



Department of Agriculture **Budget Hearing**

December 4, 2014



Customer-Focused Government Goals

	Agency Goals	Forestry	Consumer & Industry Services
Key Operational Goals	<ul style="list-style-type: none">• Create jobs and increase economic activity in rural areas by expanding the agricultural and forestry industry.	<ul style="list-style-type: none">• Streamline phone and online burn permitting processes to shorten the time it takes to receive a permit while ensuring each permittee is given all information needed for a safe burn.	<ul style="list-style-type: none">• Maintain or improve public health and welfare in the areas of food safety and petroleum quality through education and fair/effective regulation.
Strategic Initiatives	<ul style="list-style-type: none">• Retain and expand agribusinesses and forest industry investments by following the recommendations outlined in the <i>Governor's Rural Challenge: A 10-Year Strategic Plan</i>.		



Department of Agriculture Successes

Agency

- **New Investment Dollars in Agriculture and Forestry Industries**
 - Year-to-date have reached \$20 million of new private sector investments.
- **Pick TN Products App**
 - The App, which is designed to help the public find Tennessee products, has had more than 20,200 downloads since its inception.
- **Increased Communication and Collaboration among Agriculture and Forestry Economic Development Taskforce**
 - Department members met during first quarter.
 - Partner agencies including: ECD, L&WD, TDOT, TD and TDEC met with department members in October.



Department of Agriculture Successes

Forestry

- **Automated Burn Permit System**
 - Burn permits are required after October 15th until May 15th.
 - Began outreach efforts in September to remind landowners of fire season and the required burn permit.
 - In less than a month, have issued 37,380 permits.

Consumer and Industry Services

- **Setting up Workshops**
 - Working with trade associations to set dates for industry workshops on:
 - New Food Code
 - Petroleum Quality
- **Hired Outreach Coordinator**
 - Individual assists food startup businesses with navigating required permits and licenses.
- **Changed Division Name**
 - Rebranded Regulatory Services as Consumer and Industry Services to be more customer focused.



Agency

- **Significant Barriers to Entry in Rural Expansion of Businesses**
 - Greater financial incentives for larger businesses in metropolitan areas.
- **NextGen IT Assessment**
 - Recommendations include adding seven (7) new positions, but no funds were provided.
- **Outdated Fee Schedule**
 - Fees for licenses and permits are not in line with surrounding states in the Southeast.
- **Aging Technology**
 - 50% of servers > 5 years.
 - 21% of 659 PCs > 4 years.

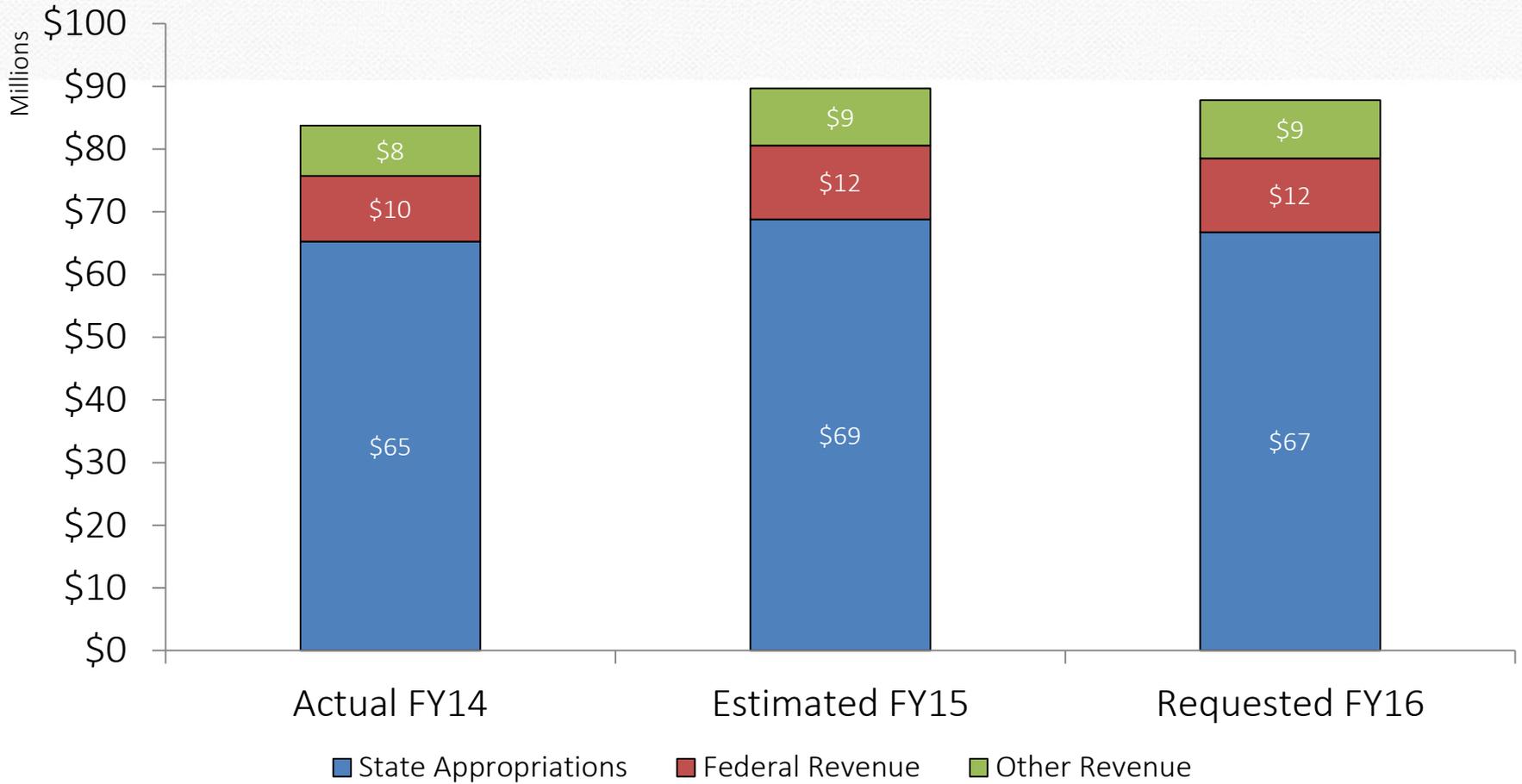


Consumer and Industry Services

- **Database Contract to Expire**
 - Higher contract price due to technological cost increases.
 - Leaves licensing program vulnerable.
- **Outdated Laboratory Equipment**
 - Due to yearly budget reversion requirements, equipment has not been repaired or replaced.
- **Metrology Lab**
 - Construction Development Phase (CDP) cost estimates exceed approved Maximum Allowable Construction Costs (MACC) target.
 - Assumed Memphis weights and measures program when City of Memphis discontinued service.
 - Absorbed \$80,000 increased costs.



Revenue Sources





Proposed Reduction Plan

Priority	Category	Reduction Description	State Savings
1.	Program & Operations	Allocate certain expenses in the Division of Marketing to the Tennessee Agricultural Enhancement Program	\$350,000
2.	Program & Operations	Charge the FRF rental rate in the Jennings Building to the USDA Animal Health Plant Inspection Service	\$64,600
3.	Program & Operations	Reallocate expenses chargeable to the Motor Fuel Inspection Program	\$80,000
4.	Program & Operations	Reallocate expenses chargeable to increased revenue in the Administration and Grants allotment code	\$45,000
5.	Program & Operations	Reduce the equity balance in the Division of Forestry	\$300,000
6.	Program & Operations	Reduce the equity balance in the Division of Consumer & Industry Services	\$100,000
7.	Program & Operations	Abolish one vacant Animal Health Technician position	\$48,000

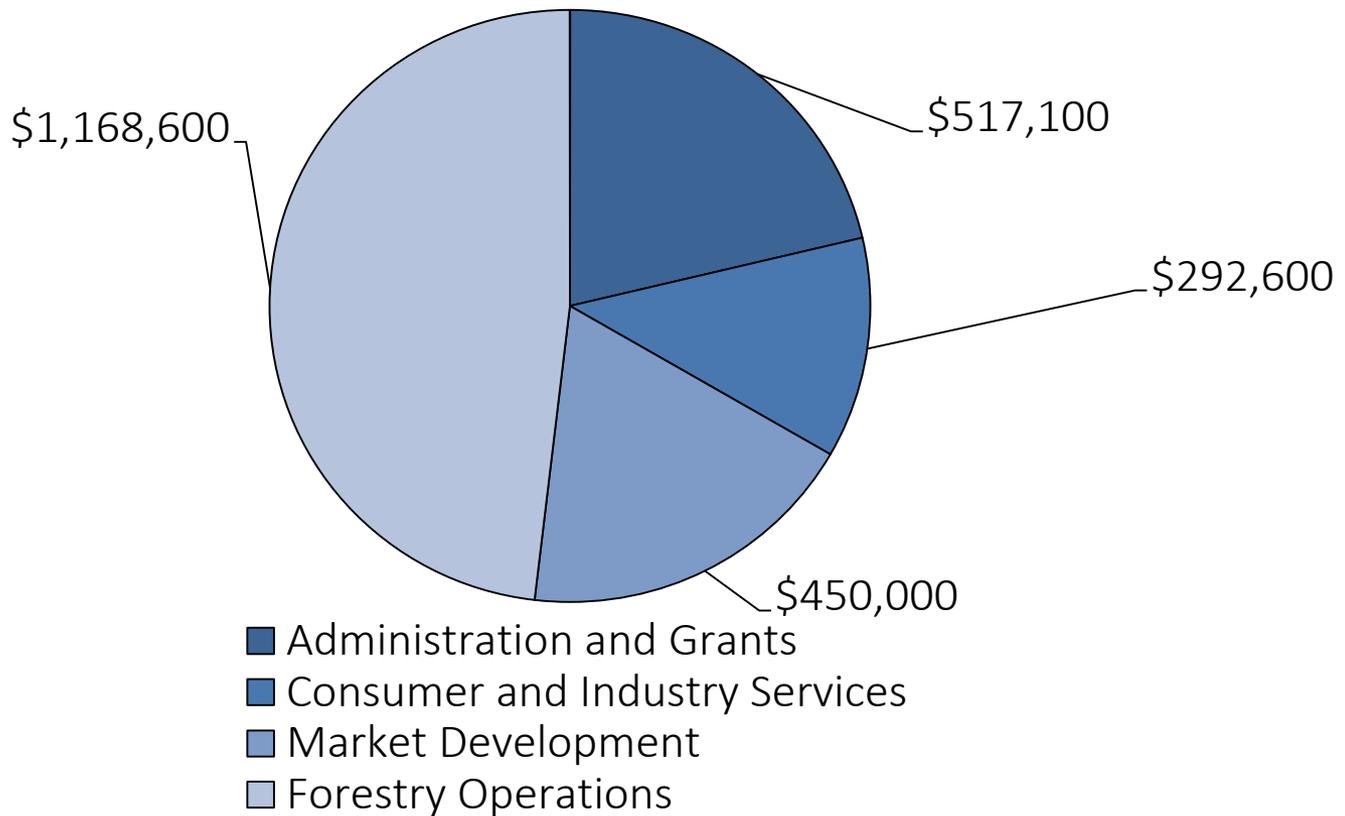


Proposed Reduction Plan

Priority	Category	Reduction Description	State Savings
8.	Program & Operations	Abolish one vacant administrative support position	\$50,800
9.	Program Elimination	Discontinue use of the Ed Jones Auditorium at Ellington Center	\$106,200
10.	Program & Operations	Abolish one filled Oscar Farris Museum support position	\$50,800
11.	Program & Operations	Reduce five filled livestock grading positions from full time to part time	\$100,000
12.	Program & Operations	Abolish three filled positions in the Agricultural Crime Unit	\$264,300
13.	Program & Operations	Reduce the use of seasonal forestry employees	\$130,000
14.	Program Elimination	Eliminate the Forestry Tree Improvement Program which involves four filled positions	\$377,600
15.	Program & Operations	Abolish six vacant Division of Forestry positions	\$361,000
		Total Reduction Plan	\$2,428,300

Proposed State Dollar Reductions By Program

Total Reductions = \$2,428,300





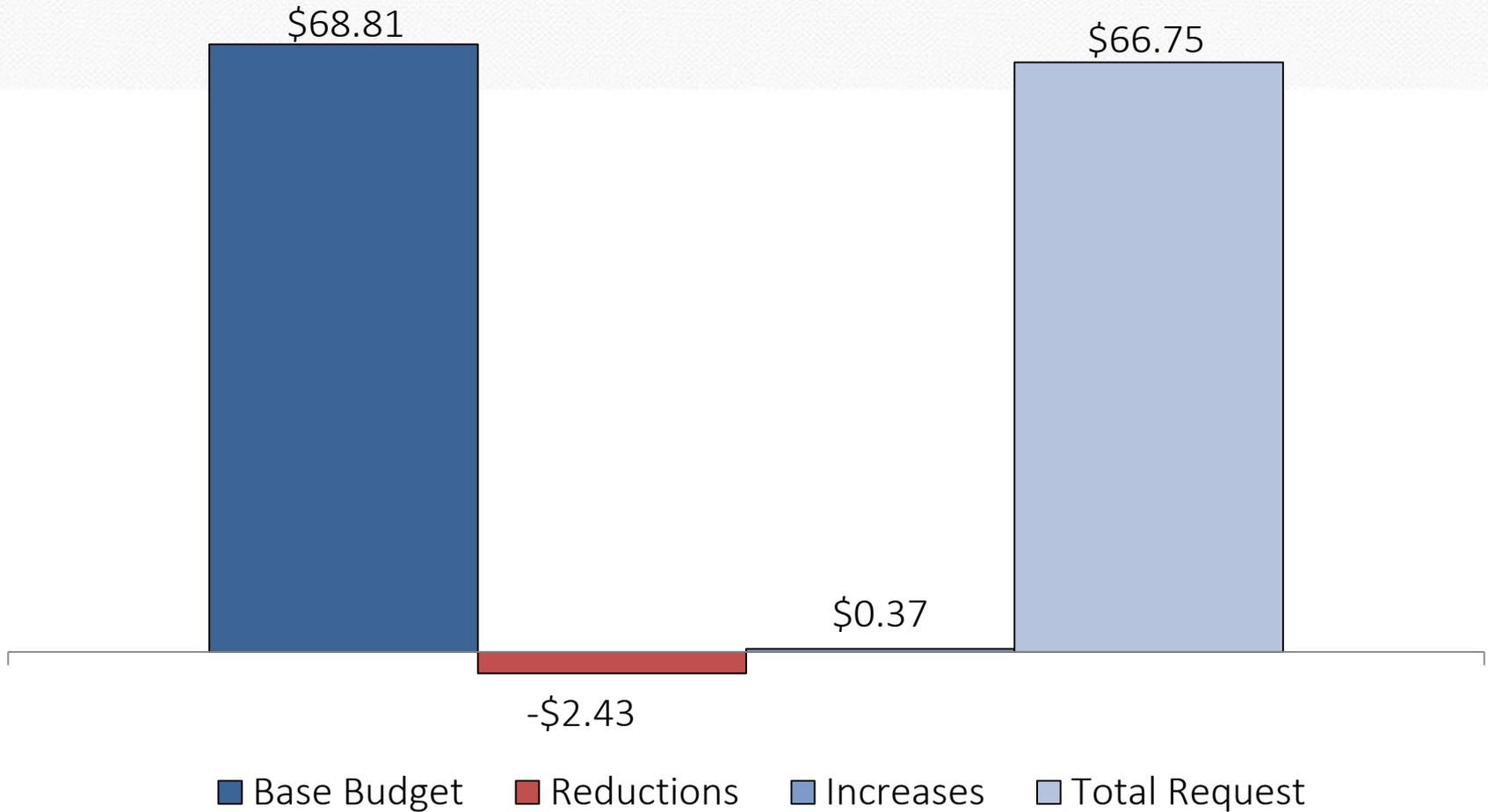
Proposed Cost Increases

	Increase	Total	State	Federal	Other	Positions
1.	Metrology Laboratory Staffing- Fund three metrology positions to be housed at the new laboratory.	366,800	366,800	0	0	3
	Total Cost Increases	366,800	366,800	0	0	3



Request Summary

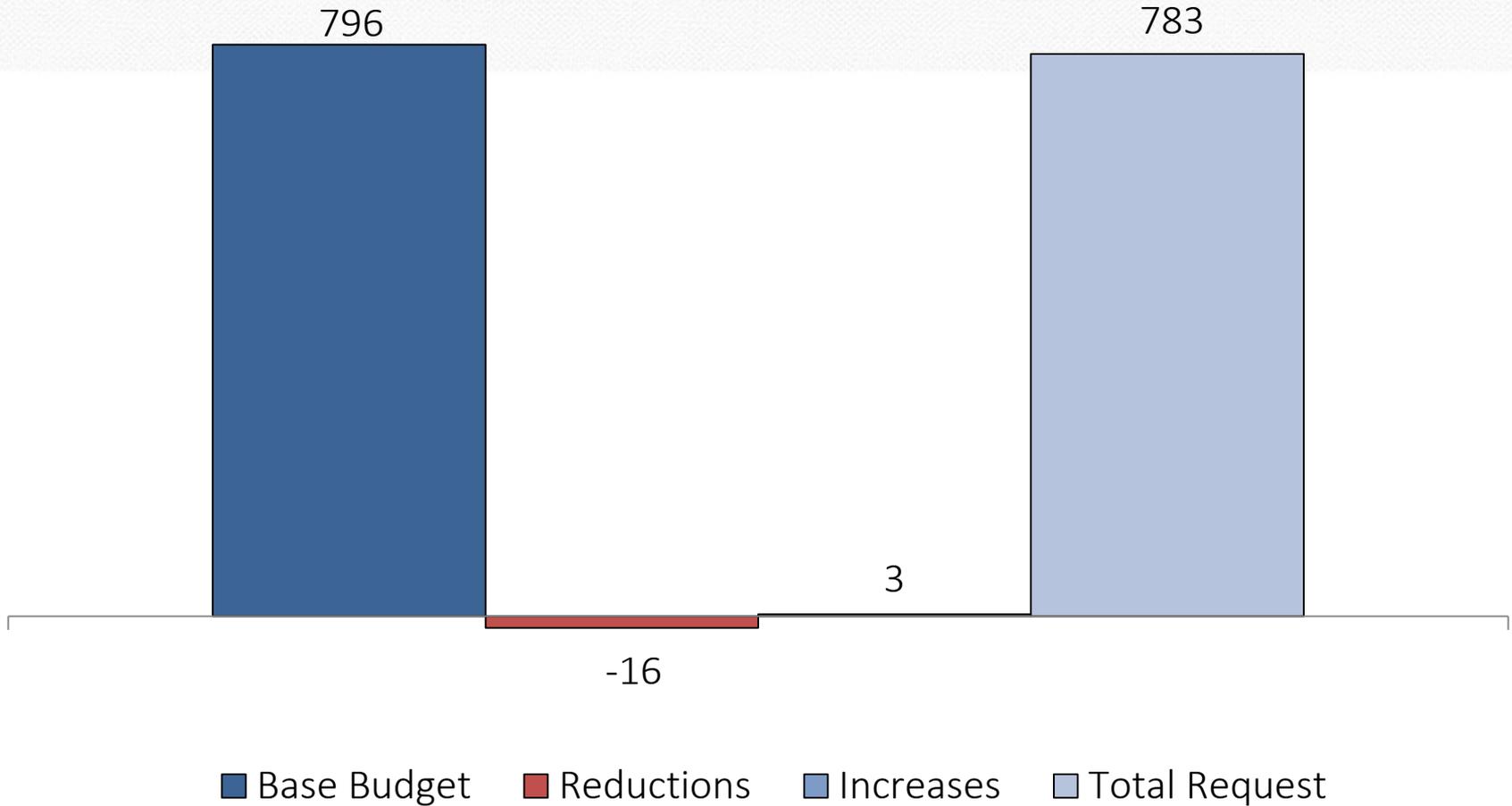
State Appropriations (in millions)





Request Summary

Authorized Positions





Authorized Positions

