

<b>Oregon Department of Agriculture</b>				
	<b>2011-13 Actuals</b>	<b>2013-15 Leg. Approved*</b>	<b>2015-17 CSL LFO</b>	<b>2015-17 Governor's</b>
General Fund	12,134,881	19,460,351	20,362,282	23,740,197
Lottery Funds	7,199,518	6,473,272	6,518,078	6,346,795
Other Funds	50,402,029	55,589,067	57,832,722	58,544,483
Federal Funds	11,285,459	15,320,730	14,994,510	15,563,978
<b>Total Funds</b>	<b>81,021,887</b>	<b>96,843,420</b>	<b>99,707,592</b>	<b>104,195,453</b>
Positions	471	480	475	521
FTE	343.64	352.92	348.97	373.25
* includes Emergency Board and administrative actions through December 2014				

### ***Program Description***

The Department of Agriculture's mission is centered on three broad policy areas of ensuring food safety and providing consumer protection, protecting agricultural natural resources, and promoting economic development in the agricultural industry. The agency emphasizes public education and technical assistance in its provision of regulatory oversight on legislatively mandated programs. Oregon's agricultural industry is one of the state's most important economic sectors.

### ***CSL Summary and Issues***

Falling or flat revenue required Package 070 Other Funds reductions in the Nursery (\$436,000) and the Seed (\$44,000) programs. Both are proposed to be restored through legislative ratification of fee increases already implemented administratively during 2013-15.

Wolf Compensation and Grants – This program started in 2011-13 with \$100,000 General Fund. In the current biennium this was increased to \$200,000, however the additional \$100,000 General Fund was added on a one-time basis. ODA reports all \$200,000 General Fund will be used for grants this biennium, with the bulk of the funding going to conflict prevention grants.

### ***Policy Issues***

Other fee increases – Motor Fuel Quality program fees have not increased since 1997 when the program started. The current fee structure does not raise enough revenue to support the program. The proposed increase would be phased-in over five years and raises \$31,000 Other Funds for next biennium. The agency is proposing a fertilizer program fee increase totaling \$52,000 in 2015-17. The additional revenue would be used for research projects. ODA reports the additional research funding was requested by fee payers.

### **Administration and Support Services:**

- (1) Currently all central administrative functions are funded with a combination of General Fund, Other Funds, and Federal Funds, with the General Fund supporting only about 15% of total expenditures. While Ballot Measure 76 Lottery Funds comprise around 7% of the total budget, none of these funds are charged administrative overhead. The agency requested General Fund to fund shift some administrative costs off of Other Funds and onto General Fund to provide some relief to fee payers. All General Fund was requested due to Ballot Measure 76 Lottery Fund constraints. This has been a long standing issue for this agency.
- (2) The Department has experienced significant increases in complex public record requests over the last three years. These requests have had to be fulfilled by existing administrative staff, taking away from the duties they are needed to perform.

### **Food Safety/Consumer Protection:**

- (1) The current animal health program is staffed with 1.50 FTE veterinary positions due to program reductions. There were 3 positions in 2010. ODA reports a need for a district veterinarian west of Cascades because the U.S. Department of Agriculture closed their only veterinary services office in Oregon, which had 3 vets and 5 assistant vets. ODA reports this closing significantly reduced the state's animal health infrastructure.
- (2) ODA has identified a need for a number of improvements at their Regulatory Laboratory including, the addition of 4.50 FTE in staffing, funding for a modern Laboratory Information Management System that is compliant with current federal standards (the old one is from 1988 and does not connect with new equipment), and funding to replace testing equipment, 50% of which are 5+ years old.

### **Natural Resources:**

- (1) The Threatened & Endangered plant program was moved off of General Fund support a number of biennia ago and relies on finding Federal Funds and Other Funds to support their work. This has proved problematic as work has to be directed where funding can be found and the program cannot respond to requests for assistance. The agency feels the program is not sustainable without some base state funding to carry out its statutory requirements.

- (2) Proposal to increase civil penalty authority through an agency sponsored bill. The civil penalties would be retained by the agency. LFO has long held that all civil penalties should go to the General Fund to avoid the possible perception that agencies are imposing penalties as a means of increasing department revenues.

Ag Development:

- (1) \$65,000 General Fund was provided on a one-time basis during the 2014 session to complete rule making for implementation of an industrial hemp production program. The new program would be funded with fee revenues on producers, so the agency will need expenditure authority to implement the program in 2015-17.

***Other Significant Issues and Background***

The following budget note was included in SB 5502 relating to predator control funding:

“The Department of Fish and Wildlife and the Department of Agriculture shall, using information provided by United States Department of Agriculture – Animal and Plant Health Inspection Service – Wildlife Services, report to the appropriate subcommittee of the Joint Committee on Ways and Means during the 2015 Regular Session on wildlife conflicts responded to by Wildlife Services agents by species, resource type, and methods used to address the conflict, summarized by county.”

***Co-Chairs’ Budget Framework Discussion***

The Co-Chairs’ budget framework included the following priorities and targeted investments related to funding for the Department of Agriculture:

- Ensures the Department of Agriculture’s laboratory meets federal guidelines and has the capacity to meet testing demands
- Adds resources for administrative functions at the Department of Agriculture to ease the burden on fee payers and reduce future fee increases