

Department of Agriculture Summary of Budget Recommendations - Senate

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Sid Miller, Commissioner
George Dziuk, LBB Analyst

Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$98,523,025	\$90,707,363	(\$7,815,662)	(7.9%)
GR Dedicated Funds	\$2,363,600	\$4,305,784	\$1,942,184	82.2%
<i>Total GR-Related Funds</i>	<i>\$100,886,625</i>	<i>\$95,013,147</i>	<i>(\$5,873,478)</i>	<i>(5.8%)</i>
Federal Funds	\$1,327,795,145	\$1,282,300,862	(\$45,494,283)	(3.4%)
Other	\$7,807,084	\$6,381,369	(\$1,425,715)	(18.3%)
All Funds	\$1,436,488,854	\$1,383,695,378	(\$52,793,476)	(3.7%)

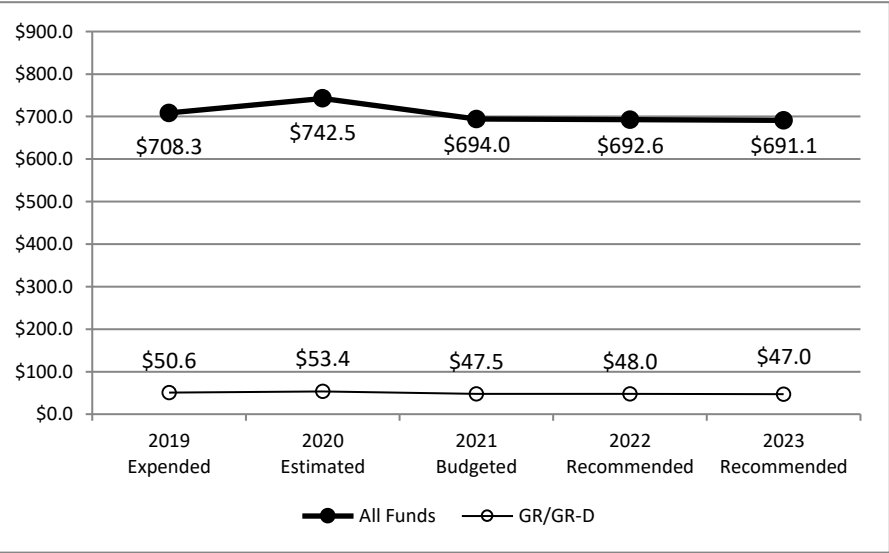
	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	700.2	697.2	(3.0)	(0.4%)

Agency Budget and Policy Issues and/or Highlights

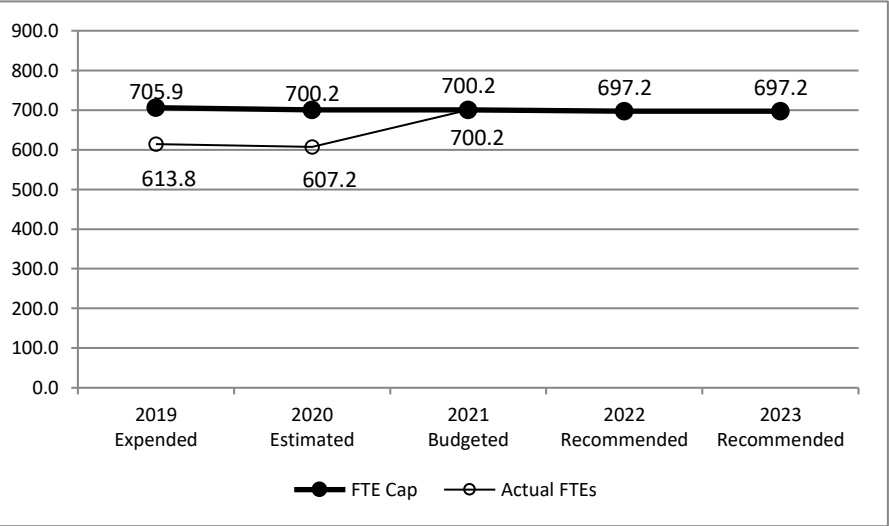
- The Department of Agriculture (TDA) underwent a Strategic Fiscal Review in fiscal year 2020.

The bill pattern for this agency (2022-23 Recommended) represents an estimated 99.9% of the agency's estimated total available funds for the 2022-23 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 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Decrease in General Revenue for one-time expenditures in 2020-21 including funding for implementation of the Centralized Accounting and Payroll/Personnel System (CAPPS) Human Resource module, vehicle replacements, and Federal Funds for Coronavirus Relief Funds not continuing into the 2022-23 biennium. See also, Selected Fiscal and Policy Issues - Senate #1 and Items Not Included in Recommendations - Senate #5.	(\$0.7)	\$0.0	(\$212.5)	\$0.0	(\$213.2)	A.2.2, B.1.1, B.1.2, B.2.1, B.2.2, B.3.1, C.1.1, D.1.1, D.1.2, D.1.3
B)	Decrease in General Revenue for removal of funding for the Boll Weevil Eradication Program. See also, Selected Fiscal and Policy Issues - Senate #2 .	(\$8.7)	\$0.0	\$0.0	\$0.0	(\$8.7)	B.2.1
C)	Increase in General Revenue for various programs to provide funding at the 2022-23 approved General Revenue/General Revenue-Dedicated limit and to replace a portion of the amount reduced in excess of funding reductions required to attain the 5 percent target in 2020-21 reflected in the agency's base spending. This funding provides for agency operations, the International and Domestic Trade program, the Hemp program, the Egg Quality Regulation and Grain Warehouse program, the Weights, Measures & Metrology program, and the Texans Feeding Texans programs. See also Selected Fiscal and Policy Issues - Senate #3.	\$0.8	\$0.0	\$0.0	\$0.0	\$0.8	A.2.1, B.1.1, B.1.2, B.3.1, C.1.2
D)	Increase in General Revenue to fund the Suprlus Agricultural Products Grant program at the 2020-21 appropriated level that provides surplus agricultural products to food banks and other chartiable organizations . See also, Selected Fiscal and Policy Issues - Senate #7	\$2.0	\$0.0	\$0.0	\$0.0	\$2.0	C.1.2
E)	Increase in General Revenue to provide additional required matching funds for an anticipated increase in Community Development Block Grant (CDBG) Federal Funds. The additional CDBG funds will provide for additional community and economic development projects in rural areas and rural hospital grants. In addition, the increased General Revenue is within the 2022-23 approved GR/GR-D limit and will replace a portion of the amount reduced in excess of funding reductions required to attain the 5 percent reduction target in 2020-21 reflected in the agency's base spending. See also, Selected Fiscal and Policy Issues - Senate #6 and Items Not Included in Recommendations - Senate #8.	\$0.1	\$0.0	\$0.5	\$0.0	\$0.6	A.2.1

Department of Agriculture
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
F)	Increase in General Revenue—Dedicated Permanent Fund for Rural Health Facility Capital Improvement to provide funding at the 2020-21 appropriated level prior to the 5 percent reduction. This funding is within the 2022-23 approved GR/GR-D Limit and replaces a portion of the amount reduced in excess of funding reductions required to attain the 5 percent target in 2020-21 reflected in the agency's base spending. See also Selected Fiscal and Policy Issues - Senate #3.	\$0.0	\$0.6	\$0.0	\$0.0	\$0.6	B.2.2
G)	Increase in General Revenue—Dedicated State Hemp Program Fund No. 5178 due to anticipated revenue increases offsetting a like amount of General Revenue funding.	(\$1.3)	\$1.3	\$0.0	\$0.0	\$0.0	B.1.1
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
H)	Net increase in various Federal Funds for Nutrition programs. This is primarily due to funding traditionally expended as Child and Adult Care Federal Funds being, instead, expended through the Coronavirus Relief Fund program of the same name. Funding for the traditional Child and Adult Care program is anticipated to return to normal levels for the 2022-23 biennium.	\$0.0	\$0.0	\$167.4	\$0.0	\$167.4	C.1.1
I)	Net decrease in Appropriated Receipts and Interagency Contracts due primarily to amounts received in 2020-21 not anticipated to continue.	\$0.0	\$0.0	\$0.0	(\$1.4)	(\$1.4)	A.1.1, A.2.2, B.2.1, B.3.1, D.1.1, D.1.2, D.1.3
J)	Net decrease in Federal Funds across various programs primarily resulting from funding for multiple programs ending.	\$0.0	\$0.0	(\$0.8)	\$0.0	(\$0.8)	A.1.1, A.2.2, B.1.1 B.2.1, B.2.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$7.8)	\$1.9	(\$45.4)	(\$1.4)	(\$52.7)	As Listed
SIGNIFICANT & OTHER Funding Increases		\$2.9	\$1.9	\$167.9	\$0.0	\$172.7	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$10.7)	\$0.0	(\$213.3)	(\$1.4)	(\$225.4)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Removal of One-Time Costs.** Recommendations remove \$0.6 million in General Revenue and \$212.5 million in Federal Funds for the following one-time expenditures:
 - \$212.5 million in one-time Coronavirus Relief Fund Federal Funds not continued in the 2022–23 biennium.
 - \$11,006 in General Revenue related to enactment of House Bill 191 concerning the disposal of pesticides that removes funding for one-time costs associated with adding additional staff to implement the legislation.
 - \$225,508 in General Revenue related to enactment of House Bill 1325 concerning the production and regulation of hemp that removes funding for one-time costs associated with adding additional staff to implement the legislation.
 - \$39,000 in General Revenue for purchase of organic certification software during the 2020–21 biennium.
 - \$1.4 million in various General Revenue–Dedicated funding related to CAPPS implementation of the Human Resources module and authority for 7.5 FTEs (see Items Not Included in Recommendations – Senate #5)

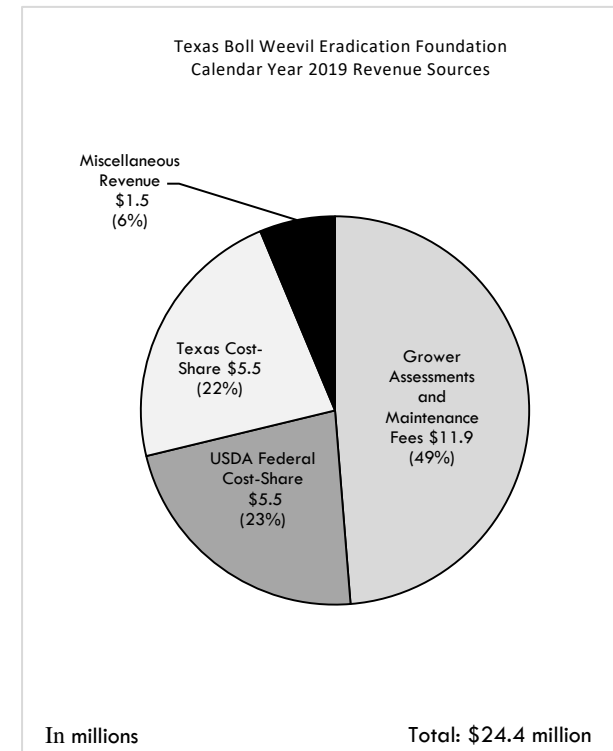
2. **Boll Weevil Eradication Program.** Recommendations do not include \$8.7 million in General Revenue funding for the Boll Weevil Eradication Program which removes all state funding for the program and deletes the associated rider.

State funding appropriated to TDA for this program is transferred to the Texas Boll Weevil Eradication Foundation (TBWEF) by rider. The TBWEF is a quasi-governmental agency which was established by the Legislature in 1993 for the eradication and suppression of the boll weevil and pink bollworm from Texas cotton fields. The boll weevil has been eradicated in 97.0 percent of the state's cotton acres and only maintains an active presence in the Lower Rio Grande Valley due to that region's subtropical climate. In addition, the pink bollworm was declared successfully eradicated in 2018 by the US Department of Agriculture's Animal and Plant Health Inspection Services division.

TBWEF's funding is drawn from a variety of sources with approximately \$24.4 million obtained in calendar year 2019. State funding has comprised approximately 21.0 percent of the foundation's total revenue from all sources with grower assessment and maintenance fees being the largest share. As of August 2020, the foundation reports maintaining a fund balance of \$104.1 million to address potential boll weevil outbreaks and to fund foundation operations.

According to the Sunset Commission Staff Report, TBWEF collects grower assessments by cotton growers often in excess of its operational expenses which have accrued in the foundation's fund balance and the foundation has no policy to determine the ideal amount of reserves. Accordingly, the Sunset staff report recommends the foundation develop a reserve fund balance policy to establish the amount necessary to support current operations and address a potential boll weevil outbreak

See Rider Highlights – Senate #12.



3. **2020–21 Reductions Exceeding the 5 Percent Target.** Recommendations include an increase of \$1.5 million in General Revenue and General Revenue–Dedicated funding above the 2020–21 spending level. For the 2020–21 biennium, TDA funding to meet the 5 percent requirement exceeded the \$5.4 million target reduction by an additional \$1.5 million. This reduction included salary savings plus decreases for travel, the Urban School Grant Program, Nutrition Education, Texas Feeding Texans food banks and home delivered meals programs, and the Boll Weevil Eradication program.

TDA's General Revenue/General Revenue–Dedicated Limit for the 2022–23 biennium was calculated using the 5 percent target of \$5.4 million which permitted the agency to include the \$1.5 million reduced in 2020–21, but that was included in the base request for 2022–23 which is included in Recommendations. This \$1.5 million is composed of the following:

- \$0.6 million in General Revenue–Dedicated Permanent Fund Rural Health Facility Capital Improvement Account No. 5047 for the Rural Health program,
 - \$0.8 million in General Revenue that includes funding for the following strategies: B.1.1, Plant Health and Seed Quality, B.1.2, Commodity Regulation and Production, B.3.1, Weights & Measures, and C.1.2, Nutrition Assistance,
 - \$0.1 million in General Revenue to cover a required state match for the Community Development Block Grant, and
 - A Method of Finance Swap that includes an increase of \$1.3 in General Revenue–Dedicated State Hemp Program Fund No. 5178 due to estimated revenues from grower license applications and associated fees offsetting a matching decrease in General Revenue.
4. **Cost Recovery Programs.** Recommendations update rider amounts to reflect the agency's anticipated revenue collections for the seven strategies that contain the agency's 11 cost recovery programs. The Eighty-sixth Legislature provided the agency with unexpended balance authority for all appropriations within the biennium with a requirement that any balances carried forward in a cost recovery program be only used in the same program from which the balance originated. This permits the agency to carry forward revenues collected in excess of amounts identified in the Comptroller's Biennial Revenue Estimate (BRE); however, the agency is still held to collection requirements for each individual fiscal year by program as defined in Rider 24, Appropriations Limited to Revenue Collections: Cost Recovery Programs.

Recommendations do not include the following agency requests to modify its cost recovery programs:

- Transfer authority between programs: TDA is requesting to delete Rider 4, Transfer Authority, in the agency's bill pattern that prohibits the transfer of funds identified for cost recovery programs between strategies or between non-related cost recovery programs. TDA reports that this lack of flexibility makes it difficult to operate its cost recovery programs optimally. A 2020 SAO audit of the agency's cost recovery programs found that a previous SAO recommendation that TDA prepare and implement an annual indirect cost plan to ensure cost recovery funds were incurring the correct indirect costs had not been correctly implemented. According to the agency, the inability to transfer cost recovery funds between direct and indirect strategies is what prevents TDA from being able to comply with the audit finding.
- Rider 24, Appropriations Limited to Revenue Collections: Cost Recovery Programs: TDA requests to amend the rider in the following ways:
 - Excess Revenues: TDA requests to be allowed to apply revenues collected in excess of Biennial Revenue Estimate targets in the first year of the biennium towards cost recovery requirements for the same program in the second year of the biennium.
 - Penalty Revenue: TDA requests to be allowed to include penalty revenues towards meeting revenue requirements in its cost recovery programs.
 - Prorating Reductions: In the event that revenue collections are insufficient to offset the costs of the program, the LBB may direct the Comptroller to reduce the appropriation authority provided to the affected strategy to equal the amount of revenue expected to be available. TDA requests amending the rider to require that this reduction be prorated between direct costs, indirect costs, and ODIC.

See Items Not Included in Recommendations - Senate #6 and #9.

5. **Rider 17, Coordination with Texas Water Development Board (TWDB).** Recommendations delete the rider which requires TDA and TWDB to coordinate funds through a Memorandum of Understanding (MOU) to ensure appropriated funds are not expended to aid in the proliferation of colonias or in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP). This rider also required joint reporting on programs run by each agency: EDAP through the TWDB and the Colonia EDAP (CEDAP) through TDA. The report focused on agency coordination in colonias located along the border with Mexico; however, since enactment of House Bill 2374, Eighty-first Legislature, 2011, EDAP may be used for construction of service connections and associated plumbing improvements for EDAP funded projects throughout the State. TWDB now separately prepares an EDAP report each year on EDAP and CEDAP projects as required by statute which gives a more comprehensive overview, thus making the joint report unnecessary, as well as the associated MOU requiring TWDB coordination due to this relationship being already necessary for the creation of the TWDB report (see Rider Highlights – Senate Former 17).
6. **Community Development Block Grant (CDBG) Request.** Recommendations do not include a request to amend Rider 18, Colonia Set-Aside Program Allocation, to remove restrictions on the 10 percent allocation set aside of Community Development Block Grant funds reserved to provide financial assistance to local governments for residential lines, hookups, and plumbing improvements through the CEDAP program so that the agency may provide these funds to communities outside the US Housing and Urban Development-defined Colonia Set-Aside geography. This portion of the Colonia Set-Aside comprises 34 percent of the total 10 percent CDBG allocation for colonias.

The Colonia Set-Aside is federally required through the Department of Housing and Urban Development (HUD) and TDA would continue to be required to set aside funds for colonias independent of this requested rider amendment. However, the CEDAP allocation is not federally required. This change would mean the CEDAP would no longer count within the 10 percent required Colonia Set Aside within the CDBG and would permit the agency to expend funding from the CEDAP in communities outside of colonias. If adopted, the agency would include this change in its HUD Action Plan for the 2022-23 biennium. See Items Not Included in Recommendations – Senate #8.

7. **Texans Feeding Texans.** Recommendations provide \$28.6 million in General Revenue for the Texans Feeding Texans program, which is comprised of the Home Delivered Meals Program and the Surplus Agricultural Products Grant Program and consolidate language from the two related riders into one focused on both Texans Feeding Texans program (See Rider Highlights - Senate 10 and Former 25).

Recommendations provide \$18.4 million for the Home Delivered Meals program to supplement and extend current home-delivered meal programs for seniors and disabled Texans. This maintains funding at the 2020–21 spending level, which is \$1.4 million below 2020–21 appropriated levels. The agency reduced this program funding as part of its overall approach in achieving the 5 percent reduction plan requirement. This reduced the average funding received by each entity delivering meals proportionally. See also, Items Not Included in Recommendations – Senate #4.

Recommendations provide \$10.2 million for the Surplus Agricultural Products Grant program to provide surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals. This provides funding at the 2020–21 appropriated level, which is \$2.0 million above the 2020–21 spending level. The agency reduced this program funding as part of its overall approach in achieving the 5 percent reduction plan requirement. This reduced the amount of surplus agriculture products delivered to food banks statewide by an estimated 8 million pounds.

8. **Rider Amendment Requests.** Recommendations do not include the following rider amendment and deletion requests by TDA:
- Rider 5, Texas Agriculture Fund: Request to provide estimated appropriation authority for all bond proceeds to the Texas Agricultural Finance Authority for the payment of principle and interest on payments.
 - Rider 26, Appropriation Restriction on Federal Hog Abatement Using Toxic Substances: Request to delete the rider that prohibits TDA from using appropriations for implementation of warfarin on feral hogs. The agency's request is implying that retaining the rider could impact sales of Warfarin in the state.
 - New Rider, Cash Flow Contingency for Federal Funds: Request to add a rider that appropriates up to \$5.0 million in General Revenue to TDA contingent on receipt of Federal Funds in Strategy A.1.1, Trade and Economic Development, and approval of the Legislative Budget Board and Governor's Office to be

used for cash flow purposes when awaiting reimbursement of federal costs and to be repaid by November 30th of the following fiscal year.

See Items Not Included in Recommendations – Senate #7, #10, and #11.

9. **Strategic Fiscal Review.** The agency is currently under Sunset review, and as a result is subject to the Strategic Fiscal Review process outlined in Senate Bill 68, Eighty-sixth Legislature, 2019. Historical program and financial information was collected and analyzed to inform the budget process. Significant findings are outlined in the report, but highlights include:
 - TDA staff are limited in the operation of road station checkpoints intended to stop shipments of pest-infested plants into the state because the initiative is largely dependent on Texas Department of Public Safety (DPS) officer availability. DPS officers, who are authorized to stop trucks along surveilled routes, staff these road stations through a \$129,000 Interagency Contract with TDA (See Items Not Included in Recommendations - Senate #1).
 - TDA is not able to renew GO TEXAN memberships automatically, and the result is that many businesses are not aware that their memberships have expired. These failures to renew memberships, in turn, may result in decreased program revenue.
 - Fewer warehouses are interested in contracting with TDA to serve as repositories for USDA commodities because providing this service has become less profitable due to increases in the direct delivery of USDA foods to distributors and in using USDA foods funding for the Department of Defense Fresh Fruit and Vegetable Program. This decrease in contracted warehouses could increase costs for the Child Nutrition-School Nutrition Program or require TDA to store and transport these commodities in regional areas that are not serviced by contracted warehouses.
 - The agency reports challenges with identifying unlicensed commercial businesses to enforce regulatory requirements within the Structural Pest Control program. Another challenge concerns overlap of licensing requirements between the Texas Agriculture Code, Chapter 76, and the Texas Occupations Code, Chapter 1951, which address mosquito control methods used by landscape maintenance and vegetation management applicators. This overlap has caused confusion within the regulated community regarding which license is required.
10. **Sunset Review.** The agency is currently under Sunset Review and will be abolished on September 1, 2021 unless continued by the Eighty-Seventh Legislature, 2021. While recommendations are forthcoming, the Sunset Advisory Commission Staff Report (June 2020) recommendations include:
 - Continuing the agency for 12 years, abolishing of the Early Childhood Health and Nutrition Interagency Council, and eliminating the Texas Rural Foundation;
 - Re-establishing the GO TEXAN program while requiring TDA to establish a mission, goals and objectives for the program; to develop a policy to ensure expired members comply with department rules; and to require TDA to establish performance measures to evaluate progress in meeting program goals;
 - Elimination of the Aquaculture program;
 - Continuing the regulation of prescribed burning and requires TDA to adopt rules for all prescribed burning standards;
 - Requiring TDA to improve coordination with other state agencies with overlapping regulatory responsibilities, to use available data to improve agency efficiency and effectiveness of its regulatory programs, and to establish a risk-based approach to inspections;
 - Adopting policies to ensure rules undergo meaningful review and the removal of abolished advisory committees from statute and requires TDA to create advisor committees in rule; and
 - Continuing the TBWEF for 12 years (see #2 above).

In addition, the Sunset Staff Report for the Texas Racing Commission has recommended transferring responsibility for the safety, integrity, and fairness of Texas pari-mutuel racing and wagering from the Racing Commission to the Texas Department of Agriculture. They have based this recommendation on the Racing Commission's funding and regulatory structure which has led to weakened oversight of the industry. The report recommends transfer of these responsibilities to take advantage of TDA's larger administrative and regulatory capacity and its ties with Texas agribusiness.

**Department of Agriculture
Rider Highlights - Senate**

Modification of Existing Riders

- 10. **Texans Feeding Texans.** Recommendations consolidate information on the two previously independent Texans Feeding Texans riders into one rider with subsections for each program, the Surplus Agricultural Product Grant Program and the Home Delivered Meals Grant Program. See also, Selected Fiscal and Policy Issues – Senate #7.
- 14. **Administrative Allocation: Councils of Government.** Recommendations update the rider to reflect the replacement of Regional Review Committees with a Unified Scoring Committee that will establish scoring criteria for the Community Development Block Grant.
- 19. **Administration of Public Health Funds.** Recommendations amend the rider to replace references to enacted legislation from 1999 with the statute modified from the bill.
- 21. **Appropriation of Loan Repayments.** Recommendations amend the rider to broaden the use of repayments to include any active Office of Rural Affairs program due to the original Outstanding Rural Scholar loan program being no longer active.

New Riders

Sunset Contingency. Recommendations add a contingency provision for the agency’s Sunset review. See also, Selected Fiscal and Policy Issues – Senate #10.

Deleted Riders

- Former 11. Texas.gov Authority Appropriations.** Recommendations delete the rider as the agency no longer pays subscription fees to the Department of Information Resources.
- Former 12. Boll Weevil Eradication.** Recommendations delete the rider to reflect elimination of program funding. See also, Selected Fiscal and Policy Issues – Senate #2.
- Former 17. Coordination with Texas Water Development Board.** Recommendations delete the rider as the Texas Water Development Board produces a separate, statutorily required report that covers the same information required by the rider. See also, Selected Fiscal and Policy Issues – Senate #5.
- Former 22. Affordable Housing Research and Information Program.** Recommendations delete the rider as the work required by this rider is already required to request and receive Housing and Urban Development funding making this rider unnecessary.
- Former 25. Texas Feeding Texans (Home Delivered Meals Grant Program).** Recommendations delete the rider and consolidate its contents into Rider 10, Texans Feeding Texans. See also, Selected Fiscal and Policy Issues – Senate #7.
- Former 27. Fuel Quality Program Appropriated Receipts.** Recommendations delete the rider as the program was transferred to the Texas Department of Licensing and Regulation upon enactment of Senate Bill 2119, Eighty-sixth Legislature, 2019.
- Former 30. Contingency for HB 191.** Recommendations delete the rider as the bill has been enacted. See also, Selected Fiscal and Policy Issues – Senate #1.

Department of Agriculture
Items Not Included in Recommendations - Senate

Section 5

	2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	General Revenue funding and additional FTEs to create five regularly staffed locations to conduct inspections of plants coming into Texas in order to prevent the spread of certain plant pests and diseases that pose a threat to the agricultural industry in Texas	\$7,575,080	\$7,575,080	36.0	Yes	Yes	\$4,491,080
2)	General Revenue funding and capital budget authority to consolidate and modernize the agency's core business applications, most of which are 16 years old	\$4,000,000	\$4,000,000	0.0	Yes	Yes	\$0
3)	General Revenue funding and capital budget authority to upgrade Microsoft Office licenses and to replace desktop PCs that were scheduled to be refreshed in fiscal year 2021 with laptops	\$250,050	\$250,050	0.0	Yes	No	\$221,000
4)	General Revenue funding for restoration of items included in TDA's 5 percent reduction: a. \$158,360 for the Rural Health Capital Improvement Program for grants to fund equipment, maintenance, and construction projects at Texas rural hospitals; b. \$852,516 for Nutrition Education Grants to provide schools and child care centers with educational materials for Texas youth on the value of good nutrition; c. \$1,376,018 for the Texans Feeding Texans - Home Delivered Meals Grant Program See also, Selected Fiscal and Policy Issues - Senate #3.	\$2,386,894	\$2,386,894	0.0	No	Yes	\$2,386,894
5)	General Revenue funding and FTEs removed for CAPPS Deployment See Selected Fiscal and Policy Issues - Senate #1	\$350,000	\$350,000	3.0	Yes	No	\$350,000
6)	Request to delete Rider 4, Transfer Authority, which prohibits transfer authority between strategies and cost recovery programs identified in Rider 24, Appropriations Limited to Revenue Collections: Cost Recovery Programs See also, Selected Fiscal and Policy Issues - Senate #4	\$0	\$0	0.0	No	No	\$0

Department of Agriculture
Items Not Included in Recommendations - Senate

Section 5

		2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
		GR & GR-D	All Funds	FTEs			
7)	Request to amend Rider 5, Texas Agriculture Fund, to provide estimated appropriation authority for all bond proceeds to the Texas Agricultural Finance Authority for the payment of principle and interest payments See also, Selected Fiscal and Policy Issues - Senate #8	\$0	\$0	0.0	No	Yes	\$0
8)	Request to amend Rider 18, Colonia Set-Aside Program Allocation, to remove restrictions on the 10 percent allocation set aside of Community Development Block Grant funds reserved to provide financial assistance to local governments for residential lines, hookups, and plumbing improvements so that the agency may provide these funds to communities outside the US Housing and Urban Development-defined Colonia Set-Aside geography	\$0	\$0	0.0	No	Yes	\$0
9)	Request to amend Rider 24, Appropriations Limited to Revenue Collections: Cost Recovery Programs to: a. allow the agency to include penalty revenues (in addition to collected fees) toward meeting revenue requirements; b. prorate any directed funding reductions between direct and indirect costs, and ODIC; c. allow revenues collected in excess of Biennial Revenue Estimate targets in the first year of the biennium to be counted towards cost recovery requirements for the same program in the second year of the biennium See also, Selected Fiscal and Policy Issues - Senate #4	\$0	\$0	0.0	No	Yes	\$0
10)	Request to delete Rider 26, Appropriation Restriction on Feral Hog Abatement Using Toxic Substance, that prohibits TDA from using appropriations for warfarin implementation on feral hogs See also, Selected Fiscal and Policy Issues - Senate #8	\$0	\$0	0.0	No	No	\$0

Department of Agriculture
Items Not Included in Recommendations - Senate

		2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
		GR & GR-D	All Funds	FTEs			
11)	Request to add a new rider that appropriates up to \$5.0 million in General Revenue contingent on receipt of Federal Funds in Strategy A.1.1, Trade and Economic Development, and approval of the Legislative Budget Board and Governor's Office for cash flow purposes while awaiting reimbursement of federal costs to be repaid by November 30th of the following fiscal year See also, Selected Fiscal and Policy Issues - Senate #8	\$5,000,000	\$5,000,000	0.0	No	Yes	\$5,000,000
TOTAL Items Not Included in Recommendations		\$19,562,024	\$19,562,024	39.0			\$12,448,974

**Department of Agriculture
Appendices - Senate**

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
TRADE & ECONOMIC DEVELOPMENT A.1.1	\$13,643,113	\$15,410,715	\$1,767,602	13.0%	<p>Recommendations reflect an All Funds increase primarily resulting from:</p> <p>a) a net \$1.2 million increase in Federal Funds largely composed of a \$1.8 million increase in Specialty Crop Block Grant Program Federal Funding used to enhance specialty crop competitiveness offset by an anticipated \$0.5 decrease in US Food and Drug Administration research Federal Funding for the prevention of food contamination.</p> <p>b) \$0.6 million increase in Appropriated Receipts from the Texas Cooperative Inspection Program with capital budget authority for expansion of office space at the agency's livestock export facilities to provide for TCIP inspections of fruits, vegetables, tree nuts, and peanuts at these locations.</p>
PROMOTE TEXAS AGRICULTURE A.1.2	\$482,016	\$482,016	\$0	0.0%	
RURAL COMMUNITY AND ECO DEVELOPMENT A.2.1	\$138,370,077	\$138,935,278	\$565,201	0.4%	<p>Recommendations reflect an All Funds increase resulting from:</p> <p>a) an increase of \$86,549 in General Revenue state match for an increase in Community Development Block Grant (CDBG) funding (See also, Selected Fiscal and Policy Issues - Senate #6).</p> <p>b) an Increase of \$0.5 million in Federal Funds related to CDBG used for community and economic development projects in rural areas.</p>

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
RURAL HEALTH A.2.2	\$19,795,739	\$8,919,404	(\$10,876,335)	(54.9%)	<p>Recommendations reflect an All Funds decrease primarily resulting from:</p> <p>a) a \$11.1 million decrease from one-time Coronavirus Relief Fund federal funds not continued.</p> <p>b) a \$0.9 million decrease in Appropriated Receipts due to fiscal year 2021 amounts not yet being received by TDA; however, the agency believes funding for this program will continue at expected levels.</p> <p>c) a net \$0.6 million increase in General Revenue-Dedicated Permanent Fund Rural Health Facility Capital Improvement Account No. 5047 due primarily to a one-time revenue decrease in fiscal year 21 not anticipated to continue and amounts included by the agency in the 5 percent reduction in 20-21 not continued in 2022-23.</p> <p>d) a \$0.5 million increase in the Small Rural Hospital Improvement Grant Program (Federal Funds) due to increases in the number of eligible rural hospitals</p>
Total, Goal A, AGRICULTURAL TRADE & RURAL AFFAIRS	\$172,290,945	\$163,747,413	(\$8,543,532)	(5.0%)	

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
PLANT HEALTH AND SEED QUALITY B.1.1	\$9,949,732	\$9,793,486	(\$156,246)	(1.6%)	<p>Recommendations reflect an All Funds increase resulting from:</p> <p>a) a \$1.3 million decrease in General Revenue composed of \$0.2 million in one-time costs associated with enactment of House Bill 1325, Eighty-sixty Legislature, 2019 and a \$1.3 million replaced by General Revenue-Dedicated State Hemp Program Fund No. 5178 offset by an increase of \$0.2 million to restore funding removed by the agency's 5 percent reduction (see also, Selected Fiscal and Policy Issues - Senate #4).</p> <p>b) a \$1.3 million increase in General Revenue-Dedicated State Hemp Program Fund No. 5178 due to estimated revenues from grower license applications and associated fees offsetting a like decrease in General Revenue.</p> <p>b) a \$0.1 million decrease in Federal Funds due to minor adjustments and funding for Nursery Outreach Training not anticipated to continue.</p>
COMMODITY REGULATION & PRODUCTN B.1.2	\$1,837,889	\$1,832,597	(\$5,292)	(0.3%)	Recommendations reflect a decrease in General Revenue for vehicle replacements (see also, Selected Fiscal and Policy Issues - Senate #1).
REGULATE PESTICIDE USE B.2.1	\$25,771,086	\$16,281,315	(\$9,489,771)	(36.8%)	<p>Recommendations reflect an All Funds decrease resulting from:</p> <p>a) an \$8.8 million decrease in General Revenue due to elimination of funding for the Boll Weevil Eradication Program (see also, Selected Fiscal and Policy Issues - Senate #2).</p> <p>b) a \$0.4 million decrease in Federal Funds due to one-time grant funding increases in the 20-21 biennium not anticipated to continue.</p> <p>c) a \$0.4 million decrease in Appropriated Receipts due to one-time 3rd party reimbursements in the 20-21 biennium.</p>
STRUCTURAL PEST CONTROL B.2.2	\$4,753,547	\$4,744,855	(\$8,692)	(0.2%)	Recommendations reflect an All Funds decrease primarily resulting from a reduction in General Revenue for vehicle replacements (see also, Selected Fiscal and Policy Issues - Senate #1).

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
WEIGHTS/MEASURES DEVICE ACCURACY B.3.1	\$9,709,786	\$9,529,241	(\$180,545)	(1.9%)	Recommendations reflect an All Funds decrease resulting from: a) a \$0.6 million decrease in Interagency Contracts due to the ending of the transition contract with the Texas Department of Licensing and Regulation (TDLR) associated with implementation of Senate Bill 2119, Eighty-sixth Legislature, 2019, that transferred the regulation of motor fuel metering and motor fuel quality from TDA to TDLR. b) a \$0.4 million increase in General Revenue to restore funding removed by the agency's 5 percent reduction (see also, Selected Fiscal and Policy Issues - Senate #4). c) a \$24,062 decrease in General Revenue for vehicle replacements (see also, Selected Fiscal and Policy Issues - Senate #1).
Total, Goal B, PROTECT TX AG PRODUCERS & CONSUMERS	\$52,022,040	\$42,181,494	(\$9,840,546)	(18.9%)	
NUTRITION PROGRAMS (FEDERAL) C.1.1	\$1,164,484,658	\$1,128,498,124	(\$35,986,534)	(3.1%)	Recommendations reflect a Federal Funds decrease resulting from: a) a \$201.4 million decrease in Federal Funds due to one-time Federal Coronavirus Relief Funds not anticipated to continue. b) a \$179.8 million increase in Child and Adult Care Food Program primarily due to federal guidance requiring claims in fiscal year 20 previously classified as Child and Adult Care Food Program to be, instead, classified as Coronavirus Relief Fund creating a one-time decrease in fiscal year 20 for expenditures from this federal funding stream. c) a \$13.2 million decrease from one-time federal funding not anticipated to continue (TEFAP Trade Mitigation, CACFP Meal Service Training Grants, Emergency Food Assistance Program - Stimulus, and Child Nutrition Discretionary Grants).

Department of Agriculture					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
					d) a \$1.6 million decrease in Summer Food Service Program for Children.
					e) a \$2.0 million decrease in State Administrative Expenses for Child Nutrition.
					f) a \$0.7 million increase in the Fresh Fruit & Vegetable Program.
					g) a \$0.4 million increase in the Commodity Supplemental Food Program
					h) a \$1.3 million increase in various federal funds
NUTRITION ASSISTANCE (STATE) C.1.2	\$26,393,807	\$28,529,818	\$2,136,011	8.1%	Recommendations reflect a) a \$0.1 million increase in General Revenue to restore funding removed by the agency's 5 percent reduction (see also, Selected Fiscal and Policy Issues - Senate #3 and Items Not Included in Recommendations - Senate #4) b) a \$2.0 million increase in General Revenue to fund the Texans Feeding Texans Surplus Agricultural Products Grant program at the 2020-21 appropriated level (See also, Selected Fiscal and Policy Issues - Senate #7)
Total, Goal C, FOOD AND NUTRITION	\$1,190,878,465	\$1,157,027,942	(\$33,850,523)	(2.8%)	

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION D.1.1	\$10,919,202	\$10,576,525	(\$342,677)	(3.1%)	Recommendations reflect an All Funds decrease resulting from: a) a \$0.1 million decrease in Interagency Contracts due to the ending of the transition contract with the Texas Department of Licensing and Regulation (TDLR) associated with implementation of Senate Bill 2119, Eighty-sixth Legislature, 2019, that transferred the regulation of motor fuel metering and motor fuel quality from TDA to TDLR. b) a \$0.2 million decrease in General Revenue for CAPPS implementation not continued in 2022-23 (see also, Selected Fiscal and Policy Issues - Senate #1 and Items Not Included in Recommendations - Senate #5).
INFORMATION RESOURCES D.1.2	\$7,165,999	\$6,986,962	(\$179,037)	(2.5%)	Recommendations reflect an All Funds decrease resulting from: a) a \$63,037 decrease in Interagency Contracts due to the ending of the transition contract with the Texas Department of Licensing and Regulation (TDLR) associated with implementation of Senate Bill 2119, Eighty-sixth Legislature, 2019, that transferred the regulation of motor fuel metering and motor fuel quality from TDA to TDLR. b) a \$0.1 million decrease in General Revenue for vehicle replacements (see also, Selected Fiscal and Policy Issues - Senate #1).
OTHER SUPPORT SERVICES D.1.3	\$3,212,203	\$3,175,042	(\$37,161)	(1.2%)	Recommendations reflect an All Funds decrease resulting from: a) a \$32,951 decrease in Interagency Contracts due to the ending of the transition contract with the Texas Department of Licensing and Regulation (TDLR) associated with implementation of Senate Bill 2119, Eighty-sixth Legislature, 2019, that transferred the regulation of motor fuel metering and motor fuel quality from TDA to TDLR. b) a \$4,210 decrease in General Revenue for vehicle replacements (see also, Selected Fiscal and Policy Issues - Senate #1).
Total, Goal D, INDIRECT ADMINISTRATION	\$21,297,404	\$20,738,529	(\$558,875)	(2.6%)	
Grand Total, All Strategies	\$1,436,488,854	\$1,383,695,378	(\$52,793,476)	(3.7%)	

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

Appendix B

Program	Est 2020	Bud 2021	Rec 2022	Rec 2023	2020-21 Base	2022-23 Rec	2022-23 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child and Adult Care Food Program	\$277.0	\$456.8	\$456.8	\$456.8	\$733.8	\$913.6	71.2%	\$179.8	24.5%
Community Development Block Grants	\$67.3	\$68.4	\$68.1	\$68.1	\$135.7	\$136.2	10.6%	\$0.5	0.4%
Summer Food Service Program for Children	\$32.3	\$30.8	\$30.8	\$30.8	\$63.1	\$61.5	4.8%	(\$1.6)	(2.5%)
State Administrative Expenses for Child Nutrition	\$30.6	\$28.7	\$28.7	\$28.7	\$59.3	\$57.4	4.5%	(\$2.0)	(3.3%)
National School Lunch Program	\$14.9	\$15.2	\$15.2	\$15.2	\$30.1	\$30.4	2.4%	\$0.3	1.1%
Fresh Fruit & Vegetable Program	\$10.2	\$10.9	\$10.9	\$10.9	\$21.0	\$21.8	1.7%	\$0.7	3.4%
School Breakfast Program	\$6.9	\$7.7	\$7.7	\$7.7	\$14.5	\$15.3	1.2%	\$0.8	5.6%
Emergency Food Assistance Program	\$13.5	\$7.5	\$7.5	\$7.5	\$21.0	\$15.0	1.2%	(\$6.0)	(28.5%)
Commodity Supplemental Food Program	\$5.0	\$5.4	\$5.4	\$5.4	\$10.4	\$10.8	0.8%	\$0.4	3.7%
Specialty Crop Block Grant Program	\$2.2	\$1.5	\$2.7	\$2.7	\$3.6	\$5.4	0.4%	\$1.8	48.2%
Small Rural Hospital Improvement Grant Program	\$1.0	\$1.2	\$1.3	\$1.3	\$2.2	\$2.7	0.2%	\$0.5	21.3%
Plant and Animal Disease, Pest Control, and Animal Care ¹	\$1.3	\$1.2	\$1.2	\$1.2	\$2.5	\$2.4	0.2%	(\$0.1)	(2.8%)
Food and Drug Administration Research	\$1.6	\$1.1	\$1.1	\$1.1	\$2.6	\$2.1	0.2%	(\$0.5)	(19.2%)
WIC Farmers Market Nutrition Program	\$1.0	\$1.0	\$1.0	\$1.0	\$2.0	\$2.0	0.2%	\$0.0	2.1%
State Rural Hospital Flexibility Program	\$0.8	\$0.8	\$0.8	\$0.8	\$1.5	\$1.5	0.1%	\$0.0	0.1%
Market Protection and Promotion	\$0.8	\$0.7	\$0.7	\$0.7	\$1.5	\$1.4	0.1%	(\$0.0)	(3.2%)
Pesticide Enforcement Program	\$0.5	\$0.8	\$0.5	\$0.6	\$1.4	\$1.1	0.1%	(\$0.2)	(18.2%)
State Trade and Export Promotion Pilot Grant Program	\$0.6	\$0.5	\$0.5	\$0.5	\$1.1	\$1.0	0.1%	(\$0.1)	(7.6%)
Grants to States for Operation of Offices	\$0.2	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3	0.0%	\$0.0	0.0%
Senior Farmers Market Nutrition Program	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	0.0%	\$0.0	9.2%
Organic Certification Cost Share Programs	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	0.0%	\$0.0	0.0%
TEFAP Trade Mitigation	\$2.0	\$0.0	\$0.0	\$0.0	\$2.0	\$0.0	0.0%	(\$2.0)	(100.0%)
COVID School Breakfast Program ⁴	\$0.6	\$0.0	\$0.0	\$0.0	\$0.6	\$0.0	0.0%	(\$0.6)	(100.0%)
COVID National School Lunch Program ⁴	\$1.1	\$0.0	\$0.0	\$0.0	\$1.1	\$0.0	0.0%	(\$1.1)	(100.0%)
COVID Child & Adult Care Food Program ⁴	\$124.4	\$0.0	\$0.0	\$0.0	\$124.4	\$0.0	0.0%	(\$124.4)	(100.0%)

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

Appendix B

Program	Est 2020	Bud 2021	Rec 2022	Rec 2023	2020-21 Base	2022-23 Rec	2022-23 Rec % Total	Recommended Over/(Under) Base	% Change from Base
COVID Summer Food Service Program ⁴	\$58.1	\$0.0	\$0.0	\$0.0	\$58.1	\$0.0	0.0%	(\$58.1)	(100.0%)
COVID19 Emergency Food	\$17.3	\$0.0	\$0.0	\$0.0	\$17.3	\$0.0	0.0%	(\$17.3)	(100.0%)
Emergency Food Assistance Program - Stimulus	\$1.3	\$0.0	\$0.0	\$0.0	\$1.3	\$0.0	0.0%	(\$1.3)	(100.0%)
Child Nutrition Discretionary Grants ²	\$0.0	\$3.7	\$0.0	\$0.0	\$3.7	\$0.0	0.0%	(\$3.7)	(100.0%)
COVID19 Rural Health - SHIP	\$11.1	\$0.0	\$0.0	\$0.0	\$11.1	\$0.0	0.0%	(\$11.1)	(100.0%)
All Other Programs ³	\$0.2	\$0.1	\$0.0	\$0.0	\$0.1	(\$0.2)	0.0%	(\$0.2)	(74.9%)
TOTAL:	\$683.7	\$644.1	\$641.1	\$641.2	\$1,327.8	\$1,282.3	100.0%	(\$45.3)	(3.4%)

¹Plant and Animal Disease, Pest Control, and Animal Care includes funding related to fire ants and gypsy moths.

²Child Nutrition Discretionary Grants funding is awarded on a competitive basis. LBB recommendations assume funding for this grant will not continue in the 2023-23 biennium.

³All other programs includes Multipurpose Grants to States and Tribes, CACFP Meal Service Training Grants, ad Nursery Outreach Training, among other grants.

⁴TDA received a CARES Act Child Nutrition Award for \$534.7 million, allocating \$35.6 million to TEA. Although the state already has these Child Nutrition programs, the guidance is for all claims for 3/2020 through 9/2020 to be paid out of this CARES appropriation instead of the normal funding account.

Department of Agriculture
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2019	Estimated 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	705.9	700.2	700.2	697.2	697.2
Actual/Budgeted	613.8	607.2	700.2	NA	NA

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

- Note:
- a) The State Auditor's Office report, Executive Compensation at State Agencies (Report No. 20-706, August 2020), does not indicate market average salaries for elected officials. The salary of the Agriculture Commissioner is a public policy decision that is not tied to the market average for similar positions. The agency is not requesting any changes to its Exempt Position.
 - b) State Auditor's Office is the source for the fiscal year 2019 and fiscal year 2020 annual (actual) FTE levels.