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### Board of Animal Health

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[mn.gov/bah](http://mn.gov/bah)

### AT A GLANCE

In FY2020,

- 48 employees across the state.
- Conducted 101 foreign animal disease investigations.
- Permitted 84 county fairs and the Minnesota State Fair.
- Trained and reauthorized 200 commercial poultry and 61 waterfowl, exhibition, gamebird, and backyard Authorized Poultry Testing Agents to submit samples to the Minnesota Poultry Testing Laboratory for routine disease monitoring.
- Received 55,410 Certificates of Veterinary Inspection and 6,605 other approved movement documents representing imports, exports, and some intrastate movements.

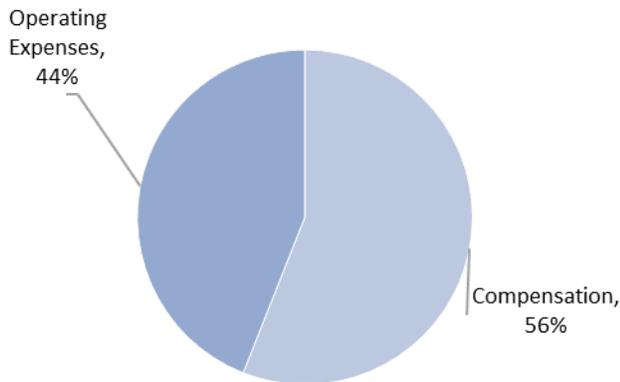
### PURPOSE

The mission of the Minnesota Board of Animal Health (Board) is to protect the health of the state's domestic animals through education and cooperation with veterinarians, producers, owners and communities. As part of its work, the Board provides many services to Minnesota's veterinarians, livestock owners, and the public:

- Partner with veterinarians and farmers to promote animal health through proactive measures such as vaccination and biosecurity plans.
- Inspect livestock auction markets and sales permitted by the Board to make sure animals are officially identified when required and in good health when they are bought and sold.
- Permit exhibitors so they can show their animals at fairs, petting zoos and events throughout Minnesota.
- Teach livestock producers how to collect testing samples from their herd to help identify illness and disease.
- Educate stakeholders about biosecurity and the process of minimizing risks of diseases entering their farms on people, equipment, feed and wild animals.
- Protect public health with the Department of Health by monitoring and reporting zoonotic diseases like rabies and Salmonella which can spread from animals to people.
- Distribute reportable disease newsletters to remind veterinarians about different diseases that could appear in livestock and domestic animals and must be reported to the Board.
- The following is a breakdown of the number of animal herds the Board helped to keep disease-free in Minnesota during FY20:
  - 30,916 cattle herds
  - 7,763 swine herds
  - 10,024 poultry premises
  - 119 commercial dog or cat breeders
  - 84 kennels
  - 289 deer and elk herds
  - 16,463 premises with horses
  - 3,660 sheep flocks
  - 3,218 goat herds

## BUDGET

**Spending by Category  
FY 2019 Actual**



*Add any footnotes on charts above*

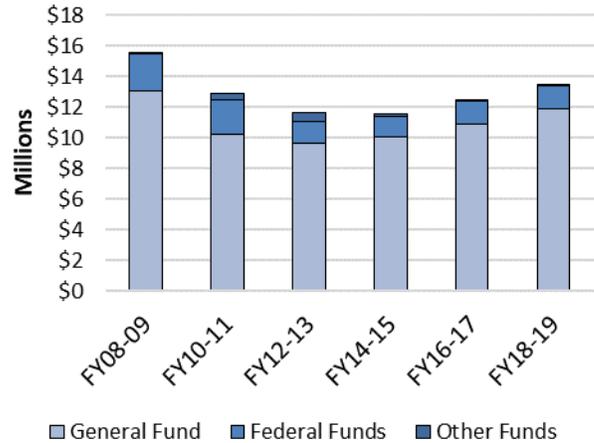
*Source: Budget Planning & Analysis System (BPAS)*

Total expenditures for FY19 = \$7.231 million.

The Board uses its funding for three main activities:

1. Disease surveillance, control, and eradication
2. Inspections
3. Education and outreach

**Historical Spending**



*Add any footnotes on charts above*

*Source: Consolidated Fund Statement*

The Board has three funding sources:

1. General funds appropriation
2. Federal cooperative agreements
3. Other sources, e.g. licensing and inspection fees

## STRATEGIES

Many animals move into, out of, and within Minnesota every day. One of the Board's biggest tasks is to maximize the probability that those animals are disease-free. To accomplish this, the Board:

- Ensures that if a disease outbreak occurs, animals can be traced and diseases contained. The Board has a system in place to detect, control, and eradicate domestic animal diseases. This strategy is economically impactful, because it allows for free trade of animals and animal products with other states and countries.
- Employs staff members who verify rules and laws governing animal health and safety are being followed during routine visits to farms, livestock sales, livestock exhibitions, and kennels. An example of strategy implementation is the constant vigilance and response of the Foreign Animal Disease Diagnostician (FADD) team. This team conducted a total of 101 Foreign Animal Disease investigations in Minnesota FY20, and have already conducted 27 investigations in the first two months of FY21. These investigations routinely take place with little to no interruption in Minnesota's livestock industry.
- Focuses on improvement through exercises. The Board participated in the Swine Fever Exercise for Agriculture Response (SFEAR) exercise in September 2019 with the USDA, state and local agencies from across the country, and representatives from the swine industry. Minnesota was one of 14 states to take part in the four-day simulation to test emergency response efforts addressing a fictitious case of African Swine Fever (an economically damaging, highly contagious animal disease with no vaccine or effective treatment). Through participation, the Board recognized strengths, identified gaps in planning, and consider opportunities in training and protocols.

## RESULTS

The Board's most noticeable work is during an animal disease emergency, such as the responses to bovine tuberculosis in the 2000's and the avian influenza outbreak in 2015. In both outbreaks, the Board worked with

producers and agency partners, both state and federal, in joint efforts to stop the spread of disease and eradicate it from herds, flocks, and wild animal populations. An effective response ensures animals and people alike stay healthy, and producers can restock their barns and sustain Minnesota’s \$7.1 Billion livestock industry.

A recent example of results from the Board’s strategies is Chronic Wasting Disease (CWD) surveillance of farmed Cervidae. CWD is fatal to cervids and there are no treatments or vaccines. There are 8,139 farmed Cervidae in Minnesota across 289 herds. Upon death, harvest, or slaughter, samples are taken from farmed Cervidae and sent to the Minnesota Veterinary Diagnostic Lab for detection of CWD. During FY20, there were two positive results from this testing; one in December 2019 and one in January 2020. These positives were traced to two herds, which were subsequently depopulated. Six CWD infected animals were found in the 11 animals across these herds. The Board will continue to monitor these sites, and the fences will be maintained for five years to prevent access to the herd enclosures by wild deer.

The following table represents additional efforts by the Board in FY19 and FY20.

**Table 1: Board of Animal Health Additional Efforts, FY19 and FY20**

| <b>Type of Measure</b> | <b>Name of Measure</b>  | <b>Previous</b> | <b>Current</b> | <b>Dates</b> |
|------------------------|---|-----------------|----------------|--------------|
| Quantity               | Number of permitted county fairs and exhibitions.                 | 126             | 110            | Quantity     |
| Quantity               | Number of bovine tuberculosis traces performed.                   | 116             | 117            | Quantity     |
| Quality                | Number of cervid farms inspected.                                 | 355             | 310            | Quality      |
| Quality                | Number of inspections in livestock markets.                       | 267             | 292            | Quality      |
| Quality                | Number of commercial dog or cat breeder inspections.              | 128             | 135            | Quality      |
| Quality                | Number of kennel inspections.                                     | 90              | 86             | Quality      |
| Quality                | Number of inspected county fairs and exhibitions.                 | 88              | 58             | Quality      |
| Quality                | Number of poultry inspections.                                    | 479             | 467            | Quality      |
| Results                | Number of animals discovered in Minnesota with tuberculosis.      | 0               | 0              | Results      |
| Results                | Number of disease outbreaks at a fair or exhibition.              | 0               | 0              | Results      |
| Results                | Number of Avian Influenza surveillance tests in poultry conducted | 67,614          | 66,234         | Results      |
| Results                | Number of Mycoplasma surveillance tests in poultry conducted      | 118,708         | 129,464        | Results      |
| Results                | Number of Salmonella surveillance tests in poultry conducted      | 4,993           | 6,120          | Results      |

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Minnesota Chapter 35 (<https://www.revisor.mn.gov/statutes/?id=35>) provides the legal authority for the Board of Animal Health.

(Dollars in Thousands)

|  | Actual<br>FY18 | Actual<br>FY19 | Actual<br>FY20 | Estimate<br>FY21 | Forecast Base |      | Governor's<br>Recommendation |      |
|--|----------------|----------------|----------------|------------------|---------------|------|------------------------------|------|
|  |                |                |                |                  | FY22          | FY23 | FY22                         | FY23 |

**Expenditures by Fund**

|                                      |              |              |              |              |              |              |              |              |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1000 - General                       | 5,181        | 6,699        | 5,541        | 6,169        | 5,877        | 5,877        | 5,980        | 6,081        |
| 2000 - Restrict Misc Special Revenue | 61           | 23           | 275          | 147          | 147          | 147          | 147          | 147          |
| 3000 - Federal                       | 982          | 509          | 704          | 689          | 624          | 591          | 624          | 591          |
| <b>Total</b>                         | <b>6,225</b> | <b>7,231</b> | <b>6,520</b> | <b>7,005</b> | <b>6,648</b> | <b>6,615</b> | <b>6,751</b> | <b>6,819</b> |
| Biennial Change                      |              |              |              | 69           |              | (262)        |              | 45           |
| Biennial % Change                    |              |              |              | 1            |              | (2)          |              | 0            |
| Governor's Change from Base          |              |              |              |              |              |              |              | 307          |
| Governor's % Change from Base        |              |              |              |              |              |              |              | 2            |

**Expenditures by Program**

|                              |              |              |              |              |              |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Livestock and Poultry Health | 6,225        | 7,231        | 6,520        | 7,005        | 6,648        | 6,615        | 6,751        | 6,819        |
| <b>Total</b>                 | <b>6,225</b> | <b>7,231</b> | <b>6,520</b> | <b>7,005</b> | <b>6,648</b> | <b>6,615</b> | <b>6,751</b> | <b>6,819</b> |

**Expenditures by Category**

|                              |              |              |              |              |              |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Compensation                 | 3,828        | 4,049        | 4,336        | 3,956        | 4,274        | 4,238        | 4,373        | 4,437        |
| Operating Expenses           | 2,396        | 3,177        | 2,035        | 2,911        | 2,370        | 2,373        | 2,374        | 2,378        |
| Capital Outlay-Real Property |              | 1            | 141          | 130          | 1            | 1            | 1            | 1            |
| Other Financial Transaction  | 1            | 4            | 8            | 8            | 3            | 3            | 3            | 3            |
| <b>Total</b>                 | <b>6,225</b> | <b>7,231</b> | <b>6,520</b> | <b>7,005</b> | <b>6,648</b> | <b>6,615</b> | <b>6,751</b> | <b>6,819</b> |

|   |              |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Agency Expenditures                 | 6,225        | 7,231        | 6,520        | 7,005        | 6,648        | 6,615        | 6,751        | 6,819        |
| Internal Billing Expenditures             |              |              | 0            | 1            | 1            | 1            | 1            | 1            |
| <b>Expenditures Less Internal Billing</b> | <b>6,225</b> | <b>7,231</b> | <b>6,520</b> | <b>7,004</b> | <b>6,647</b> | <b>6,614</b> | <b>6,750</b> | <b>6,818</b> |

**Full-Time Equivalent**

|  |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
|  | 40.20 | 41.73 | 42.30 | 38.77 | 41.79 | 41.59 | 41.79 | 41.59 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|

# Animal Health, Board of

# Agency Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY18 | Actual<br>FY19 | Actual<br>FY20 | Estimate<br>FY21 | Forecast Base |              | Governor's<br>Recommendation |              |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|                                   |                |                |                |                  | FY22          | FY23         | FY22                         | FY23         |
| <b>1000 - General</b>             |                |                |                |                  |               |              |                              |              |
| Balance Forward In                | 1,297          | 1,601          | 36             | 292              |               |              |                              |              |
| Direct Appropriation              | 5,419          | 5,467          | 5,797          | 5,877            | 5,877         | 5,877        | 5,980                        | 6,081        |
| Transfers Out                     |                | 93             |                |                  |               |              |                              |              |
| Cancellations                     |                | 240            |                |                  |               |              |                              |              |
| Balance Forward Out               | 1,534          | 36             | 292            |                  |               |              |                              |              |
| <b>Expenditures</b>               | <b>5,181</b>   | <b>6,699</b>   | <b>5,541</b>   | <b>6,169</b>     | <b>5,877</b>  | <b>5,877</b> | <b>5,980</b>                 | <b>6,081</b> |
| Biennial Change in Expenditures   |                |                |                | (170)            |               | 44           |                              | 351          |
| Biennial % Change in Expenditures |                |                |                | (1)              |               | 0            |                              | 3            |
| Governor's Change from Base       |                |                |                |                  |               |              |                              | 307          |
| Governor's % Change from Base     |                |                |                |                  |               |              |                              | 3            |
| Full-Time Equivalents             | 35.95          | 39.21          | 35.91          | 34.38            | 37.50         | 37.40        | 37.50                        | 37.40        |

## 2000 - Restrict Misc Special Revenue

|                                   |           |           |            |            |            |            |            |            |
|-----------------------------------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Balance Forward In                | 260       | 263       | 301        | 171        | 172        | 173        | 172        | 173        |
| Receipts                          | 64        | 61        | 145        | 148        | 148        | 148        | 148        | 148        |
| Balance Forward Out               | 263       | 301       | 170        | 172        | 173        | 174        | 173        | 174        |
| <b>Expenditures</b>               | <b>61</b> | <b>23</b> | <b>275</b> | <b>147</b> | <b>147</b> | <b>147</b> | <b>147</b> | <b>147</b> |
| Biennial Change in Expenditures   |           |           |            | 338        |            | (128)      |            | (128)      |
| Biennial % Change in Expenditures |           |           |            | 399        |            | (30)       |            | (30)       |
| Governor's Change from Base       |           |           |            |            |            |            |            | 0          |
| Governor's % Change from Base     |           |           |            |            |            |            |            | 0          |
| Full-Time Equivalents             | 0.49      |           | 2.35       | 1.30       | 1.20       | 1.10       | 1.20       | 1.10       |

## 3000 - Federal

|                                   |            |            |            |            |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Receipts                          | 982        | 509        | 704        | 689        | 624        | 591        | 624        | 591        |
| <b>Expenditures</b>               | <b>982</b> | <b>509</b> | <b>704</b> | <b>689</b> | <b>624</b> | <b>591</b> | <b>624</b> | <b>591</b> |
| Biennial Change in Expenditures   |            |            |            | (98)       |            | (178)      |            | (178)      |
| Biennial % Change in Expenditures |            |            |            | (7)        |            | (13)       |            | (13)       |
| Governor's Change from Base       |            |            |            |            |            |            |            | 0          |
| Governor's % Change from Base     |            |            |            |            |            |            |            | 0          |
| Full-Time Equivalents             | 3.76       | 2.52       | 4.04       | 3.09       | 3.09       | 3.09       | 3.09       | 3.09       |

(Dollars in Thousands)

|   | FY21         | FY22         | FY23         | Biennium<br>2022-23 |
|---|--------------|--------------|--------------|---------------------|
| <b>Direct</b>                                     |              |              |              |                     |
| <b>Fund: 1000 - General</b>                       |              |              |              |                     |
| FY2021 Appropriations                             | 5,877        | 5,877        | 5,877        | 11,754              |
| Forecast Base                                     | 5,877        | 5,877        | 5,877        | 11,754              |
| Change Items                                      |              |              |              |                     |
| Operating Adjustment                              |              | 103          | 204          | 307                 |
| <b>Total Governor's Recommendations</b>           | <b>5,877</b> | <b>5,980</b> | <b>6,081</b> | <b>12,061</b>       |
| <b>Dedicated</b>                                  |              |              |              |                     |
| <b>Fund: 2000 - Restrict Misc Special Revenue</b> |              |              |              |                     |
| Planned Spending                                  | 147          | 147          | 147          | 294                 |
| Forecast Base                                     | 147          | 147          | 147          | 294                 |
| <b>Total Governor's Recommendations</b>           | <b>147</b>   | <b>147</b>   | <b>147</b>   | <b>294</b>          |
| <b>Fund: 3000 - Federal</b>                       |              |              |              |                     |
| Planned Spending                                  | 689          | 624          | 591          | 1,215               |
| Forecast Base                                     | 689          | 624          | 591          | 1,215               |
| <b>Total Governor's Recommendations</b>           | <b>689</b>   | <b>624</b>   | <b>591</b>   | <b>1,215</b>        |
| <b>Revenue Change Summary</b>                     |              |              |              |                     |
| <b>Dedicated</b>                                  |              |              |              |                     |
| <b>Fund: 2000 - Restrict Misc Special Revenue</b> |              |              |              |                     |
| Forecast Revenues                                 | 148          | 148          | 148          | 296                 |
| <b>Total Governor's Recommendations</b>           | <b>148</b>   | <b>148</b>   | <b>148</b>   | <b>296</b>          |
| <b>Fund: 3000 - Federal</b>                       |              |              |              |                     |
| Forecast Revenues                                 | 689          | 624          | 591          | 1,215               |
| <b>Total Governor's Recommendations</b>           | <b>689</b>   | <b>624</b>   | <b>591</b>   | <b>1,215</b>        |
| <b>Non-Dedicated</b>                              |              |              |              |                     |
| <b>Fund: 1000 - General</b>                       |              |              |              |                     |
| Forecast Revenues                                 | 11           | 11           | 11           | 22                  |
| <b>Total Governor's Recommendations</b>           | <b>11</b>    | <b>11</b>    | <b>11</b>    | <b>22</b>           |

# Board of Animal Health

## FY 2022-23 Biennial Budget Change Item

### Change Item Title: Operating Adjustment

| Fiscal Impact (\$000s)                           | FY 2021  | FY 2022  | FY 2023  | FY 2024  | FY 2025  |
|--|----------|----------|----------|----------|----------|
| General Fund                                     |          |          |          |          |          |
| Expenditures                                     | 0        | 103      | 204      | 204      | 204      |
| Revenues   | 0        | 0        | 0        | 0        | 0        |
| Other Funds                                      |          |          |          |          |          |
| Expenditures                                     | 0        | 0        | 0        | 0        | 0        |
| Revenues   | 0        | 0        | 0        | 0        | 0        |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 0        | 103      | 204      | 204      | 204      |
| <b>FTEs</b>                                      | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

### Recommendation:

The Governor recommends additional funding of \$103,000 in FY 2022 and \$204,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Board of Animal Health.

This represents a 1 percent change to the Board of Animal Health’s overall general fund appropriation.

### Rationale/Background:

The operating increases recommended in FY 2022 and FY 2023 fund a portion of the projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases.

Agencies face challenging decisions to manage these costs within existing budgets while maintaining the services Minnesotans expect.

### Proposal:

The Governor recommends increasing agency operating budgets to support the delivery of current services. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by the Board of Animal Health. For the Board of Animal Health, this funding will cover expected and anticipated employee compensation growth, known cost increases in rent, and IT services.

### Results:

This proposal is intended to allow the Board of Animal Health to continue to provide current levels of service and information to the public.

# Board of Animal Health

# 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        |
|--|---|-----------|-----------------|----------------|---------------|---------------|------------------------------|-------------|
| United States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services 10.025 | <b>Budget Activity Total Name:</b> Animal Health Technical Services (AHTS) - Traceability<br><b>Purpose:</b> Animal Disease Traceability Program                                | -         | \$ 181          | \$ 150         | \$ 150        | \$ 150        | MOE                          | 1.80        |
| United States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services 10.025 | <b>Budget Activity Total Name:</b> Managing National Surveillance and Response for Animal Health Activities Umbrella<br><b>Purpose:</b> Animal Health Surveillance and Response | -         | \$ 523          | \$ 441         | \$ 441        | \$ 441        | MOE                          | 1.29        |
| United States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services 10.025 | Chronic Wasting Disease Management  | New       | \$ -            | \$ 98          | \$ 33         |               | MOE                          | 0.03        |
|  | <b>Federal Fund – Agency Total</b>  |           | <b>\$ 704</b>   | <b>\$ 689</b>  | <b>\$ 624</b> | <b>\$ 591</b> |                              | <b>3.12</b> |

## Narrative

Funding received from United States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services will/has been used to:

- Maintain continuity of the Board’s surveillance, testing and education programs for our livestock disease programs. These programs include avian influenza, scrapie, as well as other sheep, swine, and cattle disease prevention, control, and preparedness programs.
- Maintain continuity of the Board’s animal disease traceability program. This funding will help support key elements of traceability, including breeding cattle identification and capturing both interstate and intrastate animal movement in a searchable database.
- Participate in a research project around managing Chronic Wasting Disease in farmed cervidae without long-term commitments.

The Board of Animal Health manages the Managing National Surveillance and Response for Animal Health Activities program and the Animal Disease Traceability program funded by Federal money in accordance with Title 2 Code of Federal Regulations Part 200 and the associated Office of Management and Budget (OMB) Circular governing costs allowed, and all other applicable laws, regulations and guidelines.

The Board is basing all forecasts off existing funding levels and does not anticipate any trends that may impact future awards.