

MEMORANDUM

April 19, 2021

TO: Planning, Housing, and Economic Development (PHED) Committee
FROM: Gene Smith, Legislative Analyst
SUBJECT: **FY22 Operating Budget – Office of Agriculture (OAG)**
PURPOSE: Make recommendations for Council consideration

Expected Participants:

- Jeremy Criss, OAG
- Mike Scheffel, OAG
- Jane Mukira, Office of Management and Budget

Summary of FY22 Recommended Budget

Office of Agriculture	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
General Fund	\$991,853	\$993,865	0.2%
Personnel Costs	\$673,458 4.15 FTEs	\$674,711 4.15 FTEs	0.2% 0.00 FTEs
Operating Costs	\$318,395	\$319,154	0.2%
Total Expenditures (All Funds)	\$991,853 4.15 FTEs	\$993,865 4.15 FTEs	0.2% 0.0%

I. Racial Equity and Social Justice Considerations

The Council adopted Bill 27-19 on December 2, 2019. This bill established and required several elements, including that the Executive submit a racial equity and social justice (RESJ) impact statement for each bill and each management initiative or program that would be funded in the operating and capital budgets.

For the FY22 operating budget development process, OMB, working with the Office of RESJ, developed and dedicated a section of the program proposal form to addressing racial equity. Departments and County partners were asked the following questions:

- Does your department use quantitative and qualitative data to track program access and/or service outcomes for different population groups?
- Which community residents will potentially benefit the most from your program proposal or be burdened by your program proposal?
- How does the program promote racial equity?

The County is still in the process of training staff to apply a racial equity and social justice lens for programming and budget decisions; therefore, OMB received a variety of responses to the above questions. Council staff are documenting these responses to establish an official baseline for each department and to identify promising practices and gaps in information.

Council staff will evaluate what information departments are utilizing, or could utilize, to apply a racial equity lens to budget decisions as Council staff works to develop its Racial Equity and Social Justice Action Plan this spring. Council staff will also coordinate with OMB and the Office of RESJ to help inform a more robust analysis for FY23 and future budget cycles.

II. Budget Overview

See the Executive’s recommendation on ©1-6. 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.

Table 1 below compares FY21 and FY22 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.

Table 1: Comparison of FY21-FY22 by Program Area for OAG

Program Area	FY21 Expenditures	FY22 Expenditures	FY21-22 Change	FY21 FTEs	FY22 FTEs	FY21-22 Change
Agricultural Services	\$585,308	\$588,199	\$2,891	2.25	2.25	0.00
Soil Conservation	\$249,324	\$248,445	(\$879)	1.90	1.90	0.00
UMD-Extension	\$157,221	\$157,221	\$0	0.00	0.00	0.00
Total	\$991,853	\$993,865	\$2,012	4.15	4.15	0.00

The Executive's FY22 recommendation increases OAG's operating budget by \$2,012 or 0.2%. **Most of the recommended changes for this budget are related to compensation adjustments.** The OAG budget funds 4.15 FTEs of the total 8.5 FTEs for this office This includes 8 full-time and 1 part-time positions. The County's General Fund supports 100% of OAG's FY22 operating budget. OAG receives some revenue from other intergovernmental sources. The estimated amount of revenue is \$63,064 in FY22.

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 59.1% of the expenditures 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 FY22 recommended budget increases expenditures by \$2,891 when compared to the FY21 approved budget.** The recommended increases are mostly for compensation adjustments.

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 waterways to achieve the State mandated nutrient reduction goals for farmland. The Water Quality Protection Fund supports 2.10 FTEs in this program area. **The FY22 recommended budget decreases expenditures by \$879 and maintains FTEs for this program area compared to FY21.** This decrease 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 FY22 recommended budget maintains the same funding level and FTEs for this program area compared to FY21.**

B. Expenditure Discussion

The FY22 recommended appropriation continues to maintain a total budget for the OAG near the same amount as FY21. Since the creation of the office in FY17, the OAG's total budget has decreased modestly by 1.6% from \$1,009,494. **While personnel costs have increased, the OAG's program funding has remained constant or decreased.** The recommended FY22 operating expenses is equal to the FY21 approved operating expenses. See the OAG's operating expenditure items for FY21 and FY22 on ©7. Below are additional elements 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. This program was reduced during the pandemic because MCPS was not conducting in-person education most of the year. **The funding for this item is restored in the recommended FY22 budget.**

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 for a summary of the program in recent years. **The OAG has set aside about \$30,000 for this program in FY22; the FY21 disbursements were \$53,122, including \$25,561 in reimbursements received from MARBIDCO.** Total program funding is based on applications, and in some years, the OAG has had to defer payments to wait for additional funding.

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, there has been limited funding opportunities for the office to expand its operations to support additional partnerships with the County’s agricultural community.

Council staff recommends approval of the Executive’s FY22 appropriation for the OAG.

<u>This packet contains:</u>	<u>Circle #</u>
Executive FY22 recommendation	1
OAG operating expense breakdown	7
OAG MARBIDCO summary sheet	8



Agriculture

RECOMMENDED FY22 BUDGET

\$993,865

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 FY22 Operating Budget for the Office of Agriculture is \$993,865, an increase of \$2,012 or 0.20 percent from the FY21 Approved Budget of \$991,853. Personnel Costs comprise 67.89 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 32.11 percent of the FY22 budget.

COUNTY PRIORITY OUTCOMES

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

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

INITIATIVES

- The Office of Agriculture is partnering with the Montgomery County Food Council and MANNA Food Bank on the Farm to Foodbank program. Through this program, over 60,000 pounds of food has been provided to local foodbanks during the past 6 months. This program has also provided \$236,805 in grants to 22 farms to expand their growing capacity in order to meet the increased demand for food resulting from the COVID-19 pandemic.
- The first Biennial Report on the Status of Farm Alcohol Production (FAP) in Montgomery County was recently completed and submitted to the County Council as required by Resolution Number 18-1265. The data provided in this report illustrates that there is extensive, untapped economic potential in the Ag Reserve. The Office is working with the Council on

amendments to Chapter 50 of the County Code which would assist in the achievement of economic growth in the Agricultural sector.

- ★ The OAG, in partnership with the County's Department of Environmental Protection (DEP) and the Council, is working to expand on farm food composting in the Ag Reserve to assist the County in achieving its zero waste goal. Additionally, the Office also participated, along with the Department of Environmental Protection, private business and non-profits, in applying for a federal grant to expand farm composting in the County. While the initial grant was not selected, this public/private group continues to collaborate and seek out other opportunities to achieve this goal.
- ★ Continue to work with the Department of Technology, Office of Broadband Programs, to expand access to broadband/high speed internet in the rural areas of the County. This initiative is a continuation of the Sugarland Broadband Pilot Program that was accomplished in December 2019.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ The Office of Agriculture has embraced the remote working environment and has been able to effectively utilize the telework tools provided by the County. These tools, especially Microsoft Teams, have enabled the Office of Agriculture to continue its work from day one of the pandemic without lapse. This seamless transition from office to telework has increased productivity.
- ★ Initiated a process to gauge its efficiency and customer service by affixing a link to a customer satisfaction survey to the closing of all staff emails. The survey results received thus far indicate that the OAG is providing superior customer service to County residents.

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

The Office of Agriculture (OAG) serves in a variety of capacities to provide the following services: implement agricultural policies and programs; provide technical assistance to farmers; manage agricultural education programs; provide 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. Additionally, the 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.

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Technical assistance contacts with farmers	655	700	700	700	700
Acres of land under easements inspected by Agricultural Services	6,017	3,927.07	3,927.07	3,927.07	3,927.07

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Percent of easement acres under most restrictive easement disallowing development	31.7%	24.4%	24.4%	24.4%	24.4%
Percent of participants who learned or benefitted from Agricultural Services event, training, or farm tour ¹	N/A	100%	100%	100%	100%

¹ Data for this measure not collected prior to FY20

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	585,308	2.25
Increase Cost: Motor Pool Adjustment	759	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.	2,132	0.00
FY22 Recommended	588,199	2.25

Soil Conservation

This Program is comprised of staff and other resources from Federal, State, and local Agricultural agencies. It provides technical and outreach educational assistance to farmers/rural landowners for implementing best management and conservation practices. The Montgomery Soil Conservation District (MSCD) assists the County which is required to achieve the nationally mandated, state assigned, Rural MS4 Permit - Chesapeake Bay Nutrient Diet - Watershed Implementation Program (WIP-III) Goals. The three funding partners (Federal - National Resources Conservation Service (NRCS), State - Maryland Department of Agriculture (MDA), and County - MSCD) have not allocated sufficient resources including staff to meet these new goals. Failure to achieve the WIP-III Goals will likely result in the Federal - Environmental Protection Agency (EPA) instituting the backstop measure which will negatively impact the County and the Agricultural community by denying all permits moving forward and harming our County's rural economy/infrastructure.

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Soil conservation contacts with farmers and landowners to provide technical assistance	293	349	349	349	349
Water quality plans completed	37	46	46	46	46
Percent of interagency site visits coordinated within one business day of agricultural complaint	90%	90%	90%	90%	90%
Pounds of nitrogen reduced through conservation and best management practices	26,155	20,144	20,000	20,000	20,000

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	249,324	1.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(879)	0.00
FY22 Recommended	248,445	1.90

University of Maryland-Extension (UMD-Extention)

The Montgomery County Extension Office serves as the agricultural outreach and education component of the University of Maryland. 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.

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Nutrient management plans completed	108	109	109	109	109
4-H youth development program participants	7,477	5,293	5,293	5,293	5,293
Average pre- to post-test score increase of Close Encounters with Agriculture participants on agriculture, nutrition, and the environment ¹	N/A	49%	49%	49%	49%
Percent of Food Supplement Nutrition Education youth participants who try new healthy food	42%	42%	42%	42%	42%
Percent of participants who purchase produce they learn about from Food Supplement Nutrition Education farmers market programming	92%	92%	92%	92%	92%

¹ Data for this measure not collected prior to FY20

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	157,221	0.00
FY22 Recommended	157,221	0.00

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	474,516	516,735	468,956	528,582	2.3 %
Employee Benefits	170,430	156,723	137,985	146,129	-6.8 %
County General Fund Personnel Costs	644,946	673,458	606,941	674,711	0.2 %
Operating Expenses	317,939	318,395	310,151	319,154	0.2 %
County General Fund Expenditures	962,885	991,853	917,092	993,865	0.2 %
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	15,948	0	0	0	—
Other Intergovernmental	56,720	97,000	63,064	63,064	-35.0 %
Other Licenses and Permits	15,766	0	0	0	—
County General Fund Revenues	88,434	97,000	63,064	63,064	-35.0 %

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
--	--------------	------

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY21 ORIGINAL APPROPRIATION	991,853	4.15
Other Adjustments (with no service impacts)		
Increase Cost: FY21 Compensation Adjustment	13,526	0.00
Increase Cost: FY22 Compensation Adjustment	5,002	0.00
Increase Cost: Motor Pool Adjustment [Agricultural Services]	759	0.00
Decrease Cost: Retirement Adjustment	(7,168)	0.00
Decrease Cost: Annualization of FY21 Personnel Costs	(10,107)	0.00
FY22 RECOMMENDED	993,865	4.15

PROGRAM SUMMARY

Program Name	FY21 APPR Expenditures	FY21 APPR FTEs	FY22 REC Expenditures	FY22 REC FTEs
Agricultural Services	585,308	2.25	588,199	2.25
Soil Conservation	249,324	1.90	248,445	1.90
University of Maryland-Extension (UMD-Extention)	157,221	0.00	157,221	0.00
Total	991,853	4.15	993,865	4.15

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY21 Total\$	FY21 FTEs	FY22 Total\$	FY22 FTEs
COUNTY GENERAL FUND					
Environmental Protection	Water Quality Protection	348,201	2.10	347,374	2.10
CIP	Capital Fund	229,184	2.25	221,959	2.25
Total		577,385	4.35	569,333	4.35

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
COUNTY GENERAL FUND						
EXPENDITURES						
FY22 Recommended	994	994	994	994	994	994
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	10	10	10	10	10
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
Subtotal Expenditures	994	1,004	1,004	1,004	1,004	1,004

FY21 Expenditure Breakout

Fund	Account	Orig Budget
FY21 Approved Operating Budget		318,395.00
FY21 Savings Plans Round 1		34,200.00
FY21 Savings Plans Round 2		25,292.00
FY21 New Operating Expense Breakout total		258,903.00
General Fund -\$59,492 total savings plan	Contract and Services Total: <i>Partial UME State Pymt \$156,721; Social Media Contract \$15,000 MCPS/MAEF balance \$9,508 Ag Educator \$20,000</i>	201,229.00
	General Supplies <i>Supplies/Equipment/other/software e supplies/equipment maint</i>	755.00
	County charge backs: <i>linter office mail \$800; Central dup and imaging \$1483; copier leases \$7000</i>	9,283.00
	Motor Pool Total	1,000.00
	Travel & Expense Reimbursement Total (3 staff)	500.00
	Memberships/subscriptions/ Dues/Sponsorship Total: <i>DELMARVA Farmer \$40, Lexis/Nexis Matthew Bender \$100, MD Farm Bureau \$65</i>	205.00
	Marketing & Miscellaneous (Program Expenses): cost share program \$53,122; new farmer program - soil amendment \$6,500; Plenty mag ads (qty3)\$1800	61,422.00
	Ag Educational Events: <i>Bus Tours of Ag Reserve, Legislative Breakfast, Fair, Farm Tour, Farmer Forums/trainings, Close Encounters with Ag</i>	0.00
		\$ 274,394.00

FY22 Estimated Expense Breakout

Fund	Account	Orig Budget
		\$ 318,395.00
FY22 CE Recommended Budget		\$ 318,395.00
General Fund	Contract and Services Total: <i>Partial UME pymt \$156,721; \$69,000 MAEF/MCPS; \$15,000 Social Media ; \$20,000 Ag Educator</i>	260,721.00
	General Supplies <i>Supplies/Equipment/other/software supplies/equipment maint</i>	755.00
	County charge backs: <i>Inter office mail \$800; copier leases\$7000; Central Dup & Imaging \$1483</i>	9,283.00
	Motor Pool	1,000.00
	Travel & Expense Reimbursement Total (3 staff)	700.00
	Memberships/subscriptions/ Dues/Sponsorship Total: <i>MD Farm Bureau \$65; DELMARVA Farmer \$40; Lexis/Nexis Matthew Bender \$100; Taste of MD \$250</i>	455.00
	Marketing & Miscellaneous (Program Expenses): <i>cost share program \$30,000; new farmer program - soil amendment\$7,000; Radio ads Ann'l Farm Tour \$5000,Plenty mag ads (qty3) (\$1800) etc. other miscellaneous operating</i>	45,481.00
	Ag Educational Events: <i>Bus Tours of Ag Reserve (\$1,500); Ag Leader Lunch (\$350), Close Encounters with Ag (\$1,000) , Legislative Breakfast (\$800), Ag Fair (\$6,500), Farmer Forums/trainings (\$250)</i> *these events will likely resume	0.00
		\$ 318,395.00

AGRICULTURAL COST SHARE REIMBURSEMENT (ACRE) PROGRAM



\$134,681

TOTAL COST SHARE

MARBIDCO: \$64,295.50 | COUNTY: \$69,295.50

FY18

4 PROJECTS

MARBIDCO	COUNTY
\$7,776	\$9,776

FY19

4 PROJECTS

MARBIDCO	COUNTY
\$9,881.50	\$9,881.50

FY20

9 PROJECTS

MARBIDCO	COUNTY
\$21,077	\$23,077

FY21

10 PROJECTS

MARBIDCO	COUNTY
\$25,561	\$27,561

