

MEMORANDUM

April 29, 2019

TO: Planning, Housing, and Economic Development Committee
FROM: Gene Smith, Legislative Analyst *GS*
SUBJECT: FY20 Operating Budget: Office of Agriculture
PURPOSE: Review and make recommendation to the Council

Those expected for this worksession:

Jeremy Criss, Director, Office of Agriculture (OAG)
Jane Mukira, Office of Management and Budget

Budget Summary

The Executive recommends \$966,373 for OAG, a decrease of \$5,814 or 0.6% from FY19. The FY20 recommended budget:

- Maintains 4.15 full-time equivalents (FTEs); and
- Reduces operating expenses by \$27,395.

Council Staff Recommendation

Approve the Executive's FY20 recommendation of \$966,373 for OAG.

I. Budget Overview

See the Executive's recommendation on ©1-5. OAG was created by Bill 25-15, which privatized some functions of the County's Department of Economic Development (e.g., marketing and business development) and retained some functions in the County. OAG's functions were retained in the County to promote agriculture as a viable component of the County's economic sector. OAG partners with local businesses, the University of Maryland (UMD), and State and Federal agencies to provide support to agriculture businesses and the agriculture industry generally. The table below compares FY19-FY20 expenditures and FTEs by program area. In addition to this budget, 4.35 FTEs of OAG's personnel complement are funded in other areas of the County's budget. **The Water Quality Protection Fund**

supports 2.10 FTEs, and the Capital Improvements Program (CIP) supports 2.25 FTEs. These chargebacks remain unchanged in the recommended budget.

Comparison of FY19-FY20 by Program Area for OAG

Program Area	FY19 Expenditures	FY20 Expenditures	FY19-20 Change	FY19 FTEs	FY20 FTEs	FY19-20 Change
Agricultural Services	\$582,721	\$569,115	(\$13,606)	2.25	2.25	0.00
Soil Conservation	\$232,245	\$240,037	\$7,792	1.90	1.90	0.00
UMD-Extension	\$157,221	\$157,221	\$0	0.00	0.00	0.00
Total	\$972,187	\$966,373	(\$5,814)	4.15	4.15	0.00

The Executive’s FY20 recommendation decreases OAG’s operating budget by \$5,814 or 0.6% and funds 4.15 FTEs of the total 8.5 FTEs for this office. This includes 8 full-time and 1 part-time positions. Appropriation for operating expenses is reduced by \$27,395; however, this amount is offset by negotiated compensation adjustments. The County’s General Fund supports 100% of OAG’s FY20 operating budget. The table below details the recommended changes for OAG’s budget for FY20.

FY20 Recommended Changes

Description	Expenditures	FTEs
<i>County General Fund – With Service Impacts</i>		
Add: Champion Trees Publication	\$5,000	0.00
Reduce: Maryland Agriculture Education Foundation	(\$33,473)	0.00
<i>County General Fund – No Service Impacts</i>		
Increase: FY20 compensation adjustment	\$18,505	0.00
Increase: Annualization of FY19 personnel costs	\$2,654	0.00
Increase: Motor pool adjustment	\$1,078	0.00
Increase: Retirement adjustment	\$422	0.00
Total	\$5,814	0.00

OAG receives some revenue from other intergovernmental sources. The estimated amount of \$97,000 in FY20 remains the same as in FY19.

OAG reports two performance measures. OAG anticipates that it will inspect 3,650 acres of land under easements, same as FY19 estimate and FY18 actual. Also, the number of farm businesses assisted is expected to remain the same at 390, a decrease of 40% compared to FY18 actual farm businesses assisted. This decrease is due to a biennial renewal process for the Certified Agricultural Producers.

A. Expenditures by Program Area

1. Agricultural Services

This program area is responsible for the coordination of the OAG and of the State and Federal partners located at the Agricultural History Farm Park in Derwood. **This program area accounts for 58.9% of the expenditures and 54.2% of the FTEs for the OAG’s budget.** It manages and implements the OAG’s programs for farmers, such as the New Farmer Project, the Mobile Science Laboratory, and annual farm tour. This program area is supported by an additional 2.25 FTEs from the CIP. **The FY20**

recommended budget decreases expenditures by \$13,606. All the reduction is from the elimination of the Maryland Agriculture Education Foundation. This item is discussed in more detail in the Expenditure Issue section.

2. Soil Conservation

This program area is staffed by County, State, and federal employees. Staff assist farmers and landowners with issues related to soil conservation and to protecting local water ways to achieve the State mandated nutrient reduction goals for farmland. The Water Quality Protection Fund supports 2.10 FTEs in this program area. **The FY20 recommended budget increases expenditures by \$7,792 and maintains FTEs for this program area compared to FY19.** This increase is due to adjustments in personnel expenditures.

3. UMD-Extension

This program area is funded through local, State, and Federal governments and serves as the agriculture outreach and education component of the UMD-Extension. This program area provides a variety of educational programs for farmers, families, and youth. **The FY20 recommended budget maintains the same funding level and FTEs for this program area compared to FY19.**

B. Expenditure Issues

The FY20 recommended appropriation continues to decrease the total budget for the OAG. Since the creation of the office in FY17, the OAG's total budget has decreased 4.3% from \$1,009,494. **All the reductions have been from operating expenses, while personnel costs have increased by 8.2% during the same period.** See the OAG's operating expenditure items for FY19 and FY20 on ©6. Below are additional issues for the committee's consideration and discussion of the OAG's budget.

Maryland Agriculture Education Foundation (MAEF). MAEF, more commonly known as "Ag in the Classroom," promotes the understanding and importance of agriculture in our daily lives. In the County, MAEF partners with Montgomery County Public Schools (MCPS) to provide a hands-on experience for MCPS elementary students. This program is well-received by the students and administration of MCPS.

The Executive recommends reducing this program's expenditure by \$33,473 or 48.5% in FY20 to allow the OAG to achieve its target savings. The OAG notes that this program is not part of its core mission. The recommendation reduces the total program to \$35,527 and reduces the number of days spent at MCPS schools to 48 days in FY20. The program plans to provide 129 days based on the FY19 appropriation. **The OAG is working with a local foundation to try and restore this reduction.** See ©7 for Councilmember Jawando's request to restore this funding on the reconciliation list.

Champion Tree Publication. The "Champion Tree" publication lists the largest known tree of a given species in a geographic area. The County's Department of Environmental Protection (DEP)

houses this program.¹ It is not clear why this appropriation was added to the OAG, and OMB indicated that it should be reallocated to DEP. **Council staff concurs and recommends that this amount transfer to DEP.**

Cost share program. The OAG provides financial assistance to farmers that qualify for assistance from the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) (see ©8). As of March 2019, there are seven projects in the queue that qualify for MARBIDCO assistance. The OAG intends to provide \$22,334 in assistance to these seven projects. **Disbursement will occur once the project is completed and verified by MARBIDCO; however, the OAG plans to defer three payments to FY20 due to the FY19 Savings Plan.** These deferred payments total \$10,754 and \$32,763 remains for the OAG to use for other MARBIDCO applicants and other programs in FY20.

Appropriation allocation. More than 50% of the OAG’s staffing is funded outside of the OAG’s budget. For example, 1.0 FTE is funded in the CIP for easements, but that position also supports the University of Maryland Extension program. In addition, several annual operating expenses, such as the Deer Donation and Montgomery Weed Control programs, are included in the same CIP project. These resources are part of the OAG’s broader mission and should be included in the OAG’s budget, freeing resources in the CIP for purchase of agricultural easements. **Council staff recommends that the Council shift operational funding from the CIP to the OAG budget during the biennial CIP process in FY21.** Currently, the specific project was not introduced for amendment this year.

Implementation review. The OAG was created during the FY16 privatization of certain County economic development functions. While the office continues to meet the County’s statutory requirements for agricultural easements and provide services to agriculture businesses, the Council has not received an update about the long-term plan for this office. With the Executive’s comments regarding economic development and potential government restructuring, a review of the County’s agricultural business needs is warranted to position this office for success. **Council staff recommends that the PHED Committee schedule a fall review of the OAG and its implementation efforts to meet the needs of the County’s agriculture industry.** In addition, the committee can consider the previous topic of appropriation allocation during this review.

Council staff recommends approval of the Executive’s FY20 appropriation for the OAG.

<u>This packet contains:</u>	<u>Circle #</u>
Executive FY19 recommendation	1
OAG’s operating expenses table	6
Councilmember Jawando memo	7
FY19 MARBIDCO projects	8

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¹ <https://www.montgomerycountymd.gov/green/trees/champion-trees.html>



Agriculture

RECOMMENDED FY20 BUDGET
\$966,373

FULL TIME EQUIVALENTS
4.15

✱ **JEREMY V. CRISS, DIRECTOR**

MISSION STATEMENT

The Office of Agriculture (OAG) was created in July 2016 and exists to promote agriculture as a viable component of the County's economic sector, as well as to preserve farmland as a resource for future agricultural production. The goal of the OAG is to promote Montgomery County as a leader in the agricultural industry by providing support to our farm community and working to educate our residents.

BUDGET OVERVIEW

The total recommended FY20 Operating Budget for the Office of Agriculture is \$966,373, a decrease of \$5,814 or 0.60 percent from the FY19 Approved Budget of \$972,187. Personnel Costs comprise 71.25 percent of the budget for eight full-time position(s) and one part-time position(s), and a total of 4.15 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 28.75 percent of the FY20 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- ❖ **A Greener County**
- ❖ **A Growing Economy**
- ❖ **Thriving Youth and Families**

INITIATIVES

- ★ The OAG began working with the County's Department of Technology Services to create a new website. The re-designed site is envisioned to be more interactive and aesthetic and will better meet the objectives of educating the public about the County's Agricultural Reserve and agricultural industry, serving as a resource for both farmers and residents, and promoting our farms and agricultural businesses.

ACCOMPLISHMENTS

- ☑ On July 20th, the OAG hosted Montgomery County Farmers and County Officials at an event to recognize and celebrate the County's 50 years of Conservation Tillage. Councilmembers Craig Rice and Sidney Katz presented a Proclamation to Robert Raver, a retired extension agent honoring him as the "Father of no-till agriculture in Montgomery County."
- ☑ The OAG organized its 29th Annual Farm Tour and Harvest Sale. This event was a huge success based on feedback from the participating farms like Kingsbury's Orchard who wrote, "Thanks to all of you for a very successful 2018 Farm Tour! We had hundreds of customers here at Kingbury's Orchard including many new faces. Saturday was our busiest day of the summer. You did an outstanding job of getting the word out, and we appreciate all of your hard work and support for farmers in Montgomery County."

- ✓ In August 2018, the OAG along with agriculture agency partners shared an exhibit tent at the Montgomery County Fair to educate the public about the Agricultural Reserve, the County agricultural industry, and the opportunities that exist to obtain fresh, local food. The OAG tent received a blue ribbon champion award for its educational display.
- ✓ On September 25th, the OAG and Montgomery County Soil Conservation District hosted Secretary Joseph Bartenfelder, along with other officials from the Maryland Department of Agriculture to a tour of several County farms including: Brooke Grove Farm (an equestrian facility), Pleasant Valley Farm (a commodity and produce farm), Waredaca Brewery (the County's first Farm brewery), and Rockhill Orchard and Woodbourne Creamery (the County's only fully robotic dairy). The tour provided the Secretary a first hand look at the diversity of Montgomery County agriculture, as well as, providing the opportunity for the farmers to meet and speak directly with MDA officials about their operations.
- ✓ From October 8 through October 26, 2018, approximately 4,000 fourth grade students and teachers visited the Agricultural History Farm Park to participate in the Close Encounters with Agriculture (CEWA) Program. This multi-phased, interactive program consists of three educational tracks (the environment, nutrition, and agriculture) that are conducted by the staff of OAG and its agency partners. The evaluation responses received from the participating MCPS and private schools illustrated the programs success. This year, the County Cable Office filmed parts of the program to produce a segment that will be featured in their Montgomery Heartland series.
- ✓ The OAG and DTS received a National Association of Counties (NaCo) award for the interactive GIS based map of the farms participating in the 2018 Farm Tour and Harvest Sale.

COLLABORATION AND PARTNERSHIPS

* Cost Share Program

The OAG is partnering with Maryland Agricultural & Resource Based Industry Development Corporation (MARBIDCO) to provide a cost share grant program for farmers. This is a public-private partnership that assists farmers in cost sharing a portion of the installation cost of deer fence and other agricultural needs.

* Sugarland Road Broadband Pilot Project

The Office of Agriculture is continuing its partnership (which began in 2013) with DTS and Comcast to obtain the easements required for future phases of the project. Phase I is expected to be completed in late Summer 2019.

Additional information can be found at: <https://montgomerycountymd.gov/cable/Sugarland/sugarland-comcast.html>.

Partners

Department of Technology Services

* Agricultural land preservation funding

The Office of Agriculture is collaborating with the County Delegation, the Office of Intergovernmental Relations and the Department of Finance to identify a long term, sustainable source of funding for the County's Agricultural Preservation Program.

Partners

Department of Finance, Office of Intergovernmental Relations

PROGRAM CONTACTS

Contact Jeremy Criss of the Office of Agriculture at 240-590-2830 or Jane Mukira of the Office of Management and Budget at 240-777-2754 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

* Agricultural Services

OAG is responsible for the coordination of programs offered by its partner agencies, which are all co-located at the Agricultural History Farm

Park in Derwood. These Federal, State, and local partners include University of Maryland-Extension, the Montgomery Soil Conservation District, the Natural Resource Conservation Service, and the Farm Service Agency. In addition to program coordination, the OAG serves in a variety of capacities to provide the following services: implement agricultural policies and programs; technical assistance to farmers; manage Agricultural Education programs; financial and staff support to our partner agencies; serve as a liaison between the Executive Branch and the agricultural community via the Agricultural Advisory, Agricultural Preservation, and Montgomery County Farm Bureau Boards; oversee the various land preservation programs; co-sponsor farmers' markets, an annual farm tour, and other activities that promote agricultural businesses and products; and provide mentoring and specialized business training programs.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Acres of land under easements inspected by Agricultural Services	2,429	3,650	3,650	3,650	3,650
Number of farm businesses assisted	325	649	390	390	390

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved		
Add: Champion Trees Publication	582,721	2.25
Reduce: Maryland Agriculture Education Foundation	5,000	0.00
	(33,473)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	14,867	0.00
FY20 Recommended	569,115	2.25

☀ Soil Conservation

The Montgomery Soil Conservation District (MSCD) is a political subdivision of the State staffed by County, State, and Federal employees. Staff members assist farmers and agricultural landowners with resource concerns on their land. The mission of the Soil Conservation District is to improve the quality of the air, soil, water and ultimately the Chesapeake Bay watershed by providing technical assistance to rural landowners with conservation planning, the protection of resources through the implementation of best management practices and conservation education outreach. The District also assists local stake holders to achieve State mandated nutrient reduction goals for agricultural land as part of the Chesapeake Bay Total Maximum Daily Load (TMDL). The technical assistance provided by the District is accomplished through a variety of Federal, State, and local cost-share programs that help fund projects to prevent soil erosion, improve water quality, and fund District operations. The MSCD participates in education and outreach programs throughout the year for elementary school students, local farmers, and landowners. The MSCD receives funding from the Department of Environmental Protection (DEP) through the Water Quality Protection Charge. This funding is used to implement conservation practices required to meet Montgomery County's Watershed Implementation Plan (WIP), which is the rural equivalent to the County's MS4 Permit for the urban area.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved		
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	232,245	1.90
	7,792	0.00
FY20 Recommended	240,037	1.90

☀ University of Maryland-Extension (UMD-Extension)

The Montgomery County Extension Office serves as the agricultural outreach and education component of the University of Maryland Extension. This agency is funded cooperatively through local, State, and Federal governments. Farmers, families, and youth are the primary audiences of the Extension Office. Educational programs for farmers include raising crops and livestock, protecting the environment, farm and business management, marketing commodities, and pest management. Programs for families and youth include: home horticulture, family budgeting, and consumer education, with a focus on promoting positive parenting, nutrition education and healthy lifestyles, leadership development, and traditional 4-H youth development programs. The Extension Office's professional staff has an extensive network of volunteers to assist them in program delivery. Extension Office staff manage a diverse group of over 3,000 volunteers to respond to over 100,000 information requests each year. Outreach education programs are delivered informally through one-on-one contacts, telephone assistance, the Internet, classes and workshops, field days, radio, television, and print media.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	157,221	0.00
FY20 Recommended	157,221	0.00

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	444,710	501,356	466,318	515,379	2.8 %
Employee Benefits	161,395	165,626	156,407	173,184	4.6 %
County General Fund Personnel Costs	606,105	666,982	622,725	688,563	3.2 %
Operating Expenses	319,717	305,205	367,198	277,810	-9.0 %
County General Fund Expenditures	925,822	972,187	989,923	966,373	-0.6 %
PERSONNEL					
Full-Time	8	8	8	8	—
Part-Time	1	1	1	1	—
FTEs	4.15	4.15	4.15	4.15	—
REVENUES					
Miscellaneous Revenues	4,905	0	0	0	—
Other Intergovernmental	72,199	97,000	97,000	97,000	—
County General Fund Revenues	77,104	97,000	97,000	97,000	—

FY20 RECOMMENDED CHANGES

COUNTY GENERAL FUND	Expenditures	FTEs
FY19 ORIGINAL APPROPRIATION	972,187	4.15
Changes (with service impacts)		
Add: Champion Trees Publication [Agricultural Services]	5,000	0.00
Reduce: Maryland Agriculture Education Foundation [Agricultural Services]	(33,473)	0.00
Other Adjustments (with no service impacts)		
Increase Cost: FY20 Compensation Adjustment	18,505	0.00
Increase Cost: Annualization of FY19 Personnel Costs	2,654	0.00
Increase Cost: Motor Pool Adjustment	1,078	0.00
Increase Cost: Retirement Adjustment	422	0.00
FY20 RECOMMENDED	966,373	4.15

PROGRAM SUMMARY

Program Name	FY19 APPR Expenditures	FY19 APPR FTEs	FY20 REC Expenditures	FY20 REC FTEs
Agricultural Services	582,721	2.25	569,115	2.25
Soil Conservation	232,245	1.90	240,037	1.90
University of Maryland-Extension (UMD-Extention)	157,221	0.00	157,221	0.00
Total	972,187	4.15	966,373	4.15

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY19 Total\$	FY19 FTES	FY20 Total\$	FY20 FTES
COUNTY GENERAL FUND					
Environmental Protection	Water Quality Protection	325,715	2.10	361,902	2.11
CIP	Capital Fund	227,766	2.25	223,530	2.25
Total		553,481	4.35	585,432	4.35

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY20	FY21	FY22	FY23	FY24	FY25
COUNTY GENERAL FUND						
EXPENDITURES						
FY20 Recommended	966	966	966	966	966	966
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	3	3	3	3	3
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	966	968	968	968	968	968

(B)

OAG Operating Expenses by Expenditure Item

Expenditure Item	FY19 Approved	FY20 Recommended	Change FY19-FY20
Contract services	\$237,721	\$207,293	(\$30,428)
Office supplies	\$1,000	\$2,000	\$1,000
County chargebacks	\$15,000	\$13,000	(\$2,000)
Motor pool	\$3,000	\$3,000	\$0
Telecommunications	\$650	N/A	N/A
Reimbursements	\$3,044	\$4,000	\$956
Memberships & subscriptions	\$1,000	\$1,000	\$0
Marketing & miscellaneous	\$32,334	\$43,517	\$11,183
Special functions	\$3,707	\$4,000	(\$19,289)
Total	\$297,456	\$277,810	(\$30,428)

Note: FY19 Marketing and Miscellaneous was reduced by \$14,583 due to the FY19 Savings Plan.

Contract Services: Includes a portion of the University of Maryland Exchange, Maryland Agriculture Education Foundation/Montgomery County Public Schools partnership (i.e., Mobile Lab), and social media.

County chargebacks: Includes items that are provided globally for County offices.

Marketing & miscellaneous: Includes cost share program, new farmer program, Farm Tour and Fair program, and Champion Tree Publication in F20.

Special functions: Includes events like the 50th Anniversary, No Till, and bus tours of the Agricultural Reserve.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

WILL JAWANDO
COUNCILMEMBER
AT-LARGE

To: PHED Committee Members
From: Councilmember Will Jawando
Date: April 29, 2019
Re: Restoring Agricultural Mobile Science Lab to full funding

Recently, I met with the Montgomery Countryside Alliance, the Montgomery County Farm Bureau and the Montgomery Agricultural Producers to learn about their priorities, including their priorities for the FY20 budget proposed by CE Elrich. An important concern raised was the County Executive's \$33,473 cut to the Montgomery County Agriculture Education (MCAE) fund which helps support the Agriculture Mobile Science Lab. This program was initiated in FY16 and was championed by former CM George Leventhal. In FY19 the budget included \$51,000 for the Montgomery County Agriculture Education fund and \$18,000 in MCPS funding. After the proposed reduction, the MCAE portion of the funding will be \$17,527 in FY20.

In FY19, the mobile science lab visited 27 schools for a total of 129 days at a cost of \$360 per day. For FY 20, the mobile science lab will only be able to visit 13 schools for total of 48 days due to the County Executive's reduction. I would like to restore the cut to the MCAE and add \$33,473 to the reconciliation list for consideration.

This program provides the opportunity for every Montgomery County elementary student, through each 4-5 year cycle, to have hands-on exposure learning about agriculture, and the Montgomery County Ag Reserve, food production, and their food system. The program makes this experience possible without the time, expense and greater loss of learning from out-of-school field trips. This is especially important for students and schools in high need areas of Montgomery County.

FY19 MARBIDCO Projects

Project	MARBIDCO Funding	County Funding	Total
Ruppert Nurseries / Deer Fence	\$3,000	\$3,000	\$6,000
Old West Minster Winery / Deer Fence	\$3,000	\$4,000	\$7,000
Sligo Creek Tools	\$2,628	\$2,628	\$5,256
Old West Minster Winery/ WELL	\$2,230	\$2,230	\$4,460
Metro Microgreens / equipment to expand hydroponics	\$2,722	\$2,722	\$5,444
Bella Vita Farm - building aquaponics operation	\$3,000	\$4,000	\$7,000
Common Root Farm	\$2,754	\$2,754	\$5,508
Dream Catcher Meadows	\$3,000	\$4,000	\$7,000
Total	\$22,334	\$25,334	\$35,160