



Agency of Agriculture, Food and Markets FY 2020 Budget Presentation

House and Senate Appropriations Committees

2019

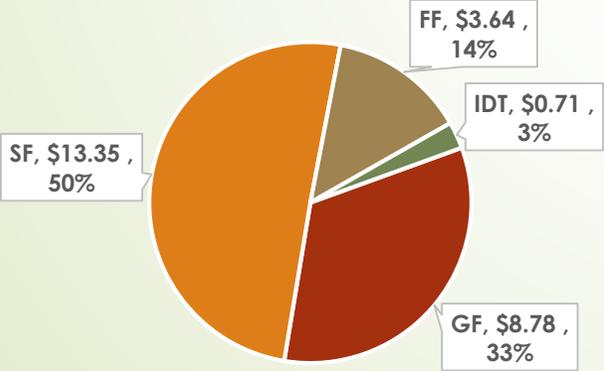
Agency of Agriculture, Food & Markets FY 2020 Governor's Recommend

Budget

MISSION: 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.

VISION: Help develop a safe, secure, ecologically responsive, profitable and fair local foods system for Vermont and Vermont customers which will enable Vermont to be a leader and participant in the global food system. The Agency will do this by assuming a leadership position important to the evolving food system, through access to and the application of resources (human, financial, social and environmental) and by supporting the creation of new opportunities.

Governor's Recommend Budget
FY 2020 (\$26.5 million)



FY 2020 SUMMARY & HIGHLIGHTS

- \$394,749 GF increase over FY 2019 appropriated;
- 5 Exempt, 123 Classified positions;
- Multi-year and on-line licensing & registration for 96% of agency programs will be live by end of CY19;
- FSCP Division completed grant on Food Armor program
- Ag Dev grant management continuous improvement project reducing days from application to completed grant.
- PHARM Division excited about explosion of hemp industry
- Water Quality Division interacting with farmers on Nutrient Management Commission
- VAEL Laboratory completed and opening in Randolph, VT



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The Agency is comprised of six appropriations

- Administration
- Food Safety, Consumer Protection
- Agricultural Development
- Public Health & Agricultural Resource Management
- Vermont Agricultural and Environmental Laboratory
- Agricultural Water Quality

➤ The Agency budget maintains staffing and operations to ensure the main areas of focus for the Agency.

- Water Quality
- Regulation of feed, seed, fertilizer and pesticide and burgeoning hemp industry
- Jobs – Agricultural Development, New Businesses and Markets, Fair Marketplace
- Food Safety and Consumer Protection – Food Safety Modernization Act, Animal Health, Dairy, Meat and Weights and Measures

➤ Internal service costs such as Fee for Space, insurances, VISION, etc., are allocated throughout the Agency, generally based on number of positions.

Agency of Agriculture FY'20 Budget

- FY'20 Total Budget - \$26,484,900
- \$ 8,783,510 General Fund at 33%
- \$13,351,008 Special Funds at 50%
- \$ 3,636,220 Federal Funds at 14%
- \$ 714,162 Interdepartmental Transfer at 3%

- \$1,651,959 Net Increase Over FY'19 (6.7% increase)
- \$ 394,751 General Fund (4.7%)
- \$ 965,343 Special Funds (7.8%)
- \$ 25,852 Federal Funds (0.7%)
- \$ 266,013 Interdepartmental Transfer (59.4%)

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4 Areas of Increase:

- \$1,540,000: Increase in Statewide Clean Water Fund Grants
- \$ 610,000: Annualized Pay Act; \$255,016 = General Fund Portion
- \$ 350,000: \$200,000 Water Quality from DEC (NEIWPC) and \$150,000 Arbovirus from VDH (CDC) – Interdepartmental Transfers
- \$ 300,000: Internal Service Fund Net of Prior Lease Costs; New VAEL Nets \$200,000 increase – All Funds
- \$ 245,800: Contractual Services; Hemp Program Expansion & Fee Changes – Spec Fund
- \$ 235,660: Federal State Marketing Improvement Program and Acer Maple Grants – Federal Fund
- \$ 149,890: Two positions – Ag Dev Spec (JFO#2908) & Ag Resource Management Spec (Position Pool) – Federal & Spec Funds

Areas of Decrease:

- \$(1,300,000): VT Ag & Environmental Lab Completion – Spec & Fed Funds
- \$ (438,265): Lab Info Management System purchased – Spec Funds
- \$ (75,000): Drug Tissue Residue (Food Armour) Grant Complete – Federal Fund
- \$ (60,000): Section 248 – no temp needed and lower operating costs – Spec Fund

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Position Movement and Additions

		Administration	Food Safety Consumer Protection	Agricultural Development	Public Health & Ag Resource Management	VT Ag & Environmenta Laboratory	Water Quality	Total
FY 2019 Total		13	41	15	17	14	26	126
Limited Service Position	Agricultural Development Coordinator (JFO #2908)			1				1
Position Pool	Agriculture Resource Management Specialist				1			1
Internal Position Movement	Director of Administrative Services IV & Dairy Policy	1		(1)				0
	Administrative Services Coordinator	(1)		1				0
	Policy Enforcement Officer	(1)			1			0
	Ag Production Specialist		(1)		1			0
	Section Chief reclassified to Assistant Direct				(1)		1	0
FY 2020 Total		12	40	16	19	14	27	128

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High Profile Budget Items

Program	GF Funding Level
Fair Stipend	\$110,000
2+2 Farm Scholarship	\$152,222
Farm to Plate	\$135,000
Natural Resource Conservation Council	\$112,000
Farm to School	\$171,875
Local Foods Grants	\$30,000
Working Lands	\$594,000

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Crosswalk Overview – Administration

	General \$\$	Special \$\$	Federal \$\$	Total \$\$
Administration: FY 2019 Approp	969,921	809,473	412,606	2,192,000
Personal Services:				
Annualization of Pay Act	18,463	22,483	12,167	53,113
Position Movement - *IN from Ag Dev* Dir Admin Srvcs IV	112,329	37,442		149,771
Position Movement - *OUT to Ag Dev* Admin Srvcs Coord I	(56,750)			(56,750)
Position Movement - *OUT to Public Health & Ag Res Mngmnt* Policy Enf Officer		(101,976)		(101,976)
Workers' Comp & Vacancy Savings	(2,955)		475	(2,480)
IT Temp move from Public Health & Ag Res Mngmnt Plus \$5k		15,000	5,000	20,000
Contractual Services (IT maintenance contracts)			(5,874)	(5,874)
Operating:				
IT Services - ADS App Support		(77,547)		(77,547)
Change in Internal Service Fund Charges			728	728
IT Lifecycle & ADS Service Level Agreement		10,047	6,120	16,167
Grants:				
Moving Fair Stipend to Ag Development	(110,000)			(110,000)
Subtotal of increases/decreases	(38,913)	(94,551)	18,616	(114,848)
FY 2020 Governor Recommend	931,008	714,922	431,222	2,077,152

- Moving Positions into and out of Administration
- Adjustments for ADS creation and resulting operating costs. Decrease position costs (Admin Division only) offset by increased Service Level Agreement (agency wide)
- Moving Fair Stipends to Ag Development

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Crosswalk Overview – Food Safety Consumer Protection

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Food Safety Consumer Protection: FY 2019 Approp	2,829,250	3,743,410	1,265,685	7,000	7,845,345
Personal Services:					
Annualization of Pay Act	123,026	15,916	63,483		202,425
Position Movement - *OUT to Public Health & Ag Res Mngmnt* Field Staff	(59,388)	(59,388)		→	(118,776)
Workers' Comp & Vacancy Savings	666	110			776
Contractual Services (IT maintenance contracts)	(5,651)	(9,852)	(988)		(16,491)
Operating:					
Change in Internal Service Fund Charges	(22,220)	49,048	(454)		26,374
IT Lifecycle & ADS Service Level Agreement	29,499	9,849	413		39,761
Completion of Federal Tissue Residue Grant/Program			(74,953)	→	(74,953)
Removal of one-time funding associated with new lab & move		(105,000)		→	(105,000)
Subtotal of increases/decreases	65,932	(99,317)	(12,499)	0	(45,884)
FY 2020 Governor Recommend	2,895,182	3,644,093	1,253,186	7,000	7,799,461

- Position movement to PHARM
- Tissue Residue Grant Completed
- Move to New Laboratory Completed – Weights & Measures and Animal Health portions

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Crosswalk Overview – Ag Development

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	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Agricultural Development: FY 2019 Approp	1,920,068	666,160	1,136,040	42,037	3,764,305
Personal Services:					
Annualization of Pay Act	80,910	60,048	23,682	(42,037)	122,603
Position Movement - *OUT to Admin* Dir Admin Srvcs IV	(112,329)	(37,442)			(149,771)
Position Movement - *IN from Admin* Admin Srvcs Coor I	56,750				56,750
Ag Development Coordinator - JFO #2908		47,528	25,592		73,120
Temporary Staff - Redistribution of staffing to cover Section 248		(30,000)			(30,000)
Workers' Comp & Vacancy Savings	5,759	(679)	(3,721)		1,359
Contractual Services (Big E & IT maintenance contracts)	(2,875)	(15,000)	4,000		(13,875)
Increased federal dollars for staff & contracts (Acer & FSMIP)			179,511		179,511
Operating:					
Change in Internal Service Fund Charges	22,478	(5,369)	(13,076)		4,033
IT Lifecycle & ADS Service Level Agreement	26,269		(3,485)		22,784
Section 248 Operating Costs lower than originally projected		(30,000)			(30,000)
Increased federal dollars for operating (Acer & FSMIP)			56,150		56,150
Miscellaneous Operating Changes	(7,000)	(10,418)			(17,418)
Grants:					
Moving Fair Stipend from Admin	110,000				110,000
WLEB & Local Foods philanthropic contributions		44,000			44,000
Subtotal of increases/decreases	179,962	22,668	268,653	(42,037)	429,246
FY 2020 Governor Recommend	2,100,030	688,828	1,404,693	0	4,193,551

- Moving positions into and out of Ag Development
- New Grants Acer Maple and Federal State Marketing Improvement Program
- Section 248 Adjustments
- Moving Fair Stipends in from Administration Division
- Philanthropic Contributions – Ski VT (WLEB) & High Meadow Fund (Local Foods)

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Crosswalk Overview – Public Health & Ag Resource Management (PHARM)

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	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Public Health & Ag Resource Management: FY 2019 Approp	662,248	1,515,661	397,224	100,415	2,675,548
Personal Services:					
Annualization of Pay Act	884	27,977	18,733	5,103	52,697
Position Movement - *IN from Admin* Policy Enf Officer		101,976			101,976
Position Movement - *IN from Food Safety Consumer Protection* Field Staff	59,388	59,388			118,776
Position Movement - *OUT to Water Quality* Asst Director	(36,612)	(85,430)			(122,042)
New Approved 10/12/18: Ag Resource Management Spec PG21		76,768			76,768
Temporary Employees: Federal reduction + Arbovirus w/VDH			(26,569)	65,000	38,431
Workers' Comp & Vacancy Savings	(574)	2,202			1,628
IT Temp move to Admin		(15,000)			(15,000)
Contractual Services (IT maintenance & hemp)	(3,725)	149,866			146,141
Operating:					
Change in Internal Service Fund Charges	48,336	7,771			56,107
IT Lifecycle & ADS Service Level Agreement	1,000	19,889			20,889
Arbovirus Program Support from CDC via VDH				85,000	85,000
Federal program funding reallocation - less operating			(18,700)		(18,700)
Removal of one-time funding associated with new lab & move		(45,000)			(45,000)
Grants:					
Cooperative Ag Pest Sub-Awards			83,334		83,334
Subtotal of increases/decreases	68,697	300,407	56,798	155,103	581,005
FY 2020 Governor Recommend	730,945	1,816,068	454,022	255,518	3,256,553

- Moving positions into and out of PHARM
- Change in Federal Cooperative Ag Pest Survey Agreements
- Contractual services for expansion of hemp program
- Revitalization of historical arbovirus funding from VT Dept of Health

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Crosswalk Overview – VT Agriculture & Environmental Lab (VAEL)

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
VT Agriculture & Environmental Lab: FY 2019 Approp	857,420	2,505,055	350,000	60,874	3,773,349
Personal Services:					
Annualization of Pay Act	6,100	46,216		3,339	55,655
Workers' Comp & Vacancy Savings	437	743			1,180
Contractual Services (IT maintenance & hemp)	(11,042)	121,250		➔	110,208
Operating:					
Change in Internal Service Fund Charges	82,225	65,046		➔	147,271
IT Lifecycle & ADS Service Level Agreement	(13,875)	36,434			22,559
Removal of one-time funding associated with Lab Information Management System Implementation		(438,265)		➔	(438,265)
Removal of one-time funding associated with new lab & move		(800,000)	(350,000)	➔	(1,150,000)
Subtotal of increases/decreases	63,845	(968,576)	(350,000)	3,339	(1,251,392)
FY 2020 Governor Recommend	921,265	1,536,479	0	64,213	2,521,957

- Contractual services for expansion of hemp program
- Internal Service Fund Charges – Net increase of Fee For Space less lease cost
- Lab Information Management System – completed
- Move to new Laboratory – completed

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Crosswalk Overview – Ag Clean Water Initiative

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Ag Clean Water Initiative: FY 2019 Approp	1,149,854	3,145,906	48,812	237,823	4,582,395
Personal Services:					
Annualization of Pay Act	25,633	125,534	44,285	(71,912)	123,540
Position Movement - *IN from Public Health & Ag Res Mngmnt* Asst Director	36,612	85,430			122,042
Workers' Comp & Vacancy Savings	(2,490)	4,234			1,744
Contractual Services (IT maintenance & DEC CREP MOU)	(4,529)	(15,272)		221,520	201,719
Operating:					
Change in Internal Service Fund Charges		17,590			17,590
IT Lifecycle, Software License & ADS Service Level Agreement		47,196			47,196
Grants:					
Increased State Clean Water Fund Grants		1,540,000			1,540,000
Subtotal of increases/decreases	55,226	1,804,712	44,285	149,608	2,053,831
FY 2020 Governor Recommend	1,205,080	4,950,618	93,097	387,431	6,636,226

- Moving position into Ag Clean Water Initiative
- MOU with Dept Environmental Conservation for Conservation Reserve Enhancement Program
- Increased State Clean Water Fund Grants

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PROGRAMMATIC PERFORMANCE MEASURE BUDGET – FOOD SAFETY CONSUMER PROTECTION

OBJECTIVE: To advance a safe and secure food supply within a marketplace that provides fair and equal access to consumers and processors in order to enhance Vermont's working landscape, rural character and local economies.

Performance Measure	FY'15	FY'16	FY'17	FY'18	FY'19 Projection	FY'20 Forecast
Number of Licenses/ registrations /permits overseen by division	18,677	18,345	20,322	20,721	21,135	21,558
Number of inspections completed by division	15,136	17,981	16,725	17,532	17,883	18,240
Number of compliance activities completed by the division that go beyond the level of field staff (action taken by management)	331	183	153	139	140	150

- Population Level outcome – VT is a safe place to live.
- Population level indicator – Number of VT Food Recall incidents
- Strategic Outcome – Protect the vulnerable
- Breakthrough Indicator – Consistent decrease in number of enforcement actions initiated beyond the field staff level

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PROGRAMMATIC PERFORMANCE MEASURE BUDGET – MOSQUITO (TICK) CONTROL

OBJECTIVE: Per 6 VSA Sections 1082-1085 the Mosquito Control Program exists to conduct statewide surveillance of biting arthropod habitat and provide financial and technical assistance to the Mosquito Control Districts (MCDs) with their nuisance mosquito control efforts.

Performance Measure	FY'15	FY'16	FY'17	FY'18	FY'19 Projection	FY'20 Forecast
Number of mosquito pools collected & tested	3,245	3,866	3,244	4,306	2,997	3,500
Percentage of collected mosquito pools with Eastern Equine Encephalitis or West Nile Virus detected	0.49%	2.52%	0.59%	2.07%	5.24%	3.00%
Number of mosquitoes collected & identified	67,335	146,238	92,193	108,288	75,637	100,000

*Note: Performance measure data are based on summer field season data rather than fiscal year.

Example: FY'18 data represents survey and analytical results for May 1 through October 1, 2017.

- Population Level outcome – Vermonters are healthy
- Population level indicator – Number of mosquito born illnesses diagnosed in Vermont
- Strategic Outcome – Protect the vulnerable
- Breakthrough Indicator – Vermonters will be educated on self-protection against arboviral illnesses

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15 PROGRAMMATIC PERFORMANCE MEASURE BUDGET – Working Lands Enterprise Initiative

OBJECTIVE: To advance entrepreneurship, develop business and increase the value of Vermont raw and value added products in order to develop Vermont Agricultural and Forest product economies

Performance Measure	FY'15	FY'16	FY'17	FY'18	FY'19 Projection	FY'20 Forecast
Number of raw jobs created	82	367	424	474	50	50
Total increase in gross income	\$8,876,727	\$11,084,404	\$19,726,340	\$26,450,000	\$3,550,000	\$12,000,000
Average percentage increase in products output	93%	77%	33%	33%	50%	52%

- Population Level outcome – Vermont has a prosperous economy
- Population level indicator – Increase in Gross Working Lands Income over previous year for grantees of Working Lands Program
- Strategic Outcome – Grow the economy
- Breakthrough Indicator – Vermonters will have access to more locally produced agricultural products, and opportunities to be employed at Vermont businesses

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New Initiatives

- Expansion of Hemp Program: Laboratory Certification and Processing Program
 - As required by Statute – Rule making underway
 - Fee Bill Request for more resources
 - Hemp growing with change to Federal Farm Bill
 - Economic Development for Vermont Agriculture

PIVOT Initiatives

- On-Line Licensing and Registration – Requirements have been signed off on by the Agency; contractor is working on development and design – Implementation planned for last part of 2019
- Ability to accept credit card payments – System went live January 31, 2019. Rolling out to the public in the very near future.
- Engineering Lean Process
 - Internal Staff worked on Agricultural Engineering and technical assistance to farmers. Mapping process as Ag Engineering Section has grown in number of employees.
 - Documentation of interaction with farmers, reporting on projects and working on timeliness of response from application through project completion.

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- ▶ Challenges
 - ▶ Continued growth in meat slaughter and processing
 - ▶ Explosive Growth in Hemp
 - ▶ Building a new produce regulatory program
 - ▶ Continued growth in water quality – working with an ever greater number of farmers
 - ▶ Greater inspection and reports
 - ▶ Greater enforcement
 - ▶ Greater need for technical assistance
 - ▶ Pleased to have 8 engineers to assist farmers with implementing practices to protect water quality

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➤ Questions

