

Fiscal Analysis Department

Minnesota House of Representatives



ISSUE BRIEF

Avian Influenza (H5N2) Response Legislation 2015-2020

Beginning with the 2015 legislative session the Minnesota State Legislature responded to the national outbreak of the H5N2 virus/avian flu in a variety of ways throughout the 2015, 2016 and 2020 legislative sessions. The initial outbreak of the avian flu in Minnesota occurred in the spring of 2015. In total, approximately eight million turkeys and chickens were euthanized to prevent further spread of the virus. Minnesota ranks first in turkey production with 450 turkey farms that raise 18 percent of all turkeys sold in the United States.

2015 Legislative Session

The legislature responded to requests from the Minnesota Department of Agriculture (MDA) and Board of Animal Health (BAH) with appropriations totaling \$893,000 to coordinate the response necessary to begin to address the outbreak. Laws 2015 Chapter 12 was signed into law on May 1st, 2015.

As part of the legislature's normal budget setting process the omnibus agriculture and environment bill contained the many avian flu related appropriations. The appropriations were used to compensate, hire and train staff to assist in the statewide H5N2 response. All of the appropriations, with the exception of the University of Minnesota (appropriations were added to the base), are one-time appropriations.

- University of Minnesota: \$2,000,000 – To determine the cause of avian influenza and research why some fowl are susceptible to the disease.
- Dept. of Agriculture: \$3,619,000 – For emergency response activities related to euthanasia and composting equipment and to reimburse costs incurred by local units of government.
- Board of Animal Health: \$1,853,000 – For emergency response activities related to euthanasia and composting equipment.
- Dept. of Public Safety: \$544,000 – For expenses related to the State Emergency Operations Center.
- Dept. of Natural Resources - \$350,000 – To detect and sample wild animals for avian influenza infections.
- Dept. of Health: \$103,000 – For avian influenza response activities.

Disaster Assistance

Additionally, the Rural Finance Authority (RFA) received \$10 million dollars to increase the availability of disaster recovery loans. Laws 2015 Chapter 4 also instructed Minnesota Management and Budget (MMB) to transfer \$4.4 million dollars from the FY 2015 available general fund balance to the Disaster Assistance Contingency Account in the Special Revenue Fund. This amount is in addition to transfers made in Laws 2015 Chapter 65. Of the \$4.4 million that was

transferred to the Disaster Assistance Contingency Account, zero dollars of spending occurred on activities related to the avian influenza outbreak.

Other Policies and Provisions

The 2015 Jobs and Economic Development Finance (Laws 2015, First Special Session, Chapter 1) omnibus bill also contained language that would extend the unemployment benefits of the poultry workers that were impacted by work stoppages or shortages caused by the H5N2 outbreak. The 2015 Capital Investment (Laws 2015, First Special Session, Chapter 5) omnibus bill also dedicated \$8.5 million to the Veterinary Isolation Laboratory on the St. Paul Campus of the University of Minnesota as well as \$18 million to the Willmar Poultry Testing Lab. The two facilities will provide advanced research capacity to create new diagnostic tests and surveillance systems as well as develop new vaccines and treatments. Additionally, the Willmar Poultry Testing Lab will provide rapid disease detection testing and certify poultry for shipments.

2016 Legislative Session

Due to the coordinate response by local, state and federal agencies a portion of the direct general fund appropriations remained unspent. The 2016 legislature enacted several changes to Avian Influenza related appropriations made in Laws 2015, First Special Session, Chapter 4, Article 1 and Article 2:

- A reduction of \$3.1 million in FY 2016 to funds appropriated to the Department of Agriculture for avian influenza emergency response activities.
- A onetime transfer of \$7.713 million from the rural finance authority revolving loan account to the general fund in FY 2016. This amount is a portion of the \$10 million appropriated to Rural Finance Authority in Laws 2015, First Special Session, Chapter 4, Article 2.

Language in Laws 2015, First Special Session, Chapter 4, Article 1 was amended to allow funds appropriated to the Board of Animal Health to be utilized for any animal disease emergency or planning activities related to the retention of staff trained in animal disease response, relocation or expansion of the Minnesota Poultry Testing Laboratory, the identification of test factors in disease transmission or the implementation of strategies to prevent or reduce the risk of disease introduction and transmission.

2020 Legislative Session

Language in Laws 2020, Chapter 101 reduced the \$2 million appropriation to the University of Minnesota for avian influenza research to \$1.9 million for the FY2020-21 biennium. The base for future years remains at \$2 million. The reduction in funding was used to finance farm safety grants, outreach and education. The reduction is one-time and does not impact the base funding of the appropriation for the FY2022-23 biennium.

For more information please contact, Ken Savary, House Fiscal Analyst at ken.savary@house.mn

2015 Regular Legislative Session and 1st Special Session
dollars in thousands

	Appropriation	Citation and Notes
<u>HF 2225</u>		
		<u>Session Law 2015 Chapter 12 - Signed into law 5/1/2015</u>
Dept of Agriculture	514	Outbreak coordination and response.
Board of Animal Health	379	Outbreak coordination and response.
Total	893	
<u>SS SF5 Omnibus Agriculture and Environment Bill</u>		
		<u>2015 1st Special Session (SS) Chapter 4 - Signed into law 6/13/2015</u>
Univeristy of Minnesota - H5N2 Research	2,000	Avian influenza research.
Dept. of Agriculture*	3,619	Emergency response related to euthanasia and composting equipment.
Board of Animal Health	1,853	Emergency response related to euthanasia and composting equipment.
Dept. of Public Safety	544	Expenses related to the emergency operations center.
Dept. of Natural Resources	350	Detect and sample wild animals for avian influenza.
Dept. of Health	103	Avian influenza response.
Rural Finance Authority - Disaster Loans*	10,000	Increase capacity of the Disaster Recovery Loan Program
Transfer to Disaster Assistance Acct	4,400	Avian influenza response.
Total	22,869	
<u>SF698 LCCMR Bill</u>		
		<u>Session Law 2015 Chapter 76 - Signed into law 6/22/2015</u>
Potential Use for Biosecurity Upgrades	1,000	Appropriation from the emerging issues account.
Total	1,000	
<u>SS HF3 Omnibus Jobs and Economic Dev Finance</u>		
		<u>2015 1st SS Chapter 1 - Signed into law 6/13/2015</u>
Poultry worker extend/extra unemployment benefits	Policy Provision	Those laid off by turkey producers allowed 13 extra weeks of benefits.
<u>SF878 Omnibus Public Safety Finance Bill</u>		
		<u>Session Law 2015 Chapter 65 - Signed into law 5/22/15</u>
Transfer to Disaster Contingency Account	1,000	Avian influenza response.
Total	1,000	
Total H5N2 Avian Influenza Response (Gen Fund)	25,762	
<u>SSHF2 Omnibus Capital Investment</u>		
		<u>2015 1st Special Session Chapter 5 - Signed into Law 6/13/2015</u>
Veterinary Isolation Lab	8,529	Advanced research capacity and vaccine development.
Willmar, MN Poultry Testing Lab	18,000	Rapid disease detection testing.
Total	26,529	

* represents appropriations that were later reduced during
the 2016 legislative session