



February 22, 2017

Senator Frederick, Co-Chair
Representative Witt, Co-Chair
Joint Committee on Ways and Means Subcommittee on Natural Resources
900 Court Street NE, Room H 178
Salem, Oregon 97301

Dear Co-Chair Frederick and Co-Chair Witt,

Thank you for the opportunity to continue the discussion of the Oregon Department of Agriculture (ODA) and the implementation of the department's programs.

Below is ODA's response to questions raised during Day 2 (February 21, 2017) of the department's budget presentation.

Ending fund balance for the 2015-17 biennium

To confirm, the estimated ending balance for the 2015-17 biennium is \$24,323,459. This ending balance is Other Funds and is derived primarily from license and fee-for-service programs.

Value of the programs that are part of the reductions in the Governor's Budget

In the Governor's Budget, General Fund is reduced \$2,305,178. The Governor's Budget also includes a shift of \$1,145,635 to Other Funds and \$372,000 to Federal Funds. Please find a summary of the reductions and fund shifts below.

- Predator Control removal of all General Fund - \$464,200
- Pesticide Analytical Response Center one-time fund shift to Other Funds - \$356,685
- Weed program removal of a biocontrol position - \$250,759
- CAFO fund shift to Other Funds - \$250,000
- Ag Development one-time fund shift to Federal Funds - \$200,000
- IPPM one-time fund shift to Federal Funds - \$172,000
- Food Safety one-time fund shift to Other Funds - \$538,950
- Administration unspecified reduction - \$72,584
- M76 Lottery Fund revenue was reduced to match current service level expenditures

A summary of the department's budget one-pager has been attached. It is also available in the budget presentation materials.



Funding history for the Predator Control Program

After review of department records, the last major reduction to Predator Control occurred in the 2009-11 biennium to a level of \$120,000. This was a one-time reduction. Please see the enclosed *Statewide Query* regarding Predator Control for more information.

ODA would also like to correct the record. On slide 72 (15% Reduction Options (Cont'd): Third 5% - \$1.3M General Fund) of the department presentation, the reduction for the Pesticide Stewardship Partnership is reduction in technical assistance not a fund shift as reported during the budget presentation. The reduction of General Fund is \$137,933. There is also a reduction in Other Funds in the amount of \$137,933.

Thank you for this opportunity to respond to your questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexis M. Taylor". The signature is fluid and cursive, with the first name "Alexis" being the most prominent.

Alexis M. Taylor, Director
Oregon Department of Agriculture

Enclosures



Oregon Department of Agriculture 2017-19 Governor's Budget

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Governor's Budget
General Fund	\$ 24,613,559	\$ 25,777,408	\$ 23,401,064
Lottery Fund	6,491,591	7,072,247	7,042,307
Other Funds	62,478,730	65,835,111	68,706,936
Federal Funds	17,630,167	15,958,792	18,250,782
Total Funds	111,214,047	114,643,558	117,401,089
Positions	527	523	538
Full-Time Equivalent (FTE)	378.84	375.94	391.08

2017-19 Significant Changes

Phase-outs

- One-time General Fund monies for wolf depredation compensation and financial assistance grant program as well as one-time General Fund appropriated for the Bee Incident Reporting System were phased-out of the Administration Program.
- One-time General Fund appropriated for additional bay water sampling in the Shellfish Program and one-time capital outlay Other Funds limitation for the Weights & Measures Program were phased-out of the Food Safety/Consumer Protection Program Area.
- One-time General Fund appropriated for support of the Invasive Species Council and one time General Fund and Federal Funds in the Insect Pest Prevention & Management Program for Gypsy Moth eradication were phased-out of the Natural Resources Program Area.

Phase-ins

- Positions and related services and supplies were phased-in in the Natural Resources Program Area for a full biennium for Ag Water Quality and Pesticides programs.

Revenue Shortfalls

- 070 - Reductions were made in the Nursery Program to bring expenditures in alignment with available Other Funds Revenue. Companion package 370 requests to restore reductions and ratify an administrative fee increase.

Pkg 090 Analyst Adjustments

Package 090 includes a number of reductions that reduced General Fund \$2,305,178, which includes a shift of \$1,145,635 to Other Funds and \$372,000 to Federal Funds.

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Pkg 091 Statewide Adjustment to DAS Charges

Package 091 represents changes to State Government Service Charges and DAS price list charges. It reduces \$95,963 General Fund, \$29,847 Lottery Funds, \$271,151 Other Funds, and \$76,601 Federal Funds for a total reduction of \$473,562.

Pkg 092 Statewide AG Adjustment

Package 092 adjusts Attorney General rates from the published price list of \$198/hour to \$185/hour. It reduces \$1,707 General Fund, \$93 Lottery Funds, \$19,868 Other Funds, and \$217 Federal Funds for a total reduction of \$21,885.

Policy Packages – Recommended

- **210 – Food Safety Inspectors** \$470,034 OF: Requests Other Funds and two positions to allow the Food Safety Program to achieve its desired inspection frequency with a focus on retail operations.
- **250 – FSMA Outreach, Education & Capacity Building** \$1,400,000 FF: Enables ODA to implement grant funding from USDA to focus on produce safety rules associated with the Food Safety Modernization Act (FSMA).
- **260 – District Veterinarian Position Clean-Up**: Requests to combine two half-time positions into one full-time position.
- **270 – Continue Manufactured Food Positions** \$596,808 FF: Requests to continue Federal Funds limitation and limited duration positions for ongoing work for the cooperative agreement with FDA for MFRPS.
- **280 – Avian Influenza Limited Duration Position**: Requests to continue limited duration avian health coordinator.
- **290 – Metrology Lab Equipment Replacements** \$90,000 OF: Requests Other Funds limitation to replace antiquated equipment and eventually establish a lifecycle replacement plan.
- **285 – Weights and Measures Inspectors** \$457,065 OF: Requests limitation and two positions due to increased demands in workload.
- **360 – Plant Program Position Modifications**: Requests to establish three Limited Duration positions using existing limitation to more accurately reflect how program resources are being utilized.
- **370 – Nursery Fee Ratification**: Requests to ratify an administrative fee increase and restore reductions made in Pkg 070.
- **440 – Shipping Point Position Modifications**: Requests to change select positions to seasonal part-time.
- **450 – Commodity Commission Oversight Program Limitation Increase** \$75,000 OF: There is no change in fee rates but additional Other Funds limitation is needed to facilitate program activities.

Policy Packages – Recommended as Modified

- **120 – Human Resource Staffing**: Requested \$455,737 General Fund and two positions. One position for training of internal staff, which was identified in the agency strategic plan. The other position was for existing day-to-day workload demands of the Human Resources office. Modified to fund one Training and Development Specialist position \$263,675 Other Funds.
- **140 – Information Technology Investments**: Requested \$577,207 General Fund and three positions to provide for greater efficiency in IT investments. ODA's current team is sized for maintenance and support activities, but is not sufficient to support program needs for systems development. Modified to fund one ISS7 position with \$222,769 Other Funds.
- **220 – Lab Infrastructure Investments**: Requested \$803,301 General Fund and a half-time administrative position to support the regulatory lab to carry out core analytical functions. Additionally requested funding for equipment in both the regulatory and plant labs. Modified to \$272,000 in Plant Health and \$200,000 in Lab Services Programs with one-time Other Funds.

Policy Package – Correction Requested (Requesting to pull package following Governor's Budget)

- **295 – Small Scale Fee Increase**: Establishes a new fee to recover the cost of testing a higher precision scale type.

