




STATE OF WASHINGTON  
DEPARTMENT OF AGRICULTURE  
P.O. Box 42560 • Olympia, Washington 98501 • (360) 902-1800

DATE: November 19, 2024

TO: Pat Sullivan, Director  
Office of Financial Management

FROM: Derek I. Sandison, Director 

SUBJECT: Budget reductions for fiscal year 2025 and 2025-2027 biennium

Enclosed is the Department of Agriculture's reduction proposal for the fiscal year 2025 and biennium 2025-27 Operating Budget as requested in your November 8 memo.

The proposed reduction options pose challenging decisions for our agency. While we firmly believe our agency delivers vital services to Washington's agricultural community and its citizens, our choices have been thoughtfully guided by our core priorities. There are no simple solutions to the difficult issues we are facing.

We look forward to working with you and your staff as we move forward in these difficult budget times.

cc: Jason Ferrante, Deputy Director, WSDA  
Natasha Roberts, Chief Financial Officer, WSDA

## WSDA SAVINGS OPTIONS FOR OFM

November 2024

Division/Unit	Program	Item	FY 25 Reduction Proposal	Bien 25-27 Reduction Proposal*	Current Fund Source	Impact Level	Rationale and Impact Description
AES	Climate	Reduction to one-time Appropriation for Agricultural Sequestration Grants (CCA, Capital Budget)	1,000,000		CCA	2	WSDA received a \$5 Million appropriation in the 2024 Supplemental Capital budget for a grant program to support agricultural carbon sequestration projects. Funding cannot be used until January 1, 2025. This option would reduce funding for implementation of the grant program by 20%. WSDA has already been planning for grant implementation on January and there is a high demand for these grants.
AES	Climate	Delay Climate Lead Position	131,000		CCA	3	WSDA received funding for a Climate Lead in the 2024 Supplemental Budget. The funding is not effective until January 1, 2025. This option would delay hire and limit capacity to coordinate agricultural climate resilience strategies; maintenance of current activities will reduce capacity to implement soil health programs, which also support climate mitigation and resilience.
Plant Protection	Compost	One-time reduction to Appropriation for Compost Reimbursements	1,289,362		CCA	2	WSDA received a biennial appropriation to implement a program to reimburse farms for compost purchase and use in the organic materials management law; 2024 was the first year distributing compost reimbursements with roughly \$360,000 reimbursed to farms. For this next cycle, we have \$1,200,000 in contracts with farms out for signature. The amount shown for FY 25 is the remaining balance minus this potential obligation. As composting infrastructure and usage grows in future, and the program continues, we anticipate more interest and demand for reimbursements, with a rough estimate of \$2,250,000 estimated demand per year based on 300 growers seeking reimbursement at an average of \$7,500 per reimbursement. The FY 2025 proposed amount would still allow fulfillment of current contracts for the next growing season but would reduce administrative capacity, including soil testing costs.
Several	Several	Shift Cannabis Pesticide Regulation and Testing to Dedicated Cannabis Account	635,000	1,270,000	GF-S	1	Cannabis pesticide testing and regulation at WSDA is currently funded in state general fund; We have a DP to continue funding in the 2025-27 Biennium; this option would change the fund source to the Dedicated Cannabis Account. This would reinstate the original funding source for this work and would not have any impacts to program implementation.

## WSDA SAVINGS OPTIONS FOR OFM

November 2024

Division/Unit	Program	Item	FY 25 Reduction Proposal	Bien 25-27 Reduction Proposal*	Current Fund Source	Impact Level	Rationale and Impact Description
AES	Cannabis and Hemp	Shift Cannabis Lab Accreditation and Standards Program Funding to the Dedicated Cannabis Account	822,000	1,644,000	GF-S	1	Cannabis Lab Accreditation and Standards implemented by WSDA is currently funded in state general fund; WSDA is required to implement this program under statute, but funding has been appropriated on a one-time basis each biennium. We have a DP to continue funding in the 2025-27 Biennium. this option would change the fund source to the Dedicated Cannabis Account. This would reinstate the original funding source for this work and would not have any impacts to program implementation.
AES	DNMP	Shift Dairy Nutrient Management Program funding to MTCA	750,004	1,463,071	GF-S	1	DNMP is currently partially funded with GF-S. This option would change the funding source to Model Toxics Control Operating Account. The program already receives some funding from MTCA. This would consolidate fund sources for Dairy Nutrient Management and not have any impacts to the program.
Director's Office	Office of Equity and Environmental Justice	Delay Tribal Affairs Liaison Position	257,000		GF-S	3	WSDA received funding for a Tribal Affairs Liaison in the 2024 Supplemental Budget. The position has not yet been filled. This option would delay hire of this position, and the fulfillment of WSDA goals to focus on expansion of intergovernmental coordination and enhance outreach and access to tribes for grant opportunities.
Plant Protection	Pest	One-time reduction to Japanese Beetle Proviso Funding	200,000		GF-S	4	This one-time reduction in expenditures in FY 2025 for Japanese Beetle eradication in the Grandview, Wapato, and Pasco region would reduce acres treated in FY 2025.
Plant Protection	Pest	Delay Weed Specialist Position	79,000		GF-S	2	WSDA has a vacant Weed Specialist position in the Plant Protection Division; this option would delay hire until July 1, 2025 and is based on 8 months (November 2024-June 2025) salaries and benefits for an Environmental Specialist 4, Step M. Delay of hire would reduce capacity for noxious weed management coordination.
Directors Office	Equity	One-time funding reduction in equity programs.	100,000		GF-S	2	This savings is due to current biennium position vacancies, WSDA estimates savings in FY 2025 funding dedicated to PEAR, DEI and HEAL. This is a one-time savings, the agency does not anticipate this savings in the future biennium's as this funding is critical to ensure we are able to do the important required ongoing work in these areas.

## WSDA SAVINGS OPTIONS FOR OFM

November 2024

Division/Unit	Program	Item	FY 25 Reduction Proposal	Bien 25-27 Reduction Proposal*	Current Fund Source	Impact Level	Rationale and Impact Description
Plant Protection	Commission Merchants	Ag Product Negotiations	69,000	127,000	GF-S	2	In the 2020 supplemental budget, WSDA received an ongoing appropriation of \$64,000 per year for the agency's indeterminate estimated impacts related to managing negotiation processes for an expanded list of agricultural products subject to negotiation requirements in Chapter 15.83 Revised Code of Washington (RCW). Department workload related to negotiations has not been significant in recent years. We assume we could absorb the administrative costs related to supporting any future negotiations for these added products.
Directors Office	Regional Markets/Farm to School	CSFRF Local Food Infrastructure capacity	276,261		CSFRF	2	23-25 Funding is provided to support operations across the emergency food system, such as food processing, storage, transportation, supply chain linkages, and related technical assistance. This is the estimated balance that will not be used. No impact.
AES	Pesticide	One-time funding reduction for Nitrate Pollution	100,000		MTCA	2	23-25 Ongoing funding is provided to support work to reduce nitrate pollution in groundwater from irrigated agriculture in the Lower Yakima Valley. Establishment of this activity took longer than expected, creating initial vacancy savings. Now that the program is established, we anticipate spending down some of the earlier savings. Despite this, we anticipate leaving \$100,000 unspent. We do not anticipate future savings now that the program is established. Because the savings are related to earlier vacancies, there is not a significant impact to this option.
AES	Aquaculture	Researching Management Alternatives for Burrowing Shrimp	250,000		MTCA	2	This amount reflects the remaining balance on this appropriation that is not currently obligated on an agreement. The impact would be suspension of new contracted research for management alternatives for burrowing shrimp.
Food Safety and Consumer Services	Food Safety	Dairy Inspector Vacancy	63,000		GF-S	2	A lead Dairy Inspector position is projected to be vacated at the end of December. This option would delay re-hiring until July 1, 2025. Cost savings estimated is based on 6 months Food Safety Compliance Specialist 5, step M. This is a critical position for public health, and the food safety programs anticipate a reduction in federal funding, which may make this GF-S funding necessary to maintain core food safety operations.
<b>TOTALS</b>			<b>6,021,627</b>	<b>4,504,071</b>			

# WSDA SAVINGS OPTIONS FOR OFM

November 2024

Division/Unit	Program	Item	FY 25 Reduction Proposal	Bien 25-27 Reduction Proposal*	Current Fund Source	Impact Level	Rationale and Impact Description
---------------	---------	------	--------------------------	--------------------------------	---------------------	--------------	----------------------------------

**Impact Levels:**  
1 = Shifts Funding to a different source  
2 = Allows continuation of the program/activity at a reduced level  
3 = Delays implementation of a program  
4 = Short term (reduction to a one-time increase)  
5 = Long term implications (impacts capacity in a future biennium)