

ARKANSAS AGRICULTURE DEPARTMENT

Enabling Laws

Act 1978 of 2005
Act 2279 of 2005
A.C.A. §25-38-201

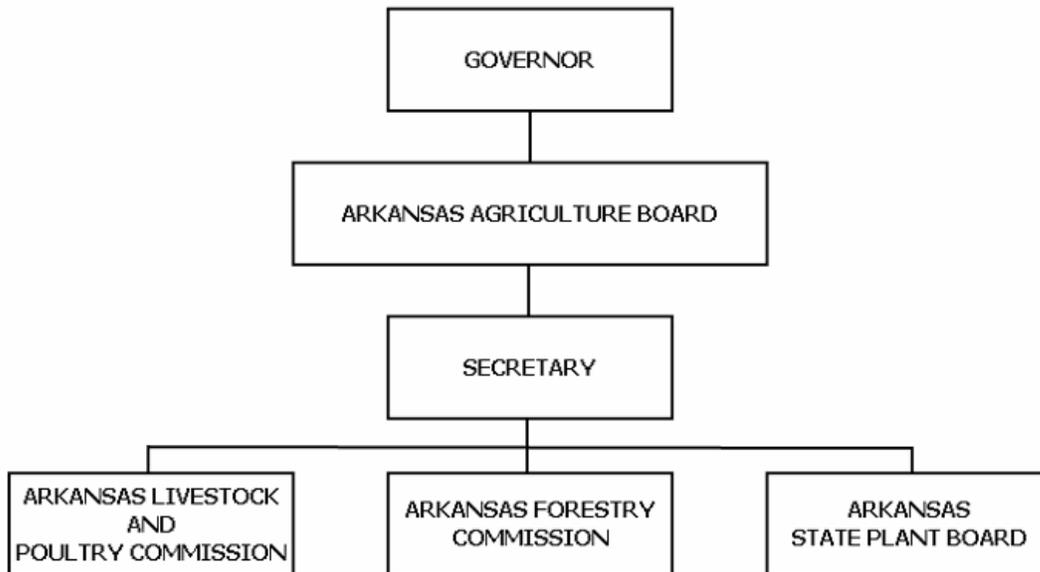
History and Organization

History: Act 1978 of the Regular Session 2005 of the 85th Arkansas General Assembly created the Arkansas Agriculture Department. The Department came into being on August 15, 2005. The executive head of the Department is the Secretary who is selected by the Arkansas Agriculture Board and confirmed by the Governor.

Mission: The mission of the Secretary and Arkansas Agriculture Department is to develop and implement policies and programs for Arkansas agriculture and forestry to keep them competitive in world markets while ensuring safe food, fiber and forest products for the citizens of the state and nation.

Organization: The enabling legislation placed three agencies of the state government in the newly-formed Department, including the Arkansas Forestry Commission, the Arkansas Livestock and Poultry Commission and the Arkansas State Plant Board. Each remains intact with its own commission or board, executive director, budget and personnel. Budgets of the three agencies total about \$53 million and total employment is about 600.

Role of Secretary: The enabling legislation directs the Secretary to administer and coordinate activities of the agencies and parts of agencies transferred to the Department while creating new programs to enhance the marketing of the state's agricultural products in state, national and international markets. It also directs the Secretary to coordinate activities of the department with the federal government and governments of other states on matters pertaining to agriculture, forestry, aquaculture, horticulture and kindred industries. The Secretary is authorized to employ personnel to carry out activities to the extent funds are available.



Agency Commentary

In keeping with the intent of the Arkansas General Assembly in 2005 when it established the Arkansas Agriculture Department, the Administration proposes personnel and programs to meet the goals of the enabling legislation.

Personnel Requests

In addition to Base Level, \$598,683 is requested each year in Salary and Matching appropriation and general revenue funding for 9 new positions. These are:

1 Agriculture Deputy Secretary (Grade 99), 1 Attorney Supervisor (Grade 26), 1 Agriculture Communications Director (Grade 24), 1 Agriculture International Marketing Director (Grade 25), 1 Agriculture Domestic Marketing Director (Grade 24), 1 Administrative Assistant II (Grade 17), 1 Administrative Assistant I (Grade 15), and 2 Executive Secretary/Administrative Secretary (Grade 14).

Maintenance and Operation Requests

In addition to Base Level, the following requests are made for appropriation and general revenue funding: \$241,440 in FY08 and \$161,440 in FY09 for Operating Expenses and start up costs for the Department, \$74,600 in FY08 and \$77,600 in FY09 for Conference and Travel Fees, \$58,000 for each year of the biennium for Professional Fees, and \$68,000 in FY08 and \$14,000 in FY09 for Capital Outlay.

Office of the Secretary

The initial Secretary of the Department spent a sizeable amount of time beginning August 15, 2005 meeting with agricultural and forestry groups to hear their needs, priorities and aspirations for the Department.

Additional staffing in the Department is needed to meet those aspirations and to fulfill the potential

of the Department.

The Administration proposes four new positions in an Office of the Secretary. Those are a Deputy Secretary, a General Counsel, a Communications Director and an Administrative Assistant/Executive Secretary to provide support to the other three positions.

It is obvious from the fact that since 20 percent of Arkansas' Gross State Product is from agriculture and forestry that the Secretary will spend a large percentage of time out in the state or elsewhere representing and promoting the state's agriculture and forestry. A Deputy Secretary is needed to manage the day-to-day activities of the Department and oversee activities of the constituent agencies.

A General Counsel is needed due to large percentages of the activities of the Arkansas Livestock and Poultry Commission and the Arkansas State Plant Board being regulatory in nature. A General Counsel for the Department will make the agencies more efficient and cost effective and not dependent on outside counsel.

The proposed Communications Director will help the Secretary and Deputy Secretary tell the story of Arkansas agriculture and forestry and provide information to the constituent groups who feel they are not being adequately served by state government.

Marketing Division

A very large portion of discussions during the hearings by the Arkansas General Assembly leading to establishment of the Arkansas Agriculture Department centered on the need to improve and expand the marketing of Arkansas agriculture and forestry products. In keeping with this vision, the Administration proposes to establish a Marketing Division within the Arkansas Agriculture Department which will be separate from the three agencies placed in the Department by the enabling legislation.

The Marketing Division will be led by an International Marketing Director who will be responsible for overall management of Division marketing activities but will focus primarily on activities aimed at expanding exports of Arkansas agricultural and forestry products. A large percentage of the Division's export activities will be in cooperation with the U.S. Department of Agriculture's (USDA) export programs including participating in trade exhibits and fairs in international markets and hosting buyers from foreign markets arranged by USDA's Foreign Agricultural Service (FAS). Recruiting potential Arkansas exporters to participate in those activities will be an important part of the activities of the International Marketing Director and the Division's Administrative Assistants.

The Marketing Director (Domestic) will carry out activities similar to those of the International Marketing Director but the activities will be aimed at potential markets in Arkansas or elsewhere in the United States. A major effort will be made to develop branding activities that will attract buyers to Arkansas agricultural and forestry products through an "Arkansas Grown" logo, particularly for specialty crops produced on small farms within the state. The Marketing Director (Domestic) will be responsible in assisting to develop biofuels markets from Arkansas agricultural and forestry products.

The Marketing Director will cooperate with the Arkansas Livestock and Poultry Commission to ensure success of the Quality System Assessment (QSA) to qualify Arkansas cattle to supply beef for export

to markets such as Japan, South Korea and China. The QSA program enables Arkansas cattle to supply beef under USDA's beef export verification program by providing information on source and age of cattle. The USDA's QSA and Beef Export Verification (BEV) programs are needed to assure foreign buyers that beef they purchase will be free of BSE (Mad Cow Disease).

Information Gathering and Dissemination

The Administration proposed funding of new information gathering and dissemination programs during the 2007-09 biennium.

One activity is to publish in cooperation with the Arkansas Field Office of the USDA's National Agricultural Statistics Service (NASS) annual reports on the status of Arkansas agriculture and forestry. A major goal of this report will be to attract attention to Arkansas' agricultural and forestry activities in potential export and domestic markets.

The Administration proposes also to fund the USDA/NASS Arkansas Field Office to gather acreage and production data on forage crops on a county-by-county basis. Similar data are available on Arkansas row crops and are used to prepare "disaster declarations" by the Governor when obtaining federal assistance at times of drought or other natural disasters. This activity will provide county data needed to qualify Arkansas for USDA's feed freight assistance.

Employment Summary

	Male	Female	Total	%
White Employees	1	0	1	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
			Total Minorities	0 0%
			Total Employees	1 100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00%	2	1	0	1	1	50.00%	2	1	1	2	0	50.00%

Analysis of Budget Request

Appropriation: 2ZR - Dept of Agriculture-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Agriculture Department was established in 2005. The enabling legislation placed the following three agencies in the department: Arkansas Livestock and Poultry Commission, Arkansas Forestry Commission, and Arkansas State Plant Board. The Arkansas Agriculture Department is charged with administering and coordinating the activities of these agencies.

The Agriculture Department was funded from a General Improvement appropriation in the 2005-2007 biennium. This request is for regular stabilized general revenue from the Miscellaneous Agencies Fund.

The Department has two Base Level positions and a Base Level budget of \$229,754. The Base Level is entirely funded by general revenue from the Miscellaneous Agencies Fund. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Department is requesting 9 additional positions and \$598,683 per year in Salary and Matching appropriation. General revenue funding is requested for these positions.

The Department is requesting the following additional appropriation and general revenue funding for maintenance and operations: \$241,440 in FY08 and \$161,440 in FY09 for Operating Expenses, \$74,600 in FY08 and \$77,600 in FY09 for Conference and Travel Fees, \$58,000 for each year of the biennium for Professional Fees, and \$68,000 in FY08 and \$14,000 in FY09 for Capital Outlay.

The Executive Recommendation provides for the consolidation of all operations and appropriations of the Arkansas Livestock and Poultry Commission, State Forestry Commission, and State Plant Board into the Arkansas Agriculture Department. The consolidation will necessitate a new fund for the Agriculture Department under the State General Government Fund (A.C.A. §19-5-302) of the Revenue Stabilization Law. The Livestock and Poultry Fund Account, State Forestry Fund, and Plant Board Fund currently created in law should be repealed and the new Agriculture Department fund created by legislation during the 86th General Assembly.

Further, the Executive Recommendation for this appropriation provides for Base Level positions, appropriation and general revenue funding and the following:

- \$16,000 per year appropriation and general revenue funding for Operating Expenses
- \$9,000 per year appropriation and general revenue funding for Professional Fees
- \$30,000 in FY08 and \$14,000 in FY09 of appropriation and general revenue funding for Capital Outlay

Appropriation Summary

Appropriation: 2ZR Dept of Agriculture-Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	124,009	123,232	587,232	123,232	123,232	587,232	123,232
#Positions	0	0	2	2	11	2	2	11	2
Personal Services Matching 5010003	0	0	33,483	34,130	168,813	34,130	34,130	168,813	34,130
Operating Expenses 5020002	0	0	24,750	44,392	285,832	60,392	44,392	205,832	60,392
Conference & Travel Expenses 5050009	0	0	5,000	14,000	88,600	14,000	14,000	91,600	14,000
Professional Fees 5060010	0	0	0	14,000	72,000	23,000	14,000	72,000	23,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	68,000	30,000	0	14,000	14,000
Total	0	0	187,242	229,754	1,270,477	284,754	229,754	1,139,477	268,754
Funding Sources									
General Revenue 4000010	0	0		229,754	1,270,477	284,754	229,754	1,139,477	268,754
Total Funding	0	0		229,754	1,270,477	284,754	229,754	1,139,477	268,754
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		229,754	1,270,477	284,754	229,754	1,139,477	268,754

Actual and Budget amounts are not shown because this agency was operating from a \$350,000 General Improvement appropriation during the 2005-2007 biennium. Actual expenditures in FY06 were \$73,077 in Regular Salaries, \$14,766 in Personal Services Matching, and \$32,403 in Operating Expenses. The FY07 Budget is composed of \$97,335 in Regular Salaries, \$24,164 in Personal Services Matching, \$98,255 in Operating Expenses, and \$10,000 in Conference & Travel Expenses.

BEFORE CONSOLIDATION INTO AGRICULTURE DEPARTMENT

Change Level by Appropriation

Appropriation: 2ZR-Dept of Agriculture-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	229,754	2	229,754	100.0	229,754	2	229,754	100.0
C01	Existing Program	1,040,723	9	1,270,477	552.9	909,723	9	1,139,477	495.9

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	229,754	2	229,754	100.0	229,754	2	229,754	100.0
C01	Existing Program	55,000	0	284,754	123.9	39,000	0	268,754	116.9

Justification

C01 We are requesting Salary and Matching for 9 new positions, and Operating Expenses of \$241,440 in FY08 and \$161,440 in FY09. This includes \$111,000 per year for rent of facilities. The Operating Expense request is greater in FY08 due to start up M&O costs. We are requesting Conference and Travel Expenses of \$74,600 in FY08 and \$77,600 in FY09 for domestic and international travel to market Arkansas agriculture. This includes participation in trade exhibits, fairs, and meeting with buyers from overseas markets. We are requesting Professional Fees of \$58,000 each year for marketing, information gathering and dissemination programs. We are also requesting Capital Outlay of \$68,000 in FY08 and \$14,000 in FY09 for office equipment.