



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #137

Long-Term Vacancy Reductions (Agriculture, Trade and Consumer Protection)

[LFB 2015-17 Budget Summary: Page 52, #2]

CURRENT LAW

The Department of Agriculture, Trade and Consumer Protection (DATCP) is responsible for multiple programs related to state agricultural industries, including food safety, animal health, agricultural marketing and development, land and water conservation, and plant health. The Department also administers programs and enforces laws protecting consumers and businesses from fraudulent or unfair practices in commercial activity. DATCP is authorized 623.89 positions in its adjusted base budget for 2014-15 for the administration of its programs.

GOVERNOR

Delete 12.30 vacant positions, including 1.60 supported by general purpose revenues (GPR), 0.35 supported by federal funds (FED), 9.40 supported by program revenues (PR), and 0.95 supported by segregated funds (SEG). Additionally, delete associated GPR funding of \$120,700 annually, including \$68,500 for livestock premises registration and \$52,200 for DATCP central administrative operations.

DISCUSSION POINTS

1. The following table shows the positions that would be deleted by appropriation and fund source. Most positions have been vacant for one year or longer. The bill [Alternative 1] would delete funding only for the salary and fringe benefits associated with the 1.6 GPR positions, while FED, PR and SEG appropriations would not have funding reduced. The table shows associated amounts of salaries and fringe benefits for affected positions.

DATCP Long-Term Vacancy Reductions

<u>Appropriation</u>	<u>Fund Source</u>	<u>Positions</u>	<u>Annual Funding</u>
Livestock premises registration	GPR	1.00	See below*
Central administrative operations	GPR	0.60	See below*
Grain inspection and certification	PR	4.00	\$195,600
Dog licensing and dog breeder regulation	PR	2.00	126,100
Computer system equipment, staff and services	PR	1.00	87,500
Agricultural resource management services	PR	1.00	68,800
Fruit and vegetable inspection and grading	PR	0.65	34,300
Dairy trade regulation	PR	0.40	32,200
Public warehouse regulation	PR	0.35	28,200
Soil and water resource management operations	SEG	0.70	48,200
Unfair sales act enforcement	SEG	0.25	20,100
Federal funds – U.S. Department of Agriculture aids	FED	0.30	20,600
Federal indirect cost reimbursements	FED	<u>0.05</u>	<u>2,600</u>
	Total	12.30	\$664,200

* Removed under the bill.

2. In general, past deletions of vacant positions have been accompanied by reductions in associated salary and fringe benefit costs of the positions. The Committee could consider reducing the funding shown in the table for appropriations affected by the provision [Alternative 2].

Livestock Premises Registration

3. The statutes require any person keeping livestock to register the premises at which the animals are kept. The law, which took effect in 2005, is primarily intended to allow DATCP animal health staff to respond to potential disease outbreaks by being able to quickly trace animals identified as potential carriers of pathogens. There is no fee for registration of premises, and registrant information is kept confidential with limited exceptions. Premises registration currently is carried out under a contract between DATCP and the Wisconsin Livestock Identification Consortium (WLIC), a nonprofit organization with membership including farmer trade organizations, processors, agricultural lenders, and other agribusiness entities. Currently, the premises registry includes approximately 62,600 active premises. Renewals are conducted on a statewide basis every three years, and the next statewide renewal will occur in July, 2016.

4. Following the enactment of the premises registration law, DATCP received earmarked federal funding for program administration. That funding has since expired. To partially offset the expiring federal funding, 2011 Act 278 provided base funding of \$250,000 GPR beginning in 2012-13 for DATCP to continue administering the livestock premises registration law. Further, although DATCP at the time indicated it intended to continue administering the program through WLIC, the act provided 1.0 GPR position in the event the contractual arrangement could not be continued. In such an event, the position would allow DATCP to administer the premises registration program internally. The position has never been filled.

5. The DATCP contract with WLIC requires DATCP to make payment of \$250,000 annually. DATCP-WLIC contracts typically run one year, with a provision allowing extensions by written amendment. The current contract expires June 30, 2015, unless extended. Although extensions have been routine in recent years, DATCP also reports WLIC has not indicated whether it would remain party to the contract if funding were reduced.

6. The bill would delete the 1.0 position created as a contingency for the livestock premises registration and delete associated GPR funding. If the provision were enacted, it likely would be incumbent on DATCP to: (a) execute a contract with the remaining annual funding of \$183,800; (b) allocate available funding from other program areas sufficient to continue purchasing services through a contract vendor; or (c) administer the program internally with existing resources. It is not clear whether another contract vendor could be secured with funding the bill would provide. DATCP also reports it would be difficult to provide funding from existing resources, either for supplemental contractual funds or for internal administration of the program. It should be noted DATCP in the past has explored the feasibility of the state using a federal premises registration system administered by the U.S. Department of Agriculture. However, DATCP reports it is uncertain whether the federal registry can provide the same degree of registrant confidentiality as is required by state law.

7. The Committee could adopt the Governor's recommendation to delete 1.0 GPR livestock premises registration position and associated funding of \$68,500 [Alternatives 1 or 2]. Such an alternative would be consistent with the administration's intention to delete positions for which it appears agencies have no significant continuing need.

8. However, as the vacant premises registration position would likely continue to be unnecessary were sufficient funding available for a contract, consideration could be given to deleting 1.0 position but restoring funding of \$66,200 GPR annually to maintain \$250,000 for the contract [Alternative 3a]. The Committee also could consider providing funding from either of the segregated agricultural chemical funds administered by DATCP. The agricultural management (ACM) and agricultural chemical cleanup (ACCP) fund each are projected to generate annual surpluses under the bill. The Committee could consider providing ongoing funding from ACM SEG [Alternative 3b] or ACCP SEG [Alternative 3c].

Computer System Equipment, Staff and Services

9. DATCP reports the 1.0 PR position the bill would delete under computer system equipment, staff and services has been filled since the bill's introduction. However, another 1.0 position became vacant in the same appropriation. DATCP indicates the newly vacant position is a high priority, and the Department would immediately seek to recruit the position. Because the previous long-term vacancy in the appropriation is filled, the Committee could consider deleting the Governor's recommendation as it affects the appropriation [Alternative 4]. On the other hand, because the appropriation continues to have 1.0 vacant position, the Committee could retain the deletion.

ALTERNATIVES

1. Adopt the Governor's recommendation to delete 12.30 positions, including 1.60 GPR, 0.35 FED, 9.40 PR, and 0.95 SEG, and delete \$120,700 GPR annually.

2. Adopt the Governor's recommendation. In addition, delete annual funding of \$23,200 FED, \$572,700 PR, and \$68,300 SEG.

ALT 2	Change to Bill
FED	- \$46,400
PR	- 1,145,400
SEG	<u>- 136,600</u>
Total	- \$1,328,400

3. Adopt Alternative 2. In addition, restore \$66,200 annually for livestock premises registration from one of the following sources:

a. GPR;

ALT 3a	Change to Bill
GPR	\$132,400

b. A new appropriation from the agricultural management fund; or

ALT 3b	Change to Bill
SEG	\$132,400

c. A new appropriation from the agricultural chemical cleanup fund.

ALT 3c	Change to Bill
SEG	\$132,400

4. In addition to Alternative 2 or 3, restore 1.0 PR position and the associated \$87,500 PR annually for computer system equipment, staff and services.

ALT 4	Change to ALT 2	
	Funding	Positions
PR	\$175,000	1.00

5. Delete provision. (12.30 positions and \$120,700 GPR annually would be restored.)

ALT 5	Change to Bill	
	Funding	Positions
GPR	\$241,400	1.60
FED	0	0.35
PR	0	9.40
SEG	<u>0</u>	<u>0.95</u>
Total	\$241,400	12.30

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