



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF AGRICULTURE

April 27, 2017

The Honorable Elder Vogel
Senate of Pennsylvania
Chair, Agriculture and Rural Affairs
352 Main Capitol Building
Harrisburg, PA 17120

The Honorable Judith Schwank
Senate of Pennsylvania
Chair, Agriculture and Rural Affairs
457 Main Capitol Building
Harrisburg, PA 17120

The Honorable Martin Causer
PA House of Representatives
Chair, Agriculture and Rural Affairs
41B East Wing
Harrisburg, PA 17120

The Honorable Eddie Day Pashinski
PA House of Representatives
Chair, Agriculture and Rural Affairs
203 Irvis Office Building
Harrisburg, PA 17120

Dear Chairs:

We at the Pennsylvania Department of Agriculture appreciate that these are extraordinary times, not only for our industry, but for the commonwealth, as well, given the incredible fiscal constraints under which we are all operating. Since the Governor unveiled his budget proposal in February, we have appreciated the questions, engagement and support of you, your colleagues, and your respective staff members. I hope we have conveyed through that engagement our efforts to control costs, eliminate redundancies, and modernize our operations in order to improve efficiencies.

The Governor's budget proposal will allow us to continue this work, but do so in a fiscally responsible fashion, while continuing to support Pennsylvania agriculture and our core mission of protecting consumers, their safety, as well as public and animal health.

I write you today to express our concerns over the budget proposed through House Bill 218 (P.N. 1236) and its implications for the department. H.B. 218 would cut the department's General Government Operations appropriation by \$2.055 million as compared to the Governor's proposal, which increased that line item by \$2.233 million. For us, H.B. 218 equates to the loss of 21 positions beyond the 125 positions that already have been eliminated since January 2009 from our authorized complement. If enacted, a loss of this magnitude will require us to make very difficult decisions about how to manage in fiscal year 2017-18. Among the potentially devastating realities we would have to face include:

- Eliminating the bureaus of Market Development and Farmland Preservation and the Hardwood Development Council. We also would have to eliminate nearly half of the positions in the Bureau of Food Distribution. These cuts would effectively render the department incapable of administering programs that help create new markets for producers (such as PA Preferred, international trade, and the Specialty Crop Block Grant program), safeguard land from development (ending our nation-leading Farmland Preservation Program), ensure the industry's long-term viability (crop insurance education and outreach, and the organic cost-share program), and provide basic nutrition to the state's most vulnerable citizens (via the State Food Purchase Program, the Farmers Market Nutrition Program, the Emergency Food Assistance Program, and other child nutrition programs). Additionally, we would risk losing approximately \$15 million in federal funding and risk having to repay federal grant and cooperative agreement funds awarded in the current and prior fiscal years that we could no longer administer.
- Furloughing inspectors who inspect food establishments under the state's jurisdiction, but also those inspected under agreements with the U.S. Food and Drug Administration. We receive about \$2 million that helps to fund nine staff who perform federal work while also performing state inspections. If we must eliminate those positions among the 21 due to a lack of state funding, it would jeopardize not only the work at those facilities – and, consequently, their safety—but also that funding, which would have a cascading effect likely resulting in additional positions being lost. Losing these positions, which equals approximately one-third of our food inspector complement, could mean 8,000 fewer restaurant inspections per year at a time when we are already struggling to keep pace with municipalities turning over inspection responsibilities to the state.

While these reductions will certainly impact the Department of Agriculture's operations negatively, there would be real, direct and harmful implications for those we serve if HB 218 is enacted. Farmers, landowners and other agribusinesses – like the more than 3,000 we helped last year—looking to start a farm, expand or transition their operation, will not find the programs here to support their ambitions and dreams. Businesses that require inspections to maintain their license will face delays—perhaps as long as two months—that could impact their operations. Pennsylvania employers that look to us for help in finding export opportunities to grow their businesses and create jobs here will not find the same level of service. And, perhaps most concerning, more of the 1.7 million Pennsylvanians at risk of hunger, including more than half a million children, may be forced to go longer without a meal.

Additionally, the proposed reductions in General Fund transfers to the Nutrient Management Fund and to the Conservation District Fund threatens to undermine the good work we have done together in the name of improving local water quality.

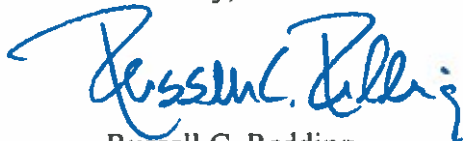
The proposed \$407,000 cut to the Nutrient Management Fund will lead that fund to end FY 18-19 in a deficit. To manage, the State Conservation Commission would have to continue curtailing programs that benefit farmers trying to do the right thing with respect to protecting our waterways. We would have to cut back on education training programs that teach producers, certified plan writers and reviewers, and field staff on their obligations under nutrient management laws, and we would have to consider eliminating funding to at least 12 conservation districts (of that 21 districts statewide) that use those dollars to support one-quarter of a position. These are districts with small workloads under Act 38, but nevertheless the obligation to perform this work would then fall back on the state.

The \$130,000 in transfers to the Conservation District Fund under our budget—coupled with the \$376,000 cut for the same line item under the Department of Environmental Protection's budget—would severely impact county conservation districts across the state. To absorb these cuts, districts would lose funding for one or more of the following categories: district management positions, technical assistance positions, administrative positions, or special project funding. The only way to avoid these losses through the Conservation District Fund Allocation Program is to offset the cuts with Unconventional Gas Well Funds from the conservation district allocation, but doing so ultimately would mean funding for districts in counties where unconventional gas drilling is occurring would be spread thinner.

I hope you agree that each of these programs provide value to our agriculture industry and to the well-being of Pennsylvanians across the state. We recognize the challenge of managing the commonwealth amidst an enormous structural deficit, but we have grave concerns about the approach to closing that deficit encompassed by H.B. 218.

We look forward to continuing our dialogue with you and your colleagues as the General Assembly and the administration negotiate toward a final budget for FY 17-18. Should you have any questions, please do not hesitate to contact my office at 717-772-2853.

Sincerely,



Russell C. Redding
Secretary

cc: Senate Agriculture and Rural Affairs Committee Members
House Agriculture and Rural Affairs Committee Members