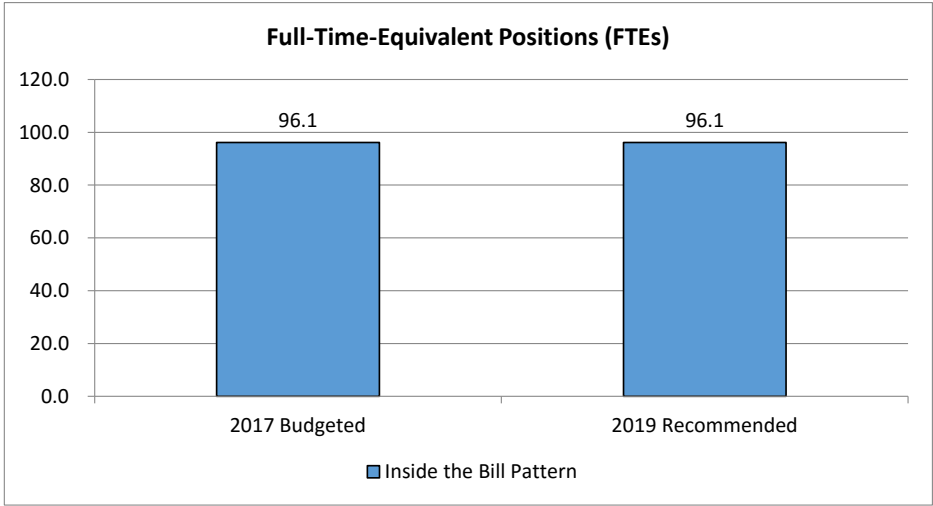
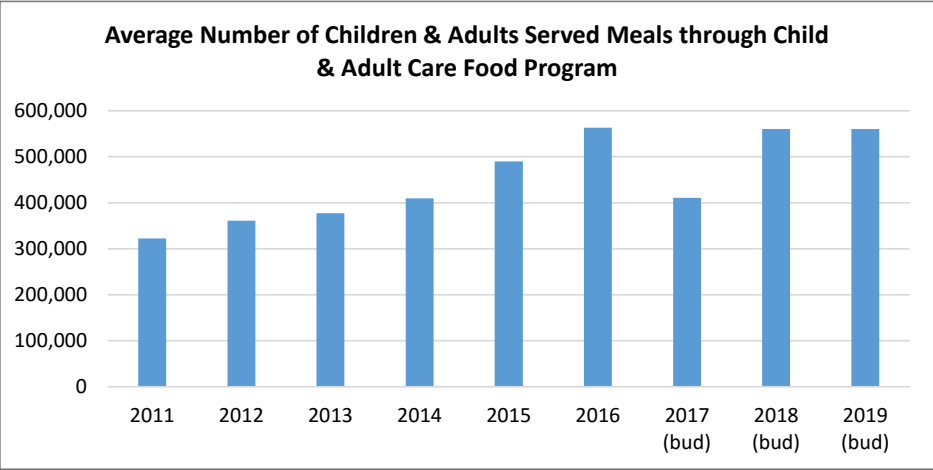
	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,117,709,767	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,117,709,767	100.0%



Program: Child Nutrition - Community Nutrition Program

Agency
Ranking

13 out of 31



Summary of Program and Activities

The Community Nutrition Program is a collection of several different programs that collectively provide funding reimbursement for meals and snacks to qualifying individuals. This includes the following:

The Children and Adult Care Food Program supports providing meals and snacks to low-income children enrolled in private, nonprofit licensed child care centers or that attend At-Risk Afterschool Care programs; children residing in emergency shelters with a guardian; children in summer programs located in qualifying areas; and functionally impaired persons receiving care in qualifying adult day care facilities. In fiscal year 2015, the agency provided funding to 1,421 contracting entities across 14,473 different sites with average daily breakfast participation of 178,978 meals and daily lunch participation of 232,618 meals. Services were provided to 316 adult day cares, 1,091 child care centers, and 43 day care homes. Agency staff monitor the program through on-site reviews of contracting entity applicants and on-site administrative reviews to ensure operations comply with program requirements and provide technical assistance to the contracting entities.

The Summer Food Service Program provides meals for children in low-income areas between the end of one school year and the beginning of another. During the summer of calendar year 2015, the agency provided funding to 372 entities across 4,057 different sites with an average daily participation of 353,217 meals served.

The Emergency Food Assistance Program funds the distribution of emergency food and nutrition through organizations such as food pantries, soup kitchens, and housing authorities. These commodities are provided to participants through prepared meals that are served either on-site or in food packages that may be consumed at home.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations provide \$979.3 million in Federal Funds for this program. This is an increase of \$161.2 million from 2016-17 levels due primarily to anticipated increases in the number of qualifying individuals for these services. (See Summary of Federal Funds - Senate).
- 2 USDA Child and Adult Care Food Program Management Evaluations in both 2013 and 2014 identified that TDA's review process did not adequately determine whether costs by contracting entities are necessary, reasonable, and allowable for administration of the program. The 2014 report referenced an example of a contracting entity including approved vacation pay in its program budget without an adequate explanation for why these amounts were included. The USDA requested that TDA provide the budgets of these contracting entities to USDA for review of TDA's assessment of these budgets prior to these contracting entities applications being approved. The agency's response was to comply with the recommendations by developing written guidelines and procedures to evaluate budget items to determine if budgeted costs are reasonable, developing a quality control process that requires supervisory review of a selection of applicant budgets to ensure grant guidelines and procedures are followed, providing training to agency staff on the budgetary approval process, and providing the budgets of the contracting entities to regional USDA staff for their review.
- 3 A USDA Community Supplemental Food Program Management Evaluation in fiscal year 2015 identified that TDA did not have procedures to identify dual participation between participating agencies, did not ensure that local agencies comply with applicable procurement standards when purchasing equipment with program funds, and that TDA does not instruct local agencies to initiate claims against participants that fraudulently receive or use USDA Foods. The report also identified a lack of standards for determining when pursuing a claim is cost effective. TDA 's response was to correct the deficiencies noted in the findings on site.

Program: Child Nutrition - Community Nutrition Program

**Agency
Ranking**

13 out of 31

- 4** Both a CFDA issued report and an audit by an SAO audit in fiscal year 2013 identified that TDA lacked controls over review of cash draw requests by local recipients that receive Federal Funds. The third-party auditor also identified a lack of procedures for tracking capital purchases by program on an ongoing basis and lack of a process to ensure that daycare homes with carryover funds spent the money within the period of availability. The agency's response was to implement a review and approval process for draws for federal meal reimbursement and administrative expenses and other development of their processes to ensure capital expenses and daycare home use of carryover funds are tracked. Implementation of the changes to address these deficiencies is ongoing.

Recommended Statutory Changes for Program Improvement

- 1** The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

- 1** The agency has indicated that additional funding and FTEs could be used to meet increased state compliance monitoring requirements and for providing technical assistance due to the Healthy, Hunger-Free Kids Act of 2010.

Challenges to Operation of Program

- 1** The Healthy, Hunger-Free Kids Act of 2010 increased state compliance monitoring requirements and technical assistance provided to contracting entities for the Community Nutrition Program.

Funding Alternatives

- 1** The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6a: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Wine Marketing, Research and Education

Agency Ranking 15 out of 31

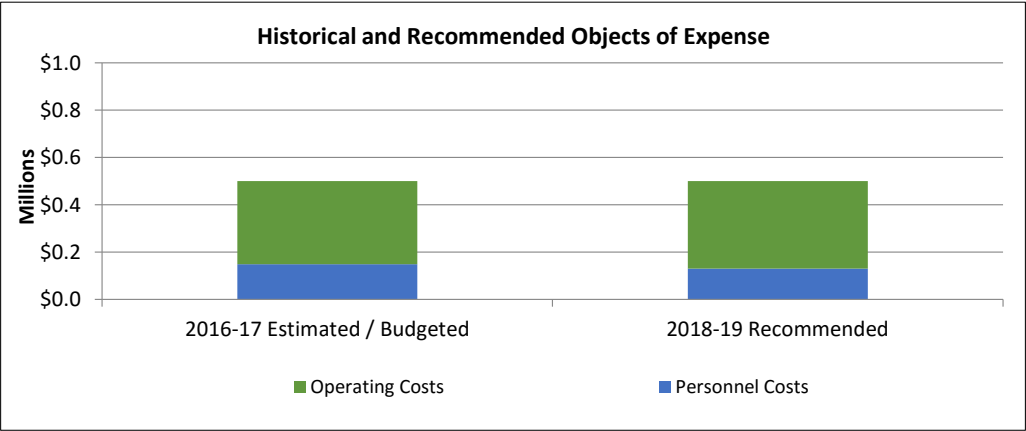
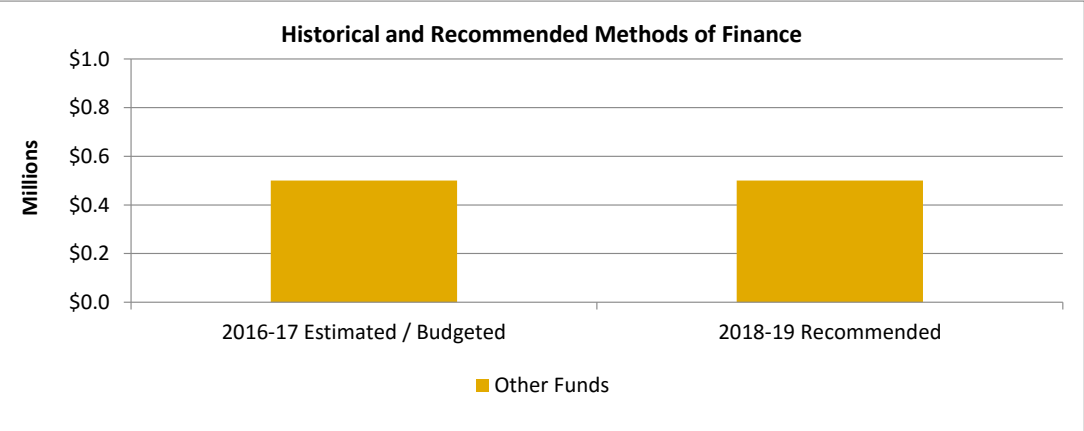
This program assists the Texas wine industry in promoting and marketing Texas wines and educating the public about the Texas wine industry. According to TDA, Texas is the fifth-largest wine producing state in the nation, and has more than 400 wine grape growers, over 4,000 acres in production and more than 360 wineries.

Legal Authority: Texas Agriculture Code, §12.039; Texas Agriculture Code, Ch. 50B; Texas Alcoholic Beverage Code, §§5.56 and 205.3; Texas Administrative Code, Title 4, Part 1, Chapter 1, Subchapter E, Section 1.209

Year Implemented	2003	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	N/A	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Facilitate the marketing, promotion and	\$ 484,192	1.1	\$ 484,192	1.1	96.8%
Direct Administration	\$ 15,808	0.2	\$ 15,808	0.2	3.2%
Total	\$ 500,000	1.3	\$ 500,000	1.3	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 500,000	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 500,000	100.0%



Summary of Program and Activities

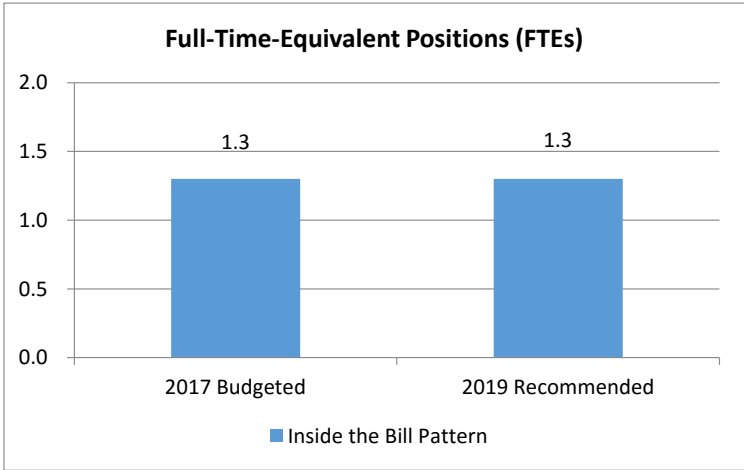
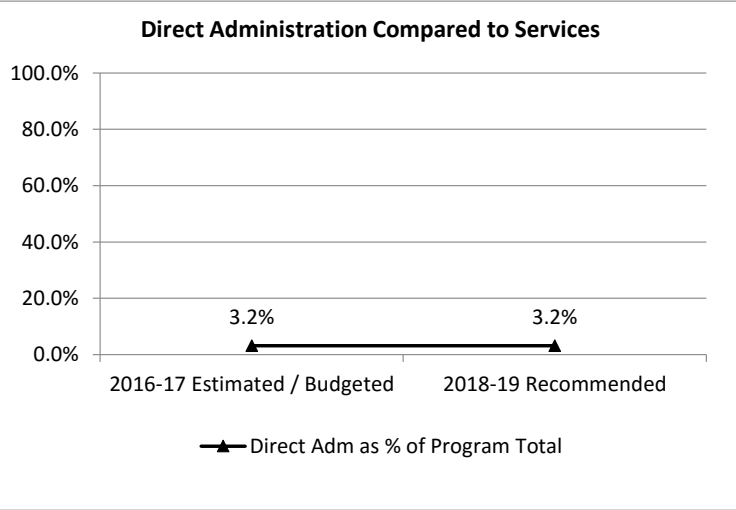
The Program assists wine grape growers and wineries in marketing and promoting their products and also attempts to increase demand for Texas wines.

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations provide \$0.5 million in Other Funds for the 2018-19 biennium, continuing 2016-17 levels of funding. This program is funded by an interagency contract with the TABC. Statute (Texas Alcoholic Beverage Code, §5.56) requires TABC to transfer \$250,000 each fiscal year to TDA to fund the Texas Wine Marketing Assistance Program. TABC is also authorized to recoup the amounts transferred to TDA via a surcharge on selected licenses and permits. (See Selected Fiscal and Policy Issues - Senate, Item 3).
- SB 881, Eighty-Fourth Legislature, 2015, updates an existing revenue allocation for wine education and research enacted by the Seventy-Ninth Legislature and establishes the new General Revenue-Dedicated Wine Industry Development Account. The annual allocation is a combination of: (a) the lesser of \$1 million or the growth in excise taxes on wine produced outside Texas and sales tax revenue collected from out-of-state winery direct shipper permit holders above fiscal year 2014 levels as adjusted; and (b) the lesser of \$1 million or the growth in excise taxes on wine produced in Texas and the sales tax revenue collected from winery direct shipper permit holders in Texas above fiscal year 2014 levels as adjusted. The formula calls for the growth in fiscal year 2014 excise and sales tax collections due to in-state and out-of-state winery sales to be compounded annually for fiscal years 2015-2025 by the average annual percentage increase in each revenue source. This revenue dedication may only be used for appropriations to selected Institutions of Higher Education (IHEs) to support wine and grape education and research, or, if revenue is high enough to TDA for deposit to the new Wine Industry Development Account. The Comptroller of Public Accounts (CPA) indicated that growth relative to the base prescribed by the formula was immeasurable. Also, neither CPA nor the Texas Alcoholic Beverage Commission (TABC) can distinguish between tax revenues paid by in-state payers from out-of-state payers. The Wine Industry Development Account and its allocation of revenue were both exempted from abolishment by HB 6, the funds consolidation bill enacted by the Eighty-fourth Legislature. However, the formula established in code did not result in revenue for any of the allocations established by SB 881. As a result, the \$600,000 appropriation authority to TDA from the new Wine Industry Development Account contingent on enactment of SB 881 was lapsed. SB 881 did not specify a deposit account for the revenue allocation intended for the IHEs. The CPA later allowed the allocation to the IHEs to be funded from undedicated General Revenue funds at the levels set in statute. These IHEs include: Texas Tech University; the Texas A&M AgriLife Extension Service; and, the Grayson County Junior College District. See next page for statutory allocations to IHEs and TDA under SB 881. SB 1370, which was enacted by the Seventy-Ninth Legislature, established the initial statutory allocation of wine-related tax revenue for wine- and grape-related education and research.

Recommended Statutory Changes for Program Improvement

- Amend statute to strike the current language in Alcoholic Beverage Code, §205.03 and replace it with language that allocates, contingent on the legislature making an appropriation, a certain amount of money from wine tax revenue (contingent on the CPA validating that the revenue will exist) to the IHEs and Department of Agriculture for the Wine Industry Development Fund.
- An alternative to this recommendation would be to revise the formula in the Texas Alcoholic Beverage Code to in a way that would result in revenue being estimable (addressing the issue of whether the CPA or TABC can distinguish between in- vs. out-of-state wineries), and reverting to measuring wine tax revenue growth over 2004 levels rather than 2014 levels in order to accurately capture the growth in wine tax revenue.



Program: Wine Marketing, Research and Education

SB 881, Eighty-Fourth Legislature, 2015

Amounts available under Alcoholic Beverage Code, §205.03(b)(1) and (b)(2)

Section	Amount	Appropriated to
205.03(c)	Up to \$830,000	Texas A&M Agrilife Extension Services
205.03(d)	The lesser of \$365,000 or the total available under (b)(1) and (b)(2)	Texas Tech University Viticulture and Enology program
205.03(e)	The lesser of \$150,000 or remaining under (b)(2)	Texas Wine Marketing Research Institute at Texas Tech
205.03(j)*	The lesser of \$150,000 or remaining under (b)(1) and (b)(2)	The TV Munson viticulture and Enology Center at Grayson Community College to fund an associate's program
205.03(n)*	The lesser of \$300,000 or remaining	For deposit into the Wine Industry Development Fund
205.03(n-1)	Whatever's left under Subsection (b)	To TDA for deposit into the the Wine Industry Development
Notes: *Subsections (f), (g), (h), (i), (k), (l), and (m) repealed by SB 881		

Agency
Ranking

15 out of 31

Enhancement Opportunities

1 TDA indicates that with additional industry support or legislative appropriations, the wine marketing program could be expanded.

Challenges to Operation of Program

1 The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

1 The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6p: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Grain Warehouse

**Agency
Ranking** 16 out of 31

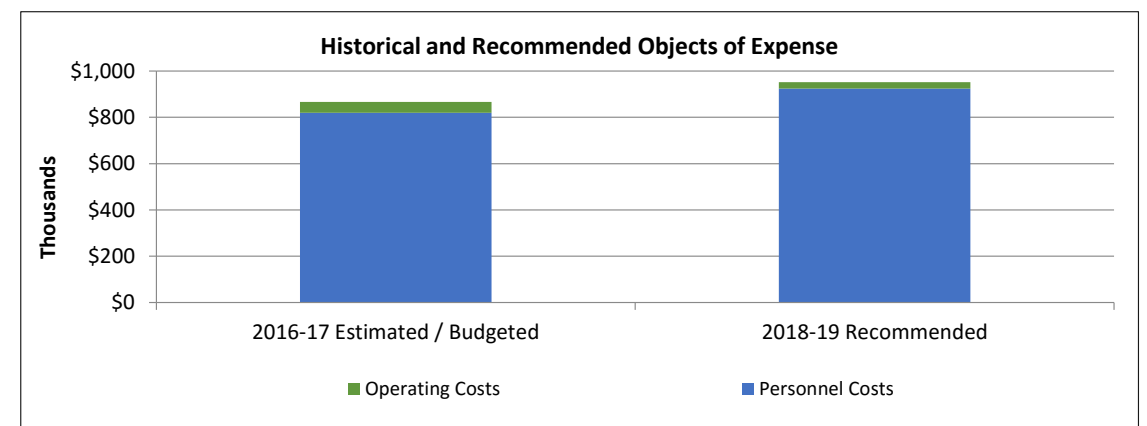
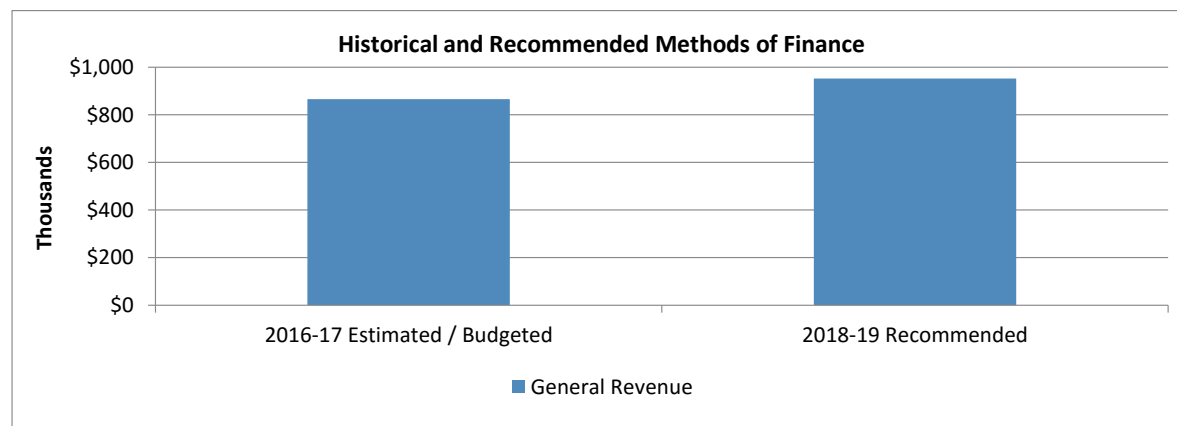
Protects the producers or other depositors of grain stored in public grain warehouses. Inspectors monitor grain inventories, warehouse accounting practices, and risks associated with potential company insolvency.

Legal Authority: Texas Agriculture Code, Ch. 14

Year Implemented	1969	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 710,680	7.5	\$ 797,048	5.5	83.7%
Direct Administration	\$ 155,370	1.0	\$ 155,370	1.0	16.3%
Total	\$ 866,050	8.5	\$ 952,418	6.5	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 952,418	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 952,418	100.0%



Program: Grain Warehouse

Agency
Ranking

16 out of 31

Summary of Program and Activities

The Grain Warehouse program enforces the requirement that public grain warehouses be licensed and post a security to protect grain depositors. The program suspends grain warehouse operations when potential violations involving the storage and handling of grain or the possible insolvency of a public grain warehouse is determined. The program receives and processes license applications, assesses and collects fee revenue, and determines if applicants meet eligibility requirements for licensure. The program also receives and evaluates complaints, conducts investigations, and processes violations for administrative penalties. Investigations are conducted by inspectors to measure grain in storage; verify accuracy of accounts for grain depositors, sellers and buyers; and analyze storage, handling and financial records to ensure that warehouse operators are in compliance with the state’s public grain warehouse laws and regulations. The program is required to recover its costs.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations provide \$1.0 million in General Revenue funding for the 2018-19 biennium, an increase of \$0.1 million or 10 percent from 2016-17 funding levels.
- 2 Program fees assessed to cover the cost of operating the program were increased in 2016.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness. The agency reports that the grain warehouse law was previously modified in 2011 by the Eighty-Second Legislature to enhance the statutory authority and requirements to reduce the financial risk to grain depositors.

Enhancement Opportunities

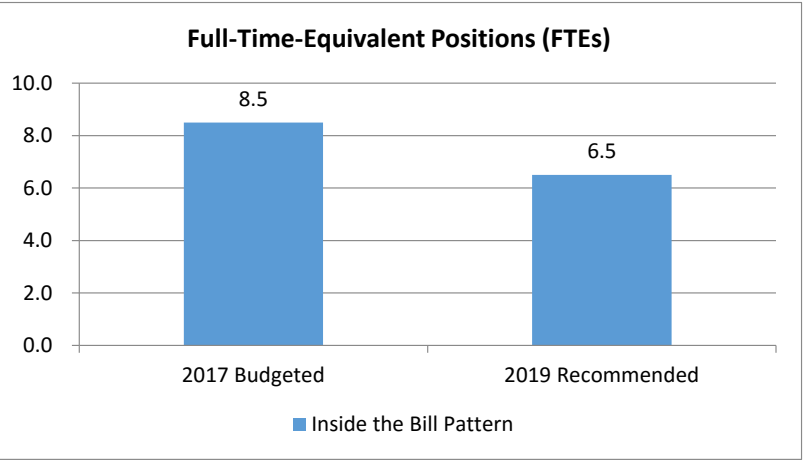
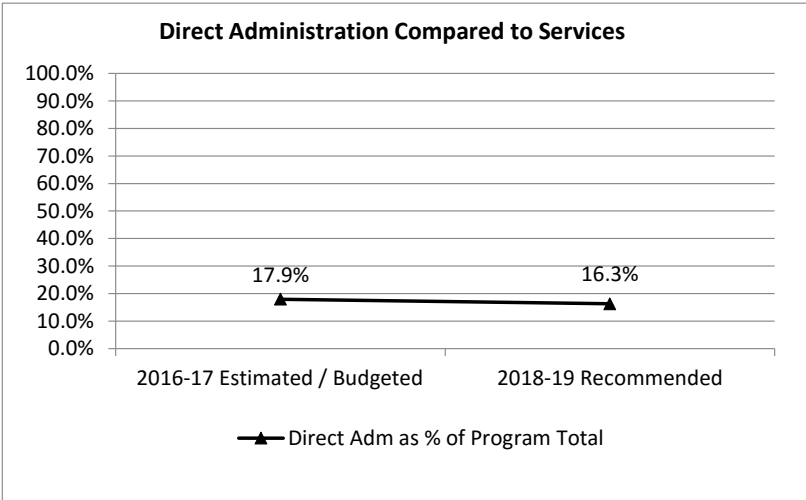
- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The agency reports that some state licensees are choosing to close their state license and seek licensing under USDA due to recent cost recovery fee increases. Continual closing of state licenses may impact cost recovery of the program.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6q: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Livestock Export Pens

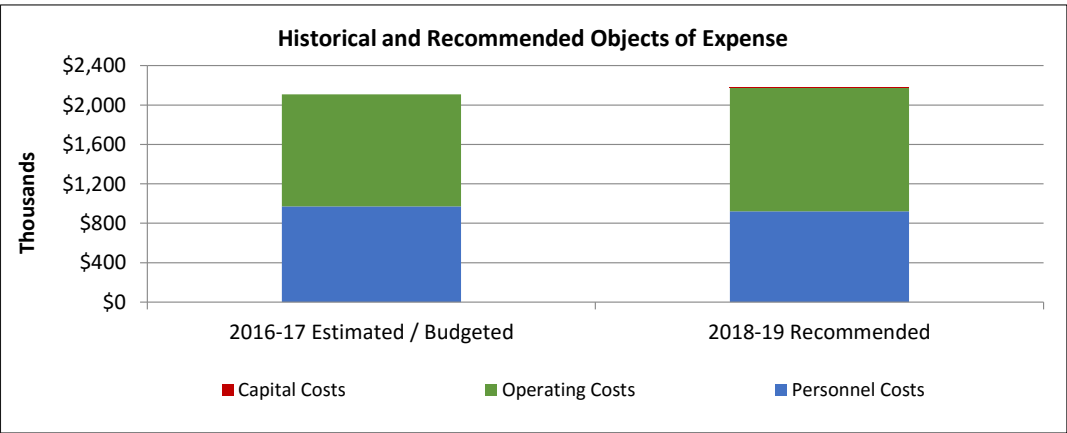
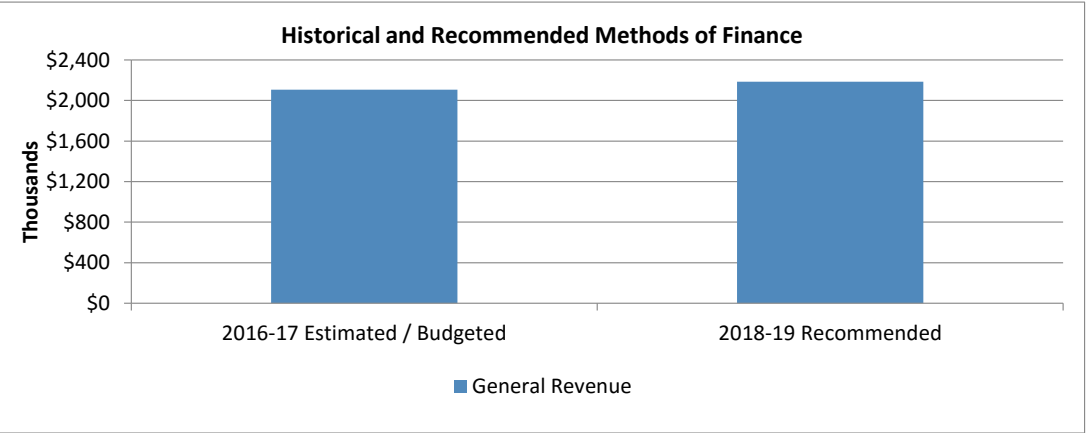
Agency Ranking 17 out of 31

TDA's livestock export facilities are holding and inspection sites for livestock leaving the country. Once the livestock is inspected and all import requirements are met, they are loaded for transport into Mexico or to destinations all over the world by air and sea from Houston, TX.

Legal Authority:	Texas Agricultural Code, Ch. 146 Subchapter B; 9 CFR part 91 subchapter B Importation and Exportation of Animals				
Year Implemented	1972	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Facilitating the inspection and exporting of	\$ 1,812,486	9.2	\$ 1,942,762	9.9	88.9%
Direct Administration	\$ 294,073	1.9	\$ 242,449	1.9	11.1%
Total	\$ 2,106,559	11.1	\$ 2,185,211	11.8	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,185,211	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 2,185,211	100.0%



Program: Livestock Export Pens

Agency
Ranking

17 out of 31

Summary of Program and Activities

The Livestock Export Pens program facilitates the inspection and export of livestock and genetic material from Texas to Mexico or other destinations all over the world through agency facilities located and maintained in Brownsville, El Paso, Laredo, and Houston. A Del Rio export facility is currently under construction. These facilities serve as holding sites where all inspections and import requirements must be met before transport is approved. In addition to providing assistance with the international shipments, the program also assesses fees and recovers part of its costs.

The program works closely with the United States Department of Agriculture (USDA) in (1) negotiating and changing exporting protocols; (2) exporting livestock, reporting possible violations of USDA laws and regulations, and animal health issues; and (3) reporting livestock export numbers. The program also works closely with the Texas Animal Health Commission on suspected animal disease detection and tick collection.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations provide \$2.2 million in General Revenue funding, an increase of \$0.1 million from 2016-17 funding levels. The agency anticipates additional FTE support will be necessary at its livestock facilities. The program assesses fees or debts owed to the state or to a supplier of goods and services in connection with the processing of exported or imported animals to cover necessary water, pen space, labor for conducting export inspections and feeding of livestock.
- 2 The agency reports that necessary policy changes were implemented to resolve internal audit (#14-06 - Livestock Export Pens - Internal Audit) findings which included (1) inadequate safeguards being in place over collected fees and receipt books and (2) fees not always being collected and submitted to Austin at the end of the permitted transaction. The agency also reports that necessary technology changes were implemented to resolve additional findings in the same audit which included (1) processes and controls relating to the agency’s livestock shipment operations were not consistently applied at each export pen location and (2) weakness in controls over the database used to track shipments. The agency reported the last implementation phase being completed as of August 30, 2016.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

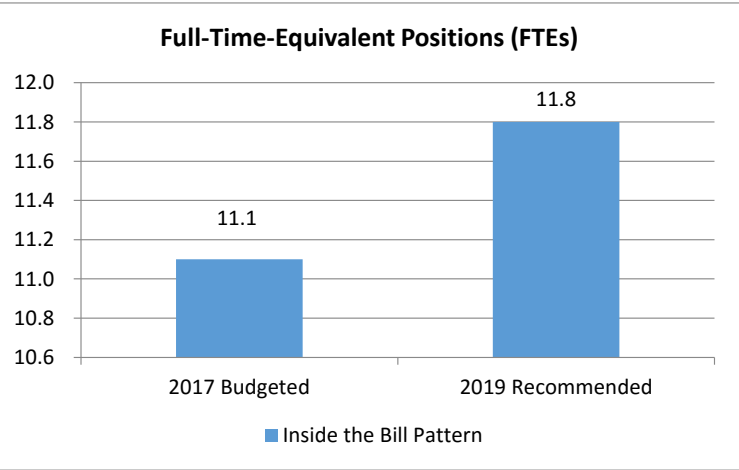
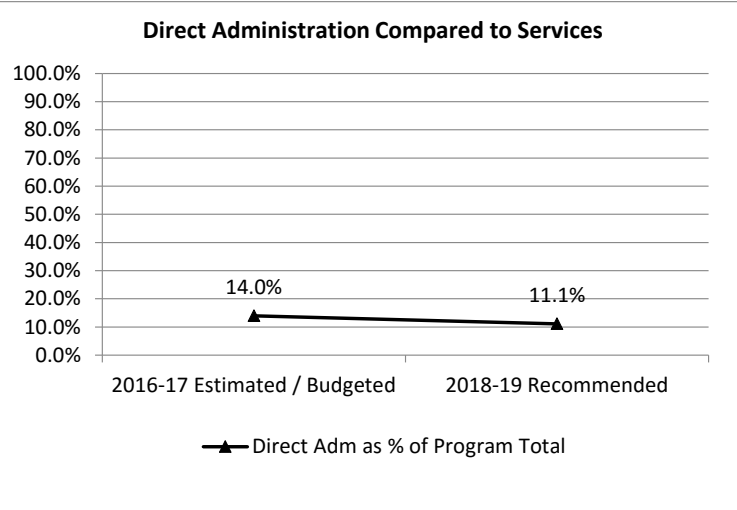
- 1 The agency reports that it is currently upgrading its database and that additional resources would allow for the expansion of the available facilities and FTEs, which would allow for the handling of additional livestock for export.

Challenges to Operation of Program

- 1 The agency has identified challenges in working with foreign governments, live animals, weather, and animal rights activists.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6r: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Boll Weevil Eradication

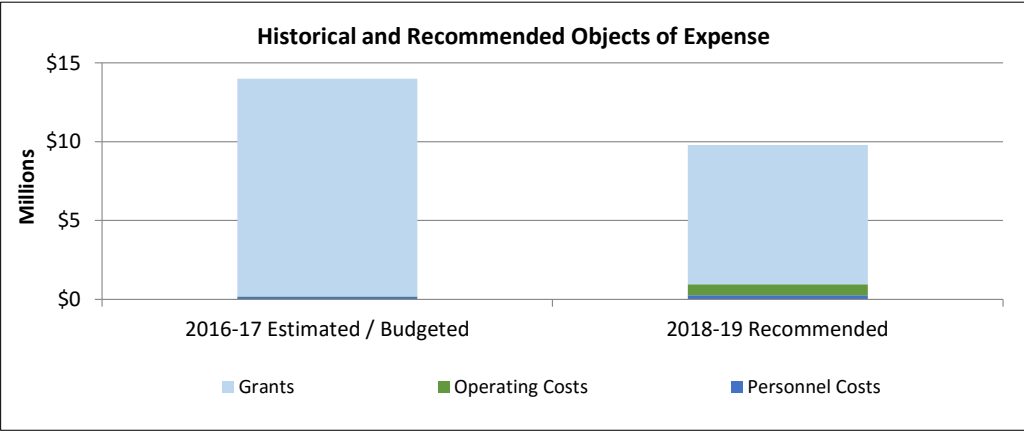
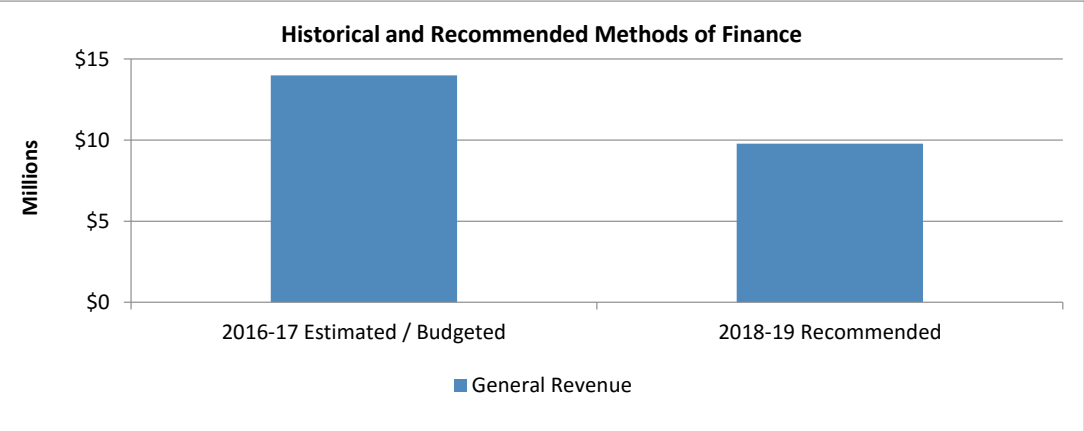
Agency Ranking 18 out of 31

The objective of the program is the complete eradication of the boll weevil and the pink bollworm in Texas cotton fields as carried out by the Texas Boll Weevil Eradication Foundation. TDA has administrative oversight over Foundation operations and also the conduit by which the Foundation receives General Revenue support from the state.

Legal Authority:	Texas Agriculture Code, Chapter 74; House Bill 1, 84th Legislative Session, General Appropriation Act (GAA), Page VI-6, Rider 13				
Year Implemented	1997	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Boll Weevil Eradication Grant	\$ 13,920,867	0.3	\$ 9,637,593	0.9	98.5%
Direct Administration	\$ 64,761	0.0	\$ 148,035	1.3	1.5%
Total	\$ 13,985,628	0.3	\$ 9,785,628	2.2	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 9,785,628	89%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 9,785,628	89.1%



Program: Boll Weevil Eradication

Agency
Ranking

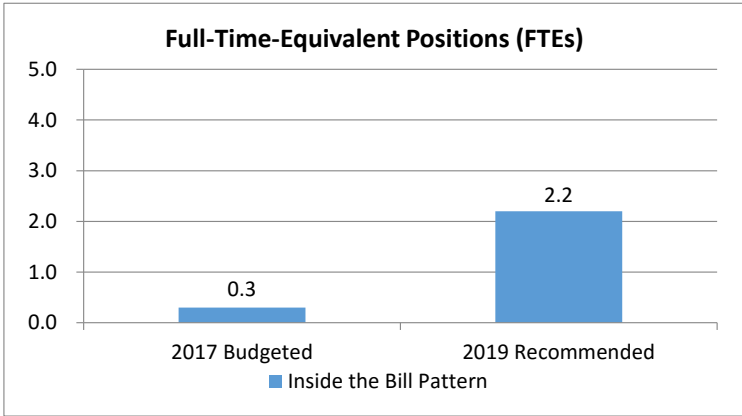
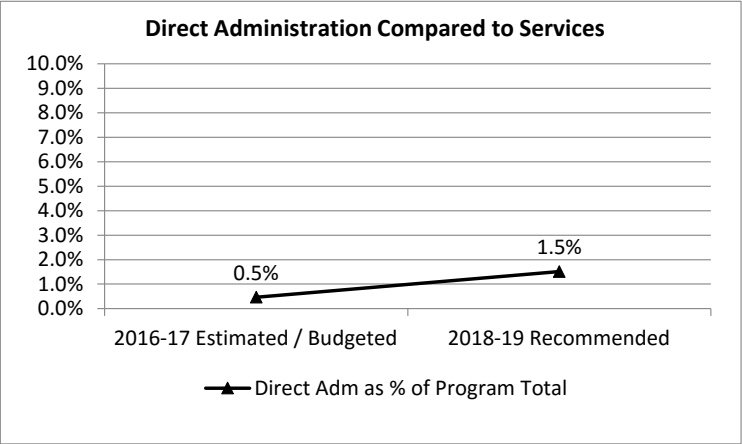
18 out of 31

Summary of Program and Activities

The Texas Boll Weevil Eradication Foundation is the non-profit organization established by the Legislature in 1993 to eradicate and suppress the boll weevil and pink bollworm from Texas cotton fields. The Commissioner of Agriculture also sets the assessments paid by participating cotton growers that are the primary source of funding for Foundation eradication efforts. All cotton-growing states of the U.S. participate in a boll weevil eradication program, and most have a structure similar to Texas.

Funding for boll weevil eradication is a cooperative effort between growers, the state and federal government. Since the state program's inception in 1994, producer assessments have contributed 55.3 percent of the \$1.3 billion in funding provided the Texas Boll Weevil Eradication Foundation through calendar year 2016, with state support from General Revenue contributing 20.2 percent and federal funds contributing 24.5 percent of the remaining funding. In addition to these funding sources, the Foundation has accumulated an operating reserve of \$82.7 million as of November 30, 2016, and also has access to a contingency fund of \$7.5 million for the one cotton producing area in the state in quarantine status, the Lower Rio Grande Valley zone.

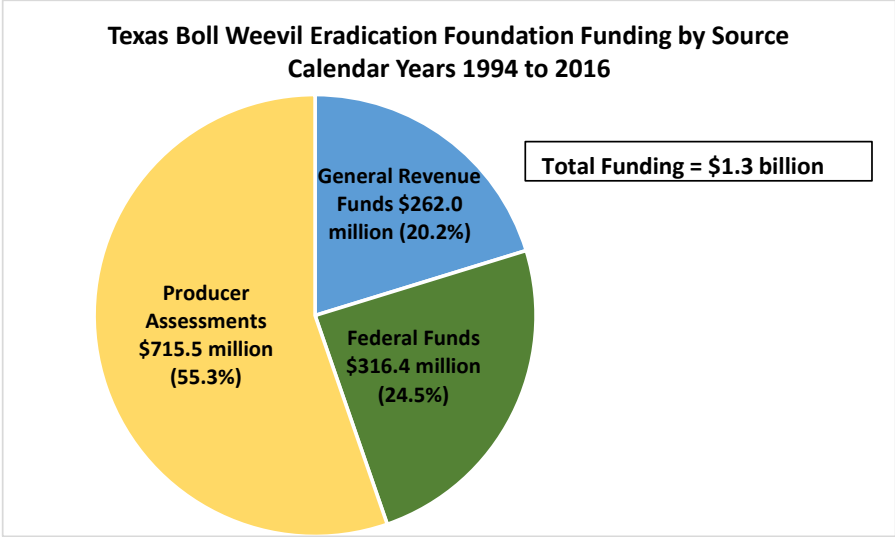
Texas' eradication efforts have been successful. At present, 15 of the state' 16 cotton producing zones have achieved eradication or functional eradication status. Only the Lower Rio Grande Valley zone cotton producing zone continues to experience infestation and retain quarantine status. The Foundation also reports that a small re-infestation has occurred in another South Texas cotton producing zone, the South Texas Winter Garden zone, and is being treated. The Foundation predicts that barring a re-infestation or outbreak, no further state financial support will be required in those zones presently eradicated. Accordingly, the TDA funding request for the 2018-19 biennium includes General Revenue funds for eradication efforts in the Lower Rio Grande Valley zone only. The Foundation expects the entire state with the exception of the Lower Rio Grande Valley zone to enter the maintenance phase of the eradication program in 2018. Maintenance is less costly than an active eradication program, and typically is funded entirely by grower assessments. Long-term, the U.S. Department of Agriculture and the Foundation indicate that an eradication program along the border will be needed to prevent re-infestation of boll weevils from Mexico, with the Lower Rio Grande Valley zone serving as a buffer to re-infestation. The Foundation does not expect the Lower Rio Grande Valley zone to achieve and retain eradication status without greater success in eradication efforts across the border.



Program: Boll Weevil Eradication

Agency
Ranking

18 out of 31



Summary of Recommendations and Fiscal and Policy Issues

1 Funding includes \$9.8 million of General Revenue, a reduction of \$4.2 million compared to 2016-17 funding. This includes a reduction of \$3.0 million requested by the agency as part of the 4 percent, as well as an additional \$1.2 million reduction included in the agency's 10 Percent Reduction Schedule (See Appendix E - Senate). In addition to grower assessments and General Revenue Fund appropriations, the Foundation has its own operating reserve, which totaled an estimated \$82.7 million as of November 30, 2016, and access to a contingency fund available through the National Cotton Council. According to the Foundation, the contingency fund is known as the Boll Weevil Protection Fund and the balance available to Texas is approximately \$7.5 million. The Protection Fund was established in 2014 and is funded by an assessment, which can be no greater than 75 cents per acre per crop year, contributed by the state grower association or eradication entity (in Texas' case, the Foundation) and managed by the National Cotton Council. The Foundation reports that Texas' contingency fund was established to address budget shortfalls in the Lower Rio Grande Valley (LRGV) zone. According to the Foundation, the reserve amount falls short of the \$110 million annual operating budget in the highest expenditure years in their history, calendar years 1999-2001. At that time, full scale eradication efforts were underway in most of the state's cotton acres. Even in the event of a catastrophic re-infestation, an annual spending demand of \$110 million is unlikely. (See Selected Fiscal and Policy Issues - Senate, Item 2).

Recommended Statutory Changes for Program Improvement

1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

1 An additional goal of the Foundation is to assist the Northern Mexico state of Tamaulipas in implementing their eradication program. According to the Foundation, this effort is underway and showing more promise than has been seen in recent years. The Mexican growers are more eager than ever to complete eradication and realize that they need to enhance their efforts in order to eradicate the boll weevil from Northern Mexico.

Challenges to Operation of Program

1 The Foundation reports the biggest challenge for this program will be dealing with increased boll weevil populations in South Texas. According to the Foundation, complete eradication in Texas cannot be achieved until progress is made in Mexico.

Funding Alternatives

1 The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6s: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Texas Cooperative Inspection Program

**Agency
Ranking** 19 out of 31

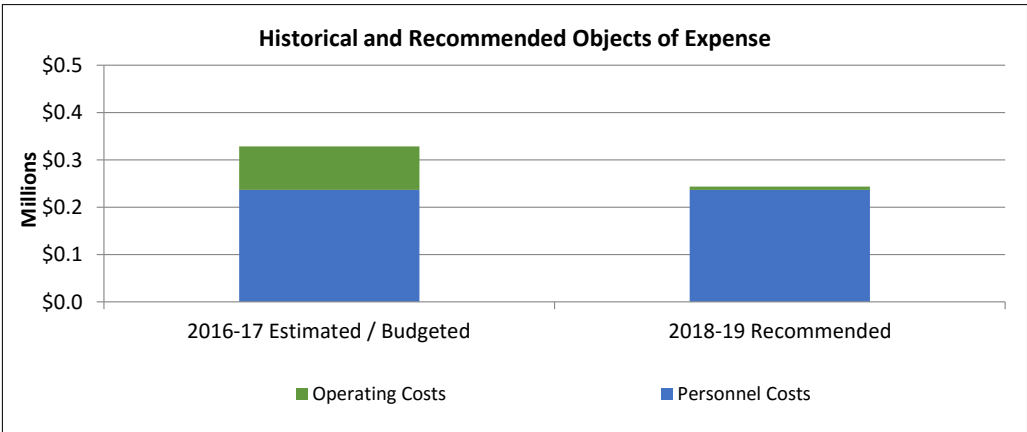
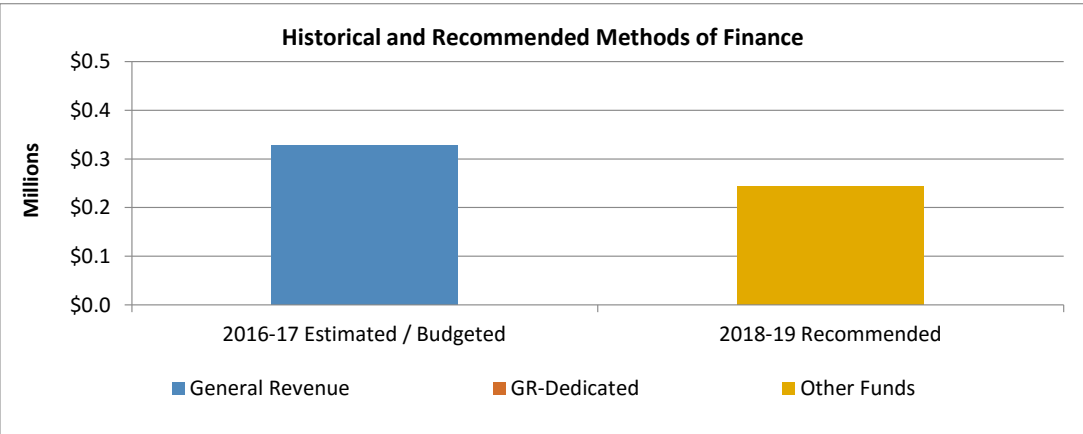
The Texas Cooperative Inspection Program (TCIP) is the result of a 1992 cooperative agreement between the Texas Department of Agriculture and the U.S. Department of Agriculture (USDA) which provides for the inspection of fruits, vegetables, tree nuts and peanuts grown in Texas or imported into the U.S. through Texas. These inspections benefit the citrus, vegetable, tree nut, and peanut industries of the state by ensuring that USDA standards are met, thereby enhancing the marketability of commodities for producers and shippers and providing consumers with consistent, quality products.

Legal Authority: Texas Agriculture Code, Ch. 91 and 94. Agricultural Marketing Act of 1946 as amended 7 USC 1621, §713 of Title VII

Year Implemented	1992	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Direct Administration	\$ 229,126	1.0	\$ -	1.0	0.0%
Inspection	\$ 99,296	0.0	\$ 243,776	0.0	100.0%
Total	\$ 328,422	1.0	\$ 243,776	1.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 243,776	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 243,776	100.0%



Program: Texas Cooperative Inspection Program

Agency Ranking

19 out of 31

Summary of Program and Activities

The TCIP is administered by an Executive Director who is a TDA employee. None of the other TCIP employees or operating costs are state employees or state-funded. TDA administers the program and USDA licenses the inspectors for each commodity. Funding includes the salary, benefits and certain operating expenses of the Executive Director of the TCIP, who is a TDA employee, as well as an allocation of TDA indirect costs. All of these costs are reimbursed by the U.S. Department of Agriculture (USDA). The TCIP is required by statute to be self-financed. In lieu of state or federal funds, inspection fees paid by growers, shippers and shipper agents fund TCIP.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Funding includes \$0.2 million in Other Funds, a decrease of \$0.1 million, or 26 percent, from 2016-17 funding levels.
- 2 Funding for the Texas Cooperative Inspection Program (TCIP) is recommended to be changed from cost-recovery General Revenue to Appropriated Receipts. Funding is a reimbursement from the federal government for the administration of this program, and funds the salary, benefits, and expenses of the executive director of TCIP. Recommendations include a reduction of \$484,422 in General Revenue for the biennium with an offsetting increase of \$399,776 in Appropriated Receipts for direct program costs and associated indirect administration costs. (See Selected Fiscal and Policy Issues - Senate, Item 6).

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

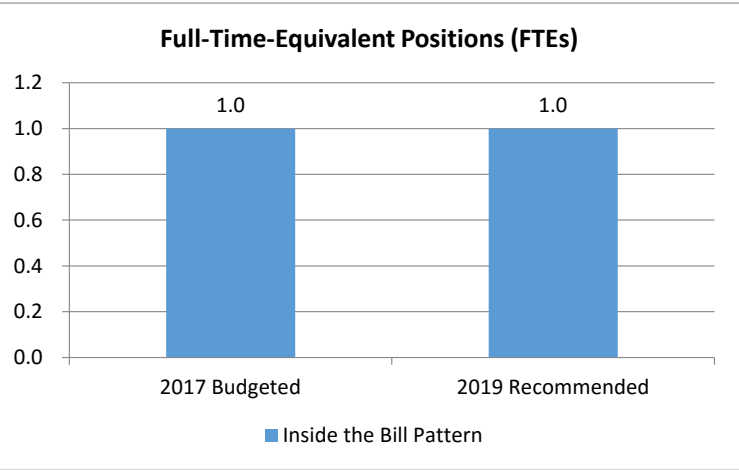
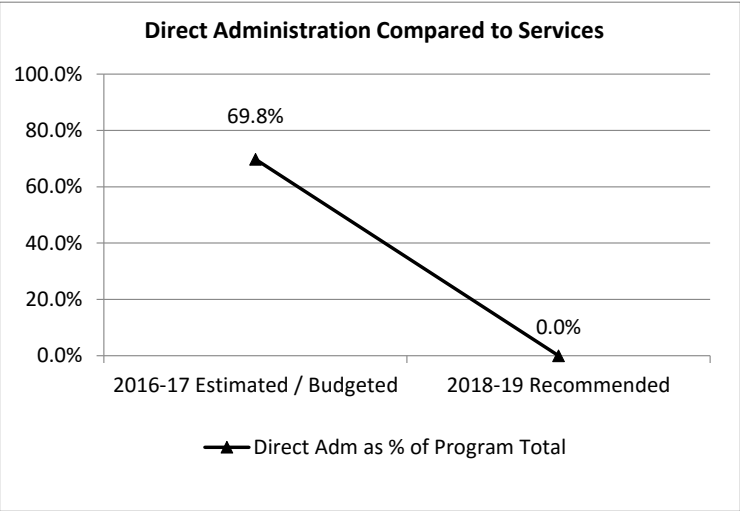
- 1 TCIP has adopted electronic inspection software for peanuts and some vegetables, increasing the efficiency and cost effectiveness of the inspection process. TDA suggests that further improvements and additions to electronic inspection capabilities if funded could enhance the cost-effectiveness of the inspection program.

Challenges to Operation of Program

- 1 Weather and market conditions, which affect the commodities crops available for TCIP inspections and therefore the income of the TCIP, are the most significant challenges. Also, competition for qualified personnel in rural Texas is a recurring challenge for the TCIP.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6t: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Organic Certification Program

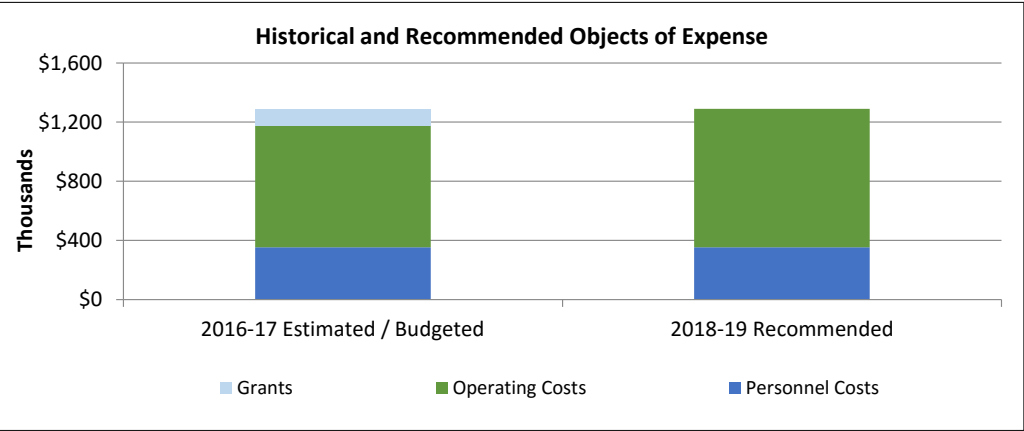
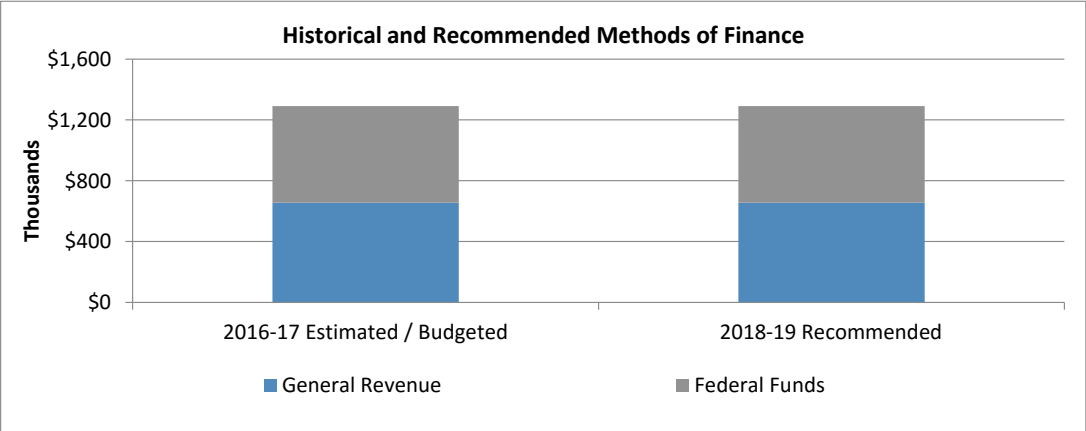
Agency Ranking 20 out of 31

This program ensures the integrity of organic agriculture products produced and manufactured in Texas by providing certification services to Texas producers and agribusinesses.

Legal Authority:	Texas Agriculture Code, Ch. 18; 7 CFR Part 205 - National Organic Program				
Year Implemented	1990	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Compliance/Enforcement	\$ 1,213,709	5.4	\$ 1,213,708	5.4	94.0%
Direct Administration	\$ 77,137	0.4	\$ 77,138	0.4	6.0%
Total	\$ 1,290,846	5.8	\$ 1,290,846	5.8	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,290,846	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,290,846	100.0%



Program: Organic Certification Program

Agency
Ranking

20 out of 31

Summary of Program and Activities

The Organic Certification Program ensures the integrity of organic agriculture products produced and manufactured in Texas by providing certification services to producers and agribusinesses. The program is an accredited certifying agent under the United States Department of Agriculture (USDA) National Organic Program (NOP) with the authority to certify organic producers as well as processors, distributors and retailers of organic agricultural products. The program solicits, receives, and processes license applications, assesses and collects fee revenue, proposes administrative penalty rates, and determines if applicants meet eligibility requirements for licensure. The program also receives and evaluates complaints, conducts investigations and inspections, and processes violations for administrative penalties. The program promotes Texas' organic agricultural growth and economic development by helping Texas farmers diversify their operations and capture a larger share of a growing premium market. It also helps ensure the authenticity of the organic marketing claim and provides consumers with the most abundant and diverse food and fiber supply possible.

Summary of Recommendations and Fiscal and Policy Issues

- 1
- Recommendations include \$1.3 million in All Funds for the 2018-19 biennium, a continuation of 2016-17 funding and staffing levels. Funding is used to regulate over 220 organic producer, handlers, retail businesses in Texas. In 2016-17, TDA entered a cooperative agreement with the USDA to provide cost share assistance to producers, processors, distributors or other handlers of organic agricultural products using Federal Funds through the National Organic Certification Cost Share Program (NOCCSP). Operations must possess current USDA organic certification or must have incurred expenses related to the renewal of their USDA organic certification from a USDA-accredited certifying agent between October 1, 2015 and September 30, 2016 to be eligible to receive reimbursements. Program fees assessed by the program to cover the cost of operating the program were increased in 2015 and were not considered in the agency's recent cost study in fiscal year 2016.

Recommended Statutory Changes for Program Improvement

- 1
- The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

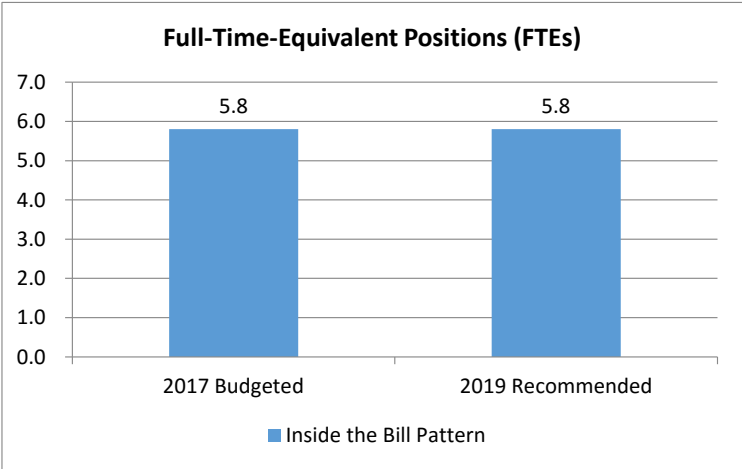
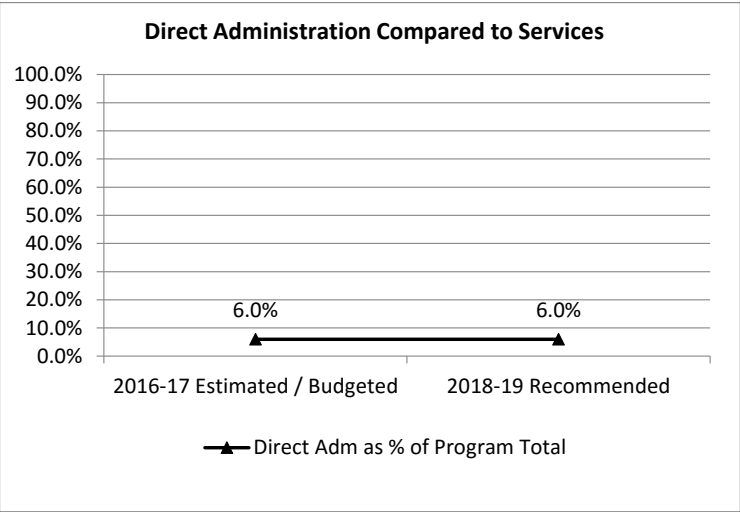
- 1
- According to the agency, a web-based system allowing licensees to enter and retrieve certification information would streamline the program, increase efficiencies, and provide greater customer service.

Challenges to Operation of Program

- 1
- The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1
- The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6u: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Specialty Crop Block Grant Program (SCBGP)

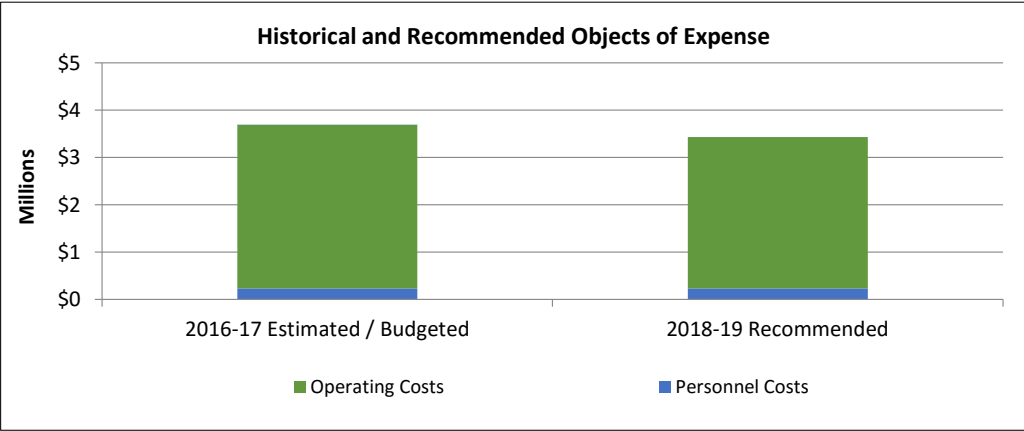
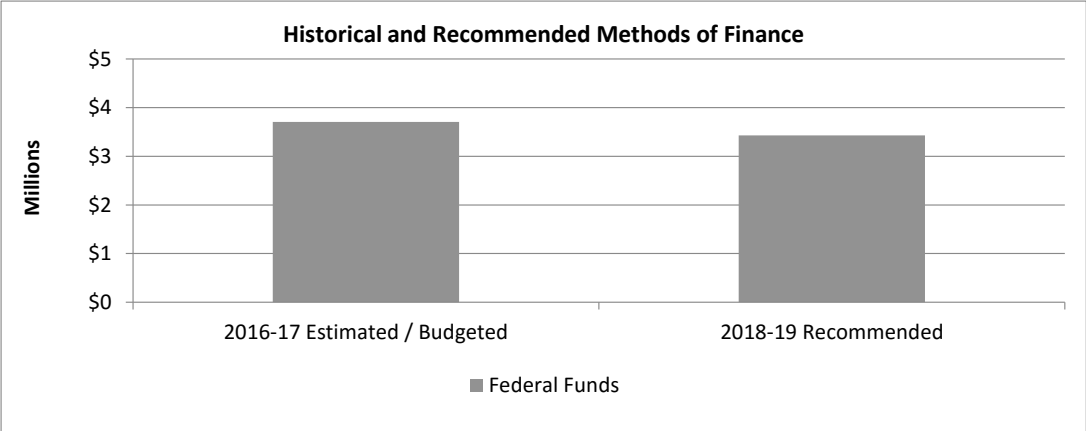
**Agency
Ranking** 21 out of 31

This is a federal block grant program. The program's sole purpose is to enhance the competitiveness of specialty crops. Specialty crops are defined as fruits and tree nuts, vegetables, culinary herbs and spices, medicinal plants, as well as nursery, floriculture, and horticulture crops.

Legal Authority:	Texas Agriculture Code, §§12.002 and 12.007; §101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note) and amended under §10010 of the Agricultural Act of 2014, Public Law 113-79 (the Farm Bill); 7 CFR Part 1291 (published March 27, 2009; 74 FR 13313)				
Year Implemented	2006	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Specialty Crop Promotion and Subgrants	\$ 3,685,684	1.9	\$ 3,406,008	1.9	99.3%
Direct Administration	\$ 22,430	0.1	\$ 22,430	0.1	0.7%
Total	\$ 3,708,114	2.0	\$ 3,428,438	2.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 3,428,438	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 3,428,438	100.0%



Program: Specialty Crop Block Grant Program (SCBGP)

Agency
Ranking

21 out of 31

Summary of Program and Activities

This program is a 100 percent federally-funded block grant program. In Texas the program has significantly supported industry in research and development of citrus, melons, water conservation, pecans, wine grapes, tomatoes and other commodities. Efforts have focused consistently on issues pertaining to food safety, marketing, nutrition, plant health, and industry development.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$3.4 million in funding for the program, a reduction of \$279,676 from 2016-17 funding levels.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

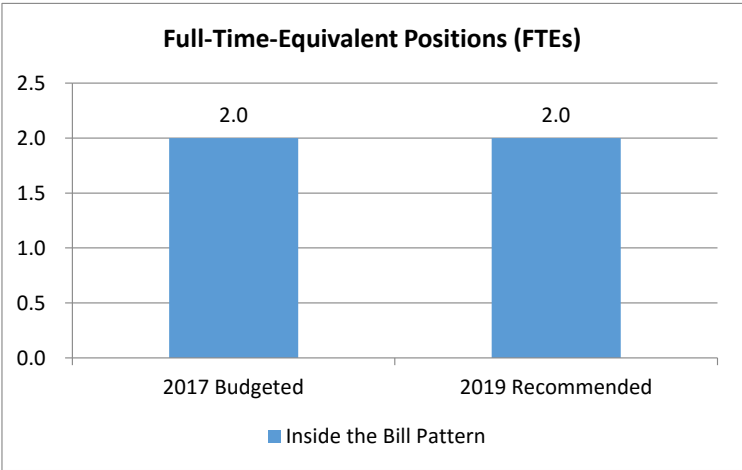
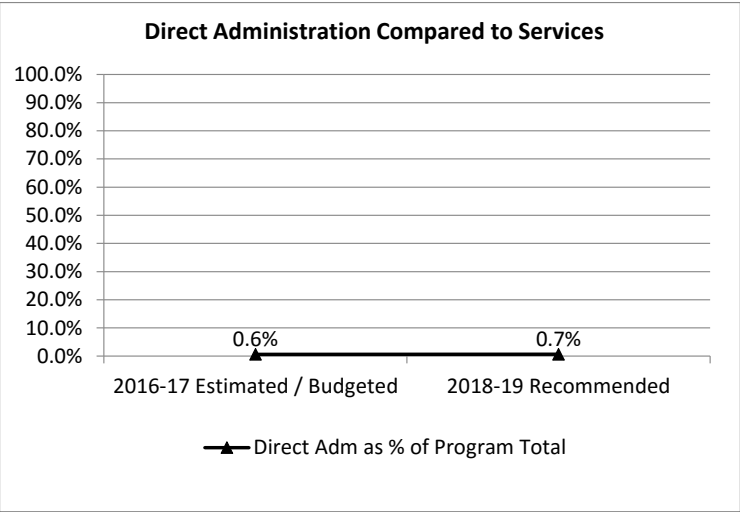
- 1 The agency did not identify any specific opportunities to enhance the pogrom given additional resources.

Challenges to Operation of Program

- 1 Federal funding available for the block grant program depends on acreage and sales of Texas specialty crops which requires the producer to report this information. The program provides one of the only sources of funding to develop a competitive future for Texas specialty crops. Researchers developing new disease-resistant, drought-tolerant, high-nutrient content varieties do this with Specialty Crop funding. With smaller allocations being provided each year, research investments cannot be continued.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6v: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Commodity Boards

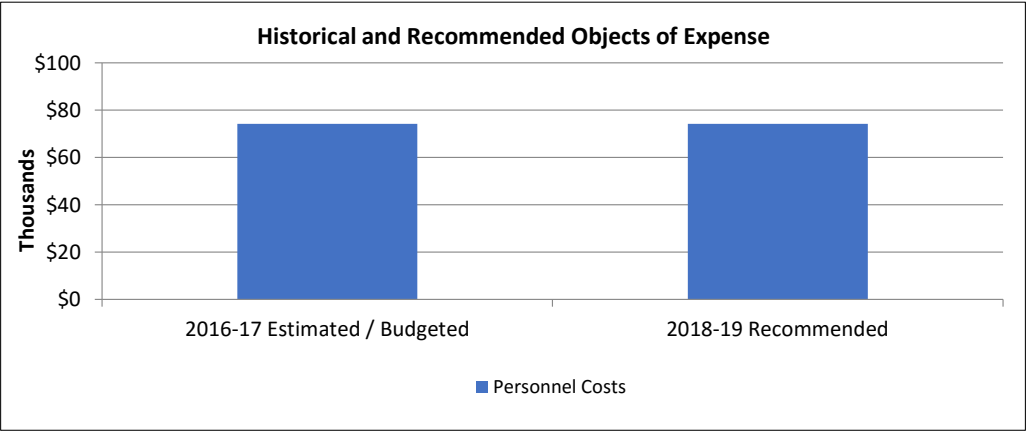
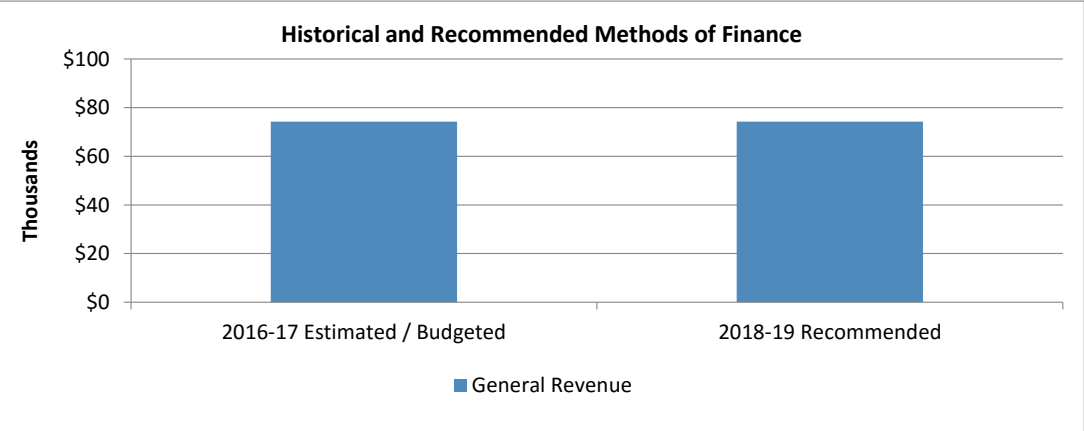
**Agency
Ranking** 22 out of 31

This program oversees eleven commodity boards that collect producer assessments voluntarily for use in research, marketing, and education.

Legal Authority:	Texas Agriculture Code, Ch. 41				
Year Implemented	1969	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Commodity Board Facilitation	\$ 74,206	0.6	\$ 74,206	0.7	100.0%
Direct Administration	\$ -	0.0	\$ -	0.0	0.0%
Total	\$ 74,206	0.6	\$ 74,206	0.7	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 74,206	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 74,206	100.0%

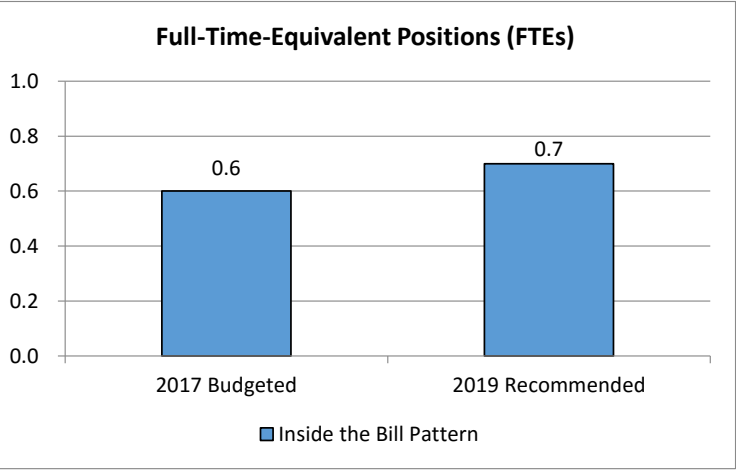


Program: Commodity Boards

Agency
Ranking

22 out of 31

Commodity Boards:
1. Beef Promotion and Research Council of Texas
2. Citrus Producers Board
3. Corn Producers Board
4. Grain Sorghum Producers Board
5. Mohair Producers Board
6. Peanut Producers Board
7. Pecan Producers Board
8. Sheep & Goat Predator Management Board
9. Wheat Producers Board
10. Wintergarden Spinach Producers Board
11. Texas Grain Producers Indemnity Board



Summary of Program and Activities

Eleven commodity boards in the state voluntarily collect producer assessments for use in research, marketing, and education. The producer assessments are used for research, disease and insect control, predator control, education, and promotion designed to encourage the production, marketing, and use of an agricultural commodity. The agency provides oversight and support to these commodity boards through facilitating meetings and ensuring compliance with Chapter 41 of the Texas Agriculture Code.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations provide \$74,206 in General Revenue to maintain this program at 2016-17 funding levels.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.

Department of Agriculture
Strategic Fiscal Review Appendix 6w: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Prescribed Burn Program

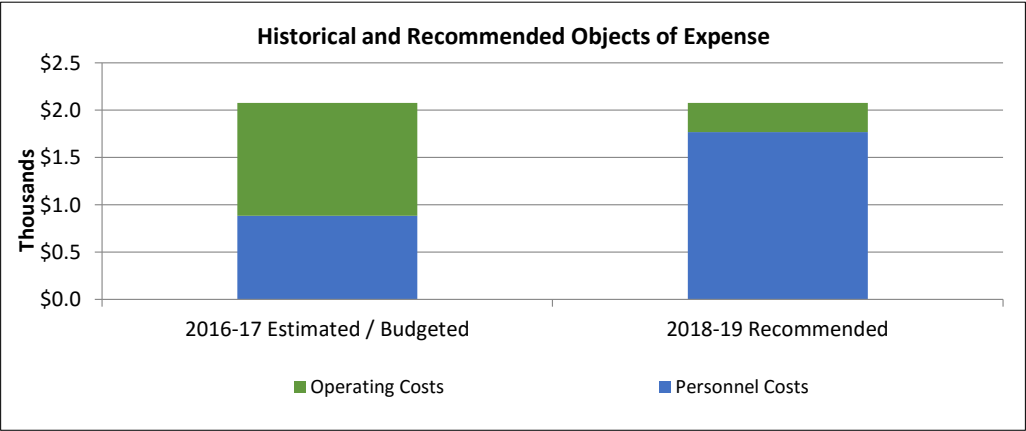
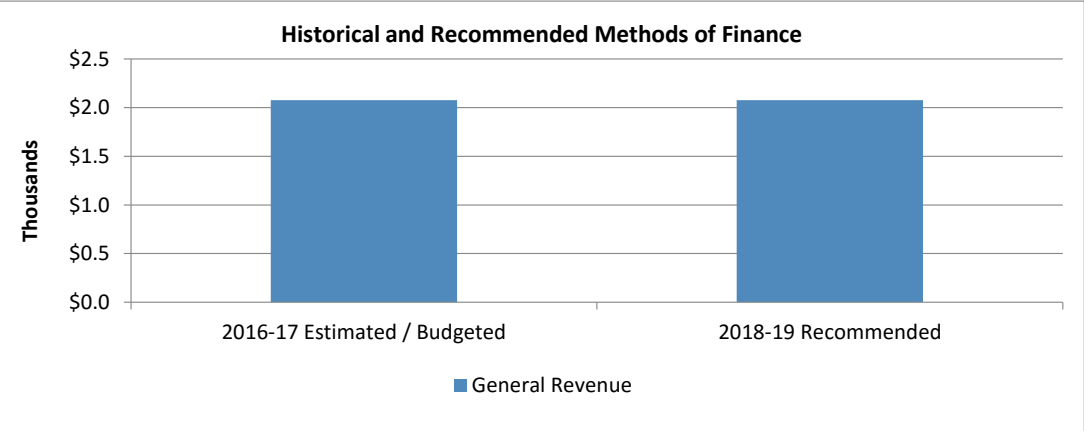
**Agency
Ranking** 23 out of 31

This program regulates certified and insured prescribed burn managers who work to control vegetative fuels that can contribute to wildfires.

Legal Authority:	Texas Natural Resource Code, Ch. 153				
Year Implemented	1999	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Licensing	\$ 2,076	0.2	\$ 2,076	0.2	100.0%
Direct Administration	\$ -	0.0	\$ -	0.0	0.0%
Total	\$ 2,076	0.2	\$ 2,076	0.2	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,076	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 2,076	100.0%



Program: Prescribed Burn Program

Agency
Ranking

23 out of 31

Summary of Program and Activities

Texas Natural Resources Code, §153.102 authorizes the Department of Agriculture to impose penalties, including fines, for violation of Ch. 153, Prescribed Burning. There is no required reporting for the Prescribed Burn Program or for the Prescribed Burn Board. Funding for the program supports the Licensing activities for prescribed burning. This program is required to recover its costs.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$2,076 in General Revenue for 2018-19.

Recommended Statutory Changes for Program Improvement

- 1 Recommendations include \$2,076 in General Revenue for 2018-19 to continue 2016-17 funding levels.

Enhancement Opportunities

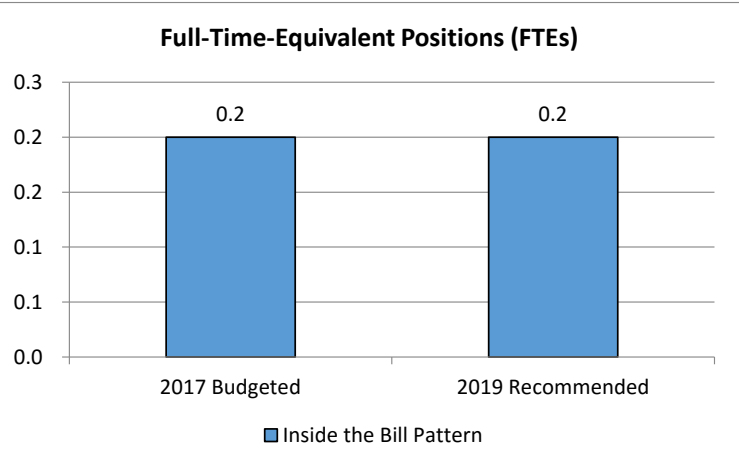
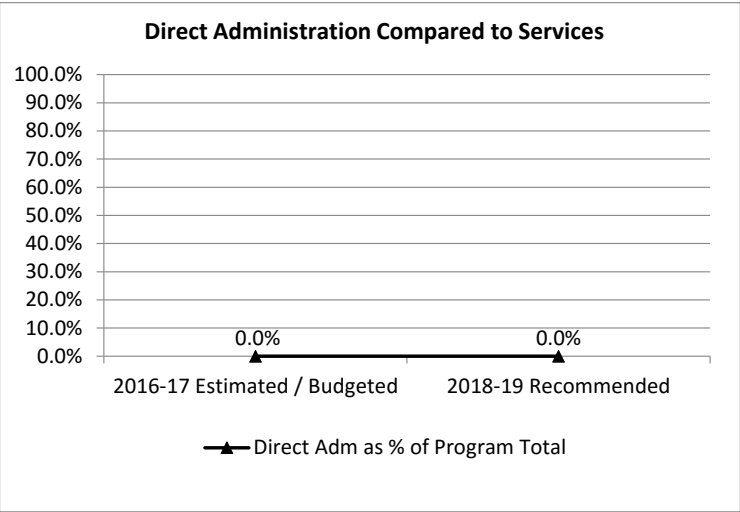
- 1 The program could use an upgraded database to consolidate all files/records, along with an automated approval process for CIPBM training courses. A single interactive database that would serve all requirements could improve the efficiency of administering program reporting, licensing of burn managers and ensuring all regulatory requirements were being met consistently. The agency did not request funding for this database.

Challenges to Operation of Program

- 1 Licensing four categories of Certified and Insured Prescribed Burn Managers with multiple requirements for licensing that are not maintained one database provides a records management and licensing challenge, and also increases processing times resulting in less efficiency.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6x: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Feral Hog Abatement Program

Agency Ranking 24 out of 31

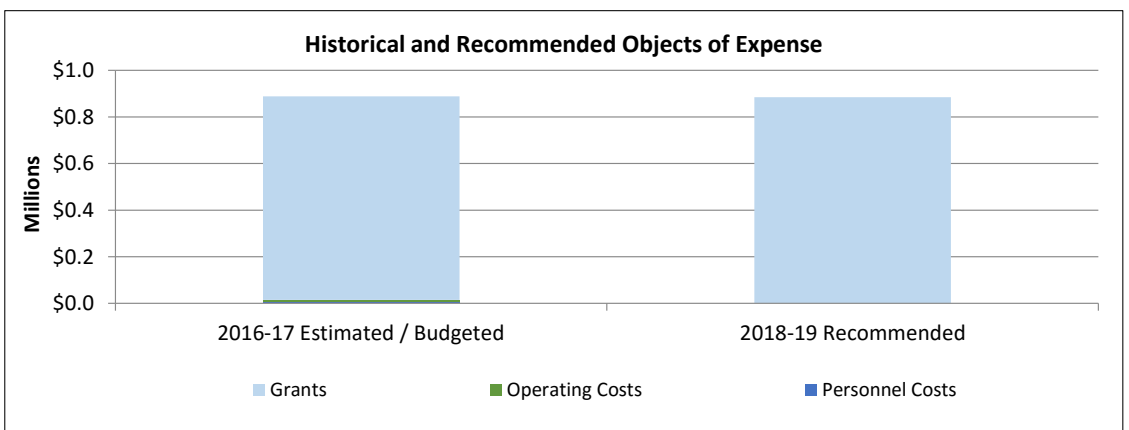
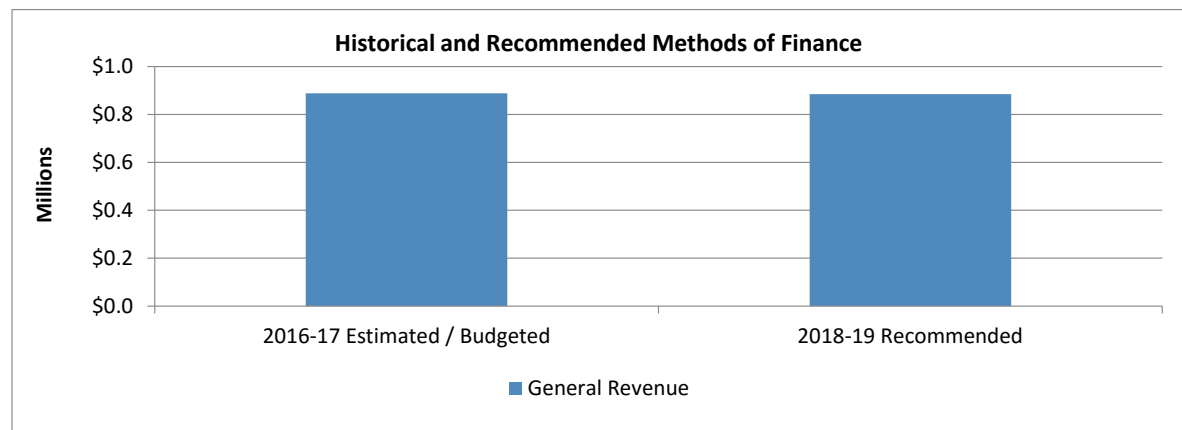
The purpose of the program is to develop long-term feral hog abatement technologies, to test control methods and directly control population through a variety of accepted practices.

Legal Authority: Texas Agriculture Code, §161.002; Texas Parks and Wildlife Code, §1.101(4); General Appropriations Act, 84th Regular Legislative Session, 2015, Article VI, Rider 12

Year Implemented	2005	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Feral Hog Abatement Grants	\$ 884,651	0.1	\$ 885,184	0.0	100.0%
Direct Administration	\$ 3,857	0.0	\$ -	0.0	0.0%
Total	\$ 888,508	0.1	\$ 885,184	0.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 885,184	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 885,184	100.0%



Program: Feral Hog Abatement Program

Agency
Ranking

24 out of 31

Summary of Program and Activities

The Feral Hog Abatement Program provides funding for the development of long-term feral hog abatement technologies and test control methods. The agency partners with several other state agencies, universities, and counties to support this effort including Texas A&M AgriLife Extension's Wildlife Services, Texas Parks and Wildlife Department (TPWD), and Tarleton University. TDA created the Hog Out County Grants program in 2010, which is designed to encourage counties statewide to make a concentrated and coordinated effort tot reduce the feral hog population and mitigate damaged caused by the feral hogs. Agrilife Extension's Wildlife Services utilizes several direct control removal methods in addition to providing educational information on indirect control of feral hogs. TPWD is currently researching a patented toxicant from Australia (sodium nitrite) with some TDA funding. Tarleton University is conducting research funded by TDA to investigate the possibility of using cottonseed-based feedstuffs as a method of reducing hog populations.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$0.9 million in General Revenue funding for the 2018-19 biennium, a decrease of \$3,857 in General Revenue funding for Direct Administration. The 0.1 FTE for the program is eliminated.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

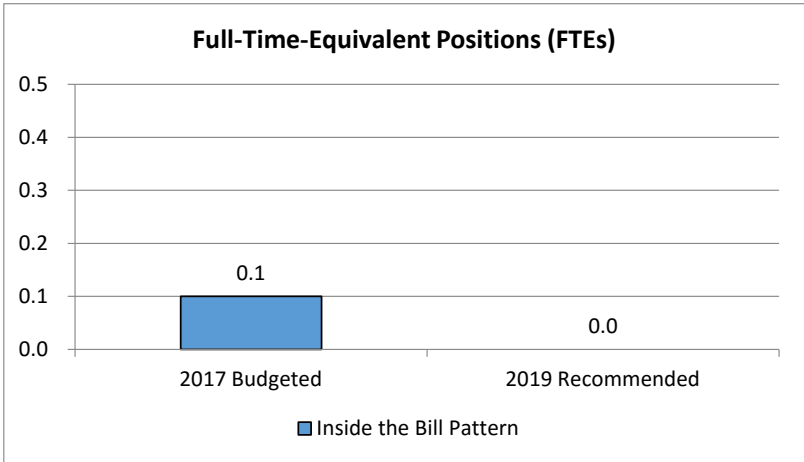
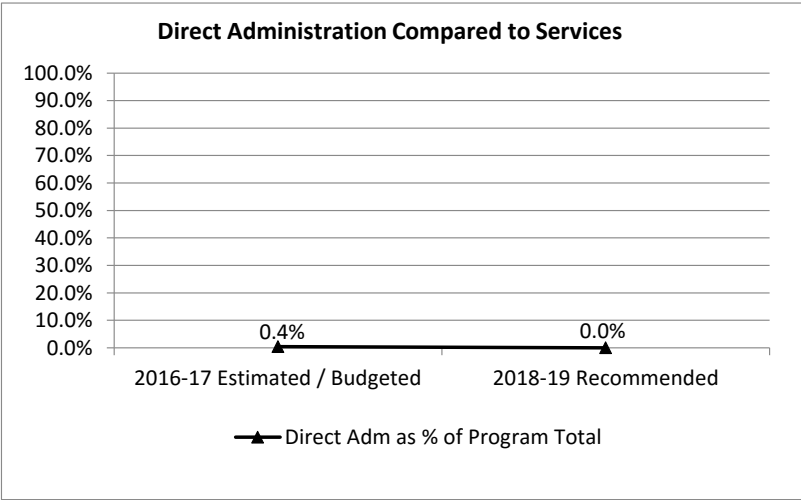
- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The agency estimates the feral hog population to be above 1.5 million. Due to a combination of rapid reproduction and the lack of natural predators, an estimated 70 percent of the feral hog population would need to be eliminated annually in order to prevent an increase in the total population above 1.5 million.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6y: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Texans Feeding Texans (Home Delivered Meals)

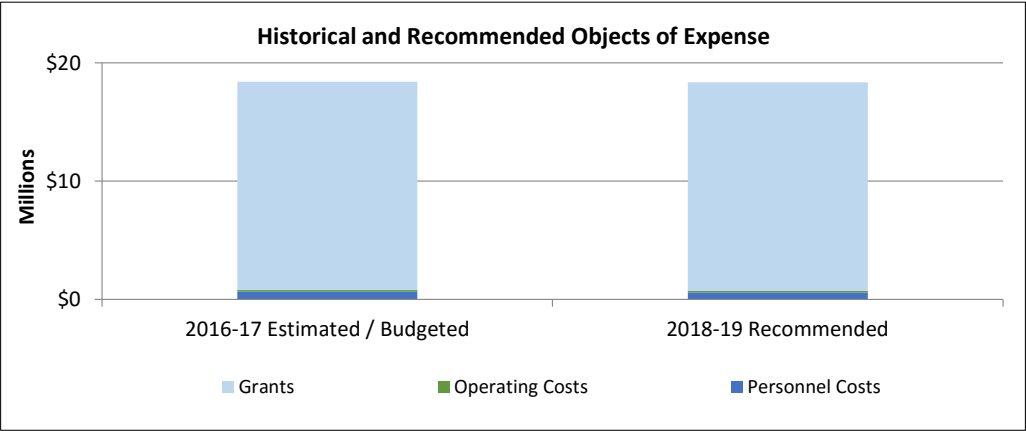
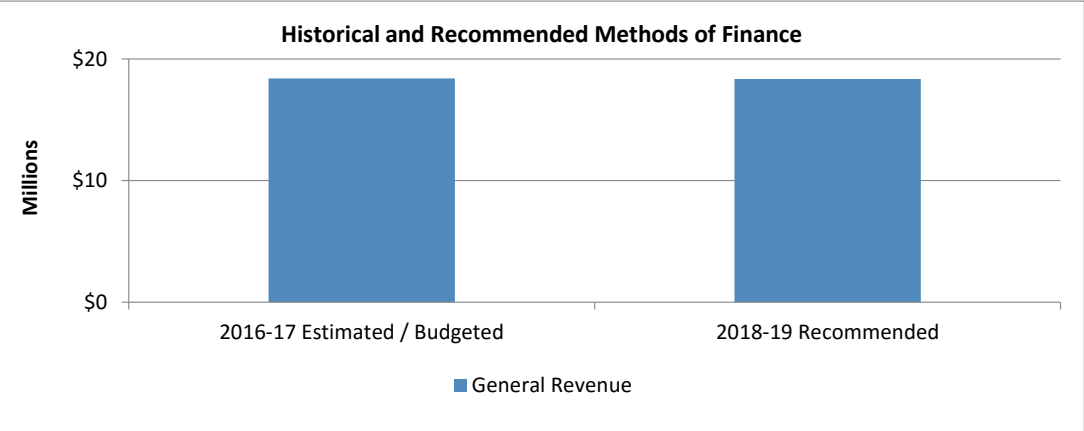
**Agency
Ranking** 25 out of 31

The Home-Delivered Meal Grant Program provides support to supplement and extend current home-delivered meal programs for seniors and/or the disabled. Governmental and non-profit agencies are eligible for this grant program.

Legal Authority:	Texas Agriculture Code, §12.042; Texas Administrative Code, Title 4, Part 1, Chapter 1, Subchapter O			
Year Implemented	2008	Performance and/or		Revenue Supported No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and
Centrality	Weak	Outsourced Services	No	General Revenue-Dedicated Funds N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services	

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Home Delivered Meal Grants	\$ 18,099,740	4.0	\$ 18,120,816	4.5	98.7%
Direct Administration	\$ 304,372	2.9	\$ 230,896	2.1	1.3%
Total	\$ 18,404,112	6.9	\$ 18,351,712	6.6	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 18,254,096	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 18,254,096	100.0%



Program: Texans Feeding Texans (Home Delivered Meals)

Agency
Ranking

25 out of 31

Summary of Program and Activities

This program provides grants to nonprofit or governmental agencies such as cities or counties to supplement and extend the home-delivered meal program to seniors and/or the disabled. TDA staff work with meal providers and their counties to ensure qualified applicants receive funding.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$18.4 million in General Revenue funding for the 2018-19 biennium, a decrease of \$52,400 in funding for the program. (See Rider Highlights - Senate, Rider 29).

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

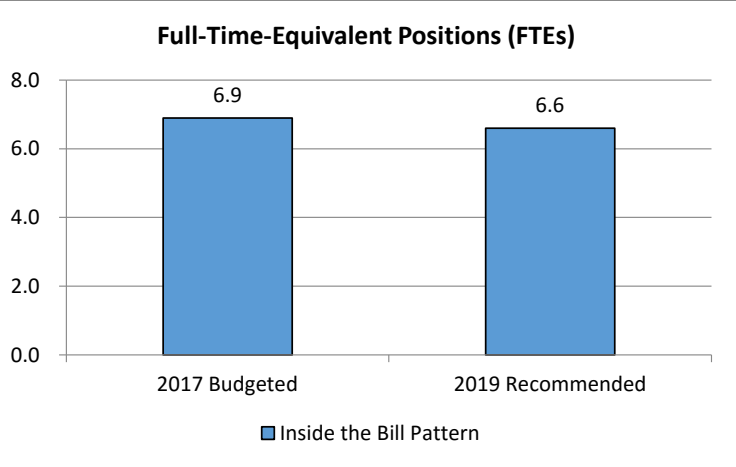
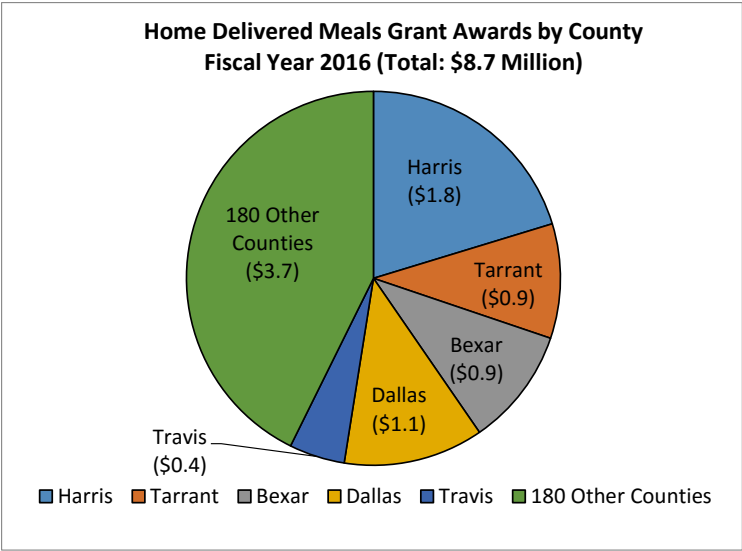
- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The population of senior citizens in Texas is growing.

Funding Alternatives

- 1 The agency's LAR request for the 2018-19 biennium included a reduction of \$97,616 in General Revenue for grant funding for the Texans Feeding Texans (Home Delivered Meals). Recommendations do not include this reduction in grant funding and maintain funding levels for the program at 2016-17 funding levels.



Department of Agriculture
Strategic Fiscal Review Appendix 6z: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Texans Feeding Texans (Surplus Agricultural Products Grant Program)

Agency Ranking 26 out of 31

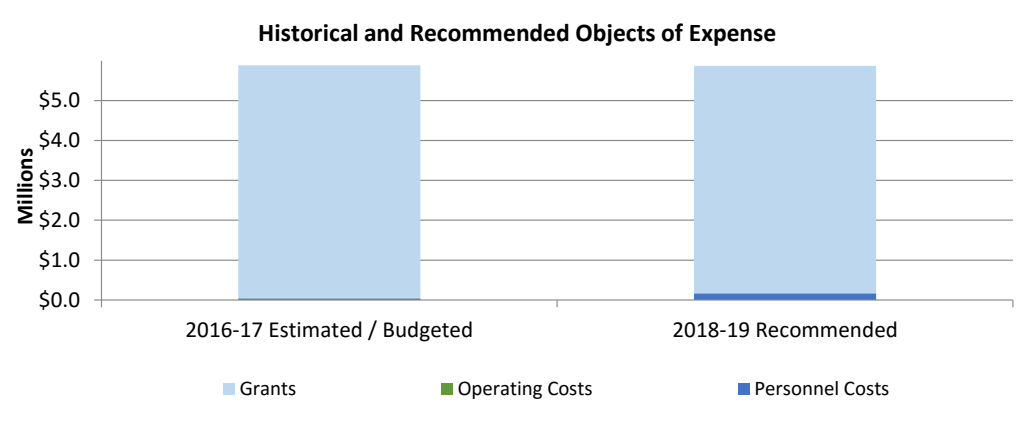
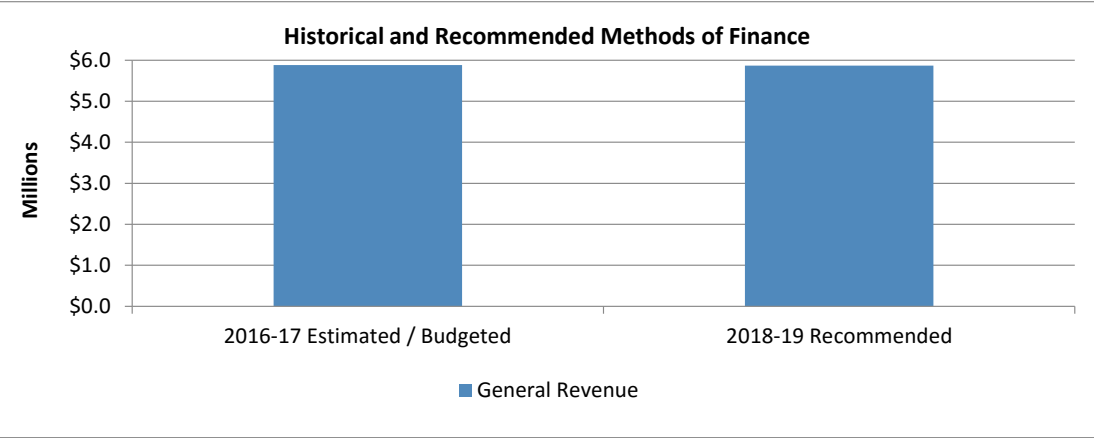
The program was established to provide surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals. TDA awards grant funding to help offset the costs of harvesting, gleaning and transporting Texas products to Texas food banks.

Legal Authority: Texas Agriculture Code, Ch. 21; Texas Administrative Code, Title 4, Part 1, Chapter 1, Subchapter M; House Bill 1, 84th Legislative Session, GAA, Article VI, Page 6, Rider 10

Year Implemented	2001	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Agricultural Surplus Grants	\$ 5,848,151	0.0	\$ 5,721,804	0.2	97.5%
Direct Administration	\$ 32,202	0.0	\$ 146,314	1.3	2.5%
Total	\$ 5,880,353	0.0	\$ 5,868,118	1.5	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 5,824,118	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 5,824,118	100.0%



Summary of Program and Activities

This program provides grants to non-profit organizations to provide surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals. Grant funds are awarded to help offset the costs of harvesting, gleaning, and transporting Texas products statewide.

Summary of Recommendations and Fiscal and Policy Issues

- 1
Eligibility for the Surplus Agricultural Product Grant Program grants is limited to non-profit organizations with at least five years of experience coordinating a statewide network of food banks and charitable organizations that service each of the 254 Texas counties (Texas Agriculture Code, Ch. 21). According to the agency, this has traditionally been one organization, Feeding Texas. In the 2016-17 biennium, the grant amount of \$5.9 million in fiscal year 2016 was awarded to Feeding Texas through a competitive Request for Application process in order to solicit surplus products, harvesting, packaging, and transporting to 21 food banks in Texas.
- 2
Recommendations include \$5.9 million in General Revenue funding for the 2018-19 biennium, a decrease of \$12,235 in funding for the program. Recommendations include an increase in FTEs for the program due to the agency's increased commitment to advertising grant opportunities to communities across the state. (See Rider Highlights - Senate, Rider 10).

Recommended Statutory Changes for Program Improvement

- 1
The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

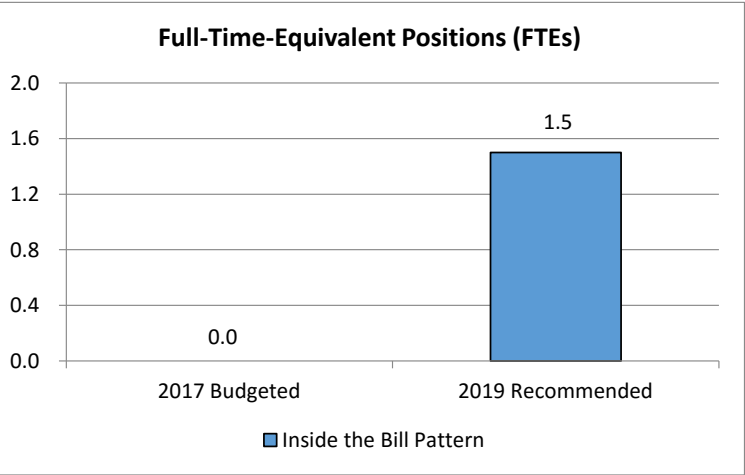
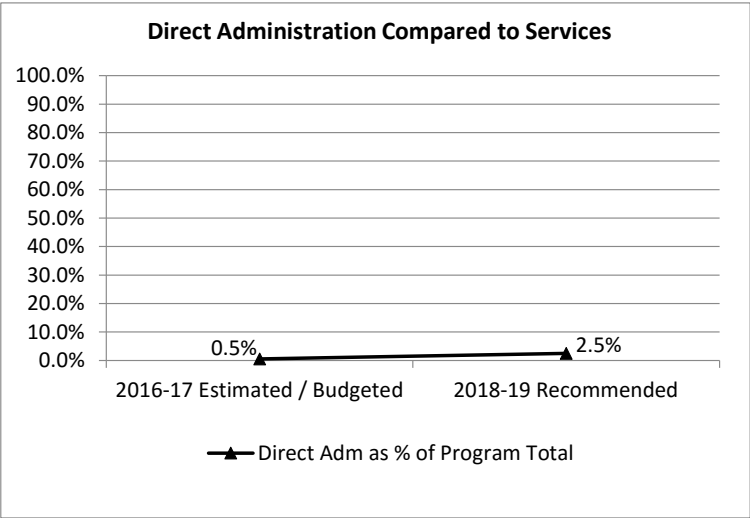
- 1
The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1
The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1
The agency's LAR request for the 2018-19 biennium included a reduction of \$44,000 in General Revenue for grant funding for the Texans Feeding Texans (Surplus Agricultural Products Grant Program) from 2016-17 funding levels. Recommendations do not include this reduction in grant funding and maintain funding levels for the program at 2016-17 funding levels.



Department of Agriculture
Strategic Fiscal Review Appendix 6aa: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Surplus Agricultural Product Grant Program (Low Income Students)

Agency Ranking 27 out of 31

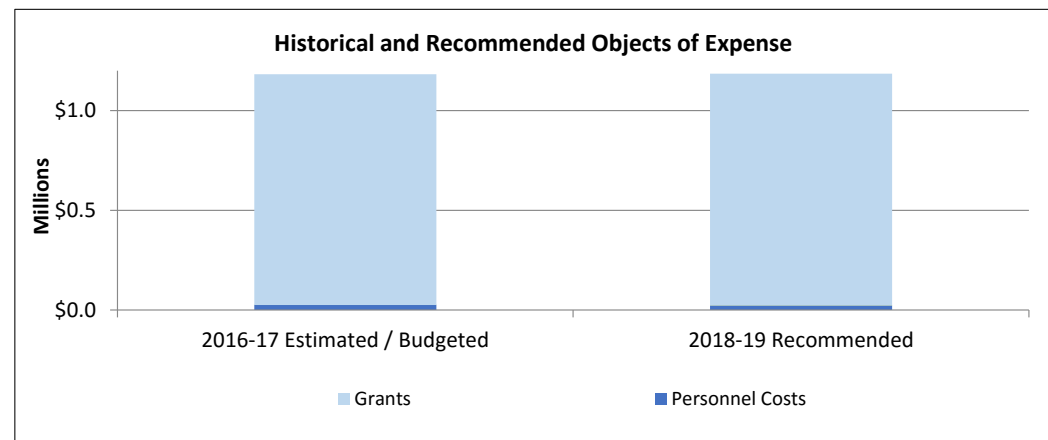
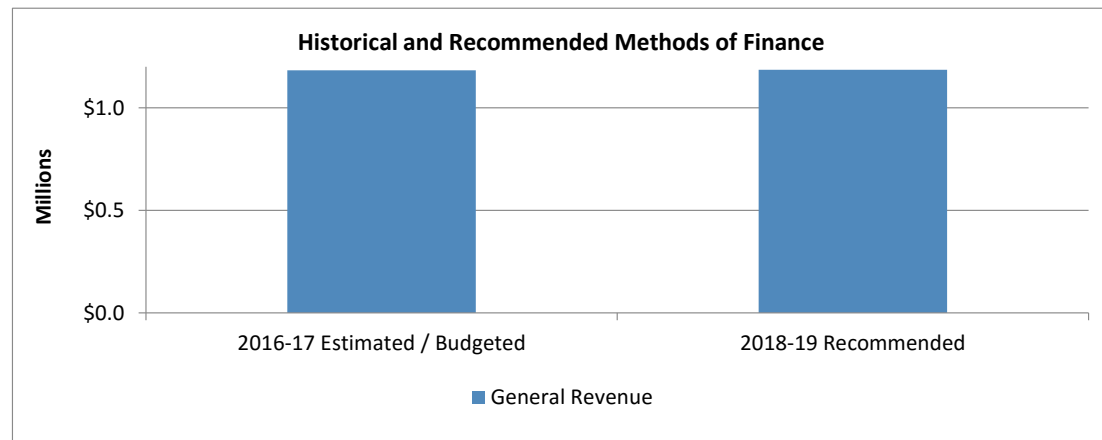
The goal of the program is to deliver access, continuity and education of fruits and vegetables to increase demand and intake among lower income children and their families. Programs such as Brighter Bites provide education along with weekly bags of fresh fruits and vegetables.

Legal Authority: House Bill 1, 84th Regular Legislative Session, 2015, (General Appropriations Act), Page VI-8, Rider 27

Year Implemented	2014	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Surplus Agriculture Serving Students Grants	\$ 1,172,559	0.1	\$ 1,177,462	0.1	99.3%
Direct Administration	\$ 10,029	0.1	\$ 7,714	0.1	0.7%
Total	\$ 1,182,588	0.2	\$ 1,185,176	0.2	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,125,176	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,125,176	100.0%



Program: Surplus Agricultural Product Grant Program (Low Income Students)

Agency
Ranking

27 out of 31

Summary of Program and Activities

This program provides grants to non-profit organizations to provide surplus agricultural products to low income students and their families and offers corresponding educational activities.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$1.2 million in General Revenue funding for the 2018-19 biennium, an increase of \$2,588 from 2016-17 funding levels for the program.
- 2 In the 2014-15 General Appropriations Act, Rider 34 identified \$300,000 of General Revenue in each fiscal year of the biennium for the Access, Continuity and Education with Fruits and Vegetables for our Youth (ACE for Health) pilot program. The rider further identified \$300,000 of General Revenue in each fiscal year of the biennium for the Brighter Bites Pilot Program. In the 2016-17 General Appropriations Act, Rider 27 identified \$600,000 of General Revenue per fiscal year of the biennium for any surplus agricultural grant programs serving low income students and their families. The grant was awarded through a competitive Request for Application process to Feeding Texas to operate two projects: Brighter Bites in partnership with the Brighter Bites organization and Texas food banks, and the Field to Fork Schools Initiative in partnership with the San Antonio Food Bank.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

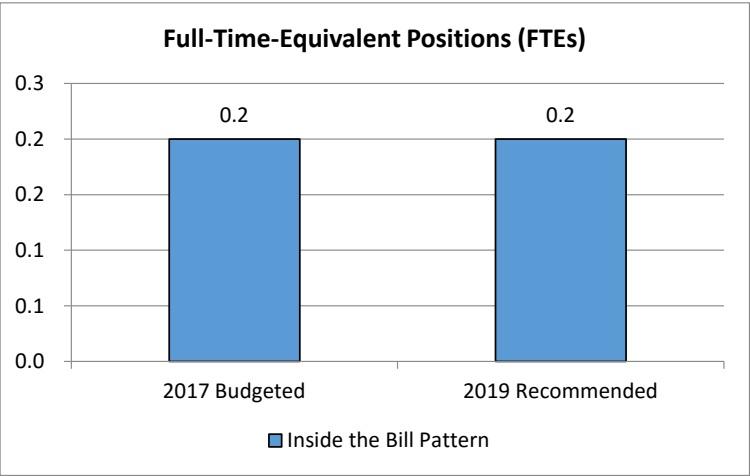
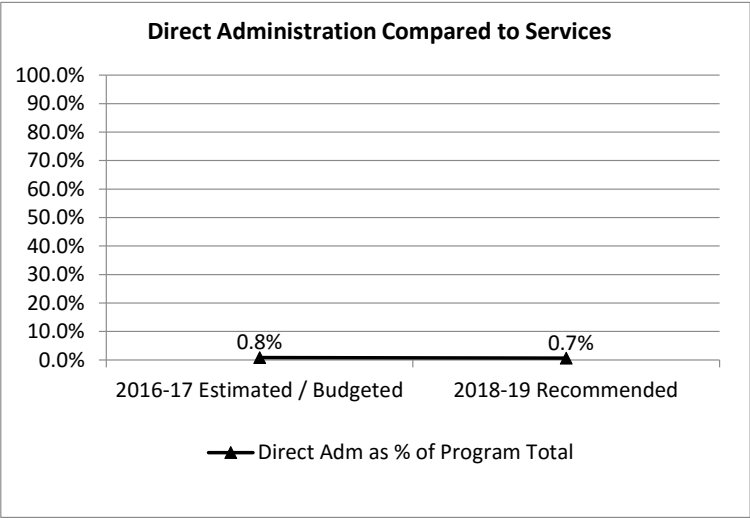
- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1 The agency's LAR request for the 2018-19 biennium included a reduction of \$44,000 in General Revenue for grant funding for the Surplus Agricultural product Grant Program. Recommendations do not include this reduction in grant funding and maintain funding levels for the program at 2016-17 funding levels.



Department of Agriculture
Strategic Fiscal Review Appendix 6ab: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: 3 E's (Education, Exercise & Eating Right) Nutrition Education

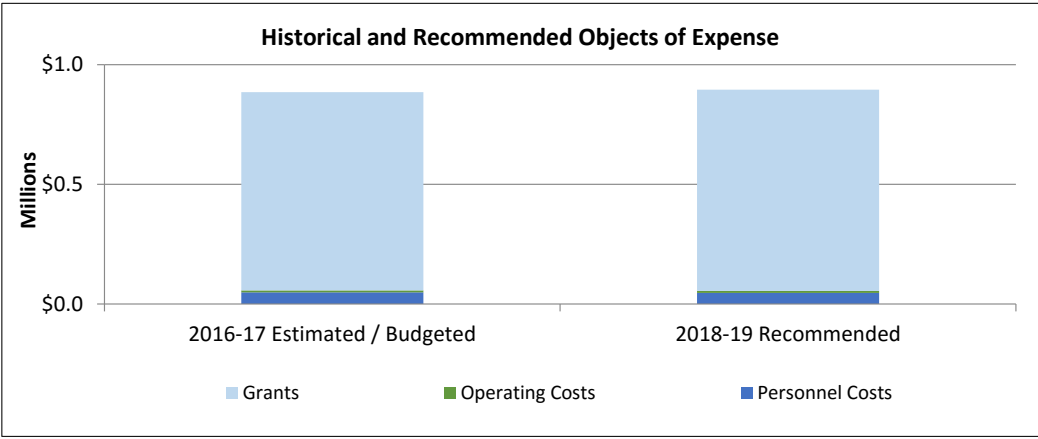
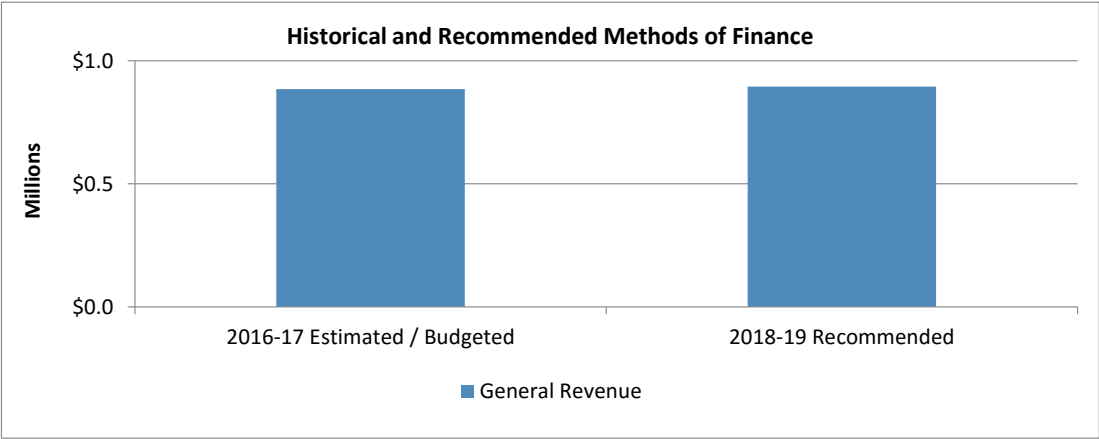
Agency Ranking 28 out of 31

3E's Nutrition Education Program provides grants to public schools, childcare centers and community organizations to increase awareness of the importance of good nutrition, especially for children and to encourage children's health and well-being through education, exercise and eating right.

Legal Authority:	Texas Agriculture Code, §12.0027; Texas Education Code, §38.026; Texas Human Resources Code, §33.028				
Year Implemented	2010	Performance and/or		Revenue Supported	No
Authority	Moderate	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
3E's Nutrition Education Grants	\$ 879,998	0.4	\$ 891,960	0.4	99.7%
Direct Administration	\$ 5,401	0.0	\$ 3,086	0.0	0.3%
Total	\$ 885,399	0.4	\$ 895,046	0.4	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 835,046	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 835,046	100.0%



Program: 3 E's (Education, Exercise & Eating Right) Nutrition Education

Agency Ranking

28 out of 31

Summary of Program and Activities

This program provides grants to public schools, childcare centers, and community organizations to promote better health and nutritional programs to prevent childhood obesity by increasing awareness of the importance of good nutrition through a combination of education, exercise, and eating right (the 3 E's of the program). The program has two grant categories: one program is designed to incentivize the creation of new education programs targeted for children ages 3 through 5 and is a competitive grant. The other grant rewards expansion of existing nutrition education programs in public schools only.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$0.9 million in General Revenue funding for the 2018-19 biennium, an increase of \$9,647 from 2016-17 funding levels for the program.

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

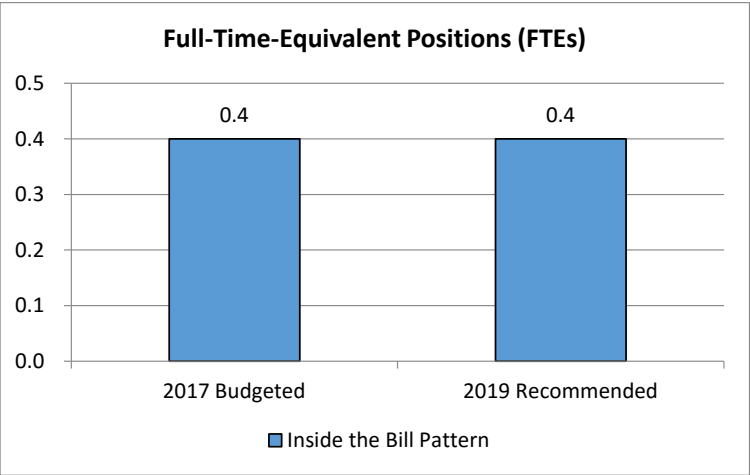
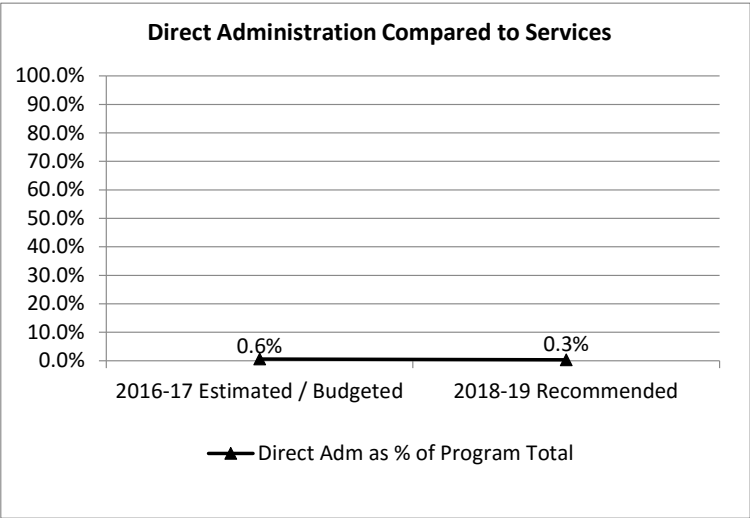
- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1 The agency's LAR request for the 2018-19 biennium included a reduction of \$60,000 in General Revenue for grant funding for the 3 E's (Education, Exercise and Eating Right) Nutrition Education Program. Recommendations do not include this reduction in grant funding and maintain funding levels for the program at 2016-17 funding levels.



Department of Agriculture
Strategic Fiscal Review Appendix 6ac: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Pesticide Data Program

Agency Ranking 29 out of 31

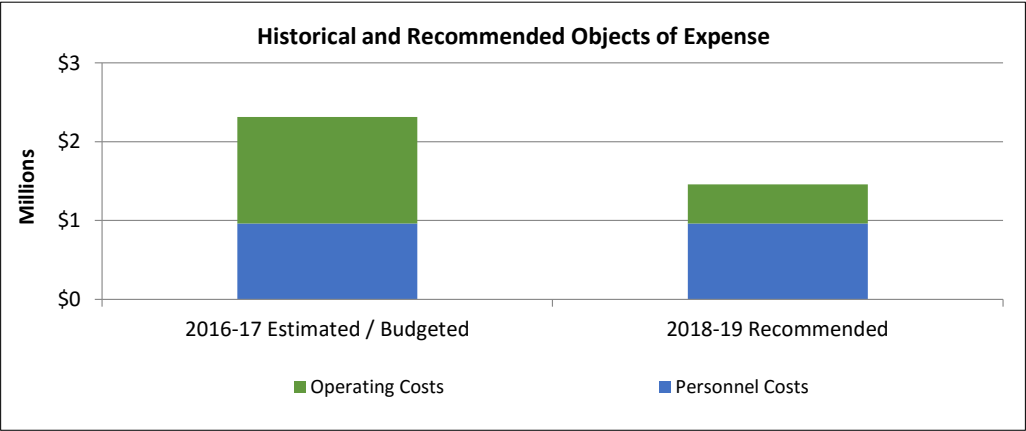
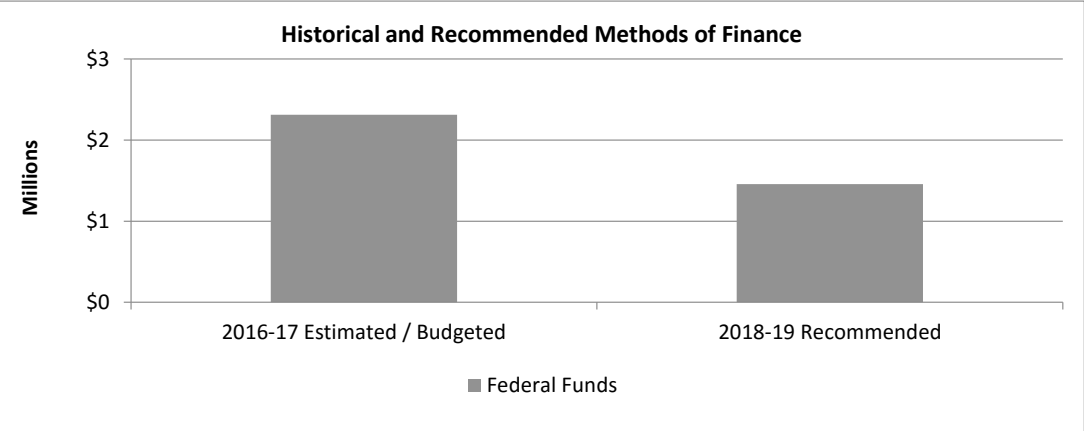
Manages the collection, analysis, data entry, and reporting of pesticide residues on agricultural commodities in the US food supply, with an emphasis on those commodities highly consumed by infants and children.

Legal Authority: Texas Agriculture Code, Ch. 76; Federal Insecticide, Fungicide and Rodenticide Act and Food Quality Protection Act (7 U.S.C. §136)

Year Implemented	1991	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Sampling/Analysis	\$ 2,305,310	9.3	\$ 1,451,614	9.3	99.5%
Direct Administration	\$ 6,690	0.0	\$ 6,690	0.0	0.5%
Total	\$ 2,312,000	9.3	\$ 1,458,304	9.3	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,458,304	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,458,304	100.0%



Program: Pesticide Data Program

Agency
Ranking

29 out of 31

Summary of Program and Activities

The Pesticide Data Program (PDP) collects samples of agricultural products at food distribution centers to test for pesticide residue in food products. For calendar year 2015, Texas was one of 10 states working with the US Department of Agriculture to collect and test samples for pesticide residue. The goal of the program is to protect and benefit producers, consumers, food processors, and pesticide producers and applicators. Pesticide residue levels from samples are compared to tolerances established by the Environmental Protection Agency to ensure that pesticide residues in food remain at safe levels.

Summary of Recommendations and Fiscal and Policy Issues

- 1
- Recommendations provide \$1.5 million in Federal Funds for 2018-19 biennium, a decrease of \$853,696 in funding compared to 2016-17 funding levels.

Recommended Statutory Changes for Program Improvement

- 1
- The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

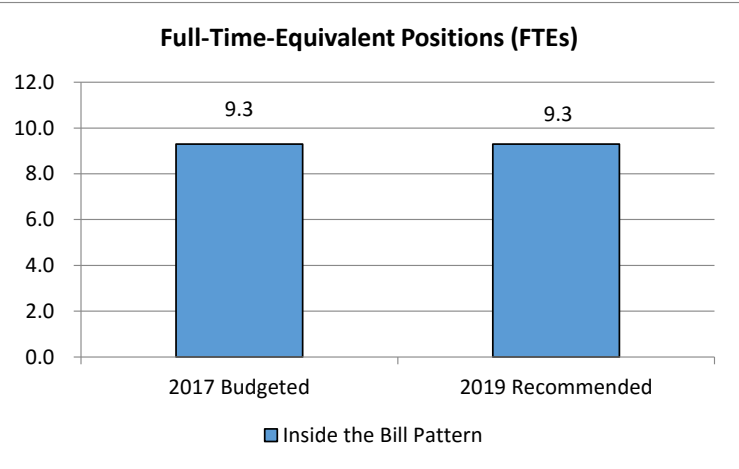
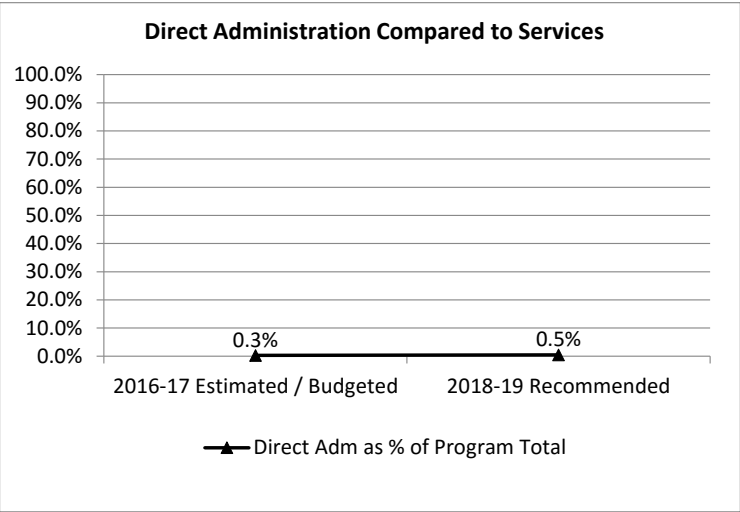
- 1
- The agency has identified an opportunity to enhance the program through the hiring of a lab technician, which would allow the chemist to focus on analysis. The agency has also requested capital budget authority using the MLPP for a Liquid Chromatograph/Tandem Mass Spectrometer to speed up the analysis process. This item is included in recommendations for the 2018-19 biennium. (See Selected Fiscal and Policy Issues - Senate, Item 11; Rider Highlights - Senate, Rider 6). The agency has also noted that obtaining a Laboratory Information Management System would enhance operations, as it would replace an outdated database. However, the agency did not request funding or authority for this purpose.

Challenges to Operation of Program

- 1
- The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1
- The agency did not provide any additional funding alternatives.



Department of Agriculture
Strategic Fiscal Review Appendix 6ad: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Zebra Chip Research Grant Program

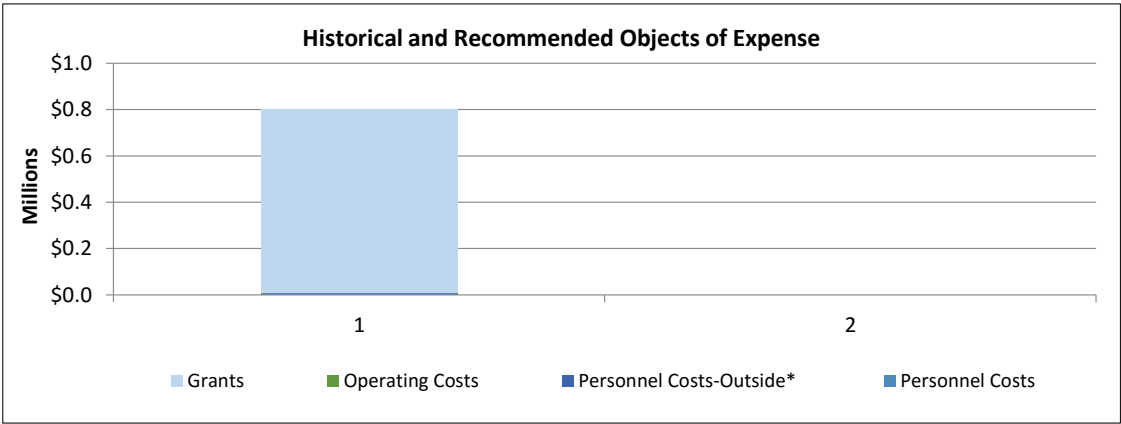
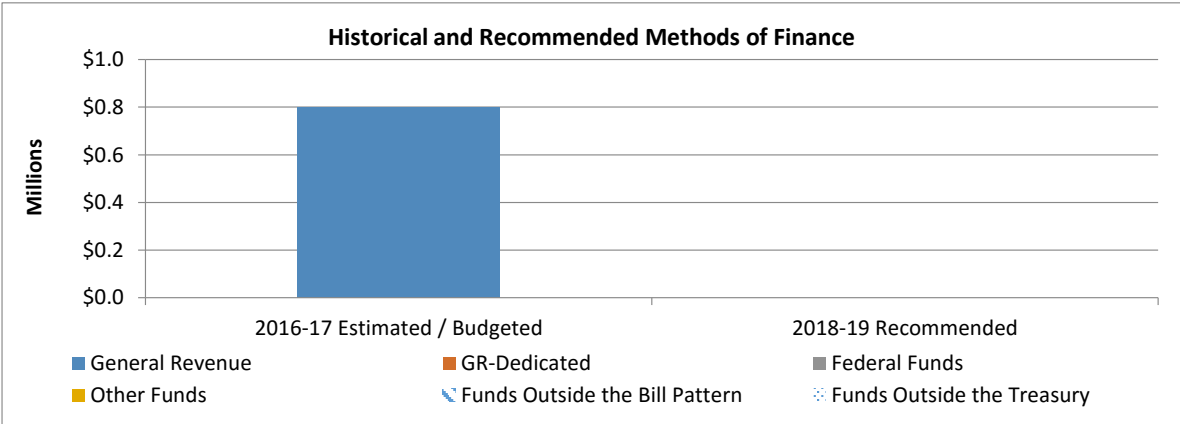
Agency Ranking 30 out of 31

The primary goal of the Zebra Chip Disease Grant Program is to fund research that minimizes the impact of the disease on Texas potato production and processing industries through research and extension activities. The agency provides a research grant to Texas A&M AgriLife for this purpose.

Legal Authority:	Texas Agriculture Code, Ch. 12; General Appropriations Act, 84th Regular Legislative Session, 2015, Article VI, Rider 16				
Year Implemented	2008	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Zebra Chip Grants	\$ 796,143	0.0	\$ -	0.0	0.0%
Direct Administration	\$ 3,857	0.0	\$ -	0.0	0.0%
Total	\$ 800,000	0.0	\$ -	0.0	0.0%

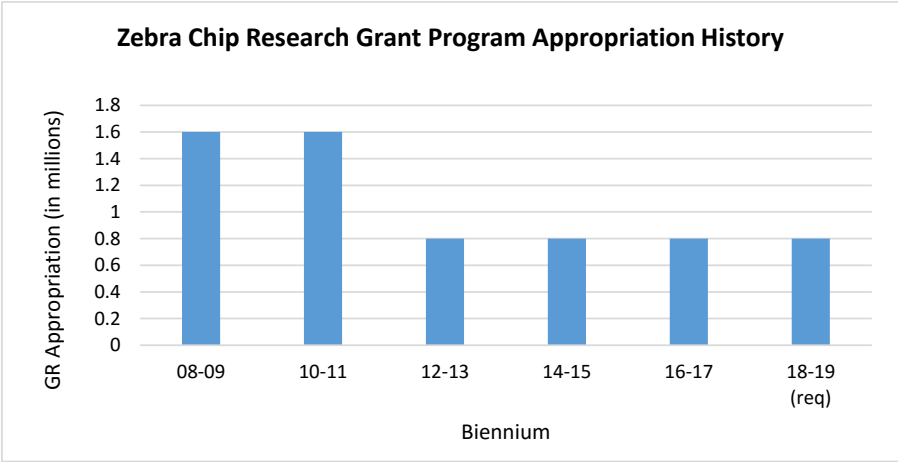
	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ -	0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ -	0.0%



Program: Zebra Chip Research Grant Program

Agency
Ranking

30 out of 31



Summary of Program and Activities

The Zebra Chip Research Grant Program funds research at Texas A&M AgriLife to minimize the impact of the Zebra Chip disease on Texas potato production and processing industries through research and extension activities. The agency directs grant solicitation and application documents, makes grant awards, and monitors Texas A&M AgriLife for performance and compliance, processes payment reimbursements, and provides technical assistance. This research supports potato production in Texas that is concentrated in the lower Rio Grande Valley, South Texas, the Southern High Plains, and the Northern High Plains.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations discontinue funding for the Zebra Chip Research Grant Program. Recommendations zero fund the program because General Revenue is being used to fund research that is economically beneficial to a select population of farmers, has been supported with \$5.6 million in General Revenue since the state of Texas began funding the research in 2008, and additional research funding can be reasonably expected to come from the affected industry. In addition, the agency ranked the Zebra Chip Research Grant program as second to last in the agency’s list of priorities (30 out of 31 programs) in the SFR submission, and the program has only weak authority. (See Selected Fiscal and Policy Issues - Senate, Item 5).

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

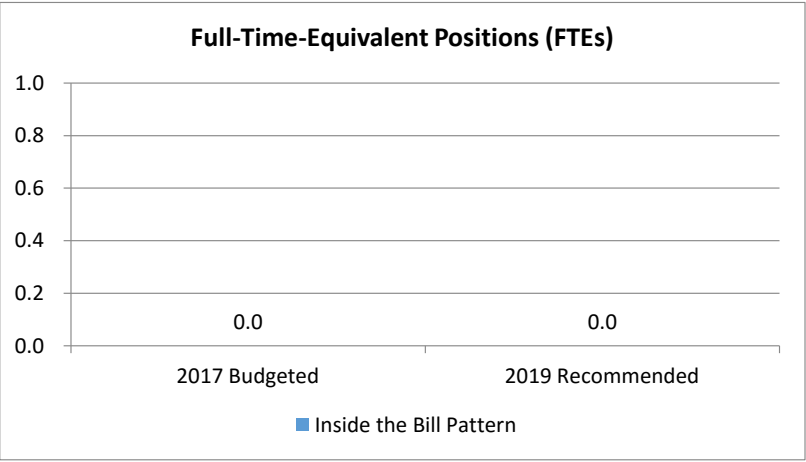
- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The agency identifies several challenges to this program that include 1) The biology of the pathogen and vector are still poorly understood, 2) a need for a better understanding of the population biology of the vector, 3) a need to develop potato varieties resistant to the disease, 4) a need for an evaluation on the economic feasibility of potential control measures, 5) a need to develop a disease forecasting model, and 6) a need for better engagement with stakeholders including producers, processors, researchers, and policy makers.

Funding Alternatives

- 1 The agency's base request included \$793,600 in direct program cost funding for the Zebra Chip Research Grant program in addition to \$6,400 in indirect program cost funding in the Indirect Administration program for a total of \$800,000 in General Revenue funding for the 2018-19 biennium.



Department of Agriculture
Strategic Fiscal Review Appendix 6ae: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Biofuels Infrastructure Partnership

**Agency
Ranking** 31 out of 31

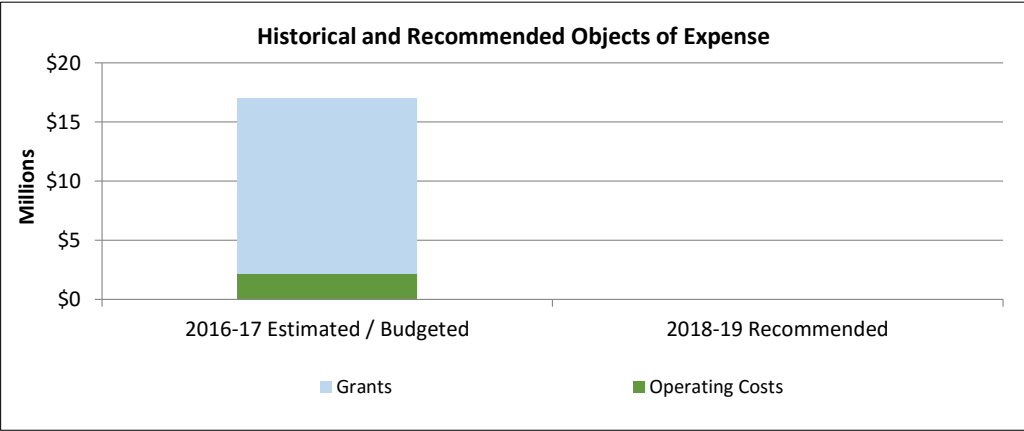
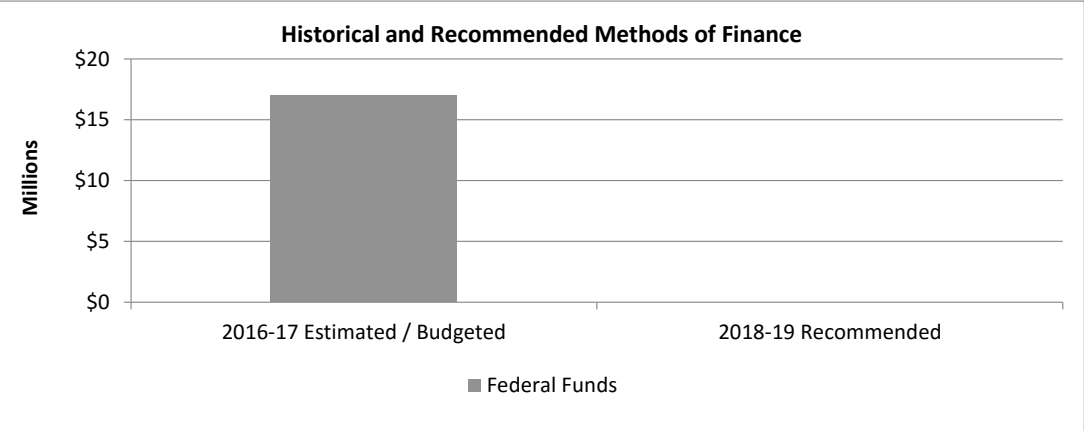
Biofuels Infrastructure Partnership aims to increase the consumption of biofuel in the form of ethanol.

Legal Authority: Texas Agriculture Code, Ch. 12; Commodity Credit Corporation Charter Act (15 U.S.C. 714c(b) and 714c(e)), §§5(b) and 5(c)

Year Implemented	2015	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Biofuels Infrastructure Partnership (BIP) Grants	\$ 17,000,000	0.0	\$ -	0.0	N/A
Direct Administration	\$ -	0.0	\$ -	0.0	N/A
Total	\$ 17,000,000	0.0	\$ -	0.0	N/A

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ -	N/A
Funds Outside the State Treasury	\$ -	N/A
Total	\$ -	N/A



Program:
Biofuels Infrastructure Partnership

Agency Ranking

31 out of 31

Summary of Program and Activities

The Biofuels Infrastructure Partnership, which began in 2015, is a program of the U.S. Department of Agriculture that provides matching federal funds for the stated goal of doubling the number of fueling pumps nationwide that supply renewable fuels to American motorists. The program provides federal financial assistance to fueling station partners to expand the infrastructure for renewable fuels derived from agricultural products produced in the United States. Each grant will fund a portion of the costs related to the installation of fuel pumps and related infrastructure dedicated to the distribution of higher ethanol blends, for example “E15” and “E85,” at vehicle fueling locations, including, but not limited to, local fueling stations, convenience stores, hypermarket fueling stations, or fleet facilities in Texas. Texas has 148 proposed stations, 763 proposed pumps, and 39 proposed tanks.

Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include no funding and no FTEs for the program for 2018-19. The Biofuels Infrastructure Partnership is a one-time grant that will end after fiscal year 2017. No other federal grants are expected to replace this funding. (See Summary of Federal Funds - Senate).

Recommended Statutory Changes for Program Improvement

- 1 The agency did not identify any specific statutory changes that could improve the program's effectiveness.

Enhancement Opportunities

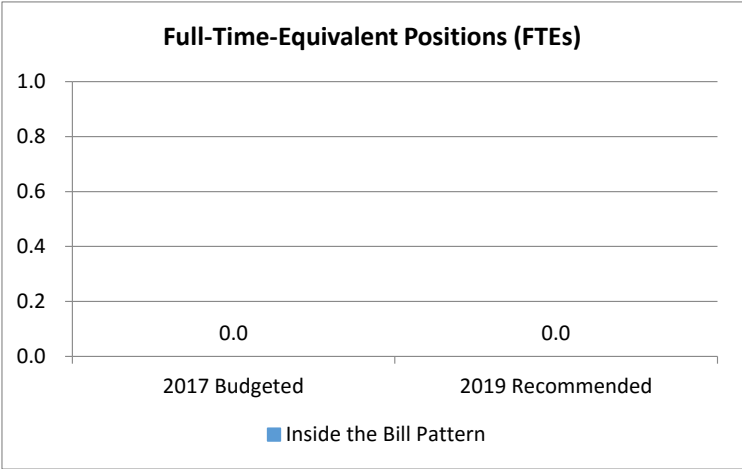
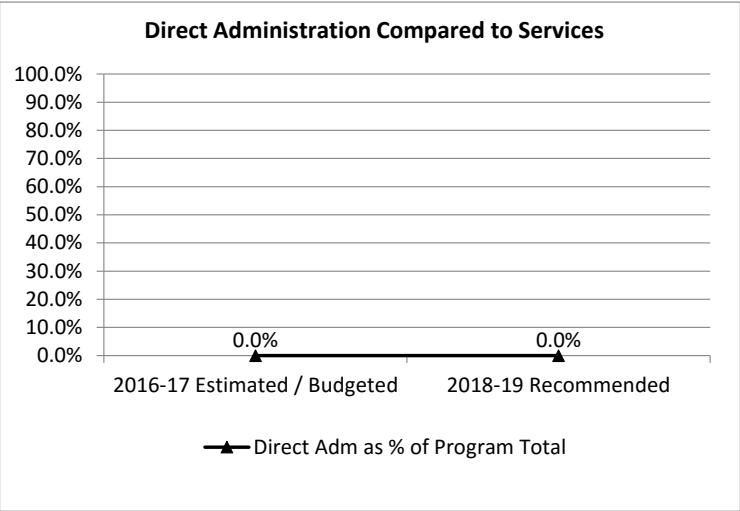
- 1 The agency did not identify any specific opportunities to enhance the program given additional resources.

Challenges to Operation of Program

- 1 The agency did not identify any specific challenges to the operation of the program.

Funding Alternatives

- 1 The agency did not provide any additional funding alternatives.



**Department of Agriculture
Appendices - Senate**

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Department of Agriculture
Funding Changes and Recommendations - Senate, by Program -- ALL FUNDS

Program Area	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
Administration					
INDIRECT ADMINISTRATION	\$21,149,650	\$22,334,972	\$1,185,322	5.6%	The recommended increase of \$1.2 million is primarily comprised of: a) An increase of \$722,246 in General Revenue for previously vacant positions, salary increases, travel costs, and other operating expenses deferred in 2016-17. b) An increase of \$219,300 in General Revenue due to increased capital costs for the Vehicles capital project (\$147,500) and Computer Equipment & Software capital project (\$71,800). c) A decrease of \$243,776 in General Revenue as a result of the TCIP direct cost funding changing from General Revenue to Appropriated Receipts; the corresponding increase in Appropriated Receipts is found in the TCIP. d) A decrease of \$156,000 in General Revenue as a result of the TCIP indirect cost funding changing from General Revenue to Appropriated Receipts; there is a corresponding increase of \$156,000 in Appropriated Receipts.
Subtotal, Administration	\$21,149,650	\$22,334,972	\$1,185,322	5.6%	
Food and Nutrition					
3 E'S (EDUCATION, EXERCISE & EATING RIGHT) NUTRITION EDUCATION	\$885,399	\$895,046	\$9,647	1.1%	

Department of Agriculture
Funding Changes and Recommendations - Senate, by Program -- ALL FUNDS

Program Area	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CHILD NUTRITION - COMMUNITY NUTRITION PROGRAM	\$948,207,110	\$1,117,709,767	\$169,502,657	17.9%	The recommended increase of \$169,502,654 is primarily due to an increase in Federal Funds for various child nutrition programs; most significantly, the Child and Adult Care Food program was increased by \$161.2 million (including a decrease of \$238,094 for the Computer Equipment & Software capital project); the Summer Food Service Program for Children was increased by \$12.0 million; and state administrative expenses for the Child Nutrition Program were decreased by \$5.0 million.
CHILD NUTRITION - SCHOOL NUTRITION PROGRAM	\$88,287,805	\$97,432,435	\$9,144,630	10.4%	The recommended increase of \$9,144,630 in Federal Funds is primarily due to an increase in Federal Funds for various child nutrition programs; most significantly, the Fresh Fruit and Vegetable Program was increased by \$4.8 million; the National School Lunch Program was increased by \$2.5 million; and the School Breakfast Program was increased by \$1.8 million (including a decrease of \$483,406 for the Computer Equipment & Software capital project).
SURPLUS AGRICULTURAL PRODUCT GRANT PROGRAM (LOW INCOME STUDENTS)	\$1,182,588	\$1,185,176	\$2,588	0.2%	
TEXANS FEEDING TEXANS (HOME DELIVERED MEALS)	\$18,404,112	\$18,351,712	(\$52,400)	(0.3%)	
TEXANS FEEDING TEXANS (SURPLUS AGRICULTURAL PRODUCTS GRANT PROGRAM)	\$5,880,353	\$5,868,118	(\$12,235)	(0.2%)	
Subtotal, Food and Nutrition	\$1,062,847,367	\$1,241,442,254	\$178,594,887	16.8%	
Markets and Public Health					
BIOFUELS INFRASTRUCTURE PARTNERSHIP GRANTS	\$17,000,000	\$0	(\$17,000,000)	(100.0%)	The recommended decrease of \$17,000,000 in Federal Funds is due to one-time funding for Biofuel Infrastructure Partnership grants, used to increase the demand for ethanol by strengthening infrastructure for distribution of higher ethanol blends.

Department of Agriculture
Funding Changes and Recommendations - Senate, by Program -- ALL FUNDS

Program Area	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
BOLL WEEVIL ERADICATION	\$13,985,628	\$9,785,628	(\$4,200,000)	(30.0%)	The recommended decrease of \$4,200,000 in General Revenue is due to the successful Boll Weevil eradication efforts across the state. A decrease of \$3.0 million for the program was submitted by the agency as part of the 4 percent reduction.
COMMODITY BOARDS	\$74,206	\$74,206	\$0	0.0%	
FERAL HOG ABATEMENT PROGRAM	\$888,508	\$885,184	(\$3,324)	(0.4%)	
HANDLING AND MARKETING OF PERISHABLE COMMODITIES	\$46,278	\$46,278	\$0	0.0%	
INTERNATIONAL AND DOMESTIC TRADE PROGRAM	\$1,057,574	\$1,162,870	\$105,296	10.0%	The recommended increase of \$105,296 in cost-recovery General Revenue is for operating expenses of the International and Domestic Trade program in order to promote Texas agriculture domestically and internationally.
LIVESTOCK EXPORT PENS	\$2,106,559	\$2,185,211	\$78,652	3.7%	
SPECIALTY CROP BLOCK GRANT PROGRAM	\$3,708,114	\$3,428,438	(\$279,676)	(7.5%)	The recommended decrease of \$279,676 in Federal Funds is due to an expected reduction in available Specialty Crop Block Grant program funding for 2018-19, used to enhance the competitiveness of specialty crops.
WINE MARKETING, RESEARCH AND EDUCATION	\$500,000	\$500,000	\$0	0.0%	
ZEBRA CHIP RESEARCH GRANT PROGRAM	\$800,000	\$0	(\$800,000)	(100.0%)	The Zebra Chip Resarch Grant program is zero-funded in recommendations for the 2018-19 biennium, a reduction of \$800,000 in General Revenue for the program.
Subtotal, Markets and Public Health	\$40,166,867	\$18,067,815	(\$22,099,052)	(55.0%)	
Rural Affairs					
RURAL COMMUNITY & ECONOMIC DEVELOPMENT	\$150,331,735	\$135,469,509	(\$14,862,226)	(9.9%)	The recommended decrease of \$14,862,226 is primarily comprised of: a) A decrease of \$1,029,626 in Federal Funds and General Revenue-Match funding for the Community Development Block Grant program, which provides housing and expanding economic opportunities.

Department of Agriculture
Funding Changes and Recommendations - Senate, by Program -- ALL FUNDS

Program Area	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					b) A decrease of \$7,065,000 in Texas Agriculture Fund No. 683 due predominately to the retirement of \$7,065,000 in Texas Agricultural Fund Authority debt retirement. c) A decrease of \$6,720,000 in the Texas Economic Development Fund No. 183; these are federal funds awarded for the specific purpose of funding venture capital fund companies to promote economic development in rural Texas.
RURAL HEALTH	\$9,004,453	\$8,688,842	(\$315,611)	(3.5%)	The recommended decrease of \$315,611 in General Revenue is primarily due to reduced costs of indirect administration in fiscal year 2016, which resulted increased funding available for contracting costs and capital expenditures, used to further contracts with the Texas Tech University Health Sciences Center and the Texas Organization of Rural and Community Health.
Subtotal, Rural Affairs	\$159,336,188	\$144,158,351	(\$15,177,837)	(9.5%)	
Standards & Measurements					
AGRICULTURAL PESTICIDE REGULATION	\$10,364,402	\$10,271,173	(\$93,229)	(0.9%)	
EGG QUALITY REGULATION	\$946,544	\$946,544	\$0	0.0%	
FUEL QUALITY	\$2,262,646	\$2,439,952	\$177,306	7.8%	The recommended increase of \$177,306 in Appropriated Receipts is due to the agency's increased fee rates and the resulting increased funding available for the program. The increased funding is primarily allocated for salaries and wages, fuels and lubricants, and capital expenditures (the Computer Equipment & Software and Fleet Vehicles capital projects).
GRAIN WAREHOUSE	\$866,050	\$952,418	\$86,368	10.0%	
METROLOGY	\$785,808	\$906,421	\$120,613	15.3%	The recommended increase of \$120,613 in cost-recovery General Revenue is for increased operating expenses for the Metrology program, and includes funding for payments on the Metrology Lab.
ORGANIC CERTIFICATION PROGRAM	\$1,290,846	\$1,290,846	\$0	0.0%	

Department of Agriculture
Funding Changes and Recommendations - Senate, by Program -- ALL FUNDS

Program Area	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
PESTICIDE DATA PROGRAM	\$2,312,000	\$1,458,304	(\$853,696)	(36.9%)	The recommended decrease of \$853,696 in Federal Funds is due to an expected reduction in available Market Protection and Promotion funding for 2018-19.
PLANT HEALTH	\$11,882,833	\$10,020,804	(\$1,862,029)	(15.7%)	The recommended decrease of \$1,862,029 is primarily comprised of: a) A decrease of \$721,055 in General Revenue due to one-time funding for the Border Inspection Grant. This decrease was submitted by the agency as part of the 4 percent reduction. b) A decrease of \$237,434 in General Revenue due to expanding funding for the Computer Equipment & Software project to all affected programs. c) A decrease of \$807,516 in Federal Funds due to reduced funding for the treatment of plant and animal diseases.
PRESCRIBED BURN PROGRAM	\$2,076	\$2,076	\$0	0.0%	
STRUCTURAL PEST CONTROL	\$4,840,910	\$4,682,838	(\$158,072)	(3.3%)	The recommended decrease of \$158,072 is primarily comprised of \$145,074 in Federal Funds due to the Pesticide Enforcement Program ending in 2017.
TEXAS COOPERATIVE INSPECTION PROGRAM	\$328,422	\$243,776	(\$84,646)	(25.8%)	
WEIGHTS & MEASURES PROGRAM	\$16,913,336	\$14,705,981	(\$2,207,355)	(13.1%)	The recommended decrease of \$2,207,355 in General Revenue and cost-recovery General Revenue is primarily comprised of: a) An increase of \$549,857 in General Revenue for salaries and wages associated with annualizing salaries from a Consumer Protection exceptional item funded in the 2016-17 biennium b) A decrease of \$1,524,572 in General Revenue and cost-recovery General Revenue due to one-time expenditures and reduced other operating expenses funding.

Department of Agriculture
Funding Changes and Recommendations - Senate, by Program -- ALL FUNDS

Program Area	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					c) A decrease of \$919,594 in various funding for capital expenditures, including a decrease of \$380,000 associated with zero-funding the Octane Analyzers capital project; a decrease of \$543,400 in General Revenue and an increase of \$31,400 in Appropriated Receipts for the Fleet Vehicles capital project; a decrease of \$54,384 in General Revenue for the Computer Equipment & Software capital project; and an increase of \$53,817 in General Revenue funding for MLPP lease payments for a Weight Truck.
					d) A decrease of \$25,970 in Interagency Contract funding as a result of a contract with the Lottery Commission for the weighing of draw game balls expiring in 2016.
Subtotal, Standards & Measurements	\$52,795,873	\$47,921,133	(\$4,874,740)	(9.2%)	
Total, All Program Areas	\$1,336,295,945	\$1,473,924,525	\$137,628,580	10.3%	

Department of Agriculture
Summary of Federal Funds - Senate
(Dollar amounts in Millions)

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child and Adult Care Food Program	\$387.0	\$422.1	\$464.2	\$506.1	\$809.1	\$970.3	72.0%	\$161.2	19.9%
Community Development Block Grants	\$61.5	\$61.5	\$61.0	\$61.0	\$123.0	\$122.0	9.0%	(\$1.0)	(0.8%)
Summer Food Service Program for Children	\$47.2	\$47.2	\$51.3	\$55.0	\$94.4	\$106.3	7.9%	\$11.9	12.6%
State Administrative Expenses for Child Nutrition	\$30.8	\$34.2	\$29.6	\$30.5	\$65.0	\$60.0	4.5%	(\$5.0)	(7.7%)
National School Lunch Program	\$11.4	\$11.4	\$12.2	\$12.4	\$22.8	\$24.6	1.8%	\$1.8	7.8%
Fresh Fruit & Vegetable Program	\$7.6	\$7.6	\$9.8	\$10.2	\$15.2	\$20.0	1.5%	\$4.8	31.8%
Emergency Food Assistance Program	\$6.0	\$6.0	\$6.9	\$6.9	\$12.0	\$13.8	1.0%	\$1.8	15.0%
School Breakfast Program	\$5.2	\$5.2	\$6.1	\$6.2	\$10.5	\$12.3	0.9%	\$1.8	17.7%
Commodity Supplemental Food Program	\$2.4	\$2.4	\$2.5	\$2.5	\$4.8	\$5.0	0.4%	\$0.3	5.3%
Specialty Crop Block Grant Program	\$1.9	\$1.9	\$1.7	\$1.7	\$3.7	\$3.4	0.3%	(\$0.3)	(7.5%)
WIC Farmers Market Nutrition Program	\$1.0	\$1.0	\$1.0	\$1.0	\$2.0	\$2.1	0.2%	\$0.1	3.2%
Plant and Animal Disease, Pest Control,	\$1.2	\$1.2	\$0.9	\$0.9	\$2.5	\$1.8	0.1%	(\$0.6)	(25.7%)
Small Rural Hospital Improvement Grant Program	\$0.8	\$0.8	\$0.8	\$0.8	\$1.5	\$1.6	0.1%	\$0.0	2.6%
Market Protection and Promotion	\$1.2	\$1.2	\$0.7	\$0.7	\$2.3	\$1.5	0.1%	(\$0.9)	(36.9%)
State Rural Hospital Flexibility Program	\$0.7	\$0.7	\$0.7	\$0.7	\$1.3	\$1.3	0.1%	(\$0.0)	(2.9%)
Pesticide Enforcement Program	\$0.7	\$0.7	\$0.6	\$0.6	\$1.3	\$1.1	0.1%	(\$0.2)	(16.2%)
Organic Certification Cost Share Programs	\$0.3	\$0.3	\$0.3	\$0.3	\$0.6	\$0.6	0.0%	\$0.0	0.0%
Grants to States for Operation of Offices	\$0.2	\$0.2	\$0.2	\$0.2	\$0.4	\$0.3	0.0%	(\$0.0)	(4.4%)
Senior Farmers Market Nutrition Program	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	0.0%	(\$0.0)	(14.2%)
PLANT AND ANIMAL DISEASE/PEST CONTROL FIRE ANT	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.1	0.0%	(\$0.1)	(42.0%)
Special Milk Program for Children	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	0.0%	\$0.0	11.3%
PLANT AND ANIMAL GYPSY MOTH	\$0.1	\$0.1	\$0.0	\$0.0	\$0.1	\$0.1	0.0%	(\$0.1)	(44.1%)
Market News	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%
Biofuel Infrastructure Partnership	\$8.3	\$8.7	\$0.0	\$0.0	\$17.0	\$0.0	0.0%	(\$17.0)	(100.0%)
TOTAL:	\$575.5	\$614.5	\$650.7	\$697.8	\$1,190.0	\$1,348.5	100.0%	\$158.5	13.3%

Department of Agriculture
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	704.3	685.0	685.0	685.0	685.0
Actual/Budgeted	615.3	622.8	711.0	711.0	711.0

Schedule of Exempt Positions (Cap)					
Commissioner of Agriculture, Group 5	\$137,500	\$140,938	\$140,938	\$140,938	\$140,938

Notes:

a) The Department of Agriculture is requesting 26 FTEs above their FTE cap per fiscal year that are supported entirely by Federal Funds in the Child Nutrition programs. The agency's budgeted and recommended FTE levels for 2017-19 are within the limitations proscribed by Article IX, Section 6.10(a).

**Department of Agriculture
Performance Measure Highlights - Senate**

Appendix D

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Percent of Rural Communities Assisted	28.90	38.00	20.80	20.00	20.00
<i>Measure Explanation: This measures the percent of rural communities that the Department of Agriculture has assisted through the Maintain Trade & Expand Agricultural Industry Opportunities objective. The value for 2016 spiked because of flooding assistance the agency provided to rural areas.</i>					
Percent of Independent School Districts Inspected Found to be in Compliance	54.71	61.61	55.00	55.00	55.00
<i>Measure Explanation: This measures the percent of independent school districts inspected where noncompliance with federal regulations did not result in a claim disallowance, or where the claim disallowance was below a disregard threshold. Low compliance rates are expected to continue through the 2018-19 biennium.</i>					
Number of Entities Enrolled in TDA Marketing Programs	1,671	1,906	2,116	1,675	1,675
<i>Measure Explanation: This measures the number of entities that are enrolled in marketing programs provided by the Department of Agriculture. The decrease predicted in the 2018-19 biennium is due to the agency's predictions that the cost recovery requirement that began in fiscal year 2016 will result in insufficient funds to provide benefits at levels which would attract and retain more members.</i>					

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

Appendix E

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)	Feral Hog Abatement	Feral hog damages are estimated at \$500 million annually in Texas. Reduction in funding will impact partnerships with other Texas departments, services, and counties in elimination efforts.	\$250,000	\$250,000	0.0	\$0	2%	No
2)	Zebra Chip Research	Minimize research needed to develop economically reliable and effective management strategies on the Zebra Chip Disease as it impacts the Texas potato industry.	\$200,000	\$200,000	0.0	\$0	2%	Yes
3)	Surplus Agricultural Product Grants (Brighter Bites)	The number of low-income students and their families who receive fresh produce, along with nutrition education would be reduced.	\$335,000	\$335,000	0.0	\$0	3%	No
4)	Home Delivered Meals Grant Program	Reduction in the Home Delivered Meals program would decrease the number of meals organizations are able to provide to homebound elderly and disabled Texans.	\$2,723,976	\$2,723,976	0.0	\$0	23%	No
5)	Surplus Agricultural Product Grant (Food Banks)	Reduce the amount of fresh produce food banks are able to acquire and distribute to partner agencies impacting needy Texans across the state.	\$525,000	\$525,000	0.0	\$0	4%	No
6)	3Es Nutrition Education Grant Program	Reduction of awards to schools for programs to increase awareness of good nutrition and encourage child health and well-being.	\$220,000	\$220,000	0.0	\$0	2%	No
7)	Tx Boll Weevil Eradication	Texas' cotton and cottonseed industry is dependent on the success of boll weevil eradication. In 2015, eleven zones were combined into a Maintenance Area; however, wetter and warmer winter weather conditions made eradication treatments extremely difficult in the other zones. Additionally the Lower Rio Grande Valley (LRGV) is continuously susceptible to boll weevils coming from non-treated fields in Mexico. Reduction of effort would impact the success in the four remaining zones, particularly the LRGV.	\$1,200,000	\$1,200,000	0.0	\$0	10%	Yes
8)	Rural Health Capital Improvement Grant /Loan Program	Reduced number of hospitals in rural communities will receive funding to make capital improvements to existing health facilities, construct new health facilities, or purchase capital equipment.	\$187,824	\$187,824	0.0	\$0	2%	No
9)	Feral Hog Abatement	Feral hog damages are estimated at \$500 million annually in Texas. Reduction in funding will impact partnerships with other Texas departments, services, and counties in elimination efforts.	\$250,000	\$250,000	0.0	\$0	2%	No

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

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			
10)	Zebra Chip Research	Minimize research needed to develop economically reliable and effective management strategies on the Zebra Chip Disease as it impacts the Texas potato industry.	\$200,000	\$200,000	0.0	\$0	2%	Yes
11)	Surplus Agricultural Product Grants (Brighter Bites)	The number of low-income students and their families who receive fresh produce, along with nutrition education would be reduced.	\$335,000	\$335,000	0.0	\$0	3%	No
12)	Home Delivered Meals Grant Program	Reduction in the Home Delivered Meals program would decrease the number of meals organizations are able to provide to homebound elderly and disabled Texans.	\$2,723,976	\$2,723,976	0.0	\$0	23%	No
13)	Surplus Agricultural Product Grant (Food Banks)	Reduce the amount of fresh produce food banks are able to acquire and distribute to partner agencies impacting needy Texans across the state.	\$525,000	\$525,000	0.0	\$0	4%	No
14)	3Es Nutrition Education Grant Program	Reduction of awards to schools for programs to increase awareness of good nutrition and encourage child health and well-being.	\$220,000	\$220,000	0.0	\$0	2%	No
15)	Tx Boll Weevil Eradication	Texas' cotton and cottonseed industry is dependent on the success of boll weevil eradication. In 2015, eleven zones were combined into a Maintenance Area; however, wetter and warmer winter weather conditions made eradication treatments extremely difficult in the other zones. Additionally the Lower Rio Grande Valley (LRGV) is continuously susceptible to boll weevils coming from non-treated fields in Mexico. Reduction of effort would impact the success in the four remaining zones, particularly the LRGV.	\$1,200,000	\$1,200,000	0.0	\$0	10%	No
16)	Rural Health Capital Improvement Grant /Loan Program	Reduced number of hospitals in rural communities will receive funding to make capital improvements to existing health facilities, construct new health facilities, or purchase capital equipment.	\$187,824	\$187,824	0.0	\$0	2%	No
TOTAL, 10% Reduction Options			\$11,283,600	\$11,283,600	0.0	\$0		