

Agriculture and Forestry

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2017 Proposed		FY 2018 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Base Budget, Ch. 665	\$51.0	\$46.0	\$51.0	\$46.0
Proposed Increases	8.4	4.8	9.1	4.8
Proposed Decreases	(2.2)	(0.2)	(2.2)	(0.2)
\$ Net Change	6.2	4.6	6.8	4.6
HB/SB 30, as Introduced	\$57.2	\$50.6	\$57.9	\$50.6
% Change	12.1%	9.9%	13.4%	9.9%
FTEs	505.59	328.41	505.59	318.41
# Change	7.00	0.00	7.00	0.00

- **Secretary of Agriculture and Forestry**

- *Distribute Base Adjustments.* Proposes to increase the appropriation to the Office of the Secretary by approximately \$21,000, or 6 percent, each year to address changes in employee compensation and benefits, as well as internal service fund rate changes.

- **Department of Agriculture and Consumer Services**

- *Governor's Agriculture and Forestry Industries Development Fund.* Proposes an increase of \$1.0 million GF each year to the AFID Grant Program, doubling the direct appropriation to a total of \$2.0 million in each year. Additional funding of \$211,000 GF each year and 2.0 FTE positions are proposed for marketing and staffing the program. In addition, language is proposed that would provide the Governor the discretion to waive the statutory cap on size of grants awarded if a project is of statewide or regional significance. The proposed language eliminates the requirement that a proportion of the program funding be made available for local agribusiness economic development programs. Finally, the allowable administrative costs of the program are proposed to be tripled (from \$110,000 to \$330,000) to support the proposed new positions.

- **Review of Food Programs.** Proposed language would direct the Departments of Education, Health, and Agriculture and Consumer Services to develop a plan for transferring and consolidating the administration of food related programs to the Department of Agriculture and Consumer Services. The proposed language provides authority to the Department of Planning and Budget to transfer an unspecified number of positions and funds to VDACS without legislative approval. Potentially impacted funding approaches \$350.0 million NGF. The programs include:

Program	Agency
Summer Food Services Program	Health
Child and Adult Care Feeding Program	Health
Fresh Fruit and Vegetable Program	Education
National School Lunch Program	Education
School Breakfast Program	Education
Special Milk Program	Education

- **Farmland Preservation.** Proposes to increase by \$250,000 GF each year the amount appropriated to the farmland preservation program, to \$2.0 million GF in each year. The purpose of the fund is to provide compensation for landowners that voluntarily place agricultural conservation easements on their property. This is part of a series of proposed actions related to land preservation that bring the annual total for these activities to \$20.0 million GF each year, pursuant to the provisions of §58.1-512, *Code of Virginia*.
- **Virginia Grown.** Proposes a an increase of approximately \$240,000 GF each year and an additional 1.0 FTE position through a series of actions as part of the “*Bridging the Nutritional Divide*” initiative intended to promote Virginia-grown products. The funds would be used to hire a Virginia Grown Foods Ambassador to increase the use of these products in restaurants, schools and institutions. Remaining funds would be used for a dedicated agricultural specialist to work with Virginia farmers on increasing certified organic food production in the Commonwealth.
- **Internal Information Technology Improvements.** Proposes an increase of \$0.9 million GF each year and 6.0 FTE positions to fund four system developers, one Oracle engineer, and one human resources specialist as part of an effort to

overhaul and modernize both the agency's customer-facing and internal business applications.

- ***Accreditation of Animal Health Laboratories.*** Proposes \$250,138 GF the first year and \$224,098 GF the second year and 2.0 FTE positions to support efforts to obtain national accreditation of the agency's animal health laboratories to ensure Virginia livestock and poultry remain competitive in domestic and international markets.
- ***Agricultural Marketing Programs.*** Proposes an increase of \$300,000 each year for international marketing activities, bringing the annual total to \$1.2 million. The increased amount would be split equally between international trade offices in North Africa and Southeast Asia, as well as marketing programs such as "reverse trade missions" and other promotional events.
- ***Virginia Wine Promotion Fund.*** Proposes an increase of \$77,729 GF each year to the fund to reflect increased wine liter tax collections that are dedicated by statute to the fund, bringing the total to \$1.9 million per year.
- ***Beehive Grant Program.*** Includes language allowing up to \$25,000 (20 percent) of the program appropriation to be used for administrative overhead expenses of the program.
- ***Install Generators in Regional Labs.*** Included in Part II is a proposal for \$750,000 for installation of generators at the agency's four regional animal health laboratories.

- **Department of Forestry**

- ***Reforestation of Timberlands.*** Proposes an increase of \$854,782 GF the first year and \$773,116 GF the second year for the Reforestation of Timberlands program. This would fully fund the state's matching share of the program in the second year. Also provides \$180,000 NGF each year from anticipated increases in forest products tax revenue based on increased sales of forest products. Included in these amounts is funding to support technical assistance positions related to forestry best management practices
- ***Forest Firefighting Equipment.*** Proposes an increase of \$1.0 million GF the first year and \$1.9 million GF the second year for debt service payments to allow the Department to purchase about \$25.9 million in additional wildfire emergency response equipment through the Master Equipment Lease Purchase (MELP) program.