

WSDA Proposals to Capture Operating Budget Savings

Attached, in the template provided by OFM, is a list of options to meet WSDA’s total FY21 general fund reduction target of \$3.03 million (15% of the agency’s \$20.2 million FY21 appropriation). These options are also summarized below.

WSDA recommends that no reductions be made to the Food Assistance Program. This program, which addresses critical food security needs statewide, constitutes one-third of the agency’s total general fund budget. Unfortunately, meeting the \$3.03 million reduction target is not possible without including it in the proposal. A further complication is the statute that moved food assistance from what is now the Department of Enterprise Services into WSDA in 2010 (RCW 43.23.290), which states that “it is the intent of the legislature that in accepting the administration of food assistance programs, the department’s core programs...not be impacted.”

FY21 GF-S Reduction Targets by Division (dollars in thousands)

Division/Unit	FY21 Approp	Reduction Target (15%)	Proposed
Agency Operations*	1,910	(286)	(1,058)
Animal Health	2,025	(304)	(220)
Food Safety	10,179	(1,527)	(1,293)
NRAS	279	(42)	(42)
Marketing	1,846	(277)	(81)
Pesticide	833	(125)	(87)
Plant	3,125	(469)	(222)
AGENCY TOTAL	20,197	(3,030)	(3,030)

*Includes Admin Services, Communications, Director's Office, and Financial Services

Agency Operations – agency operations general fund-state (GF-S) spending is reduced by \$1.058 million, including a proposed \$995,000 reduction to the annual general fund transfer into the Fair Account (the Fairs Program is part of the Administrative Services Division). Reimbursements from the fund for county agricultural fairs are projected to decline sharply for the 2020 fair season due to coronavirus-related fair cancellations. Additional savings are proposed in reduced proviso funding and a reduced general fund transfer into the Northeast Washington Wolf-Livestock Management Account – with no anticipated impact on WSDA’s ability to meet proviso/program requirements.

Animal Health – a total of \$220,000 in reductions is proposed for the Animal Health program through the elimination of one supervisor position and the downward reallocation of another full-time position. Neither of these changes should impact the program’s ability to meet statutory responsibilities or carry out core functions.

Food Assistance – while WSDA is a mostly fee-for-service agency, certain programs rely mainly on GF-S appropriations. The largest of these is the Food Assistance program, which receives about one-third of WSDA’s total GF-S appropriation. The Food Assistance program passes a significant amount of state and

federal funding on to food banks, tribes, and other hunger relief organizations. Prior to the current crisis, the combined state and federal funding was insufficient to meet the total statewide emergency food need, and any reduction at this time could be disastrous for the food security of the most-vulnerable Washingtonians. WSDA recommends that no cuts be made to the Food Assistance program, but the agency cannot otherwise meet the assigned GF-S reduction target.

Food Safety – a total reduction of \$300,000 is identified elsewhere in the Food Safety and Consumer Services Division, including \$30,000 in cuts to the Food Safety lab. Reductions are made possible through the elimination of two full-time positions (through attrition), a delay in hiring for third position, reduced travel for program-wide training and development, and other efficiency savings.

Natural Resources Assessment Section (NRAS) – a combined total of \$42,000 is reduced for the Sustainable Farms and Fields and Soil Health projects. Neither reduction should impact the program's ability to meet project goals and legislative mandates.

Marketing – in Regional Markets, funding for a 2019-21 operating budget proviso is reduced by \$16,000, which should not impact the program's ability to carry out proviso requirements. International Marketing funding is reduced by \$62,000, including \$46,000 less for new contracts with international representatives and \$16,000 in general program spending cuts.

Pesticide Management – Dairy Nutrient Management Program staff and resources will assist in carrying out work mandated by an FY21 supplemental operating budget proviso, eliminating the need for \$87,000 in associated GF-S funding. The work relates to the use of aerial herbicides in forestland, and it should not be impacted by this shift.

Plant Protection – reductions totaling \$222,000 are proposed in the Plant Protection Division, including budget proviso funding (for work that can be carried out at a reduced level) and the printing and distribution of educational materials. A current vacancy will be held open for half of FY21, and grants for the elimination of Class A noxious weeds are reduced. The Gypsy Moth program will proceed at a reduced funding level, which should not impact detection and eradication efforts.

Budget Savings Options 2020

Dollars in Thousands

Agency: Washington State Department of Agriculture (495)

Agency Priority H, M, L	Impact 1-5	Program/Activity	GF-S				Other Funds				FTE Change		Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)	
			FY 20	FY 21	FY 22	FY 23	Fund	FY 20	FY 21	FY 22	FY 23	FY 20					FY 21
Low	1	Agency Operations - budget provisos	-	63	-	-	-	-	-	-	-	-	-	Reduce GF-S for Sustainable Farms and Fields, Soil Health, Ag Product Negotiations, and wolf-livestock budget provisos	7/20	Limited impact on agency's ability to meet proviso requirements	
Medium	1	Agency Operations - Fairs Program	-	995	-	-	131	-	(995)	-	-	-	-	Reduce transfer annual GF-S transfer into Fair Account (131)	7/20	Limited impact on Fairs Program as many state fairs have already been cancelled for the 2020 fair season	RCW 15.76.115
Medium	1	Animal Health	-	152	-	-	-	-	-	-	-	-	1.0	Eliminate Compliance Program supervisor position; 2 investigator positions would be maintained	7/20	Limited impact on the agency's ability to enforce the regulations within the Animal Health and Livestock Identification programs	
Medium	1	Animal Health	-	68	-	-	-	-	-	-	-	-	-	Replace Veterinary position with a Veterinary Specialist	7/20	Would still allow the Animal Health program to perform its core functions, as the majority of this work needed by the veterinary specialist position is routine in nature	
High	4	Food Assistance	-	993	-	-	-	-	-	-	-	-	-	Shift FA program salaries, benefits, and operations to federal fund; reduce EFAP and EFAP-Tribal pass-through funding to contractors	7/20	Would reduce pass-through funding for hunger relief contractors in the state's emergency food system; could jeopardize federal matching funds for program administration; would have potentially disastrous impact on food security statewide	RCW 43.23.290
High	1	Food Safety	33	200	-	-	126	8	50	-	-	0.2	2.0	Eliminate two Food Safety Compliance Specialist positions through attrition	7/20	Program estimates 5% reduction in inspection capacity	
Low	1	Food Safety	-	20	-	-	-	-	-	-	-	-	-	Change FS program annual in-person meeting to remote event in FY21	7/20	One-year change; no impact on educational/development goals	
Medium	1	Food Safety	-	50	-	-	-	-	-	-	-	-	-	Use federal funding for 40% of salaries & benefits for one FS Compliance Officer	7/20	If federal budget restrictions eliminate this grant opportunity then additional funds would have to be pulled from the Ag local account	
High	2	Food Safety - Micro Lab	-	20	-	-	-	-	-	-	-	-	0.2	Delay hiring Dairy Inspection lab position by 2 months	7/20	This position is vital and is currently double-filled. That cannot continue beyond those 2 months	
Low	1	Food Safety - Micro Lab	-	3	-	-	-	-	-	-	-	-	-	Cancel all GF-S travel (majority is federally required/federally funded)	7/20	Reduces non-federal travel	
Medium	4	Food Safety - Micro Lab	-	7	-	-	-	-	-	-	-	-	-	Eliminate one equipment service contract	7/20	Cannot be carried forward into the 2021-23 biennium	
Medium	1	Director's Office - NRAS	-	16	-	-	-	-	-	-	-	-	-	Reduce Sustainable Farms and Fields planned expenditures by 15%	7/20	Program work could continue at reduced level and could hire non-permanent staff for new position	
High	1	Director's Office - NRAS	-	26	-	-	-	-	-	-	-	-	-	Reduce Soil Health planned expenditures by 15%	7/20	Could delay hiring and absorb reduction in general operating costs	

Low	1	Director's Office - Regional Markets	-	19	-	-	-	-	-	-	-	-	-	-	Reduce pass-through for NW Ag Business Center/SW WA Ag Development	7/20	Represents a 15% reduction to budget proviso; should not impact program's ability to meet proviso requirements
High	1	Director's Office - International Marketing	-	62	-	-	-	-	-	-	-	-	-	-	Reduce contract budgets for international representatives; reduce other program expenditures	7/20	Program is currently re-bidding representative contracts; other reductions would impact IT, staff travel, and goods and services
Medium	4	Pesticide Management - DNMP	-	87	-	-	-	-	-	-	-	-	-	-	Use DNMP staff to assist with aerial herbicide forestland work	7/20	Could not be extended beyond FY21; reduces need for GF-S appropriation (proviso)
Medium	1	Plant Protection	-	8	-	-	-	-	-	-	-	-	-	-	Reduce Ag Product Negotiations by 15%	7/20	This is short-term reduction in one-time funding
Medium	2	Plant Protection	-	104	-	-	-	-	-	-	-	-	-	0.5	Keep Noxious Weed Coordinator position vacant for an additional 6mo	7/20	Not a long-term option; could not be extended beyond FY21
High	1	Plant Protection	-	56	-	-	-	-	-	-	-	-	-	-	Reduce Gypsy Moth expenditures while still meeting trapping goals	7/20	GF-S need is now slightly lower than anticipated during FY21 supplemental budget development
Medium	1	Plant Protection	-	19	-	-	-	-	-	-	-	-	-	-	Cease bee-friendly seed campaign and related costs; reduce Class A grants	7/20	This can only be absorbed short-term. If Class A weeds are not controlled they could spread rapidly
Medium	1	Plant Protection	-	35	-	-	02R	-	(35)	-	-	-	-	-	Reduce knotweed cooperator funding	7/20	Could be longer-term shift

Priority:
L = Low priority agency activity or program
M = Medium priority agency activity or program
H = High priority agency activity or program

Impact:
1 = Allows continuation of the program/activity at a reduced level
2 = Eliminates the ability to perform program objectives
3 = Eliminates agency function
4 = Long term implications (moves the problem to next biennium)
5 = Short term (reduction to one time increase)