

Agriculture and Forestry

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2017 Proposed		FY 2018 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Ch. 780, 2016 Session)	\$56.6	\$50.7	\$57.1	\$50.7
Proposed Increases	0.0	0.0	0.0	3.6
Proposed Decreases	<u>(1.6)</u>	<u>0.0</u>	<u>(3.6)</u>	<u>0.0</u>
\$ Net Change	(1.6)	0.0	(0.3)	3.6
HB 1500/SB 900, as Introduced	\$55.0	\$50.7	\$53.5	\$54.3
% Change	(2.8%)	0.0%	(6.3%)	7.1%
FTEs	506.59	329.41	484.59	352.41
# Change	0.00	0.00	(22.00)	23.00

- **Department of Agriculture and Consumer Services**

- *Implement Additional Federal Agriculture Programs.* Proposes an additional \$1.0 million NGF and 6.0 FTE the second year for participation in federally funded Produce Safety and Commodity Supplemental Food programs.
- *Virginia Wine Promotion Fund.* Provides an increase of \$76,273 GF each year to the Virginia Wine Promotion Fund to more accurately reflect the revenues generated by the sale of Virginia wines. These revenues are deposited to this Fund pursuant to § 4.1-235 of the *Code of Virginia*.

Budget Reductions

- *Virginia Farmland Preservation Fund.* Proposes to decrease funding for the fund by \$500,000 the first year and \$750,000 the second year. This would leave \$500,000 the first year and \$250,000 the second year to support the program.
- *Agricultural Marketing Programs.* Proposes to decrease funding for domestic and international marketing programs for Virginia agricultural products by \$175,000

GF the first year and \$250,000 GF the second year, leaving \$1,120,226 each year for agricultural marketing.

- ***USDA Cooperative Coyote Control.*** Includes a reduction of \$192,500 GF the second year resulting from elimination of state support for the USDA’s wildlife damage management program. The state GF portion of payments was voluntary and the program is expected to continue using only federal funds. This action is a continuation of a proposal included in the Governor’s October 2016 reduction plan which captured \$95,000 GF the first year.
- ***Agriculture and Forestry Industries Development Fund (AFID).*** Proposes a reduction of \$220,000 GF each year to the Agriculture and Forestry Industries Development Fund, leaving \$1,780,000 in grant funding available each year. The 2016 General Assembly doubled annual funding for AFID from \$1.0 million to \$2.0 million each year. A separate action proposes to eliminate \$113,580 GF and 1.0 FTE authorized for management and promotion of the program in the second year. The 2016 General Assembly authorized an additional 2.0 FTE positions for this program.
- ***Eliminate Beehive Grant Fund.*** Proposes to discontinue funding for the Beehive Grant Fund to realize a general fund savings of \$125,000 the second year. An additional action in Part 3 transfers \$175,000 in FY 2016 program balances to the General Fund as part of the Governor’s October 2016 reduction plan.
- ***Eliminate Specialty Crop Commercialization.*** Proposes to eliminate funding for the Specialty Crop Commercialization program for a general fund savings of \$75,000 in the second year.
- ***Charitable Gaming.*** Reduces funding for the regulation of charitable gaming by \$197,000 GF in each year. Approximately \$1.1 million GF each year remains for the regulatory requirements.

Fee Actions

- ***Non-Restaurant Food Establishment Inspection Fees.*** Includes a \$400,000 GF reduction the second year offset by a new tiered fee structure for food establishment inspections. Fee tiers would be based on the square footage of food establishments, but home-based businesses would be capped at \$40. For other establishments the fee would range from a low of \$40 to a high of \$575, compared to the current fee of \$40 per inspection. VDACS assumes the fee would be \$300 annually for establishments between 1,000 and 10,000 square feet, and \$575 for large facilities of 10,000 square feet and above. Also eliminates language limiting the state fee in instances where a local charge is also imposed.

- **Department of Forestry**

- *Appropriate Additional Federal Funds.* Proposes an additional \$1.35 million NGF the second year to recognize additional nongeneral fund program funds.

Budget Reductions

- *Reforestation of Timberlands.* Includes a reduction of \$300,000 GF the second year to the reforestation of timberlands program that reimburses land owners. After the reduction, approximately \$1.5 million will remain available in FY 2018 to match revenues generated by the forest products tax to assist landowners with the reforestation of pine trees. Fully matching these funds would require \$1.8 million.
- *Eliminate Positions.* Proposes reductions of \$330,730 GF the second year through the elimination of four positions, including a training officer, a forest program analyst, a computer programmer, and reclassifying a Senior Area Forester to an Area Forester position. The proposed action would result in four layoffs.
- *Eliminate Vacant Telecommunications Specialist.* Proposes the elimination of support for a vacant telecommunications specialist generating \$84,551 GF and reducing 1.0 FTE position. This position was authorized in Chapter 780 of the 2016 Acts of Assembly but was never filled. Identical savings were generated in the first year as part of the Governor's October 2016 budget reduction plan.
- *Turnover and Vacancy Savings.* Includes a reduction of \$145,489 GF the second year from deferral of filling vacant positions.

Fee Actions

- *Water Quality Inspection Fee.* Proposes a \$500,000 GF reduction offset by a new \$100 water quality inspection fee for the enforcement of silvicultural water quality laws. Currently, these services are provided to landowners and logging operators at no cost.

Other Agency Savings

- *Sale of Forestry Parcels.* Language authorizes the sale of five forestry tracts located in Amelia, Emporia, Kilmarnock, Lexington, and Floyd. This action is estimated to produce \$340,000 NGF in revenue to the State Lands Fund and the Nurseries Fund to partially offset transfers of \$565,000 in balances to the general fund in FY 2017.