

Director: Donald Butler

JLBC Analyst: Eric Jorgensen

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Approved</b>	<b>Approved</b>
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	250.2	252.2	234.2	234.2
Personal Services	7,254,000	7,394,700	7,520,400	7,394,700
Employee Related Expenditures	2,448,300	2,777,100	3,021,400	2,720,800
Professional and Outside Services	175,000	330,800	184,400	180,800
Travel - In State	687,800	776,300	776,300	776,300
Travel - Out of State	25,600	44,700	44,700	44,700
Other Operating Expenditures	1,399,400	1,949,100	1,668,600	1,668,600
Equipment	52,900	64,700	64,700	64,700
<b>OPERATING SUBTOTAL</b>	<b>12,043,000</b>	<b>13,337,400</b>	<b>13,280,500</b>	<b>12,850,600</b>
<b>SPECIAL LINE ITEMS</b>				
Agricultural Employment Relations Board	10,000	23,300	23,300	23,300
Animal Damage Control	65,000	65,000	65,000	65,000
Red Imported Fire Ant	23,200	23,200	23,200	23,200
<b>AGENCY TOTAL</b>	<b>12,141,200</b>	<b>13,448,900</b>	<b>13,392,000<sup>1/</sup></b>	<b>12,962,100<sup>1/</sup></b>
<b>FUND SOURCES</b>				
General Fund	9,953,400	10,337,600	10,561,600	10,224,300
<u>Other Appropriated Funds</u>				
Agricultural Consulting and Training Fund	49,900	65,600	66,800	64,500
Aquaculture Fund	5,000	9,200	9,200	9,200
Arizona Protected Native Plant Fund	139,900	258,600	168,400	162,100
Citrus, Fruit and Vegetable Revolving Fund	778,600	1,047,500	955,700	920,700
Commercial Feed Fund	204,700	411,000	276,900	270,200
Dangerous Plants, Pests and Diseases Fund	0	21,400	21,400	21,400
Egg Inspection Fund	453,600	656,300	670,700	646,200
Fertilizer Materials Fund	257,400	263,400	275,000	267,300
Livestock Custody Fund	28,300	79,400	79,400	79,400
Pesticide Fund	239,000	247,100	256,000	247,000
Seed Law Fund	31,400	51,800	50,900	49,800
SUBTOTAL - Other Appropriated Funds	2,187,800	3,111,300	2,830,400	2,737,800
<b>SUBTOTAL - Appropriated Funds</b>	<b>12,141,200</b>	<b>13,448,900</b>	<b>13,392,000</b>	<b>12,962,100</b>
Other Non-Appropriated Funds	6,353,100	8,513,600	8,513,600	8,513,600
Federal Funds	1,702,900	2,323,500	2,323,500	2,323,500
<b>TOTAL - ALL SOURCES</b>	<b>20,197,200</b>	<b>24,286,000</b>	<b>24,229,100</b>	<b>23,799,200</b>

**AGENCY DESCRIPTION** — The Arizona Department of Agriculture administers and enforces agriculture-related statutes. The department regulates certain phases of food production (such as milking, butchering, and harvesting) to guard public health and to ensure product quality. The department administers programs to protect livestock and crops from pests and diseases and to protect farm workers who handle agricultural chemicals. It also tests certain non-food agricultural products to ensure product quality and content, as well as providing administrative support to several agricultural product promotion groups.

<sup>1/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

<b>PERFORMANCE MEASURES</b>	FY 2003	FY 2004	FY 2006
	Actual	Actual	Approved
• % of industry stakeholders rating the department's quality of communication excellent or good	NA	NA	95
• % of meat and poultry product tests in compliance with bacteria, drug and chemical residue requirements	99	99.6	100
• % of inspections within the state interior resulting in pest interceptions	34.3	NA	32.0
• Overall customer satisfaction rating for laboratory services (%)	96	96	98

**Comments:** The agency did not submit information for any measure labeled as "NA". The rating of the department's quality of communication is not reported because of low survey response. The percent of inspections resulting in pest interceptions was not reported for FY 2004 because of errors in the data. Meat and poultry inspections continue to show very high levels of compliance. The department's laboratory services have consistently received high customer satisfaction marks.

### **Operating Budget**

The budget provides \$13,280,500 for the operating budget in FY 2006 and \$12,850,600 in FY 2007. These amounts consist of:

	<b>FY 2006</b>	<b>FY 2007</b>
General Fund	\$10,450,100	\$10,112,800
Agricultural Consulting and Training Fund	66,800	64,500
Aquaculture Fund	9,200	9,200
Arizona Protected Native Plant Fund	168,400	162,100
Citrus, Fruit, and Vegetable Revolving Fund	955,700	920,700
Commercial Feed Fund	276,900	270,200
Dangerous Plants, Pests, and Diseases Fund	21,400	21,400
Egg Inspection Fund	670,700	646,200
Fertilizer Materials Fund	275,000	267,300
Livestock Custody Fund	79,400	79,400
Pesticide Fund	256,000	247,000
Seed Law Fund	50,900	49,800

The approved amount includes an increase of \$444,200 in FY 2006 and an increase of \$14,300 in FY 2007 for statewide adjustments. These amounts consist of:

General Fund	337,300	0
Agricultural Consulting and Training Fund	1,200	(1,100)
Arizona Protected Native Plant Fund	10,100	3,800
Citrus, Fruit, and Vegetable Revolving Fund	45,700	10,700
Commercial Feed Fund	15,900	9,200
Egg Inspection Fund	14,400	(10,100)
Fertilizer Materials Fund	11,600	3,900
Pesticide Fund	8,900	(100)
Seed Law Fund	(900)	(2,000)

*(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

#### *Vacant FTE Reduction*

The approved amount includes a decrease of \$(113,300) and (18.0) FTE Positions from the General Fund in FY 2006 and FY 2007 for the elimination of vacant FTE Positions. By reducing the number of vacant FTE Positions, the budget reduced the amount of money appropriated for health, dental, and life insurance. These monies are passed through directly to the Arizona Department of Administration for statewide insurance costs and will not affect the amount of monies the agency has for other purposes. All other funding for these vacant positions had been previously eliminated.

#### *ALIRT Funding*

The approved amount includes a decrease of \$(150,000) from the Commercial Feed Fund in FY 2006 and FY 2007 for Arizona Livestock Incident Response Team (ALIRT) funding. In FY 2005, the ALIRT program was funded with \$200,000 from the Commercial Feed Fund. This eliminates the one-time start costs for the program, and continues funding at \$50,000. The continued funding would enable the department to maintain the network of trained private veterinarians that are capable of responding to a livestock health emergency.

#### *Revenue Alignment*

The approved amount includes a decrease of \$(237,800) in FY 2006 and FY 2007 to align Other Appropriated funds with their expected revenues. This amount consists of \$(100,300) from the Arizona Protected Native Plant Fund and \$(137,500) from the Citrus, Fruit, and Vegetable Revolving Fund.

## ***Special Line Items***

### ***Agricultural Employment Relations Board***

The budget provides \$23,300 from the General Fund for the Agricultural Employment Relations Board in FY 2006 and FY 2007. These amounts are unchanged from FY 2005. This Special Line Item funds accounting and budgeting support for the Agricultural Employment Relations Board. The board receives and investigates complaints regarding labor practices and conducts farm labor union elections.

### ***Animal Damage Control***

The budget provides \$65,000 from the General Fund for Animal Damage Control in FY 2006 and FY 2007. These amounts are unchanged from FY 2005. This Special Line Item funds agreements with the U.S. Department of Agriculture (USDA) to control, dispatch, or relocate predatory animals and noxious rodents, which are injurious to livestock, poultry, agriculture, other industries, or the public health.

### ***Red Imported Fire Ant***

The budget provides \$23,200 from the General Fund for the Red Imported Fire Ant in FY 2006 and FY 2007. These amounts are unchanged from FY 2005. This Special Line Item funds ongoing pest exclusion efforts aimed at preventing the introduction of the red imported fire ant into Arizona. The state has successfully suppressed isolated infestations of red imported fire ants and continues to be federally certified as free from this pest.