

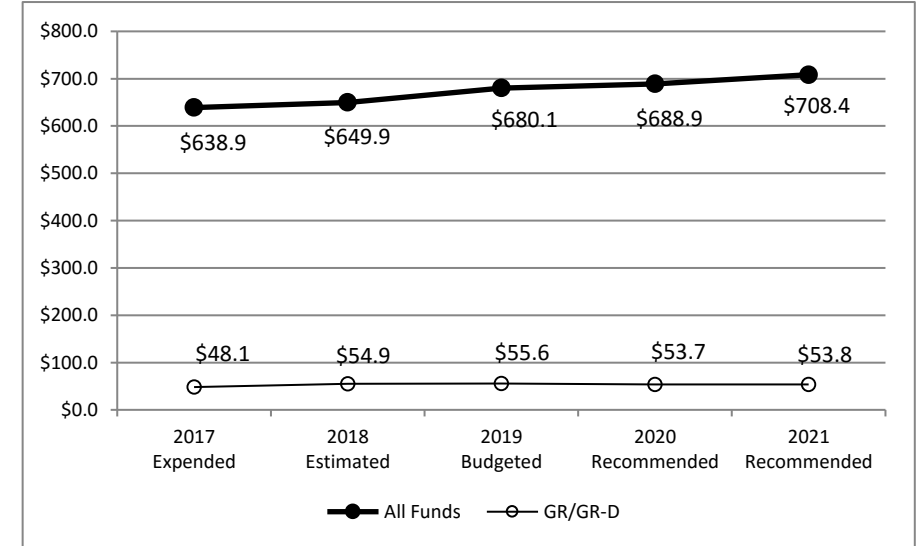
**Department of Agriculture
Summary of Recommendations - Senate**

Page VI-1
Sid Miller, Commissioner
Pamela Bolton, LBB Analyst

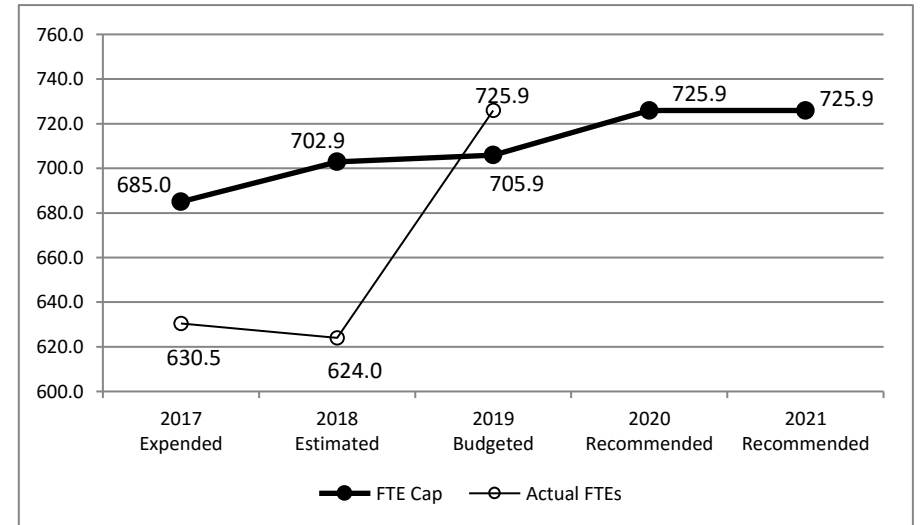
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$105,949,034	\$104,340,675	(\$1,608,359)	(1.5%)
GR Dedicated Funds	\$4,607,098	\$3,167,200	(\$1,439,898)	(31.3%)
<i>Total GR-Related Funds</i>	<i>\$110,556,132</i>	<i>\$107,507,875</i>	<i>(\$3,048,257)</i>	<i>(2.8%)</i>
Federal Funds	\$1,203,932,046	\$1,280,298,111	\$76,366,065	6.3%
Other	\$15,555,131	\$9,530,872	(\$6,024,259)	(38.7%)
All Funds	\$1,330,043,309	\$1,397,336,858	\$67,293,549	5.1%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	725.9	725.9	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 92.4% of the agency's estimated total available funds for the 2020-21 biennium.

Department of Agriculture
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
A)	Decrease in General Revenue due to one-time funding for implementation of the Centralized Accounting and Payroll/Personnel System (CAPPS).	(\$0.4)	\$0.0	\$0.0	\$0.0	(\$0.4)	D.1.1
B)	Decrease in General Revenue funding for vehicle replacements.	(\$0.2)	\$0.0	\$0.0	\$0.0	(\$0.2)	B.1.1, B.1.2, B.2.1, B.2.2, B.3.1, D.1.3
C)	Decrease in the Texas Economic Development Fund No. 183 due to the original balance of \$46.6 million being depleted as a result of the State Small Business Credit Initiative.	\$0.0	\$0.0	\$0.0	(\$5.7)	(\$5.7)	A.1.1
D)	Decrease in Appropriated Receipts for the Fuel Quality program due to anticipated revenue collections.	\$0.0	\$0.0	\$0.0	(\$0.3)	(\$0.3)	B.3.1
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
E)	Decrease in General Revenue funding due to reduced Master Lease Purchase Plan (MLPP) payments.	(\$0.1)	\$0.0	\$0.0	\$0.0	(\$0.1)	B.2.1, B.3.1
F)	Decrease in General Revenue funding due to various one-time revenue collections across multiple programs.	(\$1.0)	\$0.0	\$0.0	\$0.0	(\$1.0)	A.1.1, B.1.1, B.2.1, B.3.1, D.1.3
G)	Decrease in General Revenue-Dedicated Permanent Fund for Rural Health Facility Capital Improvement Account No. 5047 funding due to reduced interest earned on the tobacco settlement endowment.	\$0.0	(\$1.4)	\$0.0	\$0.0	(\$1.4)	A.2.2
H)	Net increase in various Federal Funds, primarily including \$74.5 million for the Child and Adult Care Food program and \$5.5 million related to Community Development Block Grants (CDBG) used for community and economic development projects in rural areas and in grants to rural hospitals.	\$0.0	\$0.0	\$76.4	\$0.0	\$76.4	A.1.1, A.2.1, A.2.2, B.1.1, B.2.1, C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$1.7)	(\$1.4)	\$76.4	(\$6.0)	\$67.3	As Listed
SIGNIFICANT & OTHER Funding Increases		\$0.0	\$0.0	\$76.4	\$0.0	\$76.4	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$1.7)	(\$1.4)	\$0.0	(\$6.0)	(\$9.1)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Cost Recovery Programs:** Recommendations update the rider amounts to align with the agency's updated indirect cost allocation, which was created in response to recommendations included in the State Auditor's Report on TDA Fees, August 2017. The new allocation takes into account the number of FTEs in each strategy and in each cost recovery program with no net changes across all methods of finance.

Both the Eighty-fourth and Eighty-fifth Legislatures implemented changes governing the agency's cost recovery programs. The Eighty-fourth Legislature revised the agency's transfer authority provisions to exclude appropriations for cost recovery programs from the previously unlimited transfer authority. This prevents both appropriations for cost recovery programs from being transferred to other cost recovery programs and appropriations in other programs from being transferred to or from cost recovery programs. The Eighty-fourth Legislature also provided additional appropriation authority for revenues collected above the Comptroller's Biennial Revenue Estimate (BRE) and eliminated the agency's unlimited unexpended balance authority to be the same as other state agencies under the provisions of Article IX. After the agency used this authority to increase fees and expand programs beyond what had been appropriated by the Legislature, the Eighty-fifth Legislature removed the agency's previously provided appropriation authority for revenues collected above the BRE each fiscal year.

The agency states that restrictions on its cost recovery programs hinders their optimal operation. The following agency requests to modify its cost recovery programs are not included in recommendations:

- **Unexpended balance authority (UB):** UB authority is not provided either within the biennium or between biennia for appropriations or fees related to cost recovery programs. The agency reports that operating cost recovery programs without UB makes it difficult to accurately set fees as it does not have the flexibility UB provides to offset revenue variances caused by uncontrollable events such as extreme weather events or market fluctuations that may occur in any given year. The agency is requesting modification of Rider 24, Appropriations Limited to Revenue Collections: Cost Recovery Programs, to grant UB within the biennium and from the 2020-21 biennium into the 2022-23 biennium. See Items Not Included in Recommendations - Senate, #9.
 - **Transfer authority between programs:** Rider 4, Transfer Authority, in the agency's bill pattern expressly prohibits the transfer of funds identified with cost recovery programs between strategies or between programs. Additionally, the agency may not transfer appropriations from non-related programs into cost recovery programs. TDA claims that this lack of flexibility makes it difficult to operate its cost recovery programs, and is requesting to delete Rider 4. See Items Not Included in Recommendations - Senate, #8.
 - **Revenue collections:** The Eighty-fifth Legislature removed the agency's ability to collect and spend cost recovery revenues collected in excess of the BRE as well as the agency's authority to use collected penalties for cost recovery programs to supplement appropriations. The agency asserts that the loss of these budgeting tools has made it difficult to accurately set fees in the face of market fluctuations and natural disasters, and it is requesting modification of Rider 24 to restore both of these authorities. See Items Not Included in Recommendations - Senate, #9.
2. **Weights and Measures and Metrology programs:** Recommendations combine the Weights and Measures program and the Metrology program into a single program called Weights, Measures, and Metrology. Separately, the Weights and Measures program inspects weighing and measuring devices to ensure performance within acceptable tolerances and inspects packaging to enforce net content and labeling regulations. The Metrology program certifies weights and measures mass and volume standards supported by national and international standards, and is operated out of a laboratory in Giddings. According to the agency, Agricultural Code Sec. 13.115 governs fees for both programs and Sec. 13.1151 governs additional fees for the Weights and Measures program.

Historically, the Metrology program has not been able to generate sufficient revenue to cover its operating costs while the Weights and Measures program has generated more than required. For example, the Metrology program generated \$380,502 of the \$525,031 required in 2018 while the Weights and Measures program generated \$12.5 million, which exceeded its required target of \$8.9 million by \$3.6 million. The Eighty-fifth Legislature allocated \$1.9 million for the Metrology program to purchase a new HVAC system using revenue from the Weights and Measures program. The agency is requesting \$0.3 million in General Revenue for 14 mass comparators for the Metrology program that are

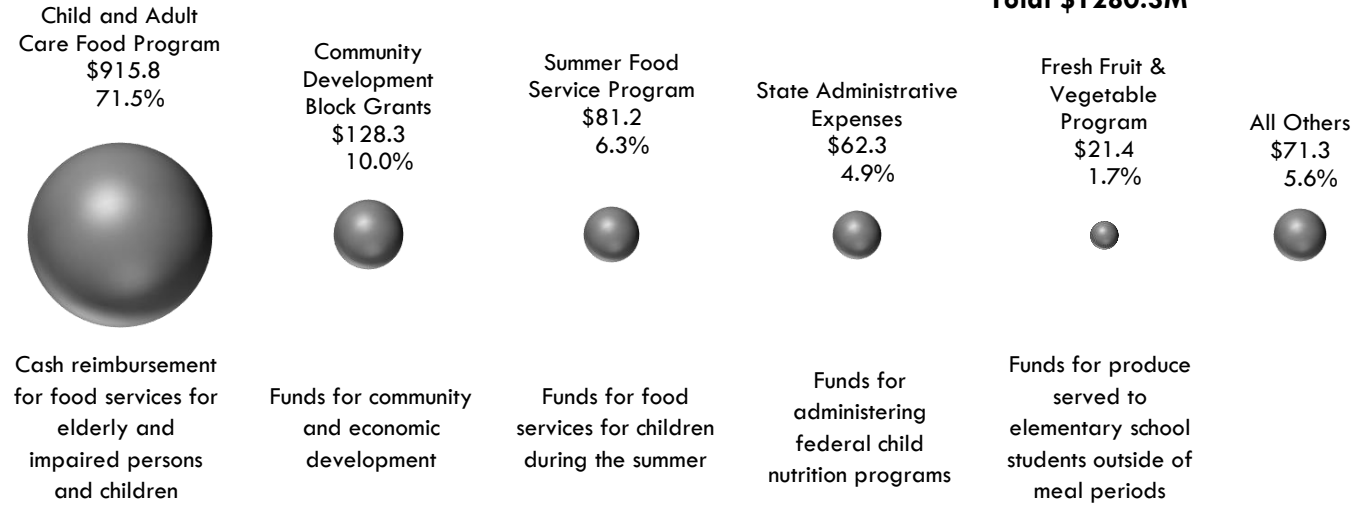
used to make traceable measurements to calibrate mass standards. Separately, the Metrology program will not be able to generate sufficient revenue to cover the cost; however, the combined revenues in the new Weights, Measures, and Metrology program will be sufficient to cover the cost. See Capital Budget Projects, below. See Rider Highlights - Senate, #2 and #24.

Recommendations do not remove the \$1.9 million funding for the Metrology HVAC system because it was reallocated from the Weights and Measures program by the Eighty-fifth Legislature. Recommendations re-purpose \$0.3 million for mass comparators to be used in the Metrology lab.

3. **Capital Budget Projects:** Recommendations include the following changes to the agency's capital budget.
 - **Mass Comparators:** Recommendations include \$317,000 from cost recovery General Revenue from the Weights, Measures, and Metrology program for the purchase of 14 mass comparators to be used in the Metrology Lab that are used to make traceable measurements to calibrate mass standards.
 - **Community Development Block Grants Software:** Recommendations include \$1,250,000 in previously awarded Federal Funds for the purchase of a grant management system.
 - **Vehicle Replacements:** Recommendations include \$1,140,000 in All Funds for the Fleet Vehicles project, which aligns with the 10 year/150,000 mile vehicle replacement schedule. This represents a decrease of \$0.2 million in General Revenue from the agency's request.
 - **Data Center Services:** Recommendations include \$49,139 for the Data Center Consolidation project, a reduction of \$17,611 in General Revenue, to align with DIR's estimate of needed services.
 - **Centralized Accounting and Payroll/Personnel System (CAPPS):** Recommendations include a reduction of \$353,865 in General Revenue for removal of one-time funding for implementation of CAPPS.
4. **Skimmer Fraud Unit:** Recommendations include \$2.6 million in General Revenue funding within the agency's baseline request for creation of a new unit within the Weights, Measures, and Metrology program called the Skimmer Fraud Unit. The new unit will implement a detection, investigation, and enforcement process that reduces the risk of fraud from credit card skimming (theft of credit card information) at fuel pumps. Recommendations re-purpose 14.0 FTEs within the agency's cap to work on the unit and 19 new vehicles, included in capital budget amounts for vehicle replacement. These costs will be covered by fee-generated revenues.
5. **Fuel Quality Program:** Recommendations modify Rider 27, Fuel Quality Program Appropriated Receipts, to align with agency estimated revenues for the motor fuel mixture testing fee. House Bill 2174, enacted by the Eighty-fifth Legislature, made significant changes to TDA's Fuel Quality program, including requiring an external party, rather than TDA, to conduct motor fuel sampling and testing. The bill also required stop-sale or shutdown orders to be based on lab results confirming a violation. TDA assesses a motor fuel mixture testing fee for the lab test. TDA had estimated that enactment of House Bill 2174 would require the agency to test and collect fees for more than 20,000 samples each year, but the actual number of tests has been much lower, and thus collections of appropriated receipts has been substantially lower than anticipated. Recommendations fund the program at \$1.8 million, a reduction of \$0.6 million from 2018-19 levels. The rider changes also add language from Rider 29, Laboratory Analysis of Fuel Quality Samples, regarding laboratory testing, in order to combine both riders into a single, simplified rider. See Rider Highlights - Senate, #27 and #29.
6. **Texas Economic Development Fund No. 183 (Account 183):** Recommendations include a decrease of \$5.7 million in Account 183 (Other Funds) due to depletion of the fund's original balances. Recommendations include \$3.5 million in funding from Account 183 for the 2020-21 biennium. 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. The first investments began in 2012, and 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. The reduction in recommended funding is due to the balance of the account having been spent down in previous years through investments. House Bill 2004, enacted by the Eighty-fifth Legislature, requires TDA to maintain a minimum balance in Account 183 of \$2.2 million. Recommendations do not include a new rider requested by the agency that would provide estimated appropriation authority for Account 183. See Items Not Included in Recommendations - Senate, #12.

Department of Agriculture
 Summary of Federal Funds (2020 - 21) - Senate

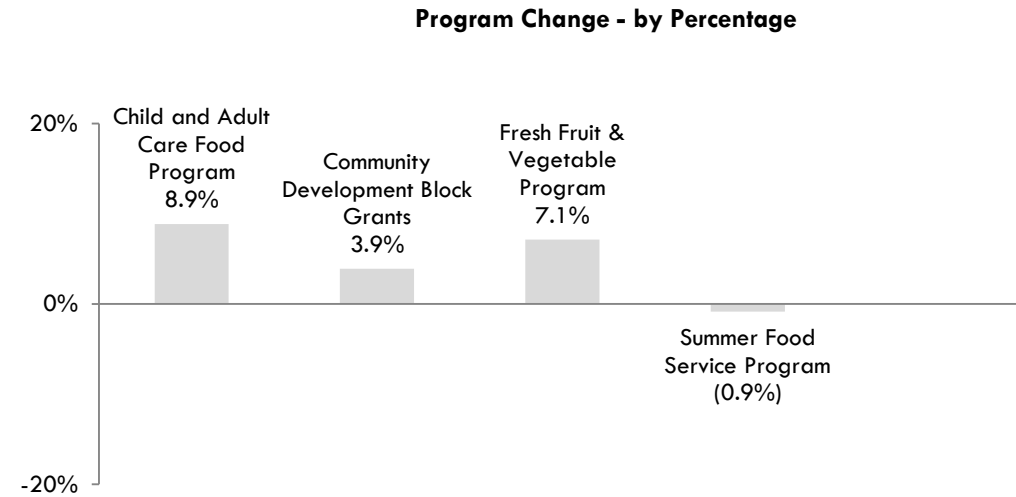
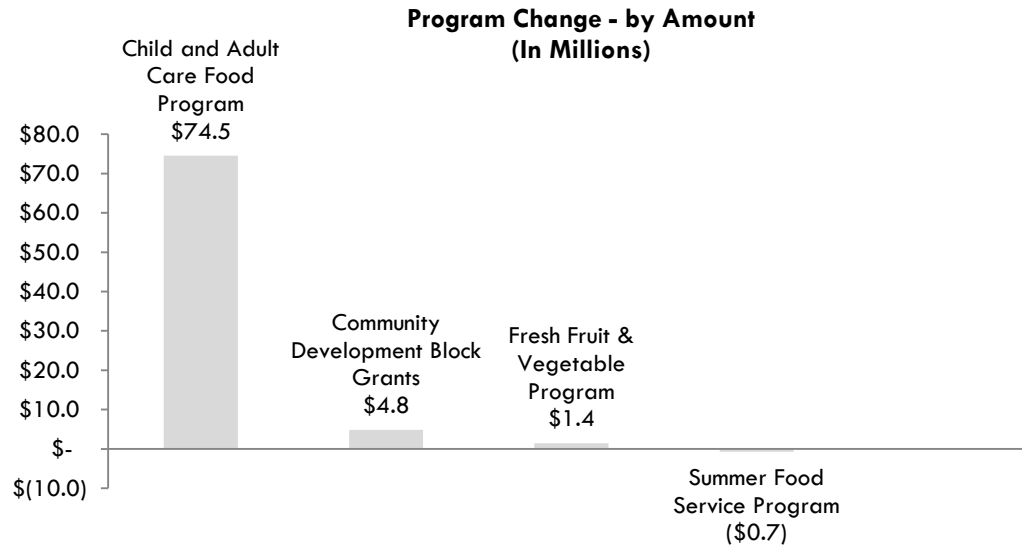
Total \$1280.3M



Selected Federal Fiscal and Policy Issues

1. LBB recommendations increase expenditures for the Child and Adult Care Food Program in the 2020-21 biennium due to anticipated growth in client eligibility and participation.
2. LBB recommendations increase expenditures for the Community Development Block Grant in the 2020-21 biennium due to anticipated increases in federal appropriations for this program.

Programs with Federal Funding Changes from 2018 - 19



**Department of Agriculture
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations include various changes to Capital Budget items in alignment with funding decisions. See Selected Fiscal and Policy Issues - Senate, #1, #2, and #3.
6. **Master Lease Purchase Program (MLPP) Payments.** Recommendations update the required lease payments for revenue bonds issued for construction of the metrology laboratory, weight truck purchase, and mass spectrometer.
14. **Administrative Allocation: Councils of Government.** Recommendations delete the phrase “appointed by the Governor” as Texas Administrative Code, Title 4, Part 1, Chapter 30, Subchapter A, Rule 30.50(c)(1) states that members are appointed by the Commissioner of Agriculture.
24. **Appropriations Limited to Revenue Collections: Cost Recovery Programs.** Recommendations align the amounts listed for direct and indirect program amounts with the agency’s new indirect cost allocation and combine the Weights and Measures program and the Metrology program into a single program called Weights, Measures, and Metrology. See Select Fiscal and Policy Issues - Senate, #1.
27. **Fuel Quality Program Appropriated Receipts.** Recommendations align amounts listed estimated by the agency for the Motor Fuel Mixture Testing Fee and combine language from Rider 29, Laboratory Analysis of Fuel Quality Samples, into the rider, making Rider 29 unnecessary.

Deleted Riders

28. **Metrology Lab.** Recommendations delete the rider as it referenced a one-time project funded in the 2018-19 biennium.
29. **Laboratory Analysis of Fuel Quality Samples.** Recommendations combine the language in this rider with Rider 27, Fuel Quality Program Appropriated Receipts, and delete the rider.

Department of Agriculture
Items Not Included in Recommendations - Senate

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items (in agency priority order)

1)	Rural and Agricultural Business Assistance: General Revenue to expand services that will increase sales for rural businesses and for agricultural products and services. This includes 3.0 FTEs.	\$3,500,000	\$3,500,000	3.0	No	No	\$3,500,000
2)	Agriculture Entry Point Inspections (Road Stations): General Revenue to create five permanent expanded operational road stations to inspect certain plants coming into Texas in order to prevent the spread of pests and plant diseases. This includes 36.0 FTEs.	\$7,575,080	\$7,575,080	36.0	Yes	Yes	\$4,491,080
3)	Information System Security Strategy: General Revenue to implement IT security measures recommended in a 2012 assessment of the agency by an independent contractor.	\$973,372	\$973,372	0.0	Yes	Yes	\$450,000
4)	Consolidation and Modernization of Legacy Systems: General Revenue to consolidate and modernize TDA's core business applications.	\$6,000,000	\$6,000,000	0.0	Yes	Yes	\$0
5)	Access to Rural Health Services: General Revenue for the State Office of Rural Health (SORH) to meet the full match for the federal grant that funds the majority of staff salaries in the program.	\$540,000	\$540,000	0.0	No	No	\$540,000
6)	Organic Certification Software: General Revenue to purchase software required for participation in the organic certification program run by the federal government.	\$91,100	\$91,100	0.0	Yes	Yes	\$52,100
7)	Centralized Accounting and Payroll/Personnel System (CAPPS) Conversion: General Revenue to implement CAPPS Human Resources using outside contractors.	\$350,000	\$350,000	0.0	Yes	Yes	\$0
8)	Delete Rider 4, Transfer Authority: Delete the rider so that TDA has transfer authority pursuant to Article IX, Sec. 14.01.	\$0	\$0	0.0	No	No	\$0

**Department of Agriculture
Items Not Included in Recommendations - Senate**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
9)	Rider Modification, Rider 24, Appropriations Limited to Revenue Collections: Cost Recovery Programs: Amend the rider to grant unexpended balance authority within the biennium and between biennia for appropriations related to cost recovery programs; to allow TDA to keep revenues related to penalties assessed and revenues above the Comptroller's Biennial Revenue Estimate for fiscal years 2019-2021; and to remove the ability of the Legislative Budget Board to reduce TDA's FTE cap if the cost recovery programs do not collect sufficient revenue.	\$0	\$0	0.0	No	No	\$0
10)	Delete Rider 27, Fuel Quality Program Appropriated Receipts: Delete the rider so that TDA may spend all appropriated receipts collected in the Fuel Quality Program.	\$0	\$0	0.0	No	No	\$0
11)	New Rider, Unexpended Balances Within the Biennium: New rider to grant the agency unexpended balance authority within the biennium.	\$0	\$0	0.0	No	No	\$0
12)	New Rider, Texas Economic Development Fund: New rider to give the agency estimated appropriation authority for Texas Economic Development Fund No. 183.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$19,029,552	\$19,029,552	39.0			\$9,033,180

**Department of Agriculture
Appendices - Senate**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	10
B	Summary of Federal Funds	15
C	FTE Highlights	16
D	Performance Measure Highlights	17
E	Summary of Ten Percent Biennial Base Reduction Options	18

* Appendix is not included - no significant information to report

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

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
TRADE & ECONOMIC DEVELOPMENT A.1.1	\$22,124,255	\$16,214,751	(\$5,909,504)	(26.7%)	All Funds decrease resulting from: a) a GR decrease of \$46,321 due to the new indirect cost allocation; b) a net decrease in Federal Funds of \$0.1 million related to increases in the FDA Research grant, used for prevention of contamination in food, and the State Trade and Export Promotion Pilot grant, used to increase the number of small businesses exporting to foreign markets, offset by a decrease in the Specialty Crop Block Grant program, used to enhance the competitiveness of specialty crops; c) a decrease in Texas Economic Development Fund No. 183 of \$5.7 million offset by an increase of \$593 due to the new indirect cost allocation. The fund is comprised of federal funds which are awarded for the specific purpose of funding venture capital fund companies to promote economic development in rural Texas; d) an increase in Appropriated Receipts of \$3,354 due to the new indirect cost allocation; e) an increase in Texas Agricultural Fund No. 683 of \$36,378 due to the new indirect cost allocation; and f) a decrease in Interagency Contracts of \$108,698 due to the new indirect cost allocation.
PROMOTE TEXAS AGRICULTURE A.1.2	\$535,084	\$482,016	(\$53,068)	(9.9%)	GR decrease of \$53,068 due to the new indirect cost allocation.
RURAL COMMUNITY AND ECO DEVELOPMENT A.2.1	\$126,361,906	\$131,091,774	\$4,729,868	3.7%	All Funds increase resulting from: a) a decrease in the GR Match for CDBG, Account No. 8039, of \$74,306 due to the new indirect cost allocation, and b) an increase in Federal Funds of \$4.8 million related to Community Development Block Grants (CDBG), used for community and economic development projects in rural areas.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
RURAL HEALTH A.2.2	\$9,116,049	\$8,348,908	(\$767,141)	(8.4%)	All Funds decrease resulting from: a) a GR decrease of \$7,684 due to the new indirect cost allocation; b) an increase in Federal Funds of \$0.7 million related to grants for rural hospitals; and c) a decrease in GR-D 5047, Permanent Fund for Rural Health Facility Capital Improvement Account, of \$1.4 million. The fund is comprised of interest earned on the tobacco settlement endowment.
Total, Goal A, AGRICULTURAL TRADE & RURAL AFFAIRS	\$158,137,294	\$156,137,449	(\$1,999,845)	(1.3%)	
PLANT HEALTH AND SEED QUALITY B.1.1	\$8,866,861	\$8,878,729	\$11,868	0.1%	All Funds increase resulting from: a) a GR increase of \$185,108 due to the new indirect cost allocation; b) a GR decrease of \$16,384 for vehicle replacements; and c) a decrease in Federal Funds of \$141,106 related to grants for plant and animal disease and pest control.
COMMODITY REGULATION & PRODUCTN B.1.2	\$2,019,446	\$1,837,889	(\$181,557)	(9.0%)	GR decrease resulting from: a) a decrease of \$176,288 due to the new indirect cost allocation, and b) a decrease of \$5,269 for vehicle replacements.
REGULATE PESTICIDE USE B.2.1	\$24,933,865	\$24,944,254	\$10,389	0.0%	All Funds increase resulting from: a) a GR increase of \$1.0 million due to the new indirect cost allocation; b) a GR decrease of \$0.8 million due to revenues that are not expected to continue in 2020-21; c) a GR decrease of \$21,553 for vehicle replacements; d) a GR decrease of \$17,611 to align Data Center Services with DIR's estimate; e) a GR decrease of \$2,079 due to decreasing lease payments for the Mass Spectrometer purchased under the Master Lease Purchase Plan (MLPP) agreement; and f) a decrease in Federal Funds of \$0.2 million related to grants for organic certification cost sharing.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
STRUCTURAL PEST CONTROL B.2.2	\$4,682,838	\$4,747,499	\$64,661	1.4%	GR increase resulting from: a) an increase of \$73,282 due to the new indirect cost allocation, and b) a decrease of \$8,621 for vehicle replacements.
WEIGHTS/MEASURES DEVICE ACCURACY B.3.1	\$17,930,692	\$16,456,913	(\$1,473,779)	(8.2%)	All Funds decrease resulting from: a) a GR decrease of \$0.5 million due to the new indirect cost allocation; b) a GR decrease of \$0.2 million due to revenues that are not expected to continue in 2020-21; c) a GR decrease of \$122,007 for vehicle replacements; d) a GR decrease of \$64,369 due to decreasing lease payments for Metrology Lab Construction and the Weight Truck purchased under MLPP; e) a decrease in Appropriated Receipts of \$0.3 million due to the new indirect cost allocation; and f) a decrease in Appropriated Receipts of \$0.3 million due to fuel quality revenue not meeting projections.
Total, Goal B, PROTECT TX AG PRODUCERS & CONSUMERS	\$58,433,702	\$56,865,284	(\$1,568,418)	(2.7%)	
NUTRITION PROGRAMS (FEDERAL) C.1.1	\$1,064,194,660	\$1,135,494,706	\$71,300,046	6.7%	Federal Funds increase resulting from: a) an increase of \$74.5 million in the Child and Adult Care Food program; b) an increase of \$1.4 million in the Fresh Fruit and Vegetable program; c) a decrease of \$3.7 million in Child Nutrition Discretionary grants; d) a decrease of \$0.7 million in the Summer Food Service Program for Children; and e) a decrease of \$0.3 million in the National School Lunch program.
NUTRITION ASSISTANCE (STATE) C.1.2	\$27,823,745	\$27,782,530	(\$41,215)	(0.1%)	GR decrease due to the new indirect cost allocation.
Total, Goal C, FOOD AND NUTRITION	\$1,092,018,405	\$1,163,277,236	\$71,258,831	6.5%	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION D.1.1	\$11,541,370	\$11,171,517	(\$369,853)	(3.2%)	All Funds decrease resulting from: a) a GR decrease of \$0.4 million related to the removal of one-time funding for implementation of CAPPs; b) a decrease of \$15,988 in Appropriated Receipts; and c) a net increase of \$1 due to the new indirect cost allocation, resulting from the following changes: 1) a GR decrease of \$0.2 million; 2) an increase in the GR Match for CDBG, Account No. 8039, of \$542; 3) an increase in Fund No. 183 of \$48,588; 4) an increase in Appropriated Receipts of \$0.1 million; 5) an increase in Fund No. 683 of \$12,916; and 6) an increase in Interagency Contracts of \$57,640.
INFORMATION RESOURCES D.1.2	\$6,489,334	\$6,489,334	\$0	0.0%	A net change of \$0 created by the following changes due to the indirect cost allocation: a) a GR decrease o \$0.2 million; b) an increase in the GR Match for CDBG, Account No. 8039, of \$60,434; c) a decrease in Fund No. 183 of \$43,531; d) an increase in Appropriated Receipts of \$0.2 million; e) a decrease in Fund No. 683 of \$37,612; and f) an increase in Interagency Contracts of \$33,484.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
OTHER SUPPORT SERVICES D.1.3	\$3,423,204	\$3,396,038	(\$27,166)	(0.8%)	All Funds decrease resulting from: a) a GR decrease of \$94,369 due to the new indirect cost allocation; b) a GR decrease of \$10,166 for vehicle replacements; c) an increase in the GR Match for CDBG, Account No. 8039, of \$13,330 due to the indirect cost allocation; d) a decrease in Fund No. 183 of \$5,650 due to the new indirect cost allocation; e) an increase in Appropriated Receipts of \$80,796 due to the new indirect cost allocation; f) a decrease in Fund No. 683 of \$11,682 due to the indirect cost allocation; and g) an increase in Interagency Contracts of \$17,574 due to the indirect cost allocation.
Total, Goal D, INDIRECT ADMINISTRATION	\$21,453,908	\$21,056,889	(\$397,019)	(1.9%)	
Grand Total, All Strategies	\$1,330,043,309	\$1,397,336,858	\$67,293,549	5.1%	

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

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child and Adult Care Food Program	\$410.7	\$430.6	\$448.3	\$467.5	\$841.3	\$915.8	71.5%	\$74.5	8.9%
Community Development Block Grants	\$58.9	\$64.7	\$64.2	\$64.2	\$123.5	\$128.3	10.0%	\$4.8	3.9%
Summer Food Service Program	\$41.0	\$41.0	\$40.6	\$40.6	\$81.9	\$81.2	6.3%	(\$0.7)	(0.9%)
State Administrative Expenses	\$31.1	\$31.1	\$31.1	\$31.1	\$62.3	\$62.3	4.9%	\$0.0	0.0%
Fresh Fruit & Vegetable Program	\$9.8	\$10.2	\$10.5	\$10.9	\$20.0	\$21.4	1.7%	\$1.4	7.1%
National School Lunch Program	\$10.7	\$10.4	\$10.4	\$10.4	\$21.1	\$20.8	1.6%	(\$0.3)	(1.5%)
Emergency Food Assistance Program	\$7.5	\$7.5	\$7.5	\$7.5	\$15.0	\$15.0	1.2%	\$0.0	0.3%
School Breakfast Program	\$5.3	\$5.3	\$5.3	\$5.3	\$10.6	\$10.6	0.8%	\$0.0	0.0%
Commodity Supplemental Food Program	\$3.0	\$3.0	\$3.0	\$3.0	\$6.0	\$6.0	0.5%	\$0.0	0.0%
Specialty Crop Block Grant Program	\$1.8	\$2.2	\$2.0	\$1.8	\$4.0	\$3.7	0.3%	(\$0.3)	(7.4%)
Plant and Animal Disease, Pest Control, and Animal Care ¹	\$1.4	\$1.4	\$1.3	\$1.3	\$2.7	\$2.6	0.2%	(\$0.1)	(5.2%)
Food and Drug Administration Research	\$1.2	\$0.8	\$1.1	\$1.0	\$2.0	\$2.2	0.2%	\$0.1	6.6%
State Rural Hospital Flexibility Program	\$0.7	\$0.8	\$1.1	\$1.1	\$1.5	\$2.1	0.2%	\$0.6	41.6%
Small Rural Hospital Improvement Grant Program	\$0.9	\$1.0	\$1.0	\$1.0	\$2.0	\$2.1	0.2%	\$0.1	5.4%
WIC Farmers Market Nutrition Program	\$0.8	\$0.8	\$0.8	\$0.8	\$1.6	\$1.6	0.1%	\$0.0	0.0%
State Trade and Export Promotion Pilot Grant Program	\$0.7	\$0.8	\$0.8	\$0.8	\$1.5	\$1.6	0.1%	\$0.1	3.7%
Market Protection and Promotion	\$0.7	\$0.7	\$0.7	\$0.7	\$1.4	\$1.4	0.1%	(\$0.0)	(1.1%)
Pesticide Enforcement Program	\$0.6	\$0.5	\$0.5	\$0.5	\$1.1	\$1.1	0.1%	(\$0.0)	(1.9%)
Senior Farmers Market Nutrition Program	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	0.0%	\$0.0	0.0%
Grants to States for Operation of Offices	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	0.0%	(\$0.0)	(8.4%)
Child Nutrition Discretionary Grants ²	\$0.0	\$3.7	\$0.0	\$0.0	\$3.7	\$0.1	0.0%	(\$3.7)	(97.9%)
Organic Certification Cost Share Programs	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	0.0%	(\$0.2)	(100.0%)
All Other Programs ³	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.0	0.0%	\$0.0	0.0%
TOTAL:	\$587.2	\$616.7	\$630.5	\$649.8	\$1,203.9	\$1,280.2	100.0%	\$76.4	6.3%

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 2020-21 biennium.

³All other programs includes Special Milk Program for Children, Market Access Program, and Market News.

**Department of Agriculture
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	685.0	702.9	705.9	725.9	725.9
Actual/Budgeted	630.5	624.0	725.9	n/a	n/a
Schedule of Exempt Positions (Cap)					
Commissioner of Agriculture, Group 5	\$140,938	\$140,938	\$140,938	\$140,938	\$140,938

Notes:

- 1) The agency is requesting 20.0 FTEs above its 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 2019-2021 are within the limitations set by Article IX, Sec. 6.10(a).
- 2) The State Auditor's Office report, Executive Compensation at State Agencies (Report No. 18-705, August 2018), 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.

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

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
<ul style="list-style-type: none"> • <i>Percent of Weights & Measures Device Routine Inspections in Compliance with the Standard</i> <p><i>Measure Explanation: This measures the percent of weights and measures device routine inspections found in full compliance with state and federal standards.</i></p>	94.6%	94.0%	94.0%	94.0%	94.0%
<ul style="list-style-type: none"> • <i>Percent of Fuel Quality Inspections Found to Be in Full Compliance</i> <p><i>Measure Explanation: This measures the percent of fuel quality inspections found to be in full compliance.</i></p>	81.8%	80.0%	80.0%	80.0%	80.0%
<ul style="list-style-type: none"> • <i>Percent of Vehicles Transporting Regulated Articles Compliant with Quarantine</i> <p><i>Measure Explanation: This measures the percent of vehicles transporting regulated articles found in compliance with state and federal quarantine requirements.</i></p>	94.6%	96.0%	96.0%	96.0%	96.0%

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

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
1)	Rural Health Facility Capital Improvement	This GR-D program is funded by a permanent fund established from the tobacco settlement. Appropriations from available interest earnings are estimated, therefore a 10% reduction would have no impact.	\$460,710	\$460,710	0.0	\$0	15%	\$3,167,200	No
2)	TX Boll Weevil Eradication	Texas' cotton and cottonseed industry is dependent on the success of boll weevil eradication carried out by the Boll Weevil Foundation, which receives revenue from sources other than TDA. This reduction would amount to 5.3% of the Foundation's 2017 revenue.	\$2,292,305	\$2,292,305	0.0	\$0	24%	\$9,691,394	No
3)	TX Boll Weevil Eradication	Texas' cotton and cottonseed industry is dependent on the success of boll weevil eradication carried out by the Boll Weevil Foundation, which receives revenue from sources other than TDA. This reduction would amount to .5% of the Foundation's 2017 revenue.	\$251,133	\$251,133	0.0	\$0	3%	\$9,691,394	No
4)	Pesticide Program Grant	A reduction to the Pesticide program would result in elimination of a grant for pesticide outreach in rural communities.	\$1,000,000	\$1,000,000	0.0	\$0	5%	\$21,674,863	No
5)	Home Delivered Meals	Reduction in the Home Delivered Meals program would decrease the number of meals organizations are able to provide to homebound elderly and disabled Texans.	\$1,501,882	\$1,501,882	0.0	\$0	8%	\$17,742,876	No
6)	Home Delivered Meals	Reduction in the Home Delivered Meals program would decrease the number of meals organizations are able to provide to homebound elderly and disabled Texans.	\$2,753,015	\$2,753,015	0.0	\$0	16%	\$17,742,876	No
7)	Home Delivered Meals	Reduction in the Home Delivered Meals program would decrease the number of meals organizations are able to provide to homebound elderly and disabled Texans.	\$366,038	\$366,038	0.0	\$0	2%	\$17,742,876	No
8)	Food Bank (Texans Feeding Texans, Surplus Agricultural Product Grant Program)	Reduction in the Food Bank program would reduce the amount of fresh produce food banks are able to acquire and distribute to partner agencies impacting needy Texans across the state.	\$2,386,976	\$2,386,976	0.0	\$0	26%	\$9,162,960	No
TOTAL, 10% Reduction Options			\$11,012,059	\$11,012,059	0.0	\$0			