

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H.484 Name of Bill: Miscellaneous Ag Subject – Housekeeping Bill

Agency/ Dept: Agriculture Author of Bill Review: Haas, Leland, Marckres, LaClair, Lewis and Bothfeld

Date of Bill Review: 3/30/15 Related Bills and Key Players _____

Status of Bill: (check one): Upon Introduction As passed by 1st body As passed by both

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. Describe what the bill is intended to accomplish and why.

Sec 1 – 16 -- Water Quality technical corrections and additions to Chapter 215 of Title 6. Defines “good standing” for the purposes of financial assistance programs and requires that applicants be in good standing with the Agency to qualify. Clearly establishes requirement for Nutrient Management standards for Medium Farm Operations. Establishes seeding and filter strip cost share program for better managing fields at risk for excessive runoff.

Sec 17 - The Agency seeks to increase efficiencies in our business office by not providing refunds to those that over pay by \$25 or more for licensing and registration programs at the Agency of Agriculture.

Sec 18 § 2744a of the bill amends dairy producer requirements regarding drug residue in milk or tissue. Specifically, Sec. 18 § 2744a (a) is a rewording of the existing language that more clearly articulates the consequences faced by farmers who offer milk for sale that contains levels of drug residues in excess of the CFR standards. Sec 18 § 2744a (b) of the bill clarifies existing enforcement language and gives authority to the Agency to mandate that farmers who repeatedly offer for sale meat with violative drug residues undergo remediation training. This is intended to reduce the amount of meat with violative drug residues that is offered to consumers, thereby reducing a public health threat.

Sec – 19 - Adopt by reference the unit pricing portion of NIST Handbook 130 to bring the Agency’s weights and measures lab into compliance to maintain national level certification.

Section 20 - 21, 10VSA: VEDA; Water Quality Initiatives

Modified statutory language expands use of funds remaining in a VEDA account for water quality purposes (fund established via a 2004 MOU for debt forgiveness to support Clean and Clear Initiative). Also allows for transfer of funds from VEDA to Agency of Agriculture and Agency of Natural Resources, approx. \$189,000 and \$12,000 respectively.

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Section 22, 6 VSA, Working Lands Enterprise Program:

The bill proposed to merge the Working Lands Enterprise Board (WLEB) with the Vermont Ag and Forest Products Development Board (VAFPDB), to create one board administered by the Vermont Agency of Agriculture, which to the greatest extent possible includes the mission, duties and powers of both Boards.

2. Is there a need for this bill? Please explain why or why not.

Yes, the bill allows the agency to deny financial assistance to applicants that are not in good standing with the Agency. The seeding and filter strip program will offer a resource for best management of fields that currently does not exist.

Yes – reducing the number of reimbursements will improve efficiencies in the business office.

Yes. The current Administration determined that the existing language in Sec. 18 § 2744a (a) is confusing and asked the Agency several years ago to amend this section to make it more easily understood by the regulated community. The language in Sec. 18 § 2744a (b) is necessary in order to provide to the Agency an additional tool to decrease the incidence of violative residues in the food supply, as VT's incidence of this remains high under the current regulatory framework.

Vermont needs to use the same pricing methods as other states. With many multi state stores operating in Vermont, this allows consistency in their unit pricing in every state.

Modified statutory language expands use of funds remaining in a VEDA account for water quality purposes and simplifies access to important funds for water quality improvement.

Working Lands - While the intent of the legislature dating back to the establishment of the VAFPDB in 2010 and the subsequent creation of the WLEB and expansion of the Development Board in 2012, was to have separate boards, one whose function was to address policy matters (DB) and one whose function was to provide strategic grant investment for job creation, market development and land stewardship, the volume of work given for the agency of agriculture staff to oversee was not feasible given administrative resources. In addition, the scope of work included in statute for the development board was too broad to create an effective annual work plan. By merging the boards, supported almost unanimously by both boards during a 6 months review process prior to the legislative session, the Agency of Agriculture believes that both policy focus and grant making can occur within one board.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

Funds for the seeding and filter strip program already exist but are limited to “buffer strips” along streams. Little demand has been realized for the buffer strip aspects of current law; demand does exist for grassed waterways in high risk fields.

This portion of the bill for reimbursements for over payments will improve efficiencies in the business office.

The proposed language in Sec. 18 §2744a(a) just restates current Agency policy and does not constitute programmatic or fiscal hardship. The proposal in Sec 18 § 2744a (b) is not associated with programmatic or fiscal implications for the Agency.

The adoption of the NIST language will have no effect on other departments.

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Modified statutory language expands use of funds remaining in a VEDA account for water quality purposes and simplifies access to important funds for water quality improvement. Agency will have access to additional funds in the upcoming FY for Best Practice implementation.

Working Lands and Development Board merger would result in a slight reduction in board expenses and the agency's ability to manage one board with less administrative burden while delivery equally or greater program delivery.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

The reimbursement of overpayments will not affect other departments.

The proposed language in Sec. 18 § 2744a does not have programmatic or fiscal implications for other parts of state government. The Department of Health and other state agencies/departments concerned with the protection of public health and food safety will be supportive of these changes.

The adoption of the NIST language will have no effect on other departments.

With the merger of the Working Lands and Ag Development Board, both the Agency of Commerce, and Department of Forest, Parks and Recreation, whose Deputy Secretary and Commissioner sit on both boards, support the merger, believing greater administrative and program efficiencies can be realized.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

Farms will likely see the program for seeding and filter strips as an opportunity to better manage high risk fields.

Persons paying licensing and registration fees may be concerned if they do not receive a refund if they overpay by less than \$25.

The proposed language in Sec 18 § 2744a (a) does not carry programmatic or fiscal implications for external stakeholders as compared to existing language. The proposed language in Sec 18 § 2744a (b) could have implications for farmers who repeatedly break state and federal law by offering for sale meat products with antibiotic residues in them since these individuals would be required to demonstrate participation in a program that is intended to establish best management practices on farms.

The adoption of the NIST language will be viewed as positive by individuals in the state to bring all into compliance for unit pricing.

There was a small group of Development Board members who were concerned that the voice of the unbiased, non-partisan, working lands sector representatives would not be as strong if the boards were merged. Over a period of a year, all but 2 members of this board voted in favor of the merger. In addition, a small group of House Ag and Forest Products Committee members were concerned for the same reason. After a week of extensive testimony, and explanation, Chair Partridge and VC Lawrence who were both on the Committee in 2010 and 2012 when the respective legislation passed to create these boards, supported the merger.

6. Other Stakeholders:

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6.1 Who else is likely to support the proposal and why?

Additional supporters of the proposed language in Sec 18 § 2744a includes the following: consumers of dairy and meat products because it helps assure milk and meat do not contain drug residues; dairy industry members as the regulatory requirements are stated more clearly; the Vermont Veterinary Medical Association as that organization is involved with the development/implementation of the HACCP program in VT that addresses violative tissue residues.

The adoption of the NIST language will be viewed as positive by Vermont Retailers and the Vermont Retail Association.

Working Lands Coalition member support the board merger – including the VT Council on Rural Development, the Vermont Land Trust, the Vermont Housing and Conservation Board, the VT Sustainable Jobs Fund, the Vermont Wood Manufacturers Assn. All understand need to reduce the Administrative burden and build capacity from the entrepreneurs who represent working lands businesses – the addition of 5 members to the Working Lands Board will positively impact the mission and program delivery.

6.2 Who else is likely to oppose the proposal and why?

Those who over pay for licensing and registration fees at less than \$25 may be concerned.

Farmers who repeatedly sell meat contaminated with violative drug residues for public consumption since the proposed language in Sec 18 § 2744a (b) would allow the Agency to mandate their participation in a HACCP-type program.

The adoption of the NIST language will be viewed as positive by individuals in the state to bring all into compliance for unit pricing.

The small number of board members, and legislators, raising initial concern appear to be comfortable with the proposed merger of the Working Lands and Ag Development Boards.

7. Rationale for recommendation: *Justify recommendation stated above.*

Provides clarity for those seeking financial assistance that they must be in good standing. Provides cost share opportunity for high risk fields so that they can be better managed.

Improving efficiency in the business office will improve operations and reduce costs to the state by not providing refunds unless \$25 or more.

The Agency is statutorily obligated to ensure that milk and meat produced in Vermont is free of drug residues that exceed allowable limits set by FDA.

The adoption of the NIST language will bring Vermont into compliance and equal to other states in our region.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

There are a few minor language changes identified which we will write up by 4/2 and share w/Leg Counsel, Mike OGrady with hopes to change in the Senate Passed version.

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9. Gubernatorial appointments to board or commission?

Yes. There will be 5 additional positions to appoint to the expanded Working Lands Enterprise Board – 1 Gubernatorial; 2 Speaker; 2 Committee on Committees. There will also be a sunset to the Development Board on July 1, 2015 and the current appointments will end (16). It is anticipated that some of the Development Board members will choose to submit their names to become Working Lands Board members.

Secretary/Commissioner has reviewed this document:  Date: 4-1-15