

FY 16 Budget Presentation for House Agriculture and Forest Products

March 10, 2015



Agency of Agriculture Budget

- **The Mission of the Agency of Agriculture, Food and Markets is:**
 - Facilitate, support and encourage the growth and viability of agriculture while protecting the working landscape, human health, animal health, plant health, consumers and the environment.
- The Agency is comprised of five divisions – NEW THIS YEAR: Vermont Agricultural and Environmental Laboratory Division.
- The Agency budget maintains staffing and operations to ensure the main areas of focus for the Agency.
 - Water Quality
 - Jobs – Agricultural Development, New Businesses and Markets, Fair Marketplace
 - Laboratory – Combining labs and new construction
 - Food Safety and Public Health – Food Safety Modernization Act, Dairy and Meat

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Where we lead...

- Added approximately 1,100 net new jobs in the agricultural & food sectors since 2011 (does NOT include on-farm jobs) Increasing jobs – raw numbers, \$, age & gender
- World Leading Artisanal Cheese Region – best of show!
- #1 Producer of Maple in US
- #1 in Direct marketing – Farmers markets, Farms Stands, CSAs
- #1 Farm to School – USDA recognizes as model
- #1 in Sales per Square Foot for a Co-Op Store
- Leader in Farm to Institution
 - Fletcher Allen Health Care; Sodexo – 34,000 meals per day
- Increasing demand for VT fruits, vegetables, meats and ag/food products in south – Not enough VT meat to satisfy Whole Foods demands, farmers sell out regularly
- Leader in Biodigesters per capita cows and people – 16 operating
- Leader in Farmland Conservation – 550 easements with agency as a co-holder
- Top Dairy Producer – within the top 20 states in US for milk production

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Overall Net Budget Increase from FY 2015

- \$2,004,416 = 10% increase

Areas of **Increase**:

- \$1,842,000: TMDL – NEW Special Funds
- \$ 844,447: Transfer of DEC lab (staff & operating) to create – VT Agriculture and Environmental Lab
- \$ 541,024: Annualized Pay Act – All Funds
- \$ 130,000: Temporary Lab Space – UVM & Berlin
- \$ 70,703: 1 Dairy Product Specialist (Dairy Plant Inspector) Special Funds
- \$ 0: 1 Water Quality Specialist (Reallocation of funding from Farm Agronomic Practices \$)

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Areas of Decrease:

- \$(946,370): Cuts to meet General Fund Target
 - \$712,105 – Working Lands Operating & Grants (\$695,000)
 - \$ 95,565 – Completed Water Quality Contract
 - \$ 95,200 – Eliminate Fair Stipend Program
 - \$ 43,500 – NRCC Funding Reduction (\$112,000 base)
- \$(300,000): Conservation Easement funding –
Ag to provide stewardship only; VHCB
& VLT to handle conservations
- \$(184,800): Reduction in one-time database
purchases (Special Funds)

Agency of Agriculture Budget Crosswalk Overview - Administration

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l Transfer \$\$	All other \$\$	Total \$\$
Administration: FY 2015 Approp	1,040,127		466,399		284,699			1,791,225
FY'15 Rescission: 2+2 (50,000); Stipend (65,112); Operating (3,550)	(118,662)							(118,662)
FY 2015 Adjusted Appropriation	921,465	0	466,399	0	284,699	0	0	1,672,563
Personal Services:								
Annualization of Pay Act to Include Benefit Rate Changes	61,101		4,059		6,103			71,263
Two (2) Temporary Positions (Finance & IT)			15,000		15,000			30,000
Contractual IT services moved above under Temporary position	(7,000)				(15,000)			(22,000)
Workers' Compensation Insurance & Unemployment (\$7k)					7,367			7,367
Operating:								
Internal Service Funds: Insurances, Fee-for-Space, VISION/VTHR, DII, etc.					798			798
Switch funding sources - federal indirect increase	(30,686)		3,514		30,965			3,793
Grants: Reductions To Meet GF Target:								
Eliminate Fair Stipend Program	(95,200)							(95,200)
Subtotal of increases/decreases	(71,785)	0	22,573	0	45,233	0	0	(3,979)
FY 2016 Governor Recommend	849,680	0	488,972	0	329,932	0	0	1,668,584

FY 2015 As Passed \$1,791,225 – FY 2015 Rescission \$1,672,563 – FY 2016 Proposed \$1,668,584

- FY 2015 Rescission – \$118,662: \$50,000 2+2, \$65,112 Fair Stipend and \$3,550 operating
- Movement of funding source to Federal from General - \$30,686
- Reduction in General Fund grants to meet GF Target – Fair Stipend Eliminated - \$95,200

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Functions of the Administration Division

- 14 Employees
 - Business office: management of all financial function (Federal Grants, State Grants, Budget, Licensing and Registration, accounts receivable and accounts payable)
 - IT: computer services for the Agency
 - Secretary's office: enforcement, interaction with Governor's office and legal services

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Crosswalk overview – Food Safety Consumer Protection

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l	All other \$\$	Total \$\$
Food Safety & Consumer Protection: FY 2015 Approp	2,289,170		3,374,114		831,737	6,922	34,006	6,535,949
FY'15 Rescission: Operating	(12,557)							(12,557)
FY 2015 Adjusted Appropriation	2,276,613	0	3,374,114	0	831,737	6,922	34,006	6,523,392
Personal Services:								
Annualization of Pay Act to Include Benefit Rate Changes	145,788		12,023		46,740			204,551
Position Reclassifications - Succession Planning	91,656							91,656
NEW Dairy Inspector Position			70,703					70,703
Cross-Utilization Program Overtime - Meat Inspectors					20,000			20,000
Workers' Compensation Insurance	4,976		632					5,608
Employee Development & Safety Equipment	25,028		(10,031)		(1,597)			13,400
Operating:								
Internal Service Funds: Insurances, Fee-for-Space, VISION/VTHR, DII, etc.	16,587		(10,377)		4			6,214
Berlin Lab Rent & Ancillary Costs	30,000							30,000
Fleet - 3 Additional Vehicles (2 Meat Insp FY'15 & 1 Dairy Insp FY'16)	65,276		(29,612)		(4,557)			31,107
Remove FY'15 1x LIMS purchase			(62,500)					(62,500)
ERF Loans pd in full FY 2015 (USA Plants & WinWam)			(19,496)					(19,496)
Switch funding sources	40,995		(28,803)		(3,388)			8,804
Subtotal of increases/decreases	420,306	0	(77,461)	0	57,202	0	0	400,047
FY 2016 Governor Recommend	2,696,919	0	3,296,653	0	888,939	6,922	34,006	6,923,439

FY 2015 As Passed \$6,535,949 – FY 2015 Rescission \$6,523,392 – FY 2016 Proposed 6,923,439

- FY 2015 Rescission – \$12,557 operating costs
- Position Reclassifications – Succession Planning/Career Ladder
- Position – 1 Dairy Product Specialist II (dairy plant inspector) – 100% Special Funds
- Additional Fleet Vehicles
- One time purchases databases and finished payment equipment revolving fund

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Functions of the Food Safety Consumer Protection Division and State Veterinarian – 39 employees

- 4 Sections

- Dairy Section – dairy industry (farms, processing facilities and retail inspections) – 11 employees
- Meat Inspection – slaughter and processing of all types of meat (red meat and poultry) and retail inspection – 14 employees
- Consumer Protection – weights and measures work (scanners, scales, fuel pumps, cord wood, LP gas) – 8 employees
- Animal Health – protection of animal health – import and export of animals, animal traceability, cervid farms, animal disease and quarantine – 5 employees

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Dairy Product Specialist II (Dairy Plant Inspector)

- Tremendous growth in the dairy industry
- Currently 3 inspectors with assistance from farm inspectors
- Dairy Processing facilities – Grade A inspect monthly, non-grade A bi-annual but prefer quarterly
- Consistent inspection assist dairy processors to maintain excellent quality and safety – award winning dairy products
- Re-call shorter if tighter inspection interval
- Number of facilities continues to increase

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Dairy Product Specialist II (Dairy Plant Inspector)

- Documentation of Industry Growth
- Industry Standard = 25 Plants/Inspector; VT has 3 Inspectors

2008

On-Farm Dairy Processing	Off-Farm Dairy Processing	Total
34	29	63

2014 – New for 2015 – growing 10 to 15 per year

On-Farm Dairy Processing	Off Farm Dairy Processing	Total
62	58	120

Agency of Agriculture Budget Crosswalk Overview – Ag Development

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l	All other \$\$	Total \$\$
Agricultural Development: FY 2015 Approp	2,499,902		915,846		415,587	112,635		3,943,970
FY'15 Rescission: WLEB Operating (11,796); General Operating (9,750); Local Foods Grants (10,000); Farm to School Grants (18,750); WLEB Grants (279,963); ISF's (7,440)	(337,699)							(337,699)
FY 2015 Adjusted Appropriation	2,162,203	0	915,846	0	415,587	112,635	0	3,606,271
Personal Services:								
Annualization of Pay Act to Include Benefit Rate Changes	82,780		8,205		(10,318)	(7,775)		72,892
New Limited Service Position (Food Safety - Specialty Crop Block Grant - JFO #2695, 9/18/14)					82,412			82,412
Workers' Compensation Insurance	963		198			1,084		2,245
Employee Development	5,000							5,000
Operating:								
Internal Service Funds: Insurances, Fee-for-Space, VISION/VTHR, DII, etc.	7,447		(1,276)			2,853		9,024
Increase in Organic Reimbursement Programs					51,030			51,030
Switch funding sources	10,093		(13,957)			2,870		(994)

FY 2015 As Passed \$3,943,970 – FY 2015 Rescission \$3,606,271 – FY 2016 Proposed \$2,673,303

- FY 2015 Rescission: \$337,699
 - WLEB Operating - \$11,796 and Grants - \$279,963
 - Local Food Grant - \$10,000
 - Farm to School Grant - \$18,750
 - General Operating - \$9,750
- Federally Funded Limited Service Position for Food Safety Development (JFO Approved)
- Revival of Organic Certification reimbursement for Processors from Farm Bill

Agency of Agriculture Budget Crosswalk Overview – Ag Development – Cont.

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l	All other \$\$	Total \$\$
Grants:								
Loss of Funding from Health Dept for Farm to School						(70,000)		(70,000)
Reallocated Above Toward Limited Service Position					(60,000)			(60,000)
Farm Conservation Projects handled at VHCB			(300,000)					(300,000)
Reductions To Meet GF Target:								
Working Landscape Enterprise Operating Reduction	(29,577)							(29,577)
Working Landscape Enterprise Grant Reduction	(695,000)							(695,000)
Subtotal of increases/decreases	(724,577)	0	(300,000)	0	(60,000)	(70,000)	0	(1,154,577)
FY 2016 Governor Recommend	(724,577)	0	(300,000)	0	(60,000)	(70,000)	0	(1,154,577)

- Loss of funding for Farm To School from Department of Health
- Re-allocation of funds for Food Safety Modernization Act limited service position
- End origination of conservation projects by the Agency of Ag – Pass Through
- Reductions to Meet General Fund Target
 - WLEB Operating - \$29,577
 - WLEB Grants - \$695,000

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Functions Agricultural Development Division

- 13 employees
 - Working Lands Initiative – building agricultural businesses in VT
 - Farm to Institution and Farm to School – increase use of local foods by Institutions (colleges, hospitals, large businesses and local schools) and Food Safety
 - On Farm Education – Farm Safety & Employee Management (Domestic and Migrant)
 - Farm Based Renewable Energy
 - Land Conservation Stewardship
 - Land Use – Act 250 Criteria 9(b)
 - Domestic and Foreign Export of VT Food – Food Export USA Program
 - Outreach and promotion – Agriview and Dairy Promotion

Agency of Agriculture Budget Crosswalk Overview – Ag Resource Management




	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l	All other \$\$	Total \$\$
Agricultural Resource Management: FY 2015 Approp	2,472,419		2,358,754		1,142,879	355,750	56,272	6,386,074
FY'15 Rescission: Contracts - Mosquito Control (97,310) & Water Quality (15,550); Operating (1,000)	(113,860) ←							(113,860)
FY 2015 Adjusted Appropriation	2,358,559	0	2,358,754	0	1,142,879	355,750	56,272	6,272,214
Transfer To Agricultural & Environmental Laboratory (Staff & Operating)	(270,920)		(727,681)		(6,836)		→	(1,005,437)
Personal Services:								
Annualization of Pay Act to Include Benefit Rate Changes	57,818		45,497		28,804	8,702		140,821
NRCS Funding Reductions (SWAT & Partner Liaison)	51,701		40,944		(92,645) ←			0
NEW Water Quality Position - Reallocated Funding From Grants	74,130 ←							74,130
Temporary GIS Employee - Backfill RERP Reduction in Funding			15,000			(13,500)		1,500
Workers' Compensation Insurance	1,115		3,281					4,396
Employee Development & Safety Equipment	10,000							10,000
Contractual Services: GF - \$(100k) NMP to Grants; \$(80k) Contract Complete; SF - Reallocated; IDT - \$(6k) RERP; \$(75k) DEC	(180,358)		(43,967)			(81,000)	→	(305,325)

FY 2015 As Passed \$6,386,074 – FY 2015 Rescission \$6,272,214 – FY 2016 Proposed \$5,163,997

- FY 15 Rescission – \$113,860
 - Mosquito Control \$97,310 - Adulicide – Carry Forward and inventory of product
 - Water Quality \$15,550 - grant funds allocated but not used for match
 - Operating \$1,000
- Transfer staff & operating costs to NEW VT Ag and Environmental Laboratory Appropriation
- Reduction in Funding from NRCS Grants for positions (SWAT & Partner Liaison)
- New Water Quality Specialist – Franklin Initiative (funding reallocated from Grants)
- Contractual Services – Reallocations, Contract Completion & DEC MOU ended

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Crosswalk Overview – Ag Resource Management – Cont.

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l	All other \$\$	Total \$\$
Grants:								
Water Quality Grants - GF: NMP \$100k from Contracts; \$(74,130) New Position Above. IDT Reallocated	25,870					(17,521)		8,349
Reductions To Meet GF Target:								
Mosquito Control Funding Change	(57,272)		57,272					0
Reduce Water Quality Contracts	(95,565)							(95,565)
Reduce NRCC Grant	(43,500)							(43,500)
Subtotal of increases/decreases	(344,049)	0	(564,822)	0	(71,027)	(128,319)	0	(1,108,217)
FY 2016 Governor Recommend	2,014,510	0	1,793,932	0	1,071,852	227,431	56,272	5,163,997

- Reallocation – From Contracts to Grants & From Grants to Personnel
- Reductions to Meet General Fund Targets
 - \$(57,272) Mosquito Control Funding Change – Heavier reliance on Special Fund (Boat Registrations)
 - \$(95,565) Reduce Water Quality Contracts – Completed Contract
 - \$(43,500) Reduce NRCC allocation – Returns to FY 2012 base of \$112,000

Agency of Agriculture Budget

Functions of the Ag Resource Management Division and Division leadership – 4 sections with 28 employees

- ❑ Water Quality – responsible for LFO, MFO programs, AAPs, all funding programs, engineering, technical assistance and inspections - 11 employees (3 engineers, 4 LFO and MFO coordinators, 2 SFO coordinators, 1 CREP, and 1 Program Administrator)

Agency of Agriculture Budget

Functions of the Ag Resource Management Division – 4 sections Continued

- Enforcement and Compliance – coordinates all enforcement for the division - 1 employee
- Pesticide Program – responsible for pesticide licensing, registration and certification of applicators, enforcement, investigation of issues, national level policy development and leadership - 9 employees
- Plant Industry – mosquito control, nurseries, ginseng, plant disease, invasive species and hemp - 4 employees

Agency of Agriculture Budget

Water Quality Specialist

- Small Farm Inspector – separate ask from TMDL
- Dedicated to watersheds specific to Lake Champlain
- Integral to water quality improvements
 - Education and technical assistance to small farms
 - Dairy, beef and other livestock in the watershed
- Re-allocation of existing funding from FAP grants to cover position costs

Agency of Agriculture Budget

Review of TMDL Funding

- \$700,000: 7 positions to implement TMDL and aspects of H.35
- \$252,000 Program Implementation: certification of custom applicators etc.
- \$890,000 grants for farms: \$248,000 from Agriculture remainder from Clean Water Fund

- Federal Funding: \$45 million and \$16 million
 - **No funds to the Agency of Agriculture for state functions**
– funds direct to farmers through NRCS

Agency of Agriculture Budget

Lab, Agricultural Resources Management

Mosquito Control – detailed budget for FY 14 and FY 15

	FY2013 Actual	FY2014 Actual	FY2015 Budget (Post Rescission)	FY2016 Budget
Salaries & Benefits	81,734	191,030	177,059	182,349
Rentals	968			
Dues	130	394	340	340
Telephone	454	1,070	600	600
Advertising/Outreach	-	6,490	30,000	30,000
Travel	9,134	17,942	16,000	16,000
Misc Supplies, etc.	28,647	38,160	24,058	55,128
Software	1,000			
Other Purchased Services	26,550	21,959	132,420	97,333
Internal Service Fund Charges	-	3,444		
Equipment	-	1,835	3,500	3,500
Grants	18,108	71,945	140,000	140,000
	166,724	354,270	523,977	525,250
GF	60,140	261,753	418,977	387,750
GC	56,272	56,272	56,272	56,272
SF (Boat Registration)	-	-	23,728	81,228
IDT	50,312	36,245	25,000	-
	166,724	354,270	523,977	525,250

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- Crosswalk Overview – Ag & Environmental Laboratory**

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l	All other \$\$	Total \$\$
Agricultural & Environmental Laboratory: FY 2015 Approp								0
Transfers - Initial Creation:								
Transfer from Ag Resource Management (Staff & Operating)	270,920		727,681		6,836			1,005,437
Transfer from DEC (Staff & Operating)	369,449		474,998					844,447
Personal Services:								
Annualization of Pay Act to Include Benefit Rate Changes	25,541		26,036					51,577
Workers' Compensation Insurance	1,380		5,187					6,567
Employee Development	5,000							5,000
Operating:								
Internal Service Funds: Insurances, VISION/VTHR, DII, etc.			2,743					2,743
Remove FY'15 1x LIMS purchase			(187,500)					(187,500)
Computer Life-Cycle Replacement	4,935		4,935					9,870
Switch Funding Sources	29,300		(23,072)		(6,836)			(608)
UVM Lab Rent & Ancillary Costs	70,000							70,000
Subtotal of increases/decreases	776,525	0	1,031,008	0	0	0	0	1,807,533
FY 2016 Governor Recommend	776,525	0	1,031,008	0	0	0	0	1,807,533

- New Appropriation – combined Agriculture and Department of Environmental Conservation Labs**
- DEC \$844,447 – 7 staff and operating**
- Ag \$1,005,437 – 7 staff and operating**

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- Ag & Environmental Laboratory
- New Division combining Agriculture and DEC laboratory
 - Joint lab building lost in Irene flooding
 - Rebuilding lab in Randolph – funding request in Capital Bill this year
 - Combining functions will allow for shared space and equipment

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- Functions of the Ag and Environmental Laboratory – 14 employees
 - Environmental testing for air and water samples
 - Support of industry – dairy samples, water samples for dairy and slaughter facilities, dairy farm samples, raw milk samples
 - Disease testing
 - Pesticide testing
 - Fertilizer testing
 - Grain testing

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- Questions

