



June 16, 2020

Representative Lyndon Carlson Sr., Chair
House Ways and Means Committee

Senator Julie Rosen, Chair
Senate Finance Committee

Dear Senator Rosen and Representative Carlson:

In accordance with M.S. 16A.10, this letter provides notification of the proposed budget forms and format for the 2022-23 biennial budget.

MMB has worked closely over the last several biennia with the Governor's Office, the legislature and agencies to expand the information that is included in both the budget narratives and fiscal reports that comprise the biennial budget document. For the 2022-23 biennial budget document we are not proposing any substantive changes to the budget document forms or format. The goals for the document continue to be the following:

1. To provide a description of the work of agencies and convey the public good or outcome that is a result of the investments being made in a way that decision-makers and the public can easily understand.
2. To demonstrate how well programs and activities are doing with performance measures that show how much is provided (the **quantity**), how well it is done (the **quality**) and whether or not anyone is better off (the **result**).
3. To provide accurate reporting of agency historical and budget fiscal information.

The proposed form and format for the 2022-23 biennial budget document continues to focus on performance information in the context of an agency budget. It will include the "at-a-glance" box for a snapshot view of the agency, as well as expanded background context and budget information. The budget document will also include a Change Item Summary for each Governor's budget proposal. Agency presentations of budget information will continue to be organized by programs and activities. Attached to this letter are:

- Budget Narrative Templates
 - Agency Profile
 - Small Agency Profile
 - Program/Activity Summaries
 - Change Item Summary
 - Federal Funds Summary
- A sample budget document, including budget narratives and fiscal reports.

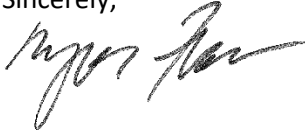
The biennial budget will be prepared throughout the rest of this calendar year with base budget information provided to the legislature, including legislative fiscal staff access to reports in the Budget Planning and Analysis System (BPAS), on November 30. Below is the 2022-23 biennial budget timeline:

Activity	Date
Agency Narratives Published to MMB Website	October 1

Activity	Date
Base Budget Data Due in Budget Planning and Analysis System (BPAS)	October 15
Agency Budget Proposals due to MMB	October 15
Base Budget Data Submitted to the Legislature	November 30
Governor's Budget Submitted to the Legislature	January 26, 2021

If you or your staff have questions or feedback on the proposed 2022-23 budget forms and format, please contact either Britta Reitan, State Budget Director, at britta.reitan@state.mn.us or 651-201-8028, or Robyn Rupp, Budget Operations Director, at robyn.rupp@state.mn.us or 651-201-8098.

Sincerely,



Myron Frans
Commissioner

Enclosures

cc: Senator Richard Cohen
Representative Kurt Daudt
Bill Marx, House Chief Fiscal Analyst
Eric Nauman, Senate Lead Fiscal Analyst
Dan Mueller, Senate Fiscal Analyst

<http://www.mda.state.mn.us/>

AT A GLANCE

- 450 employees across the state
- Analyzed over 5,000 dairy product samples and 3,000 meat and poultry samples in partnership with the MDA Laboratory Division
- Conducted over 2,800 manufactured food, 7,000 retail food, and 1,000 animal feed inspections to ensure the safety and quality of products manufactured and distributed in Minnesota.
- Approximately 1.6 billion pounds of ag products certified as plant pest free for export to 70 countries by 136 Minnesota companies during 2017
- Assisted Minnesota counties, townships, and cities with the enforcement of noxious weed issues
- Annual Agricultural Growth, Research, and Innovation (AGRI) \$10.235 million state investment in FY 2017 was matched by \$78 million in private investment with an estimated 1,740 jobs created
- More than 1,300 farms and farmers’ markets licensed to use the Minnesota Grown logo
- In partnership with all Minnesota counties, collected over 500,000 pounds of waste pesticides in 2017

PURPOSE

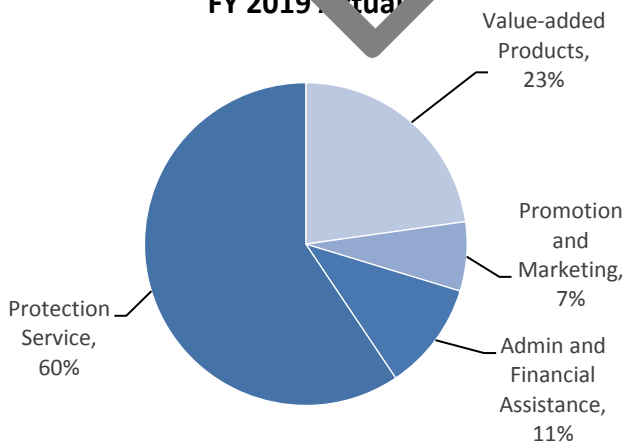
Our mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.

The Minnesota Department of Agriculture (MDA) provides many services to Minnesota farmers, their consumers, and the agriculture economy. Among our many efforts, we:

- Invest in farmers through education and grants aimed at modernizing the family farm;
- Invest in the future of the agricultural economy with grants for research and value-added processing;
- Ensure that state and federal regulations for food and health safety are followed;
- Educate producers, suppliers, and consumers on proper production and handling of food products;
- Educate Minnesotans about environmental hazards to keep our farms, homes, businesses, and neighborhoods safe;
- Promote the consumption of Minnesota-grown foods; and
- Promote the export of Minnesota crops and livestock.

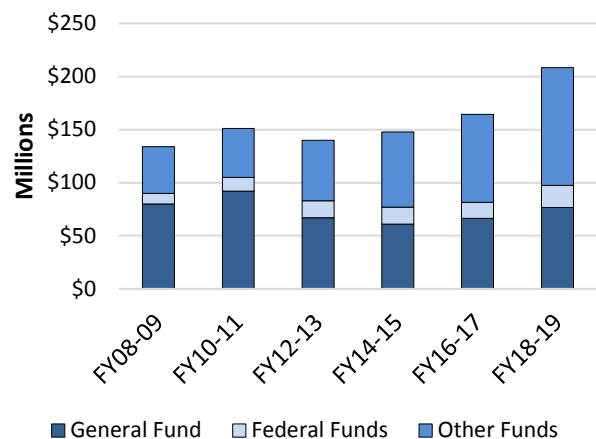
BUDGET

**Spending by Program
FY 2019 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

Our budget comes from three primary sources. The most significant funding resource is fee revenues. These revenues must be spent to support the activities from which they are collected and currently make up just over one-third of the agency's budget. The state's General Fund is also a large part of the agency's budget at just over one-third of the budget. A large portion of the general fund budget passes through MDA in AGRI (Agricultural Growth, Research, and Innovation) and other assistance programs. In FY 2016-17 and FY 2018-19 federal funds accounted for about 10 percent of MDA's budget.

STRATEGIES

We use a range of regulatory and voluntary strategies to support our mission. This includes the use of registration, labeling, licensing, permitting, inspection, and enforcement efforts. Additionally, we coordinate and conduct outreach activities such as workshops, conferences, and field demonstration projects.

Our staff conduct inspections and verify samples to ensure that producers, processors, wholesalers, haulers, grocery and convenience stores, and other industry personnel are producing and handling dairy, food, meat, and feed products in a safe manner to protect them from unintended alteration and contamination.

We ensure that Minnesota plant products meet the import requirements of our trade partners, meet grading standards established in contracts, that seeds meet viability and purity standards, that general health standards are met for nursery stock, and that standards for freedom from harmful plant pests are met.

Our marketing and promotional initiatives offer producers technical and financial assistance on a variety of issues, including dairy and livestock development, business planning, and energy, water, quality and conservation practices.

Our staff facilitates access to new markets through the Minnesota Grower Directory, international trade market research, and client support for trade missions and export assistance. We also support the organic industry through education, direct financial support, and skill development.

Minnesota Statutes Chapter 17, (<https://www.revisor.mn.gov/statutes/?id=17>) creates the Department of Agriculture and provides specific authority to the commissioner.

Agriculture

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	32,695	43,884	41,123	45,343	42,250	42,250	45,518	45,114
2000 - Restrict Misc Special Revenue	1,760	1,370	1,971	1,930	1,882	1,899	1,882	1,899
2001 - Other Misc Special Revenue	4,666	4,093	5,348	6,137	6,200	6,340	6,200	6,340
2018 - Agriculture	31,861	36,412	38,486	42,807	40,524	40,537	40,524	40,537
2050 - Environment & Natural Resources	373	405	662	1,615				
2301 - Arts & Cultural Heritage			138	162				
2302 - Clean Water	13,208	13,625	12,343	10,738			11,383	11,382
2403 - Gift	5	13		6	15	15	15	15
2801 - Remediation	1,544	1,607	1,508	1,969	1,959	1,959	1,959	1,959
3000 - Federal	8,686	12,053	13,017	13,284	11,664	11,750	11,664	11,750
6000 - Miscellaneous Agency	61	190	66					
Total	94,859	113,652	114,662	124,051	104,494	104,750	119,145	118,996
Biennial Change				30,251		(29,469)		(572)
Biennial % Change				14		(12)		(0)
Governor's Change from Base								28,897
Governor's % Change from Base								14
<u>Expenditures by Program</u>								
Protection Services		67,813	67,123	75,449	58,680	58,885	72,206	72,331
Promotion and Marketing	6,777	7,777	6,891	8,338	8,177	8,345	8,377	8,545
Value-added Products	13,170	25,583	25,895	25,073	23,561	23,714	23,561	23,714
Admin and Financial Assist	12,864	12,479	14,752	15,191	14,076	13,806	15,001	14,406
Total	94,859	113,652	114,662	124,051	104,494	104,750	119,145	118,996
<u>Expenditures by Category</u>								
Compensation	38,209	40,864	43,567	47,606	45,095	45,210	49,660	49,790
Operating Expenses	35,871	36,132	33,878	41,807	30,525	30,470	37,505	37,109
Grants, Aids and Subsidies	20,249	34,956	36,998	34,538	28,765	29,019	31,200	31,454
Capital Outlay-Real Property	120	1,103	93		42		660	539
Other Financial Transaction	411	597	125	100	67	51	120	104
Total	94,859	113,652	114,662	124,051	104,494	104,750	119,145	118,996

Agriculture

Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Total Agency Expenditures	94,859	113,652	114,662	124,051	104,494	104,750	119,145	118,996
Internal Billing Expenditures	5,260	5,304	5,343	5,580	5,672	5,755	5,778	5,861
Expenditures Less Internal Billing	89,600	108,348	109,319	118,471	98,822	98,995	113,367	113,135

<u>Full-Time Equivalents</u>	447.23	460.17	480.57	506.73	471.44	468.62	521.00	518.18
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Example

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	1,414	6,484	1,267	2,701				
Direct Appropriation	51,426	48,698	52,703	52,798	51,856	51,856	55,124	54,720
Transfers In	3,349	6,359	901	1,534	135	135	135	135
Transfers Out	18,176	17,037	11,050	11,690	9,741	9,741	9,741	9,741
Cancellations	42	257						
Balance Forward Out	5,277	362	2,698					
Expenditures	32,695	43,884	41,123	45,343	42,250	42,250	45,518	45,114
Biennial Change in Expenditures				9,887		(1,966)		4,166
Biennial % Change in Expenditures				15		(2)		5
Governor's Change from Base								6,132
Governor's % Change from Base								7
Full-Time Equivalents	129.77	154.20	159.40	173.43	169.62	169.02	184.27	183.67

2000 - Restrict Misc Special Revenue

Balance Forward In	12,410	11,242	10,203	9,562	7,012	4,813	7,012	4,813
Receipts	2,207	1,581	2,154	1,840	1,667	1,736	1,667	1,736
Transfers In	150	1,177		134	85	85	85	85
Transfers Out	1,082	1,794	2					
Net Loan Activity	(404)	(7)	(1,411)	(2,594)	(2,069)	(673)	(2,069)	(673)
Balance Forward Out	11,372	10,793	9,563	7,012	4,813	4,062	4,813	4,062
Expenditures	1,707	1,370	1,971	1,930	1,882	1,899	1,882	1,899
Biennial Change in Expenditures				771		(120)		(120)
Biennial % Change in Expenditures				25		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	11.29	8.74	12.01	12.91	12.20	12.14	12.20	12.14

2001 - Other Misc Special Revenue

Balance Forward In	6,859	7,383	8,663	8,633	8,030	7,433	8,030	7,433
Receipts	5,308	5,373	5,458	5,613	5,682	5,788	5,682	5,788
Internal Billing Receipts	5,265	5,296	5,335	5,494	5,582	5,696	5,582	5,696
Transfers Out		3	139	79	79	79	79	79
Balance Forward Out	7,501	8,661	8,633	8,030	7,433	6,802	7,433	6,802

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures	4,666	4,093	5,348	6,137	6,200	6,340	6,200	6,340
Biennial Change in Expenditures				2,726		1,055		1,055
Biennial % Change in Expenditures				31		9		9
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	35.28	38.11	30.48	30.48	34.34	34.34	34.34	34.34

2018 - Agriculture

Balance Forward In	16,047	18,357	22,788	24,029	20,418	17,353	20,418	17,353
Receipts	28,203	29,872	30,550	28,800	27,973	28,178	27,973	28,178
Transfers In	7,189	13,148	12,062	12,001	11,836	11,836	11,836	11,836
Transfers Out	2,402	3,212	2,276	2,215	2,350	2,350	2,350	2,350
Balance Forward Out	17,178	21,753	24,638	20,418	17,353	14,480	17,353	14,480
Expenditures	31,861	36,412	33,400	42,843	40,524	40,537	40,524	40,537
Biennial Change in Expenditures				13,020		(232)		(232)
Biennial % Change in Expenditures				19		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	181.32	176.17	186.33	192.41	192.09	188.59	192.09	188.59

2050 - Environment & Natural Resources

Balance Forward In	60	294	400	934				
Direct Appropriation		511	1,025	681	0	0	0	0
Transfers In			173					
Cancellations			3					
Balance Forward Out	294	400	933					
Expenditures	373	405	662	1,615				
Biennial Change in Expenditures				1,499		(2,277)		(2,277)
Biennial % Change in Expenditures				193		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.34	3.55	2.94	2.93				

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
2301 - Arts & Cultural Heritage								
Balance Forward In				12				
Direct Appropriation			150	150	0	0	0	0
Balance Forward Out			12					
Expenditures			138	162				
Biennial Change in Expenditures				300		(300)		(300)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
2302 - Clean Water								
Balance Forward In	8,127	6,985	5,570	1,511				
Direct Appropriation	8,584	7,582	8,283	9,283	0	0	11,383	11,382
Transfers In		173						
Transfers Out	500	83		56				
Cancellations	783							
Balance Forward Out	2,219	1,032	1,511					
Expenditures	13,208	13,765	14,343	10,738			11,383	11,382
Biennial Change in Expenditures				(3,753)		(23,081)		(316)
Biennial % Change in Expenditures				(14)		(100)		(1)
Governor's Change from Base								22,765
Governor's % Change from Base								
Full-Time Equivalents	30.35	30.53	32.31	32.51			34.91	34.91
2403 - Gift								
Balance Forward In	50	45	80	82	20	11	20	11
Receipts	0	48	1	4	6	6	6	6
Transfers In		30						
Transfers Out		30						
Balance Forward Out	45	80	81	20	11	2	11	2
Expenditures	5	13		66	15	15	15	15
Biennial Change in Expenditures				48		(36)		(36)
Biennial % Change in Expenditures				259				
Governor's Change from Base								0

Example

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's % Change from Base								0
Full-Time Equivalents	0.10							

2801 - Remediation

Balance Forward In		15		11				
Direct Appropriation	388	388	393	398	399	399	399	399
Open Appropriation	1,171	1,204	1,126	1,560	1,560	1,560	1,560	1,560
Balance Forward Out		15		11				
Expenditures	1,544	1,607	1,508	1,959	1,959	1,959	1,959	1,959
Biennial Change in Expenditures				326		441		441
Biennial % Change in Expenditures				10		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.68	2.85			2.57	2.57		2.57

3000 - Federal

Balance Forward In	585	81	4					
Receipts	8,290	12,014	13,014	13,284	11,664	11,750	11,664	11,750
Transfers Out	50	13	2					
Balance Forward Out	9	59						
Expenditures	8,685	12,053	13,017	13,284	11,664	11,750	11,664	11,750
Biennial Change in Expenditures				5,562		(2,887)		(2,887)
Biennial % Change in Expenditures				27		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	50.80	45.71	54.22	59.49	60.62	61.96	60.62	61.96

6000 - Miscellaneous Agency

Balance Forward In	57	53	284	231	229	231	229	231
Receipts	7	370	(32)	1	2	2	2	2
Transfers In	50	83	50					
Transfers Out		33	6	3				
Balance Forward Out	53	284	230	229	231	233	231	233

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures	61	190	66					
Biennial Change in Expenditures				(185)		(66)		(66)
Biennial % Change in Expenditures				(74)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.30	0.31	0.31					

8200 - Clean Water Revolving

Balance Forward In	26,540	26,614	25,163	18,473	9,073	6,873	9,073	6,873
Transfers In				1,000				
Net Loan Activity	74	(1,450)	(6,690)	(10,400)	(2,200)	220	(2,200)	220
Balance Forward Out	26,614	25,163	18,473	9,073	6,873	7,093	6,873	7,093

8250 - Rural Finance Administration

Balance Forward In	2,289	3,432	3,469	3,476	3,526	3,560	3,526	3,560
Receipts	58			126	129	131	129	131
Transfers In	1,064							
Transfers Out	33		53	56	68	70	68	70
Net Loan Activity	55	52	(64)	(20)	(27)	(29)	(27)	(29)
Balance Forward Out	3,442	3,470	3,475	3,526	3,560	3,592	3,560	3,592

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2019 Appropriations	52,798	52,798	52,798	105,596
Base Adjustments				
All Other One-Time Appropriations		(1,953)	(1,953)	(3,906)
Current Law Base Change		964	964	1,928
Pension Allocation		47	47	94
Approved Transfer Between Appropriation		0	0	0
Forecast Base	52,798	51,856	51,856	103,712
Change Items				
Agricultural Trade and Marketing		200	200	400
Farm and Rural Mental Health Assistance		225	225	450
Ag Emergency Preparedness and Response		300	300	925
Noxious Weed Program		900	900	1,800
Meat Inspection Program		150	150	300
Industrial Hemp Development Program		300	300	600
Critical Core Capacity for Plant Pathogens and Pests		250	250	500
Capital Equipment Replacement		618	539	1,157
Total Governor's Recommendations	52,798	55,124	54,720	109,844
Fund: 2050 - Environment & Natural Resources				
FY2019 Appropriations	681	681	681	1,362
Base Adjustments				
All Other One-Time Appropriations		(681)	(681)	(1,362)
Forecast Base	681	0	0	0
Total Governor's Recommendations	681	0	0	0
Fund: 2301 - Arts & Cultural Heritage				
FY2019 Appropriations	150	150	150	300
Base Adjustments				
One-Time Legacy Fund Appropriations		(150)	(150)	(300)
Forecast Base	150	0	0	0
Total Governor's Recommendations	150	0	0	0
Fund: 2302 - Clean Water				
FY2019 Appropriations	9,283	9,283	9,283	18,566
Base Adjustments				
One-Time Legacy Fund Appropriations		(9,283)	(9,283)	(18,566)
Forecast Base	9,283	0	0	0
Change Items				

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
AgBMP Loan Program (Clean Water Fund Activities)		75	75	150
Agricultural Research/Evaluation (Clean Water Fund Activities)		663	662	1,325
Monitoring of Pesticides In Surface Water and Groundwater (Clean Water Fund Activities)		350	350	700
Forever Green Initiative (Clean Water Fund Activities)		1,650	1,650	3,300
Impaired Waters Technical Assistance (Clean Water Fund Activities)		1,625	1,625	3,250
Irrigation Water Quality Protection (Clean Water Fund Activities)		385	385	770
MN Agricultural Water Quality Certification (MAWQCP)(Clean Water Fund Activities)		3,000	3,000	6,000
Nitrate in Groundwater (Clean Water Fund Activities)		2,585	2,585	5,170
Pesticide Testing of Private Wells (Clean Water Fund Activities)		1,000	1,000	2,000
Research Inventory Database (Clean Water Fund Activities)			50	100
Total Governor's Recommendations	9,773	11,383	11,382	22,765
Fund: 2801 - Remediation				
FY2019 Appropriations	398	398	398	796
Base Adjustments				
Pension Allocation		1	1	2
Forecast Base	398	399	399	798
Total Governor's Recommendations	398	399	399	798
Open				
Fund: 2801 - Remediation				
FY2019 Appropriations	1,560	1,560	1,560	3,120
Forecast Base	1,560	1,560	1,560	3,120
Total Governor's Recommendations	1,560	1,560	1,560	3,120
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	1,930	1,882	1,899	3,781
Forecast Base	1,930	1,882	1,899	3,781
Total Governor's Recommendations	1,930	1,882	1,899	3,781
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	6,137	6,200	6,340	12,540
Forecast Base	6,137	6,200	6,340	12,540
Total Governor's Recommendations	6,137	6,200	6,340	12,540
Fund: 2018 - Agriculture				
Planned Spending	42,807	40,524	40,537	81,061

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Forecast Base	42,807	40,524	40,537	81,061
Total Governor's Recommendations	42,807	40,524	40,537	81,061
Fund: 2403 - Gift				
Planned Spending	66	15	15	30
Forecast Base	66	15	15	30
Total Governor's Recommendations	66	15	15	30
Fund: 3000 - Federal				
Planned Spending	13,284	11,664	11,750	23,414
Forecast Base	13,284	11,664	11,750	23,414
Total Governor's Recommendations	13,284	11,664	11,750	23,414
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	1,840	1,667	1,736	3,403
Total Governor's Recommendations	1,840	1,667	1,736	3,403
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	5,613	5,682	5,788	11,470
Total Governor's Recommendations	5,613	5,682	5,788	11,470
Fund: 2018 - Agriculture				
Forecast Revenues	28,800	27,973	28,178	56,151
Total Governor's Recommendations	28,800	27,973	28,178	56,151
Fund: 2403 - Gift				
Forecast Revenues	4	6	6	12
Total Governor's Recommendations	4	6	6	12
Fund: 3000 - Federal				
Forecast Revenues	13,284	11,664	11,750	23,414
Total Governor's Recommendations	13,284	11,664	11,750	23,414
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	1	2	2	4
Total Governor's Recommendations	1	2	2	4

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Fund: 8250 - Rural Finance Administration				
Forecast Revenues	126	129	131	260
Total Governor's Recommendations	126	129	131	260
 <i>Non-Dedicated</i>				
Fund: 1000 - General				
Forecast Revenues	3,870	3,870	3,870	7,740
Total Governor's Recommendations	3,870	3,870	3,870	7,740
 Fund: 2801 - Remediation				
Forecast Revenues	115	115	115	230
Total Governor's Recommendations	115	115	115	230
 Fund: 8250 - Rural Finance Administration				
Forecast Revenues	2,072	2,073	2,077	4,150
Total Governor's Recommendations	2,072	2,073	2,077	4,150

Example

Agriculture

FY 2022-23 Biennial Budget Change Item

Change Item Title: Meat Inspection Program

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	150	150	150	150
Revenues	0	0	0	0
Other Funds				
Expenditures	150	150	150	150
Revenues	150	150	150	150
Net Fiscal Impact = (Expenditures – Revenues)	150	150	150	150
FTEs	2	2	2	2

Recommendation:

The Governor recommends an increase of \$150,000 per year in the General Fund for the Minnesota Meat and Poultry Inspection Program at the Minnesota Department of Agriculture (MDA). This increase would be matched by the United States Department of Agriculture's Food Safety Inspection Service (USDA FSIS) as a part of the State Inspection Program's Cooperative Agreement. Because of this match, the change would add \$150,000 in state funding to the current meat program resources and generate an additional \$150,000 in federal revenue, increasing the availability of resources by \$300,000 in total. The current budget for the meat program is approximately \$3.6 million (50 percent State/50 percent Federal).

Rationale/Background:

The Minnesota Meat and Poultry Inspection Program is a State "Equal To" meat inspection program which provides food safety-based inspection services to small local and niche processors who need inspection in order to sell their products freely in Minnesota. It is called "Equal To" because the program provides services that are equal to those provided by the USDA's FSIS. Because it meets the "Equal To" standard, the program currently receives a Federal Fund match from the USDA FSIS which provides 50 percent of the total program funding.

Inspection Availability

State "Equal To" or USDA FSIS continuous inspection is required for meat and poultry processors and livestock producers to sell their products. The availability of these inspection services can affect these business' ability to sell products and can limit their markets. Adequate funding and staffing make for timely delivery of services. A lack of available inspection can be, and has been, a bottleneck in the local agricultural economy. The addition of new plants to the program, as well as new products and activities in existing plants, is limited by the availability of inspectors in the area. The demand for these services varies based on where the demand is, where inspectors are, and how busy the current inspectors are. When the program cannot provide an inspector, the meat processor must wait until an inspector is available, or pursue inspection with the USDA FSIS if it is available.

Because the State program is more user-friendly and size appropriate for small, local, and ethnically diverse processors, many request inspection from the State, choosing to wait for inspection services, even if the wait is expected to be long.

The Meat Inspection Program must also maintain specific standards in order to maintain its standing with the USDA FSIS and continue to receive the federal match. Daily inspections are required, including inspections of each animal slaughtered under inspection. The program must demonstrate it is meeting those standards on a routine basis. As mentioned above, inspection demand is driven by industry need. It is also driven by inspection complexity. As inspection requirements become more complex, more inspection time is needed to ensure requirements are met. When inspection time increases, existing staff are not able to perform as many quality inspections in the same amount of time as they had previously.

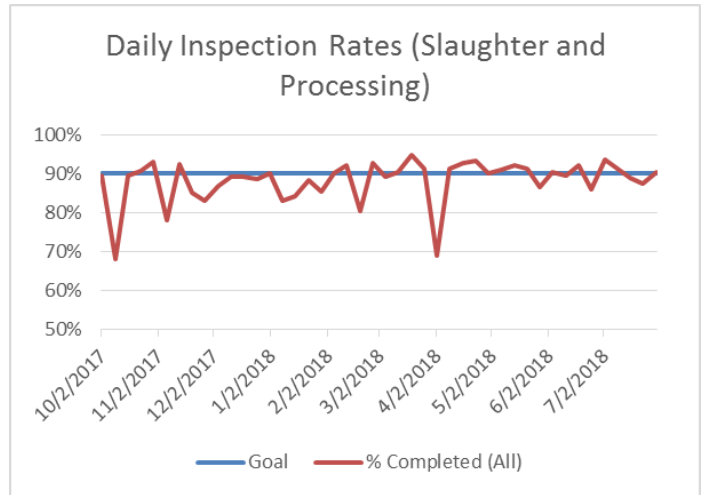


Figure 1. Daily Inspection Rates Over Time

The program measures “Daily Inspection Rates” on an ongoing basis to evaluate how well it is meeting expectations. The trend for the first part of federal fiscal year 2018 is included in Figure 1 (through July 31, 2018). The program achieved its goal of at least 90 percent for many weeks; however, there are also many weeks where it has not met this level. The funding would add an additional inspector to provide the resources needed to boost this inspection rate to acceptable levels, as well as support salaries for existing staff in the program.

Laboratory Capacity

Monitoring of products produced at inspected establishments for food safety pathogens is an important part of ensuring MDA’s inspection program is functioning as intended. In addition, this is also an important part of maintaining the program’s “Equal To” status. Maintaining this status can be costly due to the need to replace laboratory equipment that is aging or needs major maintenance. Additional staff are required to run increasingly complex laboratory analyses, as analyses tend from simple Salmonella and *E.coli* testing to performing tests that differentiate different types of these food safety pathogens based on their genetic profiles, species, and type. These analyses can be complex and take significant laboratory resources and supplies. Laboratory accreditation on all procedures must also now be maintained to support “Equal To” status for the Meat Inspection Program.

Proposal:

This funding will support current staff salaries and fringe equivalent to 1 FTE, the increased costs associated with laboratory supplies and equipment maintenance, and the addition 1 FTE for conducting meat inspections and performing laboratory work associated with the program. This FTE will address resource gaps as well as maintain our current level of service. The inspection program has a very low staff turnover rate (0% in Federal Fiscal 2018), with the most recent staff departure being a retirement for a part-time staff member which occurred in September 2017. All field inspection staff have been employed for at least three years with MDA. The stability of staff is a very positive part of this program as it cultivates strong, consistent working relationships with the industry. Many staff are near the tops of their salary ranges.

Existing resources also must be used efficiently and effectively to accomplish a large amount of work. Increasing complexity in inspection tasks and regulatory requirements means that inspectors must spend more time at individual plants reviewing records and documentation, rather than simply performing slaughter or sanitation

inspections. This change in inspection focus also means additional time must be spent in training –both development of adequate training for staff and conducting training—which is time consuming and resource intense. Resources and inspection personnel will have more opportunities to focus on training and outreach (as an extension of training) with the additional funding.

Laboratory resources needed to support this program have increased substantially in the past two years. Of the \$150,000 being recommended, \$50,000 would be used to support laboratory activities, including supplies and equipment maintenance as necessary. The following table shows the increases in costs of supplies seen in just the past two Federal Fiscal Years, plus the projected costs for Federal Fiscal 2019 which began in October of 2018:

	Federal FY 2017	Federal FY 2018	Federal FY 2019 - Projected
Supplies	\$ 75,886	\$ 82,879	\$ 90,000
Repairs to Equipment	\$ 20,504	\$ 19,981	\$ 30,000

Figure 2. Laboratory Costs for the Past Two Years

Equity and Inclusion:

The meat and poultry inspection program provides resources to any business that requires inspection services to sell their product in the wholesale market. Many of these services are provided to traditional, rural meat processors; however, the program is providing more and more services for a very diverse racial and ethnic community. In order to adequately serve these communities, the program must have adequate resources for inspection, as well as to be able to provide translation services as needed. Many racially diverse ethnic groups, such as Hmong or Somali, have strong agricultural roots; as such they also tend to move into agricultural professions in Minnesota, including meat processing.

As a cooperator with USDA FSIS, the State meat and poultry inspection program must provide services without discrimination and must also work to ensure that we conduct adequate outreach and education with diverse groups. Meeting this requirement is one of the standards required to maintain the “Equal To” status of this program. Having adequate resources is necessary to ensure the program can conduct the necessary inspection and outreach activities. Without adequate resources for inspection, these groups would be more likely to be found operating without the necessary inspection (“underground”), and potentially result in significant food safety related issues that come with the slaughter and processing of animals in an unsanitary environment and without the proper process controls.

IT Related Proposals:

N/A

Results:

Inspection activities are intended to ensure meat and poultry processors are meeting the regulatory requirements. As these requirements become more complex, meat inspection staff invest more effort in outreach and education, as well as inspection. To assess how well establishments and inspection staff are doing, the meat program performs routine audits, called Food Safety Assessments, of the establishments under inspection. The outcomes of these audits are used to measure how well the establishments understand and meet the requirements.

Each year, these outcomes are reviewed and compiled to assess trends and to ensure program outcomes are improving. During the past few years, the program is starting to see a significant increase in more severe enforcement outcomes, such as Notice of Intended Enforcement, which result when significant food safety hazards are identified during these audits. These actions take more inspection resources to address and often

identify gaps in outreach and other educational activities that also need to be addressed. Additional inspection resources are intended to address these issues, as well as build on current outreach efforts.

	2014	2015	2016	2017	2018
Letter of Information	64%	63%	67%	56%	59%
30 Day Reassessment	36%	32%	20%	39%	31%
Notice of Intended Enforcement	0%	5%	13%	6%	10%
Suspension	0%	0%	0%	0%	0%

Figure 3. Enforcement Outcomes after Food Safety Assessments.

Statutory Change(s):

This proposal does not include statutory changes.

Example

Program: Protection Services
Activity: Plant Protection Division

<http://www.mda.state.mn.us/plants-insects>

AT A GLANCE

- 29 million units of corn and soybeans and 112 million hundredweights of other agricultural seed sold under state permit in 2017
- \$11 billion in grain purchased and over 290 million bushels stored under grain licenses and bonds during 2017
- 249 nursery growers certified and 1,954 dealers inspected to ensure nursery stock sold in Minnesota is free of serious plant pests during 2017
- \$300,000 in grants awarded to local governments for management of noxious weeds in FY18
- Assisting Minnesota counties, townships, and cities with the enforcement of noxious weed issues statewide, costing \$4 million dollars annually or approximately \$170,000/country
- During FY18, \$138,000 paid in claims for wolf depredation and \$120,000 granted to producers for predation prevention programs
- Spread of emerald ash borer held to 1/3 the national average despite 10 years of infestation
- Eight firewood producers certified to offer heat-treated, pest-free firewood to help slow the spread of emerald ash borer and gypsy moth

PURPOSE & CONTEXT

The Plant Protection Division (PPD) has two broad areas of responsibility. First, PPD is responsible for detecting, excluding, containing, and managing invasive or exotic plant pests that threaten both agriculture and Minnesota's forests and the environment. Second, PPD inspects and certifies agricultural commodities for export, grade and freedom from specific pests. These activities contribute to the mission of the agency by protecting agriculture and the environment from pest threats and by verifying the quality of Minnesota products for sale or export. Minnesota farmers are protected by grain bonds, seed labeling laws and inspection, noxious weed programs and many other PPD programs designed to protect public and private land as well as critical pollinator habitat.

SERVICES PROVIDED

We ensure that seeds and plants sold, planted, exported, or stored in Minnesota meet purity, viability, and health standards, and that the environmental, societal, and recreational impacts of plant pests such as noxious weeds, gypsy moth, and emerald ash borer are reduced or eliminated.

These goals are achieved by:

- Inspecting and certifying plants and plant parts (such as seed, grain, fruit, logs, and lumber). Inspection and certification programs ensure Minnesota's plant commodities meet standards for import and export requirements, germination and purity of seeds, health of nursery stock, and the absence of harmful plant pests.
- Excluding, eradicating, or managing plant pests that threaten Minnesota's agriculture or environment. We keep Minnesota as free as possible from harmful plant pests. Our survey, audit, regulatory, quarantines, and treatment programs benefit farmers, the forest and recreation industries, and conservation plantings including critical pollinator habitat and the general public.

Fee-generated dedicated funds comprise over 45 percent of the division activities and about 25 percent of activities are funded through federal and state grants from the Environment and Natural Resources Trust Fund. The remaining 30 percent of our funds are from the state General Fund, of which about 20 percent of those are one-time appropriations for the FY18-19 biennium.

RESULTS

- Minnesota plant products are exported to markets without delays, during 2017, 1.6 billion pounds of agriculture products were certified for export to 70 countries by 136 Minnesota companies.
- Produce for sale is quickly inspected, during 2017, 1.2 billion pounds of potatoes and 21.1 million pounds of fruits and other vegetables were inspected.
- Nursery stock, seeds, and seed potatoes sold in Minnesota are viable and free of serious plant pests. Routine inspections of 250 seed retailers and 1,858 seed samples tested for quality during 2017 demonstrated that 95% of seed is accurately labeled in the state and 4 seed lots contained Palmer amaranth, a prohibited noxious weed seed
- Invasive plant pests are kept out of Minnesota and their impacts on agriculture and the environment are minimized, for example the spread of gypsy moth was reduced by over 40% by placing 20,000 gypsy moth survey traps and treating 76,000 acres to slow the advancing gypsy moth population.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>
Quantity	Acres managed for eradicating noxious weeds	1800 – 2016 2000 – 2017	2600 – 2018
Quantity	Number of seed samples collected and analyzed and their compliance percentage	1386 (92%) – 2016 1858 (94%) – 2017	1858 (95%) – 2018
Quantity	Number of permitted hemp growers	7 – 2016 34 – 2017	40 – 2018
Quantity	Number of invasive insects and diseases monitored	54 – 2015 67 – 2016 83 – 2017	84 – 2018

M.S. Section 3.737 (<https://www.revisor.mn.gov/statutes/?id=3.737>) and 3.7371

(<https://www.revisor.mn.gov/statutes/?id=3.7371>) provides the authority to compensate farmers and landowners for loss caused by wolf or elk.

M.S. Section 17.445 (<https://www.revisor.mn.gov/statutes/?id=17.445>) provides the authority to provide apiary inspection services for interstate commerce

M.S. Chapter 18F (<https://www.revisor.mn.gov/statutes/cite/18F>) provides authority to issue permits for release of genetically engineered organisms

M.S. Chapter 18G (<https://www.revisor.mn.gov/statutes/?id=18G>) provides the authority to exclude and manage invasive and exotic plant pests and to certify commodities for export

M.S. Chapter 18H (<https://www.revisor.mn.gov/statutes/?id=18H>) provides the authority to inspect and certify nursery dealers and growers

M.S. Chapter 18J (<https://www.revisor.mn.gov/statutes/cite/18J>) defines enforcement procedures for violations of Chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections [21.80](#) to [21.92](#); and associated rules.

M.S. Chapter 18K (<https://www.revisor.mn.gov/statutes/cite/18K>) provides authority to implement an industrial hemp pilot program

M.S. Section 18.75-91 (<https://www.revisor.mn.gov/statutes/?id=18.75>) provides the authority to administer a state noxious weed program

M.S. Chapter 21.71-78 (<https://www.revisor.mn.gov/statutes/cite/21.71>) provides the authority to inspect and certify seed potatoes.

M.S. Section 21.80-92 (<https://www.revisor.mn.gov/statutes/?id=21.80>) provides the authority to inspect seeds for distribution and enforce seed label requirements.

M.S. Chapter 27 (<https://www.revisor.mn.gov/statutes/?id=27>) provides the authority to provide a wholesale produce dealer bonding program.

M.S. Chapter 223 (<https://www.revisor.mn.gov/statutes/?id=223>) provides the authority to provide a bond program for grain.

M.S. Chapter 230 (<https://www.revisor.mn.gov/statutes/cite/230>) provides authority to mediate disputes between elevators or other buying or storing sites of agricultural commodities and railroads

M.S. Chapter 231 (<https://www.revisor.mn.gov/statutes/?id=231>) provides the authority to provide a bond program for warehouses

Example

Plant Protection

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	1,956	2,419	2,813	3,237	2,483	2,483	3,808	3,808
2000 - Restrict Misc Special Revenue			53	13	13	13	13	13
2018 - Agriculture	3,779	3,998	4,420	5,023	4,808	4,774	4,808	4,774
2050 - Environment & Natural Resources	373	405	662	1,365				
3000 - Federal	1,547	1,149	1,329	1,773	1,720	1,758	1,720	1,758
6000 - Miscellaneous Agency		125						
Total	7,655	8,096	9,278	11,411	9,024	9,028	10,349	10,353
Biennial Change				4,199		(2,637)		13
Biennial % Change				31		(13)		0
Governor's Change from Base								2,650
Governor's % Change from Base								15
<u>Expenditures by Category</u>								
Compensation	4,862	4,783	5,203	5,829	5,264	5,248	6,019	6,003
Operating Expenses	2,787	3,011	3,184	5,007	3,748	3,767	3,943	3,962
Grants, Aids and Subsidies		134	775	563			375	375
Capital Outlay-Real Property			4					
Other Financial Transaction	6	16	12	12	12	13	12	13
Total	7,655	8,096	9,278	11,411	9,024	9,028	10,349	10,353
Total Agency Expenditures	655	8,096	9,278	11,411	9,024	9,028	10,349	10,353
Internal Billing Expenditures	728	648	682	772	828	844	828	844
Expenditures Less Internal Billing	6,927	7,447	8,597	10,639	8,196	8,184	9,521	9,509
<u>Full-Time Equivalent</u>	68.49	65.40	69.59	72.27	65.57	65.07	73.57	73.07

Plant Protection

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		218		190				
Direct Appropriation	2,068	2,268	2,859	2,864	2,483	2,483	3,808	3,808
Transfers In	41	66	444	483				
Transfers Out		120	300	300				
Cancellations		13						
Balance Forward Out	153		190					
Expenditures	1,956	2,419	2,813	3,237	2,483	2,483	3,808	3,808
Biennial Change in Expenditures				1,675		(1,084)		1,566
Biennial % Change in Expenditures				3		(18)		26
Governor's Change from Base								2,650
Governor's % Change from Base								53
Full-Time Equivalents	15.09	14.69	18.93	18.60	15.18	15.18	23.18	23.18

2000 - Restrict Misc Special Revenue

Balance Forward In				1	1	1	1	1
Receipts			54	13	13	13	13	13
Balance Forward Out			1	1	1	1	1	1
Expenditures			53	13	13	13	13	13
Biennial Change in Expenditures				66		(40)		(40)
Biennial % Change in Expenditures						(61)		(61)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.17	0.25	0.25	0.25	0.25	0.25

2018 - Agriculture

Balance Forward In	2,075	2,693	3,398	3,625	3,606	3,403	3,606	3,403
Receipts	4,782	5,024	4,748	5,014	5,065	5,065	5,065	5,065
Transfers In		20	300	300				
Transfers Out	403	342	400	310	460	460	460	460
Balance Forward Out	2,676	3,398	3,626	3,606	3,403	3,234	3,403	3,234
Expenditures	3,779	3,998	4,420	5,023	4,808	4,774	4,808	4,774
Biennial Change in Expenditures				1,666		139		139
Biennial % Change in Expenditures				21		1		1

Plant Protection

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	34.24	34.65	34.53	35.99	35.99	34.99	35.99	34.99

2050 - Environment & Natural Resources

Balance Forward In	667	294	400	934				
Direct Appropriation		511	1,025	431	0	0	0	0
Transfers In			173					
Cancellations			3					
Balance Forward Out	294	400	933					
Expenditures	373	405	662	1,365				
Biennial Change in Expenditures				1,249		(2,027)		(2,027)
Biennial % Change in Expenditures				161		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.34	3.75	2.91	2.93				

3000 - Federal

Balance Forward In	43	0						
Receipts	1,744	1,149	1,329	1,773	1,720	1,758	1,720	1,758
Transfers Out		0						
Expenditures	1,543	1,149	1,329	1,773	1,720	1,758	1,720	1,758
Biennial Change in Expenditures				406		376		376
Biennial % Change in Expenditures				15		12		12
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	14.82	12.51	13.02	14.50	14.15	14.65	14.15	14.65

6000 - Miscellaneous Agency

Balance Forward In	0	0	227	227	229	231	229	231
Receipts	0	352		2	2	2	2	2
Transfers Out		0						
Balance Forward Out	0	227	227	229	231	233	231	233

Plant Protection

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures		125						
Biennial Change in Expenditures				(125)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Example

Agriculture

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2020 Actuals	FY2021 Budget	FY2022 Base	FY2023 Base	Required State Match or MOE?	FTEs
Dept. of Agriculture Natural Resources Conservation Service CFDA #10.912	Drainage Water Management Red River Basin – demonstrate on-farm the benefits of drainage water management to surface water quality and quantity (PFMD-B041F18)		25	0	0	0	Match	0
Environmental Protection Agency CFDA #66.605	Pesticides Performance Partnership – support pesticide programs, groundwater and surface monitoring (PFMD-B041F60)		256	402	324	324	Match	2.40
Dept. of Agriculture Sustainable Agriculture Research and Education CFDA #10.215	Farm Research to Quantify the Value of Cover Crops for Nutrient Crediting – evaluate ability of cover crops to scavenge and recycle soil nutrients (PFMD-B041F65)		4	21	0	0		0
Dept. of Interior Fish and Wildlife Service CFDA #15.608	Fishers & Farmers Root River Field to Stream Partnership Project-conservation planning, site assessments, and water quality monitoring (PFMD-B041F68)		15	8	0	0	Match	0
	Activity Total: Pesticide & Fertilizer		300	431	324	324		2.40
Dept. of Interior Fish and Wildlife Service CFDA #15.666	Wolf Livestock Demonstration Project Grant-Wolf Depredation and Livestock Compensation (PPD-B042F47)		0	59	125	125	Match	.25
Dept. of Agriculture Forest Service CFDA #10.664	Slow the Spread Foundation Gypsy Moth Trapping and Treatment-monitor and control Gypsy Moth, delimit and treat sites (PPD-B042F56)		90	503	516	530	Match	4.95
Dept. of Agriculture Forest Service CFDA #10.680	Emerald Ash Borer (EAB) Management Initiative-facilitate more discovery of EAB and promote the new facilities to monitor for EAB (PPD-B042F57)		105	115	86	89	Match	.50
Dept. of Agriculture Animal Plant Health Inspection Services CFDA #10.025	Plant & Animal Disease, Plant Control & Animal Care (PPD-B042F62)		734	1,096	993	1,014		8.95
	Activity Total: Plant Protection		1,329	1,773	1,720	1,758		14.65
Dept. of Health & Human Services Food & Drug Administration CFDA #93.103	Animal Feed Regulatory Program Standards, ISO Lab Accreditation, and Food Protection Rapid Response Capacity Building (LAB-B043F08)		361	415	330	327		1.75

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2020 Actuals	FY2021 Budget	FY2022 Base	FY2023 Base	Required State Match or MOE?	FTEs
Dept. of Health & Human Services Food & Drug Administration CFDA #93.367	Advancing MN Efforts towards a Nationally Integrated Food Safety System by supporting manufactured food regulatory standards, rapid response teams, and food protection task force programs (LAB-B043F09)		0	35	35	35		.24
Dept. of Agriculture Food Safety Inspection Services CFDA #10.479	Food Emergency Response Network (FERN)-protect animal resources and improve the safety of the nation's food supply (LAB-B043F55)		427	462	455	440		1.95
Dept. of Health & Human Services Food & Drug Administration CFDA #93.448	Food Emergency Response Network (FERN) Chemical & Microbiological Cooperative Agreement-Lab participation in FERN proficiency testing, capacity and capability exercises, and food defense surveillance assignments (LAB-B043F58)		592	640	635	635		3.60
Environmental Protection Agency CFDA #66.605	Pesticides Performance Partnership – support pesticide programs, groundwater and surface monitoring (LAB-B043F60)		327	325	338	318	Match	2.12
Dept. of Agriculture Food Safety Inspection Services CFDA # 10.475	Equal to Meat & Poultry Inspection (LAB-B043F83)		173	190	240	240	Match	1.79
	Activity Total: Laboratory Services		1,880	2,067	2,033	1,995		11.45
Dept. of Health & Human Services Food & Drug Administration CFDA #93.103	Animal Feed Regulatory Program Standards, Produce Safety, Manufactured Food Regulatory Standards, and Food Protection Rapid Response Capacity Building (FFSD-B044F08)		2,063	2,048	1550	1550		11.28
Dept. of Health & Human Services Food & Drug Administration CFDA #93.367	Advancing MN Efforts towards a Nationally Integrated Food Safety System by supporting manufactured food regulatory standards, rapid response teams, and food protection task force programs (FFSD-B044F09)		0	580	780	680		4.79
	Activity Total: Food & Feed Inspection Services		2,063	2,628	2,330	2,230		16.07
Dept. of Health & Human Services Food & Drug Administration CFDA #93.103	Veterinary Drug Residue Prevention Program-create and implement program that addresses appropriate and legal extra label drug use for vet drugs, improve awareness and knowledge (DMID-B045F08)		154	190	190	190		1.00
Dept. of Agriculture Food Safety Inspection Services CFDA # 10.475	Equal to Meat & Poultry Inspection (DMID-B045F83)		1,522	1,556	1,689	1,720	Match	13.60
	Activity Total: Dairy & Meat Inspection		1,676	1,746	1,879	1,910		14.60

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2020 Actuals	FY2021 Budget	FY2022 Base	FY2023 Base	Required State Match or MOE?	FTEs
	Total Program 01: Protection Services		7,248	8,645	8,286	8,217		59.17
Dept. of Agriculture Food & Nutrition Service CFDA #10.572	WIC Farmers Market Nutrition Program (AMDD-B046F17)		317	380	380	380	Match	0
Dept. of Agriculture Agricultural Marketing Service CFDA #10.156	Consumer Research for Direct Marketers-explore new market opportunities for U.S. food and agricultural products (AMDD-B046F20)		33	4	75	75		.50
Dept. of Agriculture Agricultural Marketing Service CFDA #10.171	National Organic Certification Cost Share Program-provide cost assistance to organic producers and handlers for organic certification (AMDD-B046F21)		433	540	555	555		.20
USDA National Institute of Food & Agriculture - Sustainable Agriculture Research & Education CFDA #10.215	Trying Times-Tools to Understand and Alleviate Farm Stress – develop and deliver trainings on farmer stress and mental health topics (AMDD-B046F65)		0	60	78	78		.20
Dept. of Agriculture Agricultural Marketing Service CFDA #10.170	Specialty Crop Block Grant-enhance the competitiveness of our specialty crop industries (AMDD-B046F91)		263	1,903	2,080	2,230		1.77
Centers for Disease Control & Prevention-National Institute for Occupational Safety & Health CFDA #93.262	Airing Out Farm Stress – Shared Stress Podcast – create and air radio programs addressing how stress can affect well- being of farmers and family members. Use podcasts to reduce societal stigmas relating to coping with stress and related conditions. Promote resources for recovery. (AMDD-B046F95)		0	45	50	55		.10
Dept. of Agriculture Food & Nutrition Service CFDA #10.576	Senior Farmers' Market Nutrition Program (AMDD-B046F95)		112	160	160	160		0
	Activity Total: Ag Marketing & Development		2,158	3,128	3,378	3,533		2.77
	Total Program 02: Promotion & Marketing		2,158	3,128	3,378	3,533		2.77
Dept. of Agriculture Commodity Credit Corporation CFDA #10.117	Biofuel Infrastructure Partnership-ethanol retail infrastructure development to increase use of higher ethanol fuel blends in MN to increase use of locally grown renewable fuels, reduce vehicle emissions (AMDD-B047F78)		3,611	1,500	0	0	Match	0
	Activity Total: Ag Advancement Programs		3,611	1,500	0	0		0

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2020 Actuals	FY2021 Budget	FY2022 Base	FY2023 Base	Required State Match or MOE?	FTEs
	Total Program 04: Ag Energy Bio Product Advancement Program		3,611	1,500	0	0		0
Dept. of Homeland Security CFDA #97.067	Homeland Security Risk Assessment (ADMIN-B049F52)		0	11	0	0		0
	Activity Total: Agency Services		0	11	0	0		0
	Total Program 06: Admin		0	11	0	0		0
	Total Agency: Agriculture – B04		13,017	13,284	11,664	11,750		61.94

Narrative

The Minnesota Department of Agriculture (MDA) receives funding from many federal resources including the Departments of Agriculture, Health and Human Services, and Department of the Interior as well as the Environmental Protection Agency. MDA obtains federal funds directly from the federal government as the primary recipient or as a sub-recipient of a larger grant from another state agency or outside organization.

Pesticide and Fertilizer Management Division

Federal awards received from the Environmental Protection Agency fund cooperative activities such as pesticide enforcement, applicator certification and training, groundwater monitoring, urban initiatives, and endangered species activities. MDA matching funds are provided through special revenue funds from the Pesticide Regulatory account. Since the federal funds support only a small portion of the state pesticide program, MDA matching funds greatly exceed the amount required under the federal awards.

Plant Protection Division

Through the U.S. Department of Agriculture's Forest Service and Animal Plant Health Inspection Service federal awards support efforts to protect agriculture crops, commodities and forests from a number of plant pests and pathogens. Federal funds are utilized to implement detection programs for invasive pests such as potato cyst nematode, gypsy moth, karnal bunt of wheat and many others. Plant pest surveys serve as a basis for making decisions to eradicate, contain, or manage plant pest threats. These surveys also serve as a basis for MDA to certify that pests do not exist in Minnesota which ensures open access to a number of foreign markets for Minnesota commodities. Federal funds also help to support eradication and suppression programs for emerald ash borer and gypsy moth. When matching funds are required they are provided through State General Fund appropriations, state grants from the Environment and Natural Resources Trust Fund, or local government expenditures. Funds from the U.S. Department of Interior's Fish and Wildlife Service help to compensate farmers and ranchers with damage claims related to elk or wolf and required matching funds are provided by State General Fund appropriations.

Laboratory Services Division

Through the U.S. Department of Agriculture's Food Safety and Inspection Service federal funding to the MDA Laboratory Services is used to analyze food matrices for microbiological and chemical threat agents and improve laboratory capacities for surveillance and outbreak response. In addition, funds are provided to maintain one of two National Food Emergency Response Network Training Centers that will host and conduct training. The USDA also provides funding for the testing of meat sold under their "Equal to Meat & Poultry Inspection" program. These federal dollars are matched with General Fund. Funding received from the Food and Drug Administration funds the laboratory's analytical capability and capacity for the analysis of food and food products in order to rapidly respond to any local or national food safety or security threat from the use of chemical contaminants, toxins, and poisons. The FDA also funds our efforts to expand our scope of methods accredited to the International Organization for Standardization (ISO)/International Electrotechnical Commission (IEC) 17025:2017 laboratory testing standard. The laboratory receives funding from the USEPA to provide regulatory enforcement testing related incident response events and to test ground and surface water for pesticides to determine their environmental fate. Federal funds for the USDA "Equal to Meat & Poultry Inspection" program are expected to increase due to additional costs necessary to support laboratory testing. General fund match dollars have already increased to meet the funding needs. Funding from all other federal sources is expected to remain stable.

Food and Feed Safety Division

Federal awards received by the MDA's Food and Feed Safety Division have been relatively stable with the exception of increased funds provided by the Food and Drug Administration for food safety projects that enable faster response to foodborne disease outbreaks, produce safety implementation and manufactured, retail, and animal feed regulatory program standards. The purposes of these increased funds are project-specific and are intended to support and not supplant existing state resources.

Dairy and Meat Inspection Division

Federal awards received by the MDA's Dairy and Meat Inspection Division (DMID) have increased over the past year. The DMID received federal funding for a drug residue prevention project which is a 3 year project intended to focus on residue prevention and appropriate veterinary drug use education. These funds replace funds received in a previous cooperative agreement, but are increased by \$25,000 per year. The funds support efforts, but do not supplant existing State funds. Federal funding for the meat and poultry inspection program provided from the USDA Food Safety and Inspection Service has increased in FY 2019 to a level which fully matches the State funding used to support these activities. It is expected that the current level of funding will stabilize, but would increase should additional State funds become available to support the program's activities. The required State match is from the General Fund. Fees are currently used to support this activity.

Marketing and Development Division

The U.S. Department of Agriculture's Ag Marketing Services provides funding to enhance the competitiveness of specialty crops and provide support for socially disadvantaged and beginning farmers of these crops. Funding for this grant has increased in recent years. Funding provided to defray the costs of organic certification is expected to remain stable. Currently, there are no required matching funds. The USDA Food and Nutrition Service provides funding for the WIC and Senior Farmers' Market Nutrition programs. Funding is used to educate low income, nutritionally-at-risk families about the value of fresh, locally grown produce and to increase direct sales for farmers through farmers' markets. Matching funds for the WIC FMNP are provided by the General Fund; there is no matching requirements for Senior FMNP. Federal funding for the biofuel infrastructure partnership with USDA Commodity Credit Corporation will end at the end of fiscal year 2019.

Agency Summary

Current federal appropriation levels as well as guidance provided from our federal agencies were taken into consideration to determine Minnesota Department of Agriculture's federal funding level for the biennial budget years 2020 and 2021. Based on informed communication with our federal agencies, no significant change in future federal funding is foreseen at this time.

www.website.gov

AT A GLANCE

- Provide some brief statistics on your agency
- Describe, with numbers if possible, the population you serve

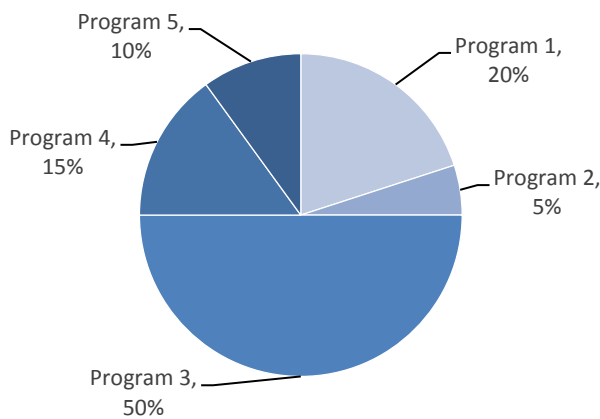
*** Our goal is to have the At A Glance box, purpose statement and budget charts on the first page. Please limit your text in these sections to achieve this goal.**

PURPOSE

Please provide a narrative description of your agency’s purpose. Answer the questions: What do you do and why are you here? What’s your mission statement? What statewide outcomes does your agency seek to produce for Minnesotans?

BUDGET

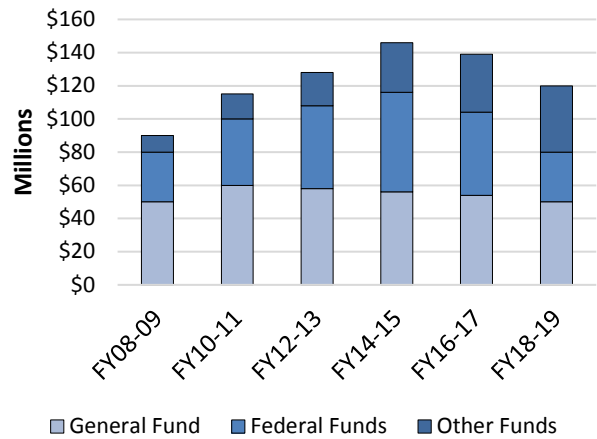
**Spending by Program
FY 2019 Actual**



Add any footnotes on charts above

Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Add any footnotes on charts above

Source: Consolidated Fund Statement

Refer to the **Completing the Budget Charts in the Agency Profile instructions on MMB’s website** (<http://www.mn.gov/mmb/budget/budget-instructions/bibudprep/>) for information about the data for completing these agency charts for **Spending by Category/Program or Historical Spending**.

Please complete the Spending by Program FY 2019 Actual chart by clicking on the chart, navigating to the “Chart Tools – Design” tab on the top ribbon, and then clicking on edit data. An Excel document will pop up. Using FY 2019 actual data, enter the names of your agency’s budget programs and the associated percent of spending. If more (or less) programs are needed, please add (or remove) them and the associated percentages, and then drag the purple and blue boxes so the new information cells will be included in the chart. Close the spreadsheet and the Word document chart should update to reflect your changes. If it does not update automatically, click on the chart, navigate to the “Chart Tools – Design” tab on the top ribbon, and then click on the Select Data button. Make sure the correct data cells are selected in the data range. Follow the same steps to update the Historical Spending by Fund chart to reflect the fund information for your agency from the historical Consolidated Fund Statement information provided.

Please note: all charts and graphs must be accessible. Please be sure to include the alt text description of the chart or graph that you have added. Also, please work with your agency's accessibility officer prior to submitting this completed template to MMB.

Please provide a brief narrative description of your agency's budget. Answer the question, "How are your agency's activities financed?" Please include a description of the major funding source(s) and amounts for your agency. Focus on providing context for your readers to explain the graphs, rather than specific data.

STRATEGIES

Please provide a narrative description of your agency's strategies. Answer the questions:

- How do you achieve your mission?
- Describe what you do within the role you identified above in the purpose section. Describe how it leads to more equitable outcomes for the people of Minnesota.

Use this endnote section to provide the specific legal citations for the statutes that apply to your agency. For example, M.S. 16A (<https://www.revisor.mn.gov/statutes/?id=16A>) provides the legal authority for MMB.

www.website.gov

AT A GLANCE

- Provide some brief statistics on your agency
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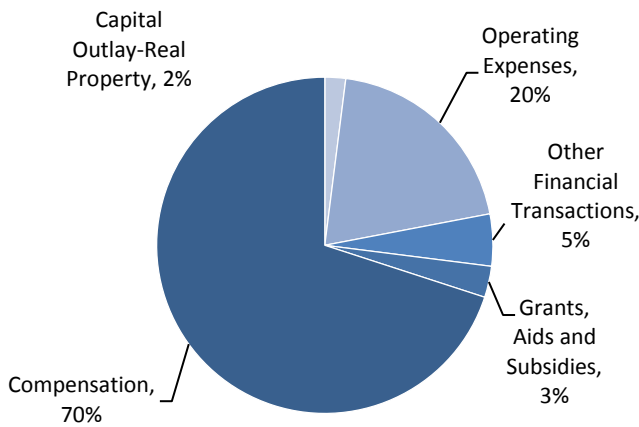
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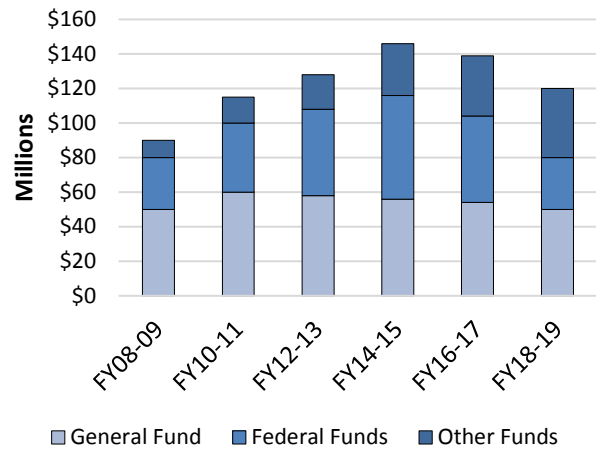
**Spending by Category
FY 2019 Actual**



Add any footnotes on charts above

Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Add any footnotes on charts above

Source: Consolidated Fund Statement

Refer to the **Completing the Budget Charts in the Agency Profile instructions on [MMB’s website](http://www.mn.gov/mmb/budget/budget-instructions/bibudprep/)** (<http://www.mn.gov/mmb/budget/budget-instructions/bibudprep/>) for information about the data for completing these agency charts for **Spending by Category/Program or Historical Spending**.

Please complete the Spending by Category FY 2019 Actual chart by clicking on the chart, navigating to the “Chart Tools – Design” tab on the top ribbon, and then clicking on edit data. An Excel document will pop up. Using FY 2019 actual data, update the percentages by expense category. If more (or less) expense categories are needed, please add (or remove) them and the associated percentages, and then drag the purple and blue boxes down so the new information cells will be included in the chart. Close the spreadsheet and the Word document chart should update to reflect your changes. If it does not update automatically, click on the chart, navigate to the “Chart Tools – Design” tab on the top ribbon, and then click on the Select Data button. Make sure the correct data cells are selected in the data range. Follow the same steps to update the Historical Spending by Fund chart to reflect the fund information for your agency from the historical Consolidated Fund Statement information provided.

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RESULTS

Option 1: Use performance measures charts or graphics produced by your agency.

- Include charts for 3-5 performance measures used within your agency.
- For each measure, include at least two data points from different points in time to demonstrate a trend.
- In your description of the charts indicates if the measure displayed is a quantity, quality or result type of measure.
- Please note: **All charts and graphs must be accessible.** Reference the accessibility instructions and work with your agency’s accessibility officer before you submit your completed template to MMB.

Option 2: Use the chart below, if your agency has not produced performance measurement charts.

- Indicate 3-5 performance measures that are used for performance management within your agency.
- In the Type of Measure column, include:
 - “Quantity” if you are including an output measure,
 - “Quality” for an efficiency measure, and
 - “Result” for an outcome measure.
- For each measure, include two data points from two different points in time to demonstrate a trend. Put the dates of those two data points in the Date column.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity				
Quality				
Results				

Use this endnote section to provide the specific legal citations for the statutes that apply to your agency. For example, M.S. 16A (<https://www.revisor.mn.gov/statutes/?id=16A>) provides the legal authority for MMB.

Program: [Program Name][Program/Activity website](#)

AT A GLANCE

- Quick stats on the program/activity; avoid repeating performance measures.

PURPOSE & CONTEXT

Please provide a narrative description of the purpose of this activity and the context in which it operates. State the goal of this program or activity, and answer the questions:

- What is the role this activity plays in contributing to the agency's mission?
- Is there a particular segment of the population served by this program/activity?

SERVICES PROVIDED

Please provide a narrative description of the services provided through this activity. Answer the questions:

- What do you do within this program or activity to achieve the stated goal?
- What specific services are provided?

RESULTS

Describe the results achieved by this activity by providing performance measures. There are two options for graphically displaying your performance measures:

Option 1: Use performance measures charts or graphics produced by your agency for this program or budget activity.

- Include charts for 3-5 performance measures used within your agency.
- For each measure, include at least two data points from different points in time to demonstrate a trend.
- In your description of the charts indicates if the measure displayed is a quantity, quality or result type of measure.
- Please note: **All charts and graphs must be accessible.** Reference the accessibility instructions and work with your agency's accessibility officer before you submit your completed template to MMB.

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<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity				
Quality				
Results				

Use this endnote section to provide the specific legal citations for the statutes that apply to this program or budget activity (e.g., [M.S. 16A.14 - 26](https://www.revisor.mn.gov/statutes/?id=16A) (<https://www.revisor.mn.gov/statutes/?id=16A>) provides the legal authority for MMB's Accounting Services).

Program: [Program Name]

Activity: [Activity Name]

[Program/Activity website](#)

AT A GLANCE

- Quick stats on the program/activity; avoid repeating performance measures.

PURPOSE & CONTEXT

Please provide a description of the purpose of this activity and the context in which it operates. State the goal of this program or activity, and answer the questions:

- What role does this activity play in contributing to the agency's mission?
- Is there a particular segment of the population served by this program/activity?

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<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity				
Quality				
Results				

Use this endnote section to provide the specific legal citations for the statutes that apply to this program or budget activity. For example, [M.S. 16A.14 - 26](https://www.revisor.mn.gov/statutes/?id=16A) (<https://www.revisor.mn.gov/statutes/?id=16A>) provides the legal authority for MMB's Accounting Services.

Agency Name

FY 2022-23 Biennial Budget Change Item

Change Item Title:

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Request:

Describe the change item request. Include:

- What the funds will be used for
- Amount requested, by each relevant fund

What is the change relative to your budget as a whole?

Rationale/Background:

- What is the problem you are trying to solve with this proposal?
- Who, or what group(s) decided this issued needed to be addressed?
- What are the intended results?

Proposal:

In your description of the change item, please address the following:

- Is this a new initiative or a change to an existing program?
- Is this a request for additional operating funds to maintain your agency's current level of service? If so, describe the specific cost drivers necessitating the adjustment and the impact if your request is not funded. Operating adjustments should be submitted as separate change items from proposals to increase an agency's current level of service.
- Describe in specific detail what the proposal will buy. Examples of type of funds may include:
 - Grants – Include information on who receives grants currently, the average size of current grants, and how the use might be expanded - for example through the number of grants provided, the size of each grant award, or the geographic area where grants will be made available.
 - Administrative or programmatic capacity – Include a comparison of dollars and FTEs for the increase relative to the unit that currently performs that work where applicable. Describe the results of that increased capacity – for example indicate if it leads to faster response times, a larger number of clients served, a higher number of inspections completed within the target time, or better outcomes for program clients.
 - Equipment or supplies – Include a description and cost estimate of the equipment and/or supplies, and an explanation of how that purchase will impact or change programmatic work- for example indicate if it is replacing equipment that has reached the end of its useful life, or if the equipment will add program capacity.

- Forecasted Programs – Describe the specific group and number of people that will be impacted, as well as the nature of the change that will impact them – for example benefits value, number eligible, rate increase, etc.
- Provide fiscal detail reflecting key assumptions that drive the cost of your proposal. Include information by fiscal year, fund, and identify revenues vs expenditures. Identify and describe metrics used to build your fiscal detail. Examples may include: number of FTEs, number of grantees, average salary, vacancy rate, or number of payers of fees, etc. Metrics used are dependent upon the nature of the budget proposal. Consult with your Executive Budget Officer to clarify what fiscal detail is needed if you are unsure. Fiscal detail may be uploaded separately in the budget system as an attachment if necessary.
- Indicate where the proposal compliments or overlaps with work that is occurring in your agency and in other agencies.
- How will this proposal help address the problem you described in the “Rationale” section?
- What is the effective implementation date and what steps need to occur?

Impact on Children and Families:

- How does this budget proposal build on and/or align with innovations from other public, private, and Tribal agencies to increase equity and bridge the opportunity gap for children, youth, and families through improved access to resources and services within their community?
- How does this budget proposal help achieve the administration’s priorities for children and families by ensuring all children have: a healthy start; access to affordable and quality child care and early education; access to mental health supports; and stable housing?
- Based on data, how will this policy improve the lives of the next generation of all Minnesotans?
- How have children and families been engaged in creating this policy?

Equity and Inclusion:

- Is the proposed item submitted to reduce or eliminate inequities for people of color, Native Americans, people with disabilities, people in the LGBTQ community, other protected classes, or veterans? Please explain how implementation of the proposed item(s) will address these inequities.
- What are the potential positive or negative impacts on the identified groups? Explain those impacts. If negative, please adjust the proposal to achieve a more equitable outcome.

IT Related Proposals:

If this is an information technology proposal, please complete the table below to indicate costs for FY 2022-27. Specify the purposes of the funding proposal, such as infrastructure, hardware, software, or training. If staff are associated with this request, specify the number of FTEs that are MNIT employees (i.e., MNIT@agency) and agency employees.

<i>Category</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						

<i>Category</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>
Staff costs (MNIT or agency)						
Total						
MNIT FTEs						
Agency FTEs						

Results:

- If this is an existing program, what performance measures are currently used?
- What are the current trends on those performance measures? Describe current program performance. Agencies are encouraged to use accessible charts to display performance information. If your agency does not currently have graphical information to display performance information, you may use the chart below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity				
Quality				
Results				

If this is a new program, what specific program performance measures will be used? The measures included here should answer the following questions about the program’s performance:

- **Quantity:** How much did we do?
- **Quality:** How well did we do it?
- **Result:** Is anyone better off?
- How will you collect the performance data, and how will you communicate it?
- Your agency may also complete an Evidence-Based Proposal Form (<https://mn.gov/mmb/evidence/proposal/>) for any budget proposals you would like to see categorized as “evidence-based” during the budget review and decision-making process. For more information, see the evidence-based policymaking page at <https://mn.gov/mmb/evidence/>.

Statutory Change(s):

If the proposal will require statutory changes, include the statute number here.

Agency Name

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
	Budget Activity Total							
	Program Total							
	Federal Fund – Agency Total							

Narrative

Please provide a brief narrative overview of all the agency’s federal funds to give a general overview of the role of the federal funds within the agency. The narrative should be written in plain language. Also, include the following information, where applicable:

- a. Basis for award estimates
- b. Changing funding levels or trends that may impact future awards
- c. Major state funding related to federal awards
- d. Maintenance of effort levels (MOE)
- e. For new grants, provide a narrative description of the short-and long-term commitments required, including whether continuation of any full-time equivalent positions will be condition of receiving the federal award.

FY 2022-23 Base Budget Instructions Federal Funds Summary

Overview

The federal funds table is a mandatory element of the budget presentation for all agencies that receive and spend federal funds. According to [Minnesota Statute 3.3005](#), the table must include:

- The name of all received and anticipated federal awards
- The federal agency from which the funds are available
- The federal identification number
- A brief description of the purpose of the grant
- An indication of whether the grant is new or ongoing
- An indication of whether a match or MOE is required
- Federal spending amounts for FY 2020, budget for 2021, and estimated amounts for FY 2022-23
- The number of full-time equivalent positions needed to implement the grant.

The federal funds summary table and narrative are due by November 30 and must be saved to the [MMB Budget Division SharePoint site](#) (<https://mn365.sharepoint.com/sites/MMB-Budget/SitePages/Home.aspx>) in your agency's Biennial Budget/2022-23 Biennial Budget folder. **The agency total on the federal funds summary should tie to the total shown on your agency's fiscal reports.** The Federal Fund Summary template examples as shown below is available on [MMB Biennial Budget Instructions website](#) (<https://www.mn.gov/mmb/budget/budget-instructions/bibudprep/>).

Instructions for Completing the Table

1. **Federal Agency and CFDA #:** Name the federal agency granting the award, and the CFDA number for the award.
2. **Federal Award Name and Brief Purpose:** Identify federal grants by a short name. Spell out all acronyms so that the purpose description is clear and understandable to the general public.
 - a. Give each grant its own row in the spreadsheet. Distinct federal programs should, in general, be listed separately. Small grants may be consolidated.
 - b. Group the federal awards by program. If awards are allocated to multiple programs, agencies have the option to include the award in one program area, or to list the award proportionally by program area.
 - c. Include a brief description with the general purpose of the award, whether the grant will fund agency activities or will be granted to another agency or organization.
3. **New Grant:** For any new grants seeking legislative review, please enter the word "New" in the new grant column.
4. **Amounts by Fiscal Year:**
 - a. Federal awards that require legislative review for the current fiscal year, FY 2019, should be included in Budget Planning and Analysis System (BPAS) and the table.
 - b. Enter the totals for the grant in the 2020-2023 columns. 2022 and 2023 should be base numbers. These amounts should tie to the agency/program/budget activity fiscal reports.
 - c. Enter dollar amounts in the thousands.
5. **Required State Match and MOE:** Indicate whether a state match or MOE is required. Agencies should include additional information about the amount of the match or MOE in the table or the narrative.

6. **FTEs:** Include the number of full-time equivalent positions needed to implement the grant, or that are paid from the grant.
7. **Totals:** Provide summary level totals for the budget activity, program, and agency, as applicable in the rows following the pertinent grants. The agency total on the federal funds summary should tie to the total shown in an agency’s budget fiscal reports. In this context, revenues should describe funds actually drawn by the state in a given fiscal year.

Instructions for Completing the Narrative

Please provide a brief narrative overview of all the agency’s federal funds to give a general overview of the role of the federal funds within the agency. The narrative should be written in plain language. Also, include the following information, where applicable:

1. For new grants, provide a narrative description of the short-and long-term commitments required, including whether continuation of any full-time equivalent positions will be condition of receiving the federal award.
2. Maintenance of effort levels (MOE)
3. Changing funding levels or trends that may impact future awards
4. Major state funding related to federal awards
5. Basis for estimates

Table 1. Example of Completed Federal Funds Summary Table

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2020 Actual	FY2021 Budget	FY2022 Base	FY2023 Base	Required State Match or MOE?	FTEs
Environmental Protection Agency 66.454	Water Quality Management Planning: Measures for the prevention and control of surface and ground water pollution, includes monitoring coordination and water assessments.	-	\$325	\$325	\$300	\$300	MOE	2.25
Interior/Fish and Wildlife Service 15.608	Invasive Species Prevention Implementation of state plan for invasive species prevention, research and monitoring.	New	\$150	\$150	\$145	\$140	Match	1.50
	Budget Activity Total	-	\$475	\$475	\$445	\$340	-	3.75