



Rep. Rick Edmonds, R-Baton Rouge, confers with Rep. Tony Bacala, R-Prairieville, on the House floor. (Photo by Sarah Gamard)

Budget deal to affect state agriculture

By Katie Gagliano
Manship School News Service

BATON ROUGE — Two pieces of House legislation have raised concerns in the agricultural community and creating doubt about the security of agricultural funding dollars.

House Bill 5, sponsored by Rep. Rick Edmonds, R-Baton Rouge, and House Concurrent Resolution 1, sponsored by House Speaker Taylor Barras, R-Iberia, call for the use of fee-based agricultural funds to shield or supplement the state general fund.

HB5 sought the elimination of more than 50 statutorily dedicated funds and the diversion of their remaining undedicated monies into the state general fund. This list includes the Forest Protection Fund and the Forest Productivity Fund, which are financed by an 8-cents-per-acre charge and a severance tax, respectively.

Rep. John “Andy” Anders, D-Vidalia, said this isn't the first time agricultural funds have been threatened by funding “sweeps,” a term the authors rejected. The problem, which some lawmakers failed to recognize, says Anders, is that many of the funds are self-financed by the farmers and producers receiving the services.

Anders said he understands the importance of the funds because he pays agricultural fees on his property in Vidalia, but also believes most legislators don't understand how crucial these funds are to the functioning of the agricultural industry.

“I don't really think that they're connected to the industry or to the business of agriculture to know the consequences of what they're doing.”

Edmonds said the intention of the bill was less to eliminate funds than to regulate them. It's difficult to manage appropriations when sizable portions of the state budget are tied up in statutory and constitutional dedications, he said.

Commissioner of Agriculture and Forestry Mike Strain said a request to increase the fee for the Forest Protection Fund was swiftly rejected in a recent meeting with timber industry stakeholders. Though employment of timberland firefighters is at a critical low, Strain said he understands that no means no.

Industry leaders and producers are losing faith in the state and the safety of their contributions, he said.

Sen. Francis Thompson, D-Delhi, predicted late in the special session that HB5 was DOA and because it had to adjourn Wednesday night, he wasn't concerned. However, similar issues emerge annually and the fear of potential funding sweeps has led stakeholders to begin backing away from voluntary fees and taxes, he said.

The special session of the Legislature ended Wednesday night.

While HB 5 died, HCR 1 was approved, with amendments.

The resolution calls for the state treasurer to establish a recurring process of skimming money from statutorily dedicated funds flowing through the Bond Security and Redemption Fund to help pay down state debt. It will also relieve pressure on the state general fund, Barras said.

Fee-based agricultural funds will not be exempt from consideration, as many of the measures contain the bond security language, Barras said.

Sen. Bret Allain, R-Franklin, questioned the use of fee-based funds in the Finance Committee hearing Tuesday, citing the animosity farmers will likely have when their dedicated fees

are siphoned off for other uses. Though the debt security language was included in many of the funds, its inclusion was likely an oversight on the part of the statute authors, he said.

“My concern is that we lose the faith of those people who have asked us to do certain things with money they have volunteered,” Allain said. “We’re kind of changing the deal, so they need the opportunity to weigh in if we are going to actually go through with this.”

Allain said farmers and other stakeholders who pay into the funds should have the opportunity to decide whether they are willing to participate in voluntary funds under the new circumstances, and if not, give them the option to terminate the fund. They would no longer receive the service, but at least it would be their decision, he said.

Despite senators’ concerns, Barras countered that drawing money from statutory dedications is a constitutionally enabled debt payment method that will provide greater stability to the state budget.

“This isn’t one-time money we need to go find again, and that to me is the most attractive thing about this recurring model going forward,” Barras said.

Approval of HCR 1 by the Senate, a body not philosophically in love with Barras’s idea, was part of a deal to get a funding package through the Legislature to eliminate a \$304 million shortfall in revenue for the current fiscal year by adjournment, the primary reason the 10-day special session was called by the governor.