

Agriculture and Forestry

Adopted Adjustments (\$ in millions)				
	FY 2021 Adopted		FY 2022 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 854	\$57.0	\$54.5	\$57.0	\$54.5
Adopted Increases	5.5	2.5	4.6	2.5
Adopted Decreases	<u>(0.2)</u>	<u>(0.0)</u>	<u>(0.1)</u>	<u>(0.0)</u>
\$ Net Change	5.3	2.5	4.5	2.5
Ch. 1289 (HB 30, as Adopted)	\$62.3	\$57.1	\$61.5	\$57.1
% Change	9.3%	4.6%	7.9%	4.6%
FTEs	506.59	337.41	506.59	337.41
# Change	8.00	0.00	8.00	0.00

Unallotted Spending

(pending the assessment of the impact of a potential general fund revenue shortfall caused by the COVID-19 pandemic)

	<u>FY 2021</u>	<u>FY 2022</u>
Department of Agriculture and Consumer Services		
Food Safety Program	\$267,201	\$256,701
Phase III Watershed Implementation Plan	240,021	185,021
Holiday Lake 4-H Center Improvements	250,000	0
Department of Forestry		
Apprenticeship Program	\$51,888	\$51,888
Hardwood Forest Habitat Program	154,000	521,842
Phase III Watershed Implementation Plan	433,016	433,016
Mission Critical IT Replacement Planning	<u>44,250</u>	<u>0</u>
Total	\$1,440,376	\$1,448,468
<p><i>Note: Unallotting an appropriation is an executive function that prevents an agency from expending such appropriation. Budget language was included to authorize any particular spending items will no longer apply until such time as the General Assembly re-enacts such appropriation after acceptance of a revenue forecast that supports the underlying appropriation.</i></p>		

- **Department of Agriculture and Consumer Services**
 - ***Food Access Investment Fund.*** Establishes the Virginia Food Access Investment Fund with an initial Fund capitalization of \$1.0 million GF in the first year. Additionally, \$125,000 GF each year is provided to support operations of the Fund, including development of award criteria and ongoing administration of the grant fund. The Fund is established pursuant to Chapter 956 of the 2020 Acts of Assembly (HB 1509).
 - ***Food Safety Program (Unallotted).*** Includes a \$267,000 GF increase the first year and a \$257,000 GF increase the second year to support three additional food safety inspector positions within the food safety inspection program.
 - ***Animal Care Coordinator.*** Provides an increase of \$181,488 GF each year to support 2.00 FTEs to coordinate inspection of animal shelters across the Commonwealth.

- ***Industrial Hemp Pilot Program.*** Authorizes VDACS to administer an agricultural pilot program to study the growth, cultivation, and marketing of industrial hemp under the provisions of Virginia’s Industrial Hemp Law and terminating with the promulgation of federal regulations. A report of the pilot program is due to the General Assembly by December 1, 2020.
- ***Industrial Hemp Program Fees.*** Provides an increase of \$426,000 GF and \$300,000 NGF each year from increased hemp grower registration fees to support two additional positions and technology costs associated with testing of industrial hemp extracts and the registration of hemp growers, dealers, and processors. Under the new fee structure, the existing \$50 annual fee is replaced with a three-tiered structure of \$150 annual fee for industrial hemp growers, \$200 annual fee for hemp processors, and \$250 annual fee for hemp dealers.
- ***Enhanced Charitable Gaming Audit & Compliance Programming.*** Recognizes increased charitable gaming revenues of approximately \$500,000 GF per year resulting from legislation adopted by the 2020 General Assembly authorizing an unlimited number of charitable bingo games and allowing for the conduct of Texas Hold’em Tournaments. In addition, \$374,667 GF is provided each year to support 4.00 additional FTEs for enforcement of charitable gaming regulations.
- ***Support Cloud Service Utilization.*** Includes a \$245,000 GF increase the first year and a \$98,000 GF increase the second year from the general fund to support contract and vendor costs required to comply with Executive Order 19 to migrate information technology applications to cloud based services by December 2021.
- ***Watershed Implementation Plan (Unallotted).*** Provides a \$240,000 GF the first year and \$185,000 GF the second year to support 2.00 FTEs to enhance audits and verification of contractor-applications of fertilizer on nonagricultural property. This item is related to meeting the Commonwealth’s water pollution reduction targets under Phase III of the Watershed Improvement Plan.
- ***Virginia Wine Promotion Fund.*** Includes an increase of \$508,553 GF each year from wine liter taxes derived from Virginia wine and cider products that are dedicated by statute for promotion of Virginia’s viticulture industry, bringing the total appropriation to the Fund to approximately \$2.8 million GF per year. The increase represents higher sales volumes of Virginia wines and ciders.
- ***Predator Control Programs.*** Retains general fund support for the coyote and black vulture control programs that are supported by the U.S. Fish and Wildlife Service, resulting in an annual expenditure of \$90,000 GF.

- ***Holiday Lake 4-H Center (Unallotted).*** Provides \$250,000 GF in the first year for critical infrastructure upgrades to the Holiday Lake 4-H Center in Appomattox County.
- ***Eastern Shore Farmers Market.*** Modifies existing language in Part 3-1.01 to authorize VDACS, in cooperation with the Department of General Services, to sell the New Market Office Building and Produce Warehouse which is located in Melfa, Virginia and to allow the Department of General Services to grant any easement necessary to facilitate the sale.
- ***Agriculture and Forestry Industries Development (AFID) Fund.*** Includes \$1.0 million GF each year to level-fund the AFID program in order to provide grants or loans to grow Virginia agribusinesses. In addition, the allocation for administrative support costs of the program is increased to \$233,692. Total funding for the program is maintained at the level funded in Chapter 854 of the 2019 Acts of Assembly (HB 1700).
- ***Farmland Preservation.*** Provides \$250,000 GF each year to the Virginia Farmland Preservation Fund to be used to provide matching grants to local purchase of development rights programs. The funding level mirrors the amounts authorized in the current fiscal year.

- **Department of Forestry**

- ***Hardwood Habitat Program (Unallotted).*** Includes \$670,000 GF over the biennium for the establishment of a new hardwood forest habitat program, modeled on the Reforestation of Timberlands program, to incentivize landowners to invest in the regeneration of hardwood trees. The existing program is limited to pine forests. General fund amounts for both programs would match industry participant contributions. Staffing support for the program is provided in both years and a report detailing the potential landowner incentives and best management practices for the Hardwood Habitat program is required prior to October 15, 2021.
- ***Apprenticeship Program (Unallotted).*** Authorizes a total of \$104,000 GF over the biennium to establish an apprenticeship program within the Department. The proposed funding is intended to support three apprentice positions including one mechanic apprentice, one journeyman apprentice, and one forestry technician apprentice.
- ***Watershed Implementation Plan (Unallotted).*** Provides \$0.4 million GF each year and 4.00 FTEs to manage conservation easements, tree planting and forest conservation strategies included in Phase III of the Watershed Implementation Plan to help Virginia meet its Chesapeake Bay cleanup requirements by 2025.

- *Establish New State Forest.* Authorizes the creation of a new state forest in Charlotte County with \$5.1 million NGF from the State Forest Mitigation Acquisition Fund.

- **Virginia Racing Commission**

- *Horse Racing in Virginia.* Language is included prohibiting the Virginia Racing Commission from authorizing any additional historical horse racing terminal for local referenda passed after July 1, 2020 for a two-year period. In addition, the language requires the Racing Commission report monthly on gaming revenues and expenditures, quarterly on the number of days of live horseracing conducted in Virginia, and annually on the use of racing proceeds in support of the operations of the Virginia Horse Center.
- *Pari-Mutuel Racing Funds.* Includes language requiring the Commission maintain an end of year fund balance of \$500,000 and transfer any excess revenues from pari-mutuel wagering to the general fund in Fiscal Years 2021 and 2022.