

Table of Contents

Board of Animal Health

<i>Agency Profile</i>	1
<i>Agency Expenditure Overview</i>	4
<i>Agency Financing by Fund</i>	5
<i>Agency Change Summary</i>	6
<u>Change Item(s)</u>	7
<i>Operating Adjustment</i>	7
<u>Additional Documents</u>	9
<i>Federal Funds Summary</i>	9

AT A GLANCE

In FY2024,

- 46 employees across the state.
- Conducted 178 foreign animal disease investigations.
- Permitted 181 exhibitions, county fairs and the Minnesota State Fair.
- Responded to two disease events. A nationwide outbreak of Highly Pathogenic Avian Influenza (HPAI) also impacted Minnesota with 58 cases in 25 counties. Minnesota cattle was also infected by the H5N1 virus outbreak. Both disease responses are ongoing.
- Processed 26,420 Certificates of Veterinary Inspection issued by Minnesota veterinarians, for animals exported out of and moved within the state.

PURPOSE

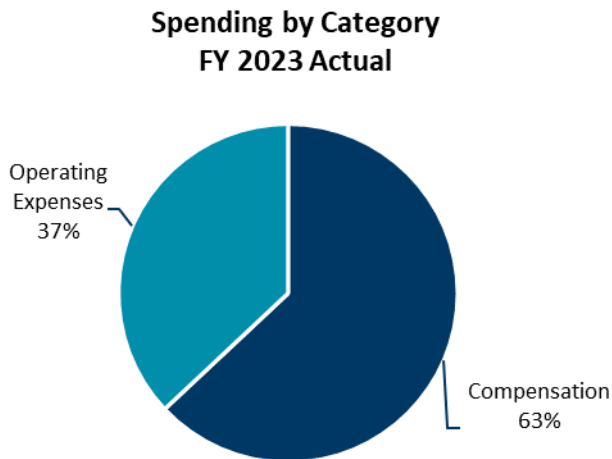
The mission of the Minnesota Board of Animal Health (Board) is to protect the health of the state's domestic animals through education and cooperation with veterinarians, producers, owners, and communities. As part of its work, the Board provides many services to Minnesota's veterinarians, livestock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

- Partner with veterinarians and farmers to promote proactive animal health through measures including vaccination and biosecurity plans.
- Inspect livestock auction markets and sales permitted by the Board to make sure animals are officially identified when required and have no signs of disease when they are bought and sold.
- Permit exhibitions so community members can safely show their animals at fairs and events throughout Minnesota.
- Train livestock producers to collect and submit samples to help identify illness and disease.
- Educate stakeholders about biosecurity and minimizing risks of diseases spreading to farms through people, equipment, feed, and wild animals.
- Work with the Department of Health to protect the health of Minnesotans by monitoring and investigating cases of diseases like rabies and Salmonella which can spread from animals to people.
- Distribute reportable disease newsletters to remind veterinarians about different diseases that appear in livestock and domestic animals and must be reported to the Board.

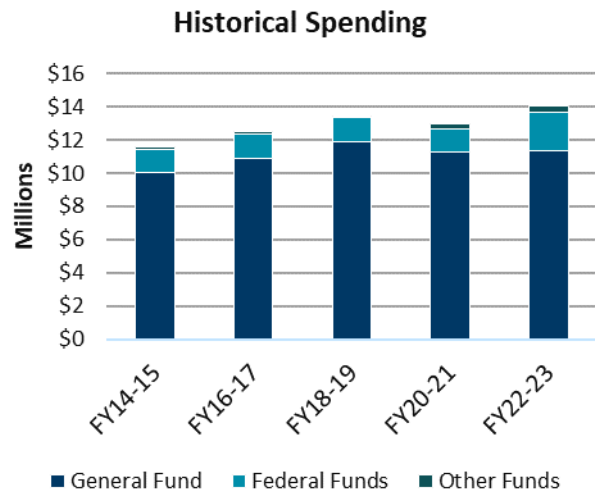
The following is a breakdown of the number of animal herds the Board helped to keep disease-free in Minnesota during FY24:

- 39,214 cattle herds
- 9,171 swine herds
- 16,845 poultry premises
- 112 commercial dog or cat breeders
- 92 kennels
- 87 deer and elk herds
- 16,947 premises with horses
- 6,553 sheep flocks
- 5,935 goat herds

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

Total expenditures for FY23 were \$7.105 million.

The Board uses its funding for three main activities:

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

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 178 Foreign Animal Disease investigations in Minnesota FY24. These investigations routinely take place with little to no interruption in Minnesota's livestock industry.
- Focuses on improvement through exercises. In December of 2023 the Board conducted a cold weather depopulation/ disposal exercise to evaluate how well equipment functions during subfreezing temperatures and develop standard operating procedures relative to temperature extremes. Additionally, composting during frigid temperatures was evaluated for viability as well as differences between carbon sources used in the process.

RESULTS

The Board's most noticeable work is during an animal disease emergency, such as the response to the avian influenza outbreak that has been ongoing since 2022. In this outbreak, the Board has worked with producers and agency partners, both state and federal, in joint efforts to stop the spread of disease and eradicate it from both backyard and commercial flocks. 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.

The following table represents additional efforts by the Board in FY23 and FY24.

Table 1: Board of Animal Health Additional Efforts, FY23 and FY24

Type of Measure	Name of Measure	FY23	FY24
Quantity	Number of permitted county fairs and exhibitions.	151	181
Quantity	Number of bovine tuberculosis traces performed.	0	5
Quantity	Number of foreign animal disease investigations	72	178
Quality	Number of cervid farms inspected.	92	89
Quality	Number of inspections in livestock markets.	54	74
Quality	Number of commercial dog or cat breeder inspections.	119	112
Quality	Number of kennel inspections.	8	37
Quality	Number of inspected county fairs and exhibitions.	115	113
Quality	Number of poultry inspections.	585	468
Results	Number of animals discovered in Minnesota with tuberculosis.	0	0
Results	Number of disease outbreaks at a fair or exhibition.	0	0
Results	Number of Avian Influenza surveillance tests in poultry conducted	47,239	45,620
Results	Number of Mycoplasma surveillance tests in poultry conducted	59,058	67,101
Results	Number of Salmonella surveillance tests in poultry conducted	4,922	4,675

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

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	5,500	5,855	6,100	6,578	6,410	6,410	6,531	6,656
2000 - Restrict Misc Special Revenue	288	93	122	91	65	65	65	65
3000 - Federal	1,141	1,157	1,268	2,939	621	621	621	621
Total	6,929	7,105	7,489	9,608	7,096	7,096	7,217	7,342
Biennial Change				3,064		(2,905)		(2,538)
Biennial % Change				22		(17)		(15)
Governor's Change from Base								367
Governor's % Change from Base								3

Expenditures by Program

Livestock and Poultry Health	6,929	7,105	7,489	9,608	7,096	7,096	7,217	7,342
Total	6,929	7,105	7,489	9,608	7,096	7,096	7,217	7,342

Expenditures by Category

Compensation	4,572	4,466	5,028	5,771	4,766	4,766	4,887	5,012
Operating Expenses	2,351	2,630	2,461	3,833	2,326	2,326	2,326	2,326
Other Financial Transaction	7	9	1	4	4	4	4	4
Total	6,929	7,105	7,489	9,608	7,096	7,096	7,217	7,342

Full-Time Equivalents

	41.74	41.15	45.30	55.30	53.04	53.04	53.04	53.04
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Animal Health, Board of

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In	36	607	36	177				
Direct Appropriation	5,980	6,081	6,241	6,401	6,410	6,410	6,531	6,656
Transfers Out		98						
Cancellations		700						
Balance Forward Out	516	36	177					
Expenditures	5,500	5,855	6,100	6,578	6,410	6,410	6,531	6,656
Biennial Change in Expenditures				1,323		142		509
Biennial % Change in Expenditures				12		1		4
Governor's Change from Base								367
Governor's % Change from Base								3
Full-Time Equivalents	36.52	37.18	38.73	48.73	48.73	48.73	48.73	48.73

2000 - Restrict Misc Special Revenue

Balance Forward In	274	106	121	67	41	41	41	41
Receipts	120	109	67	65	65	65	65	65
Balance Forward Out	106	121	67	41	41	41	41	41
Expenditures	288	93	122	91	65	65	65	65
Biennial Change in Expenditures				(169)		(83)		(83)
Biennial % Change in Expenditures				(44)		(39)		(39)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.73	0.99	1.12	1.12	1.12	1.12	1.12	1.12

3000 - Federal

Balance Forward In	11	19	14	29				
Receipts	1,130	1,150	1,282	2,910	621	621	621	621
Balance Forward Out		13	29					
Expenditures	1,141	1,157	1,268	2,939	621	621	621	621
Biennial Change in Expenditures				1,909		(2,965)		(2,965)
Biennial % Change in Expenditures				83		(70)		(70)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.49	2.98	5.45	5.45	3.19	3.19	3.19	3.19

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	6,401	6,401	6,401	12,802
Base Adjustments				
Minnesota Paid Leave Allocation		9	9	18
Forecast Base	6,401	6,410	6,410	12,820
Change Items				
Operating Adjustment		121	246	367
Total Governor's Recommendations	6,401	6,531	6,656	13,187
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	91	65	65	130
Forecast Base	91	65	65	130
Total Governor's Recommendations	91	65	65	130
Fund: 3000 - Federal				
Planned Spending	2,939	621	621	1,242
Forecast Base	2,939	621	621	1,242
Total Governor's Recommendations	2,939	621	621	1,242
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	65	65	65	130
Total Governor's Recommendations	65	65	65	130
Fund: 3000 - Federal				
Forecast Revenues	2,910	621	621	1,242
Total Governor's Recommendations	2,910	621	621	1,242
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	13	13	13	26
Total Governor's Recommendations	13	13	13	26

Board of Animal Health

FY 2026-27 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	121	246	246	246
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	121	246	246	246
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$121,000 in FY 2026 and \$246,000 in each subsequent year from the general fund to help address operating cost increases at the Board of Animal Health.

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery.

This recommendation provides additional resources to help address these cost pressures and pay for agency operations.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For the Board of Animal Health, this funding will help cover expected growth in employee compensation and insurance, IT services, and other operating costs.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	121	246	367	246	246	492
Total All Funds	121	246	367	246	246	492

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Operating Costs	121	246	367	246	246	492

Results:

This recommendation is intended to help the Board of Animal Health address rising cost pressures and mitigate impacts to current levels of service and information to the public.

Board of Animal Health

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Managing National Surveillance and Response for Animal Health Activities Umbrella 2023 - Animal Health Surveillance and Response	\$ 328	\$ -	\$ -	\$ -	MOE	1
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Managing National Surveillance and Response for Animal Health Activities Umbrella 2022 - Animal Health Surveillance and Response	\$ 1	\$ -	\$ -	\$ -	MOE	0.1
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Managing National Surveillance and Response for Animal Health Activities Umbrella 2024 - Animal Health Surveillance and Response	\$ 181	\$ 414	\$ -	\$ -	MOE	1
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Animal Health Technical Services (AHTS) 2023 - Animal Health Technical Services (AHTS) Traceability Purpose: Animal Disease Traceability Program	\$ 121	\$ -	\$ -	\$ -	MOE	1
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Animal Health Technical Services (AHTS) 2024 - Animal Health Technical Services (AHTS) Traceability Purpose: Animal Disease Traceability Program	\$ 79	\$ 131	\$ -	\$ -	MOE	1
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	US Swine Health Improvement Plans (SHIP) 2022 - The primary objective of this project is to continue to administer a pilot African Swine Fever (ASF)-Classical Swine Fever (CSF) Monitored Certification Program modeled after the basic tenets of the National Poultry Improvement Plan (NPIP) H5/H7 Avian Influenza Monitored certification of US Commercial Poultry operations.	\$ -	\$ 59	\$ -	\$ -	MOE	0.09

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	US Swine Health Improvement Plans (SHIP) 2023 - The primary objective of this project is to continue to administer a pilot African Swine Fever (ASF)-Classical Swine Fever (CSF) Monitored Certification Program modeled after the basic tenets of the National Poultry Improvement Plan (NPIP) H5/H7 Avian Influenza Monitored certification of US Commercial Poultry operations.	\$ 44	\$ -	\$ -	\$ -	MOE	0.9
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	US Swine Health Improvement Plans (SHIP) 2024 - The primary objective of this project is to continue to administer a pilot African Swine Fever (ASF)-Classical Swine Fever (CSF) Monitored Certification Program modeled after the basic tenets of the National Poultry Improvement Plan (NPIP) H5/H7 Avian Influenza Monitored certification of US Commercial Poultry operations.	\$ 49	\$ 103	\$ -	\$ -	MOE	1.8
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Chronic Wasting Disease (CWD) Management 2021 - Research, Testing, Indemnity, and disease response	\$ 32	\$ -	\$ -	\$ -	MOE	0.5
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Chronic Wasting Disease (CWD) Management 2022 A - Research, Testing, Indemnity, and disease response	\$ 113	\$ 600	\$ -	\$ -	MOE	0.5
U.S. Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Chronic Wasting Disease (CWD) Management 2022 B - Research, Testing, Indemnity, and disease response	\$ 48	\$ 241	\$ 241	\$ 241	MOE	0.5
Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Chronic Wasting Disease (CWD) Management 2022 C - Research, Testing, Indemnity, and disease response	\$ 198	\$ 227	\$ -	\$ -	MOE	0.5

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
U.S. States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services 10.025	Chronic Wasting Disease (CWD) Management 2025 - Research, Testing, Indemnity, and disease response	\$ -	\$ 439	\$ -	\$ -	MOE	0.5
U.S. States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services 10.025	Highly Pathogenic Avian Influenza Response - Emergency funding for disease response to HPAI in poultry.	\$ 72	\$ 380	\$ 380	\$ 380	MOE	0.00
U.S. States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services 10.025	H5N1 in Livestock Response - Emergency funding for disease response to H5N1 in MN Livestock	\$ -	\$ 345	\$ -	\$ -	MOE	0
	Federal Fund – Agency Total	\$ 1,268	\$ 2,939	\$ 621	\$ 621		9.4

Narrative

Funding received from the United States Department of Agriculture- Animal 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 the continuity of the Board's animal disease traceability program. This funding helps 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.