

## Arizona Department of Agriculture

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	162.9	162.9	226.3 <sup>1/2/</sup>
Personal Services	4,071,600	4,307,900	5,324,400
Employee Related Expenditures	1,885,500	1,947,800	2,370,100
Professional and Outside Services	60,400	42,000	299,500
Travel - In State	414,100	449,300	605,800
Travel - Out of State	7,200	17,800	32,700
Other Operating Expenditures	1,174,400	1,075,700	1,464,900
Equipment	202,700	8,500	61,300
<b>OPERATING SUBTOTAL</b>	<b>7,815,900</b>	<b>7,849,000</b>	<b>10,158,700</b>
<b>SPECIAL LINE ITEMS</b>			
Agricultural Consulting and Training	128,000	128,500	128,500
Agricultural Employment Relations Board	23,300	23,300	23,300
Animal Damage Control	65,000	65,000	65,000
Division of Pest Management	0	0	1,695,500
Nuclear Emergency Management Fund	191,600	198,400	198,400 <sup>3/4/</sup>
Red Imported Fire Ant Control	23,200	23,200	23,200
<b>AGENCY TOTAL</b>	<b>8,247,000</b>	<b>8,287,400</b>	<b>12,292,600</b> <sup>5/</sup>
<b>FUND SOURCES</b>			
General Fund	8,247,000	8,287,400	9,162,700
<u>Other Appropriated Funds</u>			
Air Quality Fund	0	0	1,434,400
Pest Management Trust Fund	0	0	1,695,500
SUBTOTAL - Other Appropriated Funds	0	0	3,129,900
<b>SUBTOTAL - Appropriated Funds</b>	<b>8,247,000</b>	<b>8,287,400</b>	<b>12,292,600</b>
Other Non-Appropriated Funds	10,159,200	12,741,200	12,140,500
Federal Funds	4,151,200	4,381,600	4,495,100
<b>TOTAL - ALL SOURCES</b>	<b>22,557,400</b>	<b>25,410,200</b>	<b>28,928,200</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. Beginning in FY 2017, the responsibilities of the Department of Weights and Measures and the responsibilities of the Office of Pest Management are transferred to the Arizona Department of Agriculture. The new duties of the Weights and Measures Service Division include the inspection, testing and licensing of commercial weighing and measuring devices. The new duties of the Division of Pest Management include licensing and regulating professional pest control companies and conducting examinations of the applicators of structural pesticides.

<sup>1/</sup> Includes 1.88 GF and 30 OF FTE Positions funded from Special Line Items in FY 2017.

<sup>2/</sup> Includes 1.88 GF FTE Positions appropriated by Laws 2015, Chapter 132.

<sup>3/</sup> Includes \$198,434 and 1.88 FTE Positions in both FY 2016 and FY 2017 appropriated by Laws 2015, Chapter 132 for the Nuclear Emergency Management Fund.

<sup>4/</sup> Pursuant to A.R.S. § 26-306.02, this appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations; however any unexpended monies shall be used to reduce the assessment and appropriation in future years.

<sup>5/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

### **Operating Budget**

The budget includes \$10,158,700 and 194.4 FTE Positions in FY 2017 for the operating budget. These amounts consist of:

	<u>FY 2017</u>
General Fund	\$8,724,300
Air Quality Fund	1,434,400

These amounts fund the following adjustments:

#### **Agency Consolidation**

The budget includes an increase of \$2,372,000 and 33.4 FTE Positions in FY 2017 for the Weights and Measures agency elimination. These amounts consist of:

General Fund	932,200
Air Quality Fund	1,439,800

Laws 2015, Chapter 244 establishes the Weights and Measures Services Division within the Arizona Department of Agriculture (ADA) as of July 1, 2016. *(See Other Issues for additional information on the Weights and Measures agency elimination.)*

#### **Statewide Adjustments**

The budget includes a decrease of \$(62,300) in FY 2017 for statewide adjustments. This amount consists of:

General Fund	(56,900)
Air Quality Fund	(5,400)

*(Please see the Agency Detail and Allocations section.)*

### **Agricultural Consulting and Training**

The budget includes \$128,500 from the General Fund in FY 2017 for the Agricultural Consulting and Training line item. This amount is unchanged from FY 2016.

This line item funds on-site visits to establishments for consultation, interpreting, and applying alternative methods of complying with statutes, rules, regulations, and standards relating to compliance.

### **Agricultural Employment Relations Board**

The budget includes \$23,300 from the General Fund in FY 2017 for the Agricultural Employment Relations Board line item. This amount is unchanged from FY 2016.

This line item funds accounting and budgeting support for the Agricultural Employment Relations Board. The board

receives and investigates complaints and conducts farm labor union elections.

### **Animal Damage Control**

The budget includes \$65,000 from the General Fund in FY 2017 for the Animal Damage Control line item. This amount is unchanged from FY 2016.

This line item funds agreements with the U.S. Department of Agriculture to control, dispatch, or relocate predatory animals and noxious rodents, which are injurious to livestock, poultry, agriculture, other industries, or the public health.

### **Division of Pest Management**

The budget includes \$1,695,500 and 30 FTE Positions from the Pest Management Trust Fund in FY 2017 for the Division of Pest Management. These amounts fund the following adjustments:

#### **Agency Consolidation**

The budget includes an increase of \$1,695,500 and 30 FTE Positions from the Pest Management Trust Fund in FY 2017 for the Division of Pest Management.

Laws 2016, Chapter 221 establishes the Division of Pest Management within ADA as of July 1, 2016. Chapter 221 establishes the Pest Management Trust Fund for the purpose of supporting the Division of Pest Management and repeals statute establishing the Office of Pest Management as a 90/10 agency. All authority, powers, duties and responsibilities previously granted to the Office of Pest Management are transferred to the Division of Pest Management within ADA.

#### **Statewide Adjustments**

The budget includes a decrease of \$(4,000) from the Pest Management Trust Fund in FY 2017 for statewide adjustments.

### **Nuclear Emergency Management Fund**

The budget includes \$198,434 and 1.9 FTE Positions from the General Fund in FY 2017 for the Nuclear Emergency Management Fund (NEMF). These amounts are unchanged from FY 2016.

Laws 2015, Chapter 132 appropriated \$198,434 and 1.88 FTE Positions from the General Fund in FY 2016 and FY 2017. As a result, these monies do not appear in the FY 2017 General Appropriation Act. The Radiation Regulatory Agency, Department of Emergency and

Military Affairs, and ADA receive monies from this bill. (Please see the Department of Emergency and Military Affairs and the Radiation Regulatory Agency narratives for more information.)

The Legislature is required to biennially assess a fee against each group of public service and municipal corporations operating the Palo Verde Nuclear Generating Station. The fee is set at a level to offset the General Fund appropriation to the NEMF.

Monies in the NEMF are used for the development and maintenance of a state plan for off-site responses to an emergency caused by an accident at a commercial nuclear generating station. NEMF monies are also used to provide for the equipment, personnel, facilities, training, and testing necessary to comply with federally prescribed criteria.

Department representatives assist in the planning for off-site responses to an emergency at the Palo Verde Nuclear Generating Station and participate in the annual response exercises, mainly the Ingestion Pathway Zone exercises. They are responsible for controlling embargoes of food, water, and milk in the event that there is an emergency that would contaminate those items produced in the areas around the plant.

Monies appropriated to the NEMF are exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations, except that monies left unexpended or unencumbered at the end of the fiscal year shall be used to offset the next year's assessment and appropriation.

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

The budget includes \$23,200 from the General Fund in FY 2017 for the Red Imported Fire Ant Control line item. This amount is unchanged from FY 2016.

This line item funds ongoing pest exclusion efforts aimed at preventing the introduction of the red imported fire ant. The state has successfully suppressed isolated infestations of red imported fire ants and continues to be federally certified as free from this pest.

### **Other Issues**

### **Additional Legislation**

#### **Fee Use Authority**

The FY 2017 Revenue Budget Reconciliation Bill (BRB) (Laws 2016, Chapter 125) continues to give the Director,

upon recommendation from the Agricultural Advisory Council, special fee authority in FY 2017 including legislative intent that the fees not generate more than \$218,000 to the General Fund, \$113,000 to the Pesticide Trust Fund, and \$26,000 to the Dangerous Plants, Pests, and Diseases Trust Fund.

#### **Livestock Self-Inspection**

Laws 2016, Chapter 160 allows the Division of Animal Services to authorize self-inspection of livestock by livestock owners. Livestock owners will be required to purchase a book from ADA to document self-inspections. The Director, upon recommendation from the Agricultural Advisory Council, will establish a fee for the self-inspection book. The fee will be set at an amount that will offset the elimination of the current 20¢ per head inspection fee. Chapter 160 could reduce the department's General Fund revenue by up to \$(115,000) beginning in FY 2017 if no livestock owners utilize the self-inspection option. The General Fund revenue impact would be less depending on the number of livestock owners that utilize the self-inspection option.

### **Division of Weights and Measures**

Laws 2015, Chapter 244 establishes the Weights and Measures Services Division within ADA as of July 1, 2016. All authority, powers, duties and responsibilities previously granted to the Department of Weights and Measures are transferred to the Weights and Measure Services Division within ADA, except that:

- Responsibilities relating to taxis, limousines and livery vehicles are transferred to the Department of Transportation (ADOT).
- Responsibilities relating to the Moving Truck Violation Enforcement Program are transferred to the Department of Public Safety (DPS).

As of October 2015, the Department of Weights and Measures has completed the agency elimination process through a series of Interagency Service Agreements (ISAs) with ADA, DPS, and ADOT. The ADA Director will serve as the Interim Director for the Weights and Measures Services Division until the formal dissolution of the Department of Weights and Measures occurs on July 1, 2016. The Weights and Measures agency elimination resulted in a decrease of \$(330,600) from the General Fund in FY 2017 for agency elimination savings.