

Washington State Department of

AGRICULTURE

**2017-2019 Biennium
Operating Budget**



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STATE OF WASHINGTON

DEPARTMENT OF AGRICULTURE

P.O. Box 42560 • Olympia, Washington 98504-2560 • (360) 902-1800

DATE: September 16, 2016

TO: David Schumacher, Director
Office of Financial Management

FROM: Derek Sandison, Director
Washington State Department of Agriculture

SUBJECT: 2017-19 Biennial Operating Budget

Kirk Robinson
Deputy Director

Enclosed is the Department of Agriculture's 2017-19 operating budget submittal. In addition to one Maintenance Level decision package for increased non-appropriated expenditure authority, we are proposing eight Policy Level decision packages including two at the request of the Washington State Liquor and Cannabis Board (LCB) to provide LCB with support in regulating the marijuana industry.

Understanding these tight budget times, we recognize the tough decisions both the Governor and the Legislature will have to make during this budget cycle.

We look forward to working with you and your staff in developing the OFM budget recommendation to the Governor.

cc. Jim Cahill
Heather Matthews
Kirk Robinson
Larry Sheahan
Mark Johnson

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**Washington State Department of Agriculture
Operating Budget Request
2017-19**

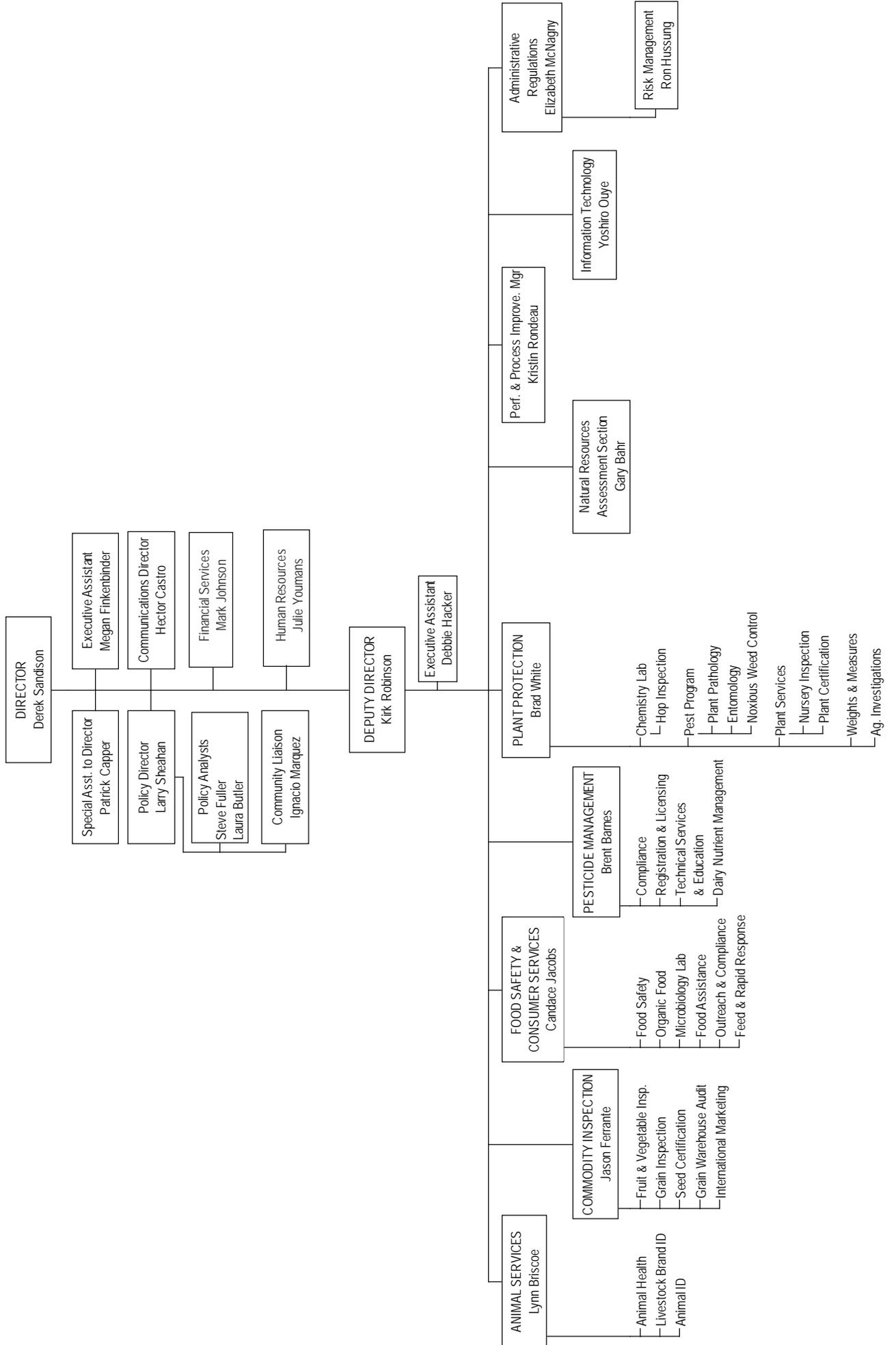
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TAB A Agency Level Reports

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Washington State
DEPARTMENT OF AGRICULTURE
August 2016



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495 - Department of Agriculture

A001 Agency Administration

This activity provides executive leadership, policy development and review, financial services, computer and information technology services, human resources services, communications, administrative procedures guidance, legal services, employee safety, and risk management programs for the department's 27 activities. The budget amounts for this activity are the overhead component of agency administrative costs.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	68.0	68.0	68.0
001-2 Federal	2.0	2.0	2.0
FTE Total	70.0	70.0	70.0
126 Agricultural Local Account			
126-6 Non-Appropriated	\$6,283,108	\$6,023,744	\$12,306,852
02R Aquatic Lands Enhancement Account			
02R-1 State	\$67,593	\$69,200	\$136,793
001 General Fund			
001-1 State	\$1,178,447	\$1,227,759	\$2,406,206
001-2 Federal	\$554,000	\$559,000	\$1,113,000
001 Account Total	\$1,732,447	\$1,786,759	\$3,519,206
108 Motor Vehicle Account			
108-1 State	\$49,167	\$52,200	\$101,367
173 State Toxics Control Account			
173-1 State	\$149,681	\$150,000	\$299,681
176 Water Quality Permit Account			
176-1 State	\$5,400	\$0	\$5,400

Statewide Result Area: Prosperous Economy

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Administrative activities support the successful achievement of the agency's vision, mission, and goals through a variety of internal support functions.

A002 Agricultural Fairs

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

The Fairs program provides about \$2 million in financial assistance to agricultural fairs and youth shows each year. The director of the Department of Agriculture appoints a seven-member Fairs Commission to recommend fund allocations to participating fairs. This program coordinates the activities of the commission, audits all required reports and information from participating fairs, and administers a capital budget grant program to improve safety and access at fairs. Currently, 66 fairs participate in the Fairs program.

Account	FY	FY	Biennial Total
FTE			
131-6 Non-Appropriated	1.5	1.5	1.5
131 Fair Account			
131-6 Non-Appropriated	\$2,070,000	\$2,070,000	\$4,140,000

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Participating agricultural fairs receive annual allocations from the Fair Fund in accordance with state law and/or the merit rating established by the department.

A003 Agricultural Promotion and Protection

This activity provides funding for activities that promote, support, or protect the state's agricultural industry, primarily federal funding for specialty crop block grant projects that enhance the competitiveness of Washington state grown fruits, vegetables, and horticulture and nursery crops in domestic or foreign markets. It also includes variable federal funding for specific projects.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	3.6	5.5	4.6
001-1 State	1.0	2.0	1.5
001-2 Federal	3.0	3.0	3.0
FTE Total	7.6	10.5	9.1
126 Agricultural Local Account			
126-6 Non-Appropriated	\$260,000	\$440,000	\$700,000
001 General Fund			
001-1 State	\$150,000	\$282,000	\$432,000
001-2 Federal	\$4,630,780	\$4,627,428	\$9,258,208
001-7 Private/Local	\$46,000	\$47,000	\$93,000
001 Account Total	\$4,826,780	\$4,956,428	\$9,783,208

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Promote, support, and protect the state's agricultural industry.

A004 Animal Health

The Animal Health program protects animals and the public from communicable animal diseases, such as brucellosis, tuberculosis, rabies, avian influenza, and others. The program monitors the health of animals entering the state, conducts inspections to verify compliance with the animal health law, requires reporting and controlling of certain diseases, conducts tests and inspections to detect selected diseases, carries out an in-state animal disease traceability system, and prepares for and responds to animal health emergencies. It cooperates with universities, the U.S. Department of Agriculture, and other agencies.

Account	FY	FY	Biennial Total
FTE			
001-1 State	14.8	14.8	14.8
001-2 Federal	4.4	4.4	4.4
001 General Fund			
001-1 State	\$1,865,923	\$1,856,766	\$3,722,689
001-2 Federal	\$593,992	\$588,972	\$1,182,964
001 Account Total	\$2,459,915	\$2,445,738	\$4,905,653

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Identify and mitigate health risk factors

Expected Results

Preserve the state's disease-free classifications in the national animal disease eradication programs. Maintain the number of Reserve Veterinarian Corps members trained to respond to an animal health emergency at 50% or better.

000121 Percent of animals that are disease free in accordance with the standards of the five USDA eradication programs.

Biennium	Period	Actual	Target
2017-19	A3		100%
	A2		100%
2015-17	A3		100%
	A2	100%	100%
2013-15	A3	100%	100%
	A2	100%	100%
Performance Measure Status: Approved			

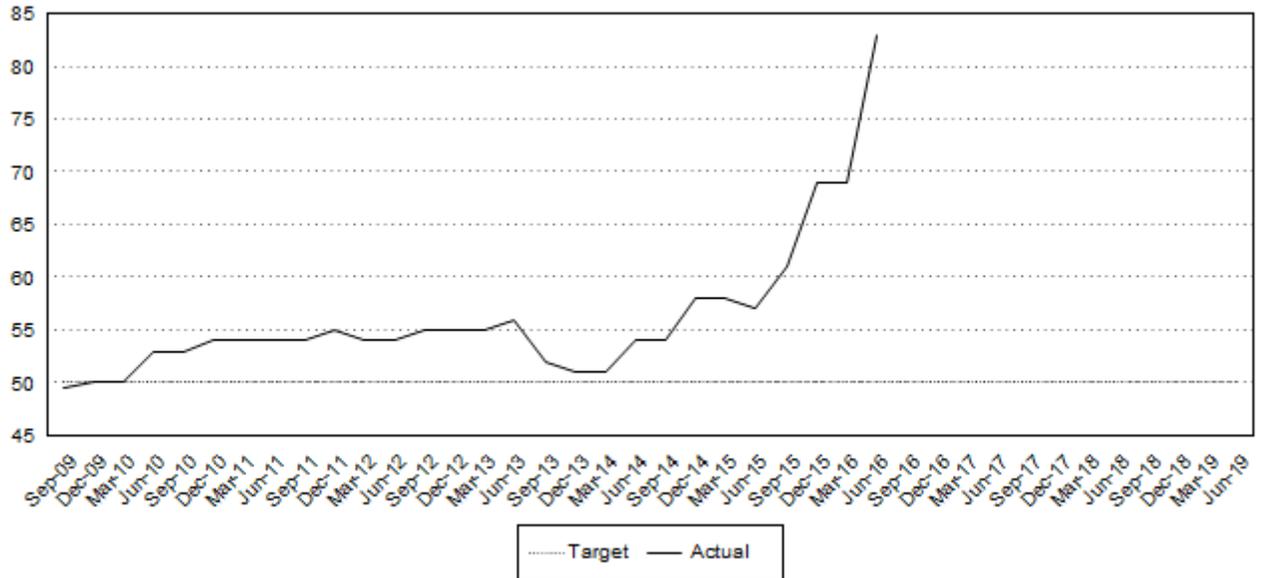
Percent

000121 - Disease Free Classification

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

000123 Percent of reserve veterinarians trained as first responders for an animal health event @ level 2 or above.			
Biennium	Period	Actual	Target
2017-19	Q8		50%
	Q7		50%
	Q6		50%
	Q5		50%
	Q4		50%
	Q3		50%
	Q2		50%
	Q1		50%
2015-17	Q8		50%
	Q7		50%
	Q6		50%
	Q5		50%
	Q4	83%	50%
	Q3	69%	50%
	Q2	69%	50%
	Q1	61%	50%
2013-15	Q8	57%	50%
	Q7	58%	50%
	Q6	58%	50%
	Q5	54%	50%
	Q4	54%	50%
	Q3	51%	50%
	Q2	51%	50%
	Q1	52%	50%
Performance Measure Status: Approved			

Percent **000123 - Reserve Veterinarian Corps**



A005 Chemistry Laboratory

The Chemistry Laboratory in Yakima supports department programs by analyzing samples taken in investigations of alleged pesticide misuse, monitoring for pesticide residues in foods, and determining if commercial feed and fertilizer samples meet label guarantees. These activities are funded by a mix of state, federal, and local funds. The laboratory also participates in a federally funded program for monitoring pesticide residue levels in fruits, vegetables, and other commodities, and performs fee-for-service chemical analysis for the hop industry.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	3.2	3.2	3.2
001-1 State	4.9	4.9	4.9
001-2 Federal	6.2	6.2	6.2
173-1 State	2.7	2.7	2.7
FTE Total	17.0	17.0	17.0
126 Agricultural Local Account			
126-6 Non-Appropriated	\$303,094	\$297,580	\$600,674
001 General Fund			
001-1 State	\$739,548	\$739,502	\$1,479,050
001-2 Federal	\$1,359,720	\$1,354,204	\$2,713,924
001 Account Total	\$2,099,268	\$2,093,706	\$4,192,974
173 State Toxics Control Account			
173-1 State	\$406,676	\$404,809	\$811,485

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Identify and mitigate health risk factors

Expected Results

Chemical analyses are provided within pre established timeframes and criteria following standard analytical procedures.

A006 Commission Merchants

The Commission Merchants program protects agricultural producers against theft, fraud, and unfair business practices by licensing persons and businesses involved in buying and selling agricultural products. Licensees who purchase or handle agricultural products on consignment must be bonded. Funded by license fees, the program investigates producer complaints against commission merchants and cooperates with federal, state, and local law enforcement agencies. (Agricultural Local Account-Nonappropriated)

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	4.0	4.0	4.0
126 Agricultural Local Account			
126-6 Non-Appropriated	\$357,893	\$314,768	\$672,661

Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide consumer protection

Expected Results

Case investigations are closed within 120 days of filing, following pre-established criteria.

A008 Feed Regulation

The Commercial Feed program regulates the distribution of animal feeds to ensure product identity, quality, and proper labeling. It registers and reviews labels of pet food products, and licenses manufacturers and initial distributors of other animal feed products. It inspects feed mills for compliance with good manufacturing practices, and also analyzes feed samples to determine accuracy of label guarantees. The activity is funded primarily by fees paid by the feed industry.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	11.4	11.4	11.4
001-2 Federal	2.0	2.0	2.0
FTE Total	13.4	13.4	13.4
126 Agricultural Local Account			
126-6 Non-Appropriated	\$1,136,044	\$1,149,226	\$2,285,270
001 General Fund			
001-2 Federal	\$180,512	\$178,317	\$358,829

Statewide Result Area: Prosperous Economy

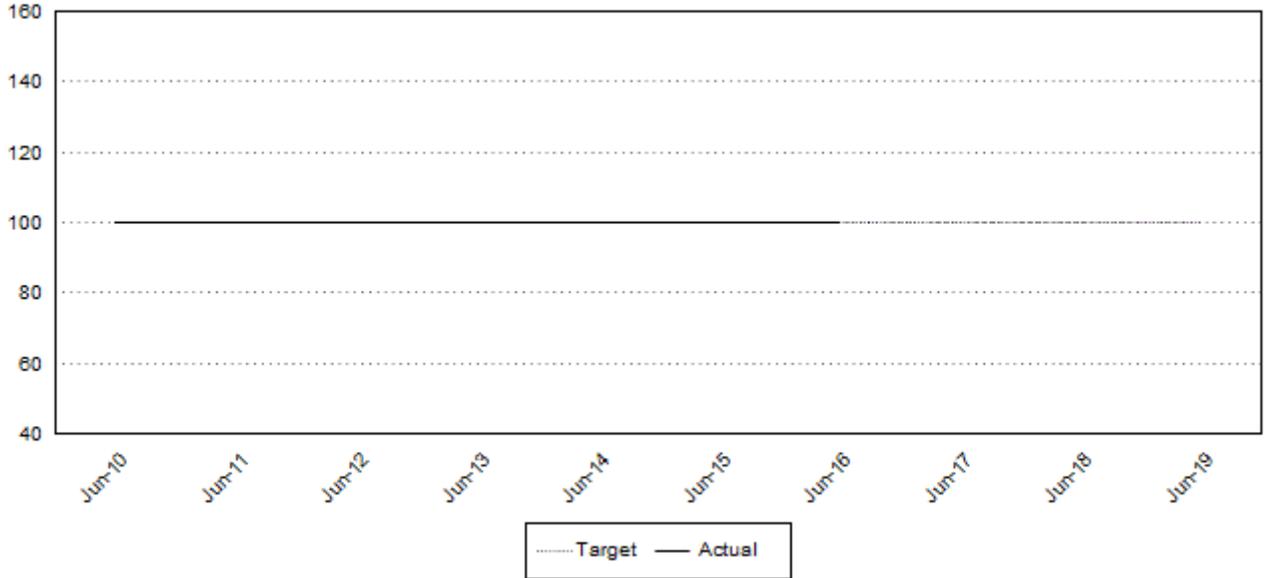
Statewide Strategy: Provide consumer protection

Expected Results

Feed manufacturing/retail facilities and on-farm operations are in compliance with regulations or action taken to bring them into compliance.

000161 Percent of feed facility inspections that result in compliance with all critical sections of the Bovine Spongiform Encephalopathy (BSE) regulations.			
Biennium	Period	Actual	Target
2017-19	A3		100%
	A2		100%
2015-17	A3		100%
	A2	100%	100%
2013-15	A3	100%	100%
	A2	100%	100%
Performance Measure Status: Approved			

Percent 000161 - Feed Facility Inspections



A009 Fertilizer Regulation

The Commercial Fertilizer program licenses bulk fertilizer facilities, registers all fertilizer products for distribution in the state, and analyzes fertilizer samples to verify label guarantees for plant nutrients and to ensure that heavy metal content does not exceed state standards. It inspects fertilizer manufacturing, distribution, and storage facilities for compliance with requirements and inspects irrigation systems used for fertigation to ensure required safeguards are in place to prevent ground water and surface water contamination. The program is funded entirely by fees paid by the fertilizer industry.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	6.9	6.9	6.9
126 Agricultural Local Account			
126-6 Non-Appropriated	\$716,024	\$790,060	\$1,506,084

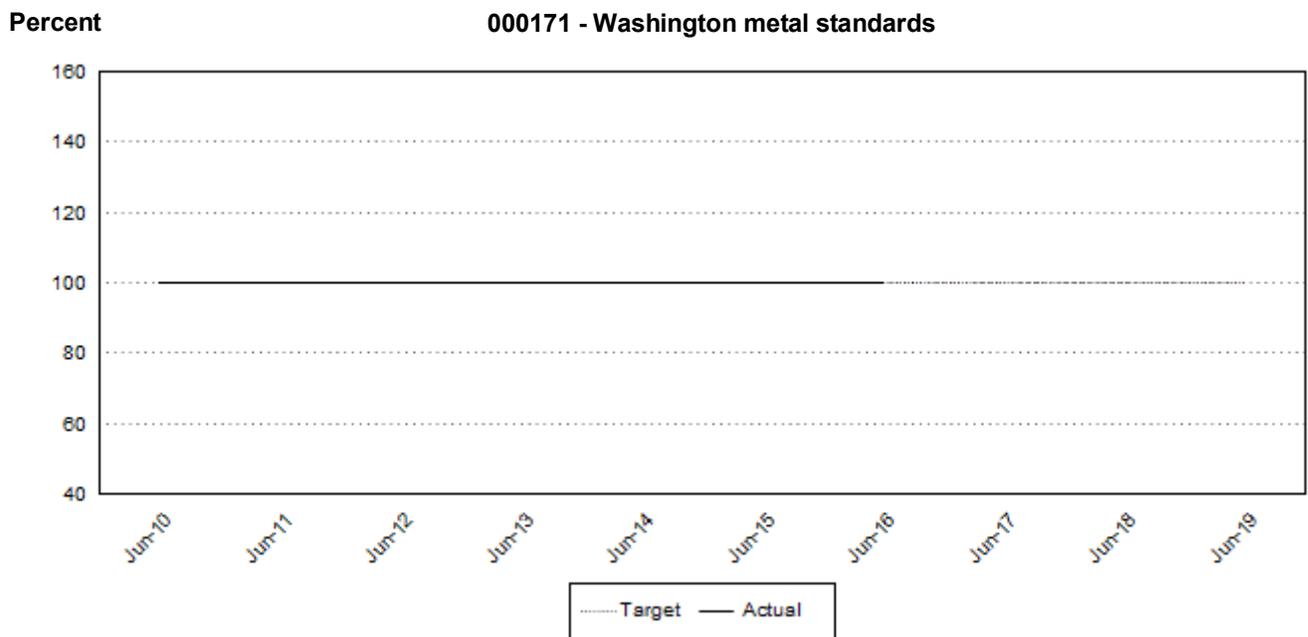
Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide consumer protection

Expected Results

Registered fertilizer products meet the Washington metals standards, and if they don't, action is taken against them.

000171 Percent of registered fertilizers sampled that meet Washington metal standards.			
Biennium	Period	Actual	Target
2017-19	A3		100%
	A2		100%
2015-17	A3		100%
	A2	100%	100%
2013-15	A3	100%	100%
	A2	100%	100%
Performance Measure Status: Approved			



A010 Food Safety

The Food Safety program protects the public from injury and illness caused by food products that are contaminated, adulterated, or otherwise unfit for consumption. This is accomplished through surveillance, regulation, and inspection of the dairy, egg, and food processing and food storage industries. Inspectors examine facilities for such things as product adulteration, cleanliness, proper handling and storage, and sanitary preparation techniques. The program investigates consumer complaints and responds as needed to food related emergencies. It is funded by a mix of state and federal funds, and fees paid by the dairy, egg and food processing and storage industries.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	19.1	19.1	19.1
001-1 State	35.8	36.1	36.0
001-2 Federal	10.0	10.0	10.0
FTE Total	64.9	65.2	65.1
126 Agricultural Local Account			
126-6 Non-Appropriated	\$2,806,031	\$2,773,939	\$5,579,970
001 General Fund			
001-1 State	\$1,986,439	\$1,992,936	\$3,979,375
001-2 Federal	\$2,154,192	\$2,153,599	\$4,307,791
001 Account Total	\$4,140,631	\$4,146,535	\$8,287,166

Statewide Result Area: Healthy and Safe Communities

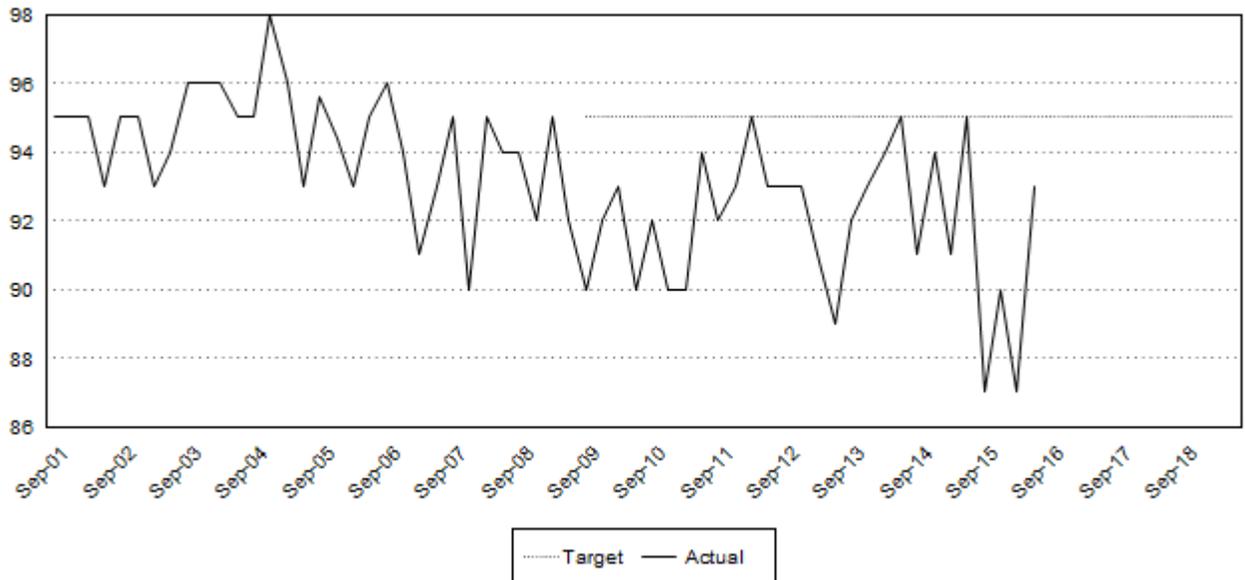
Statewide Strategy: Mitigate environmental hazards

Expected Results

Licensed dairy farms, milk processors, egg handlers, and food processing firms are in compliance with public health and sanitation standards.

000749 Percent of licensed dairy farms, milk processors, egg handlers and food processing firms in compliance with public health and sanitation standards.			
Biennium	Period	Actual	Target
2017-19	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4		95%
	Q3		95%
	Q2		95%
	Q1		95%
2015-17	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4	93%	95%
	Q3	87%	95%
	Q2	90%	95%
	Q1	87%	95%
2013-15	Q8	95%	95%
	Q7	91%	95%
	Q6	94%	95%
	Q5	91%	95%
	Q4	95%	95%
	Q3	94%	95%
	Q2	93%	95%
	Q1	92%	95%
Performance Measure Status: Approved			

Percent 000749 - Percentage of food processing firms with compliance score of 90 or more



A011 Fruit and Vegetable Inspection

The Fruit and Vegetable Inspection program provides inspection services to the fresh produce and processing industry to ensure orderly marketing of fruits and vegetables. Commodities are inspected for quality, size, labeling, condition, and contract specifications, and may be certified as free from disease and insects as required by domestic and international markets. These services are provided through district offices in Yakima and Wenatchee and seven field offices. This is a self supporting, fee for service program.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

Account	FY	FY	Biennial Total
FTE			
516-6 Non-Appropriated	220.0	220.0	220.0
516 Fruit and Vegetable Inspection Account			
516-6 Non-Appropriated	\$18,132,000	\$17,916,000	\$36,048,000

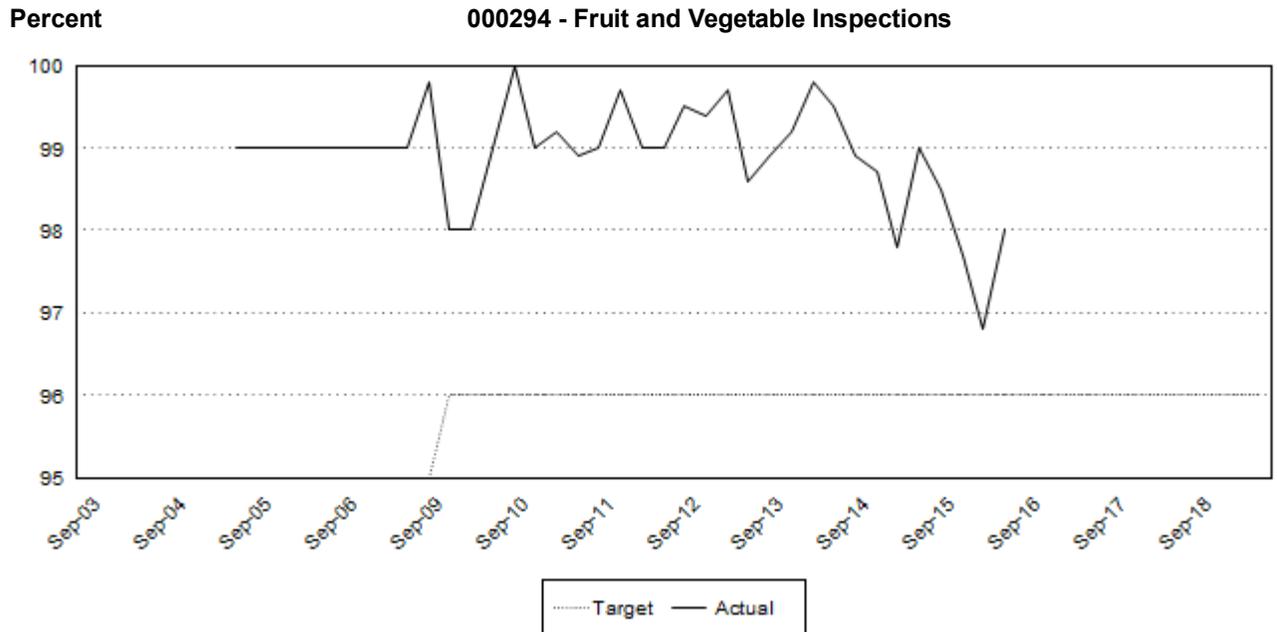
Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Challenged inspection results are upheld by the U.S.D.A.

000294 Percent of challenged F&V inspection results upheld by USDA.			
Biennium	Period	Actual	Target
2017-19	Q8		96%
	Q7		96%
	Q6		96%
	Q5		96%
	Q4		96%
	Q3		96%
	Q2		96%
	Q1		96%
2015-17	Q8		96%
	Q7		96%
	Q6		96%
	Q5		96%
	Q4	98%	96%
	Q3	96.8%	96%
	Q2	97.7%	96%
	Q1	98.5%	96%
2013-15	Q8	99%	96%
	Q7	97.8%	96%
	Q6	98.7%	96%
	Q5	98.9%	96%
	Q4	99.5%	96%
	Q3	99.8%	96%
	Q2	99.2%	96%
	Q1	98.9%	96%
Performance Measure Status: Approved			



A012 Grain Inspection

The Grain Inspection program provides inspection and analytical and weighing services to ensure orderly commerce for grain, dry peas, dry beans, lentils, rapeseed, and similar commodities sold in or from Washington. These services are offered at the ports of Seattle, Tacoma, Grays Harbor, Longview, Kalama, and Vancouver and at offices in Spokane, Colfax, and Pasco, with a quality assurance laboratory in Olympia. This is a self-supporting fee for service program which provides service 24 hours a day, seven days a week, upon request.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

Account	FY	FY	Biennial Total
FTE			
128-6 Non-Appropriated	150.0	150.0	150.0
128 Grain Inspection Revolving Account			
128-6 Non-Appropriated	\$11,138,000	\$10,966,000	\$22,104,000

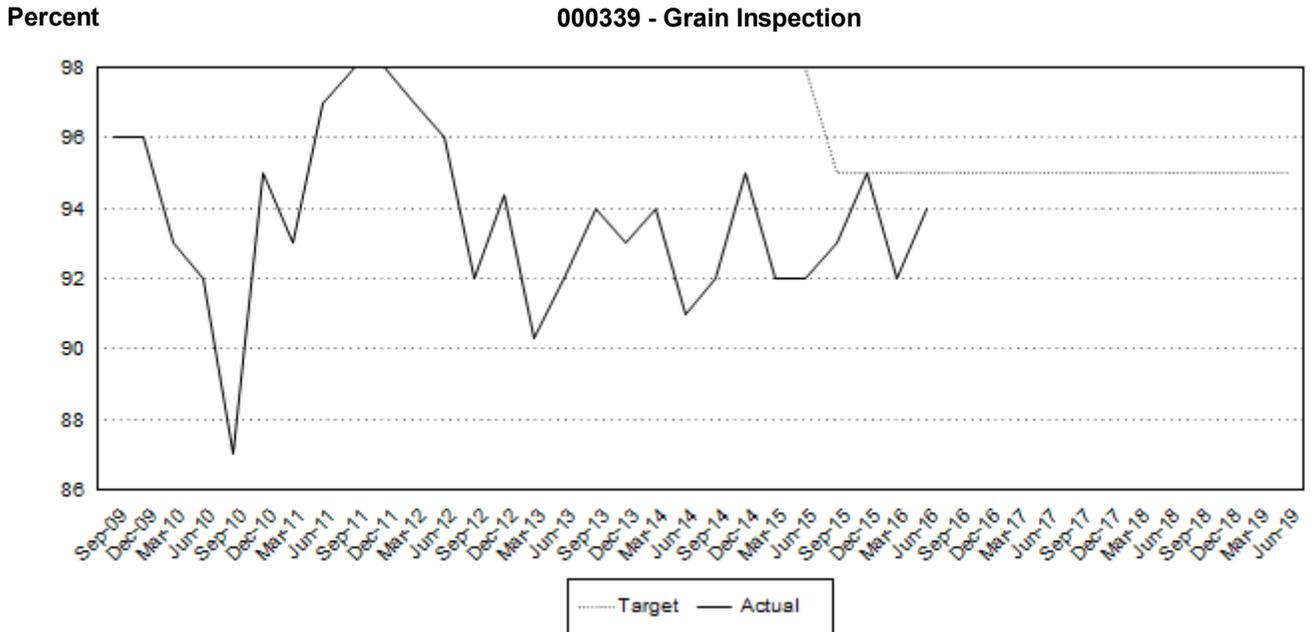
Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Review inspections validate original grain inspection results.

000339 Percent of review inspections that validate original results.			
Biennium	Period	Actual	Target
2017-19	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4		95%
	Q3		95%
	Q2		95%
	Q1		95%
2015-17	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4	94%	95%
	Q3	92%	95%
	Q2	95%	95%
	Q1	93%	95%
2013-15	Q8	92%	98%
	Q7	92%	98%
	Q6	95%	98%
	Q5	92%	98%
	Q4	91%	98%
	Q3	94%	98%
	Q2	93%	98%
	Q1	94%	98%
Performance Measure Status: Approved			



A013 Grain Warehouse Audit

The Grain Warehouse Audit program protects grain producers from undue losses by licensing and bonding grain storage warehouses and grain dealers. The program audits each licensee to assure producers and depositors that licensees are meeting storage requirements and other contractual obligations. The program is funded by license fees.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	3.3	3.3	3.3
126 Agricultural Local Account			
126-6 Non-Appropriated	\$347,403	\$355,346	\$702,749

Statewide Result Area: Prosperous Economy
Statewide Strategy: Provide consumer protection

Expected Results

Audits demonstrate that company records accurately represent the physical inventory of commodities. Licensees maintain the appropriate level of bonding.

A014 Hop Inspection

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

The Hop Inspection program performs physical grading and chemical analysis of the Washington hop crop (75 percent of the nation's supply) to ensure orderly international and domestic marketing. This is a self-supporting program that is funded by fees paid by hop producers and dealers for requested services.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	6.8	6.8	6.8
126 Agricultural Local Account			
126-6 Non-Appropriated	\$520,404	\$510,997	\$1,031,401

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Hop analytical and grading analyses are provided within three working days of request; following pre-established criteria.

A015 International Marketing

The International Marketing program assists food and agricultural companies in selling their products internationally. It contracts with trade representatives in the major markets of Japan, China, Korea, and Southeast Asia to assist Washington businesses with export transactions and market development. It offers one-on-one assistance to export-ready businesses; organizes and leads companies on trade missions and to major trade shows; and develops and distributes information to buyers on the state's agricultural suppliers. The program works closely with commodity commissions and the Governor's Office to fight trade barriers that prevent or limit overseas market access for Washington's agricultural and food products.

Account	FY	FY	Biennial Total
FTE			
001-1 State	5.5	5.5	5.5
001 General Fund			
001-1 State	\$1,042,372	\$1,028,516	\$2,070,888
001-7 Private/Local	\$50,000	\$50,000	\$100,000
001 Account Total	\$1,092,372	\$1,078,516	\$2,170,888

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

Assist Washington State export ready companies to generate export sales of agricultural and food products; which results in economic activity and revenue for the state.

A016 Livestock Brand Inspection

The Livestock Brand Inspection program maintains the official recordings of about 5,600 livestock brands. As a theft prevention measure, cattle and horses are inspected for brands or other proof of ownership at public livestock markets, slaughter plants, and prior to moving out of state. Cattle are also inspected at certified feed lots and at change of ownership. The program licenses and bonds public livestock markets to ensure proper payment for cattle, and also licenses and audits certified feed lots to verify inspection certificates for slaughtered cattle. This program is funded through fees paid by the livestock industry.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	22.0	22.0	22.0
126 Agricultural Local Account			
126-6 Non-Appropriated	\$1,487,334	\$1,402,655	\$2,889,989

Statewide Result Area: Prosperous Economy
Statewide Strategy: Provide consumer protection

Expected Results

Ownership of cattle and horses is verified when required.

A017 Dairy Nutrient Management Program

The Dairy Nutrient Management program inspects the state's dairy farms, provides technical assistance, and takes action to ensure the dairies comply with state and federal water quality laws. It coordinates with the Department of Ecology on the regulation of those dairies and other concentrated animal feeding operations (CAFOs) that hold a National Pollutant Discharge Elimination System (NPDES) permit.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

Account	FY	FY	Biennial Total
FTE			
001-1 State	4.5	5.0	4.8
176-1 State	0.3	0.3	0.3
FTE Total	4.8	5.3	5.1
001 General Fund			
001-1 State	\$612,084	\$607,719	\$1,219,803
823 Livestock Nutrient Management Account			
823-6 Non-Appropriated	\$18,000	\$18,000	\$36,000
176 Water Quality Permit Account			
176-1 State	\$33,600	\$34,000	\$67,600

Statewide Result Area: Sustainable Energy and a Clean Environment

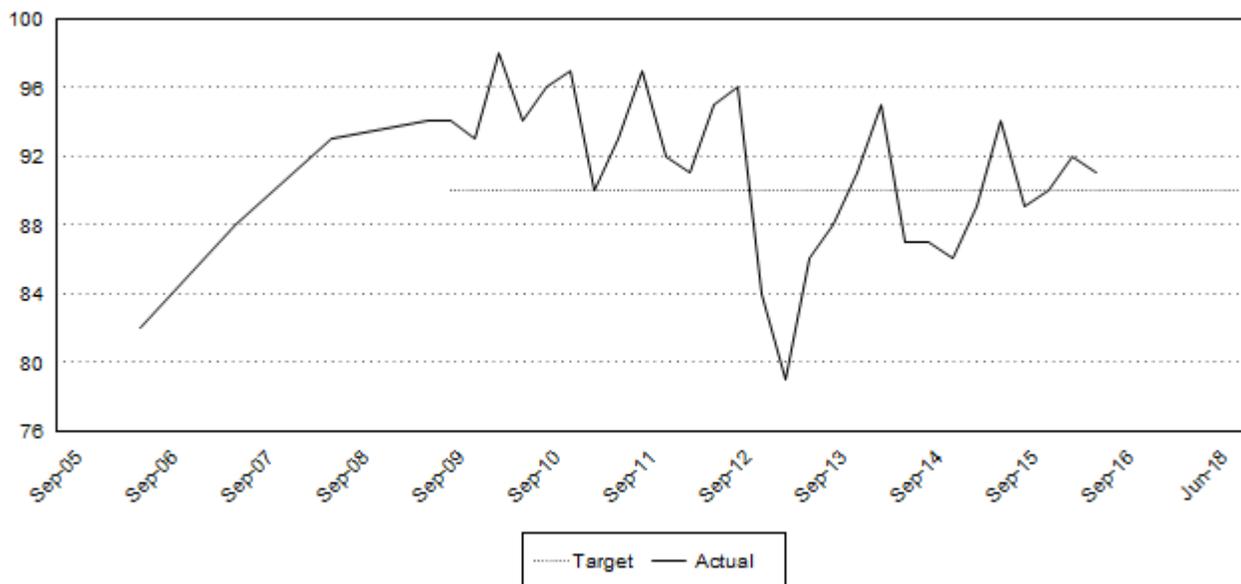
Statewide Strategy: Establish safeguards and standards to prevent and manage pollution

Expected Results

Licensed dairy farms and permitted concentrated animal feeding operations (CAFOs) are in compliance with their nutrient management plan.

000907 Percent of licensed dairy farms and permitted concentrated animal feeding operations (CAFOs) that are in compliance with their nutrient management plan.			
Biennium	Period	Actual	Target
2017-19	A3		90%
	A2		90%
2015-17	A3		90%
	A3		90%
	A2	92%	90%
	A2	91%	90%
	A2		90%
	A2		90%
	A1	89%	90%
	A1	90%	90%
2013-15	A3	89%	90%
	A3	94%	90%
	A2	95%	90%
	A2	87%	90%
	A2	87%	90%
	A2	86%	90%
	A1	88%	90%
	A1	91%	90%
Performance Measure Status: Under Review			

Percent 000907 - Nutrient Mgt Plan Implementation



A018 Food Safety and Consumer Services Laboratory

The Food Safety and Consumer Services Laboratory, located in Olympia, supports the department’s Food Safety Program and Animal Feed Program by testing food, retail raw milk, and feed for food-borne pathogens and prohibited materials. As a U.S. FDA Certified State Central Dairy Reference Laboratory, it also tests dairy products for quality standards and to meet requirements for the interstate shipment of milk required by RCW 15.36. Staff inspect and certify private dairy laboratories throughout Washington State which perform officially sanctioned dairy microbiology. The laboratory participates in federally funded programs to monitor pathogenic organisms in the nations’ food supply, prohibited materials in the feed supply, maintain laboratory accreditation, respond to food-related emergencies and other cooperative efforts.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	1.1	1.1	1.1
001-1 State	9.7	10.9	10.3
001-2 Federal	5.0	5.0	5.0
FTE Total	15.8	17.0	16.4
126 Agricultural Local Account			
126-6 Non-Appropriated	\$150,965	\$142,724	\$293,689
001 General Fund			
001-1 State	\$1,188,965	\$1,158,920	\$2,347,885
001-2 Federal	\$926,148	\$922,540	\$1,848,688
001 Account Total	\$2,115,113	\$2,081,460	\$4,196,573

Statewide Result Area: Healthy and Safe Communities

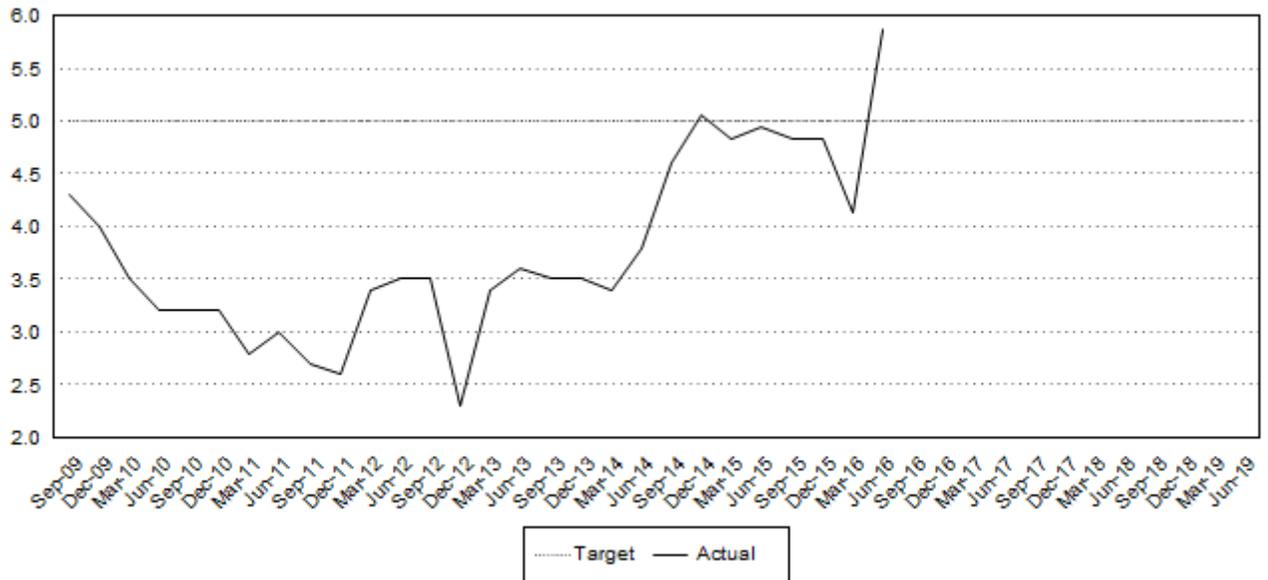
Statewide Strategy: Identify and mitigate health risk factors

Expected Results

Food, feed, dairy product and other consumable products analyses are completed within required timelines and meet analytical standards providing the basis for regulatory actions and protecting public health.

000433 Average number of business days to complete initial pathogen testing of ready-to-eat food samples			
Biennium	Period	Actual	Target
2017-19	Q8		5
	Q7		5
	Q6		5
	Q5		5
	Q4		5
	Q3		5
	Q2		5
	Q1		5
2015-17	Q8		5
	Q7		5
	Q6		5
	Q5		5
	Q4	5.87	5
	Q3	4.14	5
	Q2	4.83	5
	Q1	4.83	5
2013-15	Q8	4.95	5
	Q7	4.83	5
	Q6	5.06	5
	Q5	4.6	5
	Q4	3.8	5
	Q3	3.4	5
	Q2	3.5	5
	Q1	3.5	5
Performance Measure Status: Approved			

Number 000433 - Food Safety and Consumer Services Lab Testing



A019 Nursery Inspection

The Nursery Inspection program inspects nurseries to ensure that consumers and the nursery industry are provided healthy, pest-free, and disease-free plant materials. The program licenses nursery dealers and Christmas tree growers, enforces agricultural quarantines to prevent pest introduction and, on request, provides inspection services to certify that Washington nursery stock and plant materials are free from disease and insects, as required by domestic and international markets. The program is funded by license fees paid by nursery dealers and Christmas tree growers and fees paid for requested inspections.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	14.5	14.5	14.5
126 Agricultural Local Account			
126-6 Non-Appropriated	\$1,571,579	\$1,598,049	\$3,169,628

Statewide Result Area: Prosperous Economy
Statewide Strategy: Provide consumer protection

Expected Results

Production nursery facilities are inspected during the growing season once every two years.

A020 Organic Food Certification

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

The Organic Food program protects consumers and supports the organic food industry by ensuring that all food products making organic claims meet standards for organic production and labeling. It inspects, certifies, and provides technical assistance to more than 1,100 organic producers, processors, and handlers. It evaluates and registers materials that can be used in organic food production, processing, and handling. The program is funded by fees paid by the organic industry.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	30.9	30.9	30.9
126 Agricultural Local Account			
126-6 Non-Appropriated	\$2,769,123	\$2,624,918	\$5,394,041

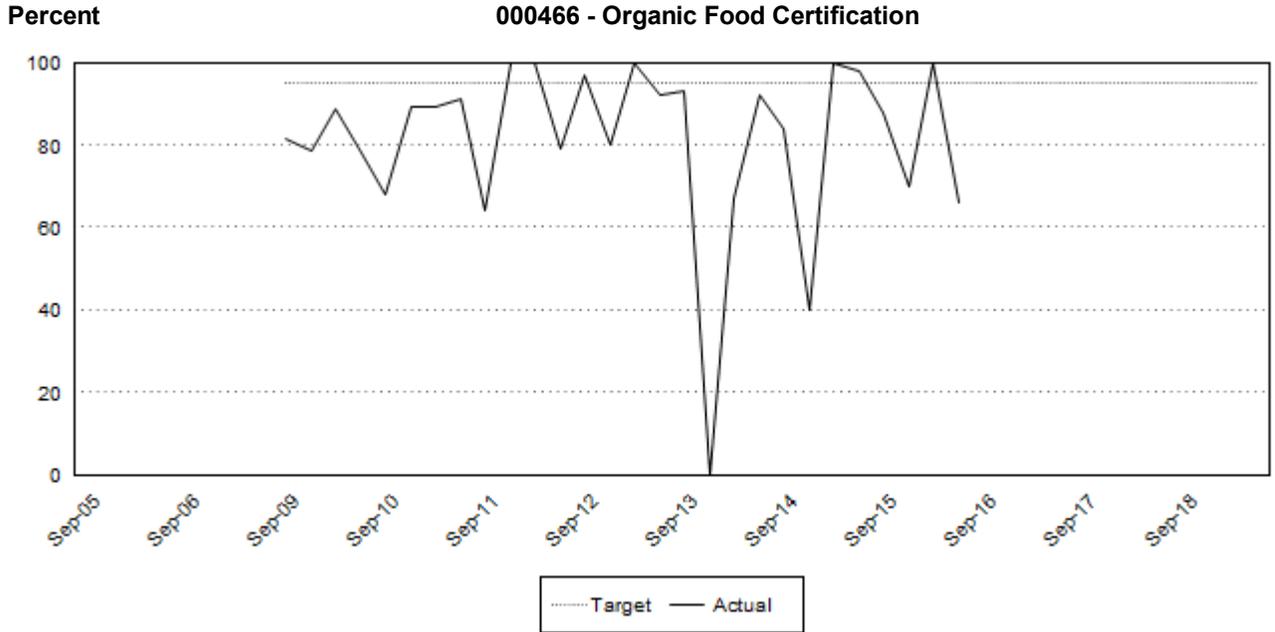
Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide consumer protection

Expected Results

Organic producers, processors, and handlers receive a certification decision within 45 days of a new applicant inspection.

000466 Percent of producers, processors, and handlers certified to market organic products within 45 days of inspection.			
Biennium	Period	Actual	Target
2017-19	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4		95%
	Q3		95%
	Q2		95%
	Q1		95%
2015-17	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4	66%	95%
	Q3	100%	95%
	Q2	70%	95%
	Q1	88%	95%
2013-15	Q8	98%	95%
	Q7	100%	95%
	Q6	40%	95%
	Q5	84%	95%
	Q4	92%	95%
	Q3	67%	95%
	Q2	0%	95%
	Q1	93%	95%
Performance Measure Status: Approved			



A021 Pesticide Regulation

The Pesticide Program regulates the sale and use of pesticides in Washington. It investigates complaints of pesticide misuse, conducts field inspections of pesticide manufacturers and applicators, and provides technical assistance to pesticide users. It reviews and registers all pesticide products for use in the state. It licenses and administers a continuing education program for more than 22,000 pesticide applicators, dealers and consultants, and structural pest inspectors, and oversees a program to train Spanish-speaking farm workers in the safe and legal use of pesticides. It administers the waste pesticide program which disposes of prohibited or unusable pesticides from farms. It also protects resources such as ground water from pesticide or fertilizer contamination and conducts selected surface water monitoring as part of a program to evaluate and mitigate the impact of pesticides on threatened or endangered species.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	35.8	35.8	35.8
001-1 State	2.0	2.0	2.0
001-2 Federal	3.8	3.8	3.8
173-1 State	9.5	9.5	9.5
FTE Total	51.1	51.1	51.1
126 Agricultural Local Account			
126-6 Non-Appropriated	\$3,639,212	\$3,712,606	\$7,351,818
001 General Fund			
001-1 State	\$275,000	\$275,000	\$550,000
001-2 Federal	\$605,524	\$599,412	\$1,204,936
001 Account Total	\$880,524	\$874,412	\$1,754,936
173 State Toxics Control Account			
173-1 State	\$2,119,643	\$2,134,191	\$4,253,834

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Mitigate environmental hazards

Expected Results

Pesticide case investigations, including appropriate enforcement actions, are completed within 160 days. Pesticide human exposure complaints are responded to by making contact with the complainant within one working day; response to all other complaints occurs within two working days.

000763 Percent of pesticide case investigations, including appropriate enforcement actions, completed within 160 days.			
Biennium	Period	Actual	Target
2017-19	Q8		100%
	Q7		100%
	Q6		100%
	Q5		100%
	Q4		100%
	Q3		100%
	Q2		100%
	Q1		100%
2015-17	Q8		100%
	Q7		100%
	Q6		100%
	Q5		100%
	Q4	81%	100%
	Q3	88%	100%
	Q2	75%	100%
	Q1	80%	100%
2013-15	Q8	86%	100%
	Q7	86%	100%
	Q6	83%	100%
	Q5	79%	100%
	Q4	75%	100%
	Q3	89%	100%
	Q2	86%	100%
	Q1	98%	100%
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

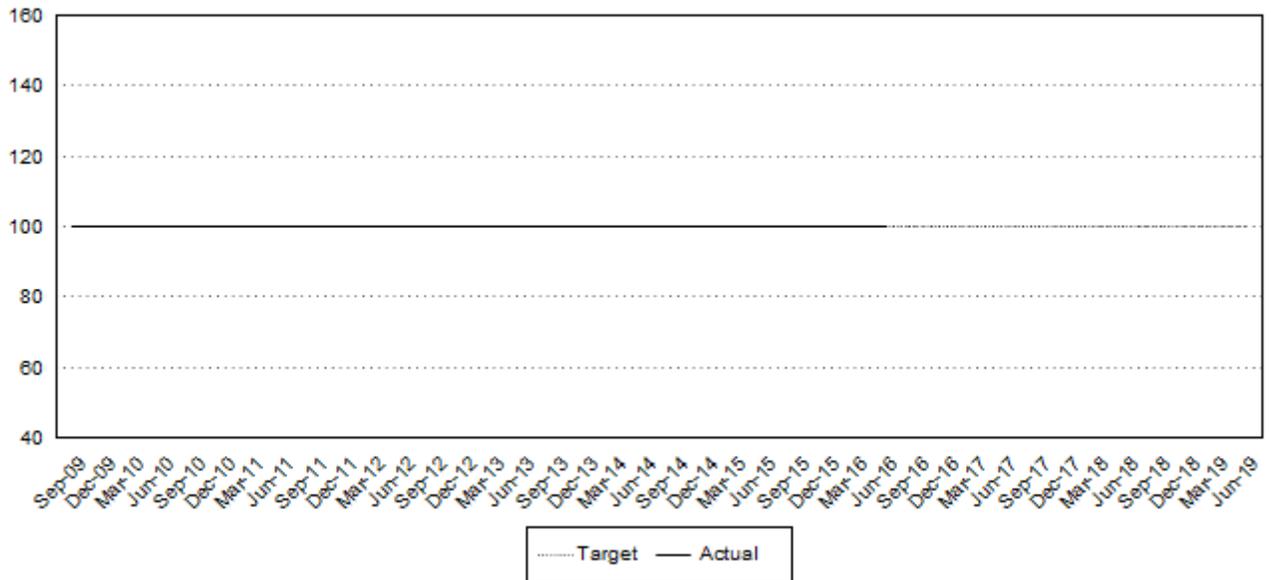
Percent

000763 - Percent of pesticide case investigations completed within 160 days

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

000504 Percent of pesticide human exposure complaints responded to within one working day.			
Biennium	Period	Actual	Target
2017-19	Q8		100%
	Q7		100%
	Q6		100%
	Q5		100%
	Q4		100%
	Q3		100%
	Q2		100%
	Q1		100%
2015-17	Q8		100%
	Q7		100%
	Q6		100%
	Q5		100%
	Q4	100%	100%
	Q3	100%	100%
	Q2	100%	100%
	Q1	100%	100%
2013-15	Q8	100%	100%
	Q7	100%	100%
	Q6	100%	100%
	Q5	100%	100%
	Q4	100%	100%
	Q3	100%	100%
	Q2	100%	100%
	Q1	100%	100%
Performance Measure Status: Approved			

Percent 000504 - Pesticide human exposure complaints



A022 Plant Protection

The Plant Protection program protects the state's resources by preventing the establishment of high-risk insects, plant diseases, weeds, and other pests. Staff conduct surveys and inspections, disseminate information and research, enforce agricultural quarantines, provide laboratory diagnostic services, and carry out projects to eradicate pests. The program coordinates statewide efforts to eradicate spartina, and to control invasive knotweeds and other selected weeds. It works with the State Noxious Weed Control Board and local weed boards and districts.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	11.2	11.2	11.2
02R-1 State	7.7	7.7	7.7
001-1 State	20.0	17.2	18.6
001-2 Federal	45.9	44.8	45.4
FTE Total	84.8	80.9	82.9
126 Agricultural Local Account			
126-6 Non-Appropriated	\$991,711	\$986,718	\$1,978,429
02R Aquatic Lands Enhancement Account			
02R-1 State	\$1,374,407	\$1,384,800	\$2,759,207
001 General Fund			
001-1 State	\$2,324,773	\$2,253,145	\$4,577,918
001-2 Federal	\$2,241,484	\$2,149,576	\$4,391,060
001 Account Total	\$4,566,257	\$4,402,721	\$8,968,978

Statewide Result Area: Sustainable Energy and a Clean Environment

Statewide Strategy: Establish safeguards and standards to prevent and manage pollution

Expected Results

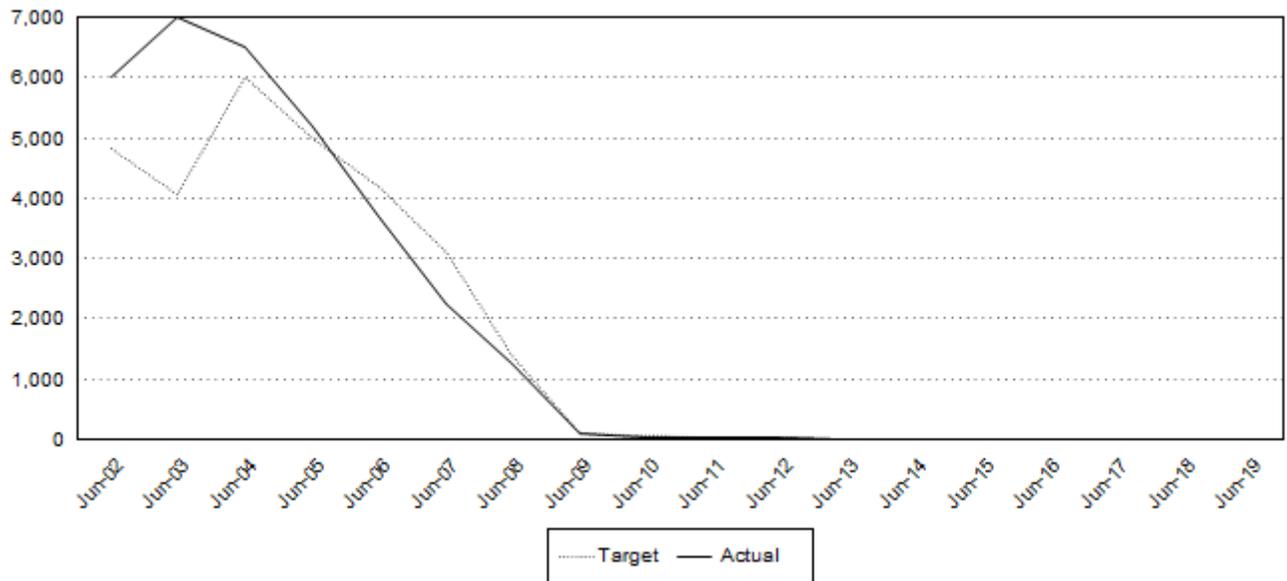
Prevent the establishment of high risk insects, plant diseases, and other plant pests in Washington.

000805 Number of solid acres of Spartina in Washington State.			
Biennium	Period	Actual	Target
2017-19	A3		7
	A2		7
2015-17	A3		7
	A2	12	7
2013-15	A3	8	7
	A2	7	7

Performance Measure Status: Approved

Number

000805 - Number of solid acres of Spartina in Washington State



A023 Planting Stock Certification

The Planting Stock Certification program provides testing and inspection services to ensure disease-free planting stock for various agricultural industries. Voluntary certification programs are currently provided for fruit trees and related ornamentals, seed potatoes, hops, grapes, mint, garlic, caneberrries, and strawberries. This is a self-supporting, fee-for-service program.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	6.6	6.6	6.6
126 Agricultural Local Account			
126-6 Non-Appropriated	\$1,042,547	\$888,874	\$1,931,421

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

The percentage of virus-infected registered stone fruit trees (i.e. peaches, apricots, and cherries) is reduced.

A025 Seed Inspection/Certification

The Seed Inspection program conducts pre-harvest field inspections and laboratory testing of agricultural, vegetable, and flower seeds grown under the seed certification program. It tests seed samples submitted by seed growers and companies to determine compliance with purity and germination standards and to certify seed for domestic and international marketing. It operates the only official seed testing laboratory in the state. This is a self-supporting, fee for service program.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	29.8	29.8	29.8
126 Agricultural Local Account			
126-6 Non-Appropriated	\$2,423,207	\$2,450,273	\$4,873,480
001 General Fund			
001-1 State	\$0	\$(100)	\$(100)

Statewide Result Area: Prosperous Economy

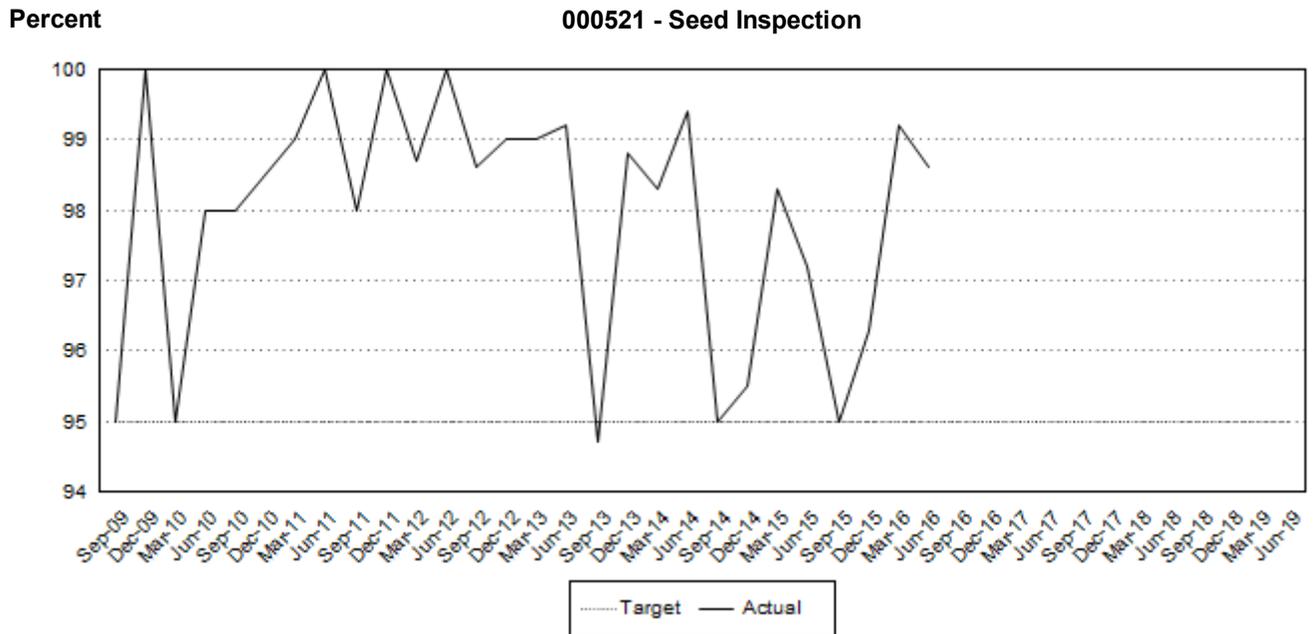
Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Rush purity seed testing samples are completed within three working days; following pre-established criteria.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

000521 Percent of rush purity seed testing samples completed within three working days.			
Biennium	Period	Actual	Target
2017-19	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4		95%
	Q3		95%
	Q2		95%
	Q1		95%
2015-17	Q8		95%
	Q7		95%
	Q6		95%
	Q5		95%
	Q4	98.6%	95%
	Q3	99.2%	95%
	Q2	96.3%	95%
	Q1	95%	95%
2013-15	Q8	97.2%	95%
	Q7	98.3%	95%
	Q6	95.5%	95%
	Q5	95%	95%
	Q4	99.4%	95%
	Q3	98.3%	95%
	Q2	98.8%	95%
	Q1	94.7%	95%
Performance Measure Status: Approved			



A026 Small Farm and Direct Marketing Assistance

This activity assists small farms in their direct marketing efforts by providing tools and assistance to help small farms comply with government regulations and facilitating increased procurement of Washington-grown food by schools.

Account	FY	FY	Biennial Total
FTE			
001-1 State	2.2	2.2	2.2
001 General Fund			
001-1 State	\$380,160	\$381,254	\$761,414

Statewide Result Area: Prosperous Economy
Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Small farms receive assistance on complying with regulations that apply to direct marketing.

A027 Weights and Measures Inspection

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

The Weights and Measures program regulates the use and accuracy of all commercial weighing, measuring, and counting devices, including gas pumps, grocery store scale systems, price scanners, vehicle tank meters, and liquid petroleum gas measuring devices. Staff inspect and test devices for accuracy and suitability for service. The program regulates motor fuel quality, including biofuels quality, by analyzing fuel samples for octane, oxygenate, and other product quality factors. The program also operates the state metrology laboratory and provides calibration services to businesses, laboratories, and government entities.

Account	FY	FY	Biennial Total
FTE			
126-6 Non-Appropriated	16.6	16.6	16.6
108-1 State	4.3	4.3	4.3
FTE Total	20.9	20.9	20.9
126 Agricultural Local Account			
126-6 Non-Appropriated	\$1,585,321	\$1,560,523	\$3,145,844
108 Motor Vehicle Account			
108-1 State	\$580,833	\$562,800	\$1,143,633

Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide consumer protection

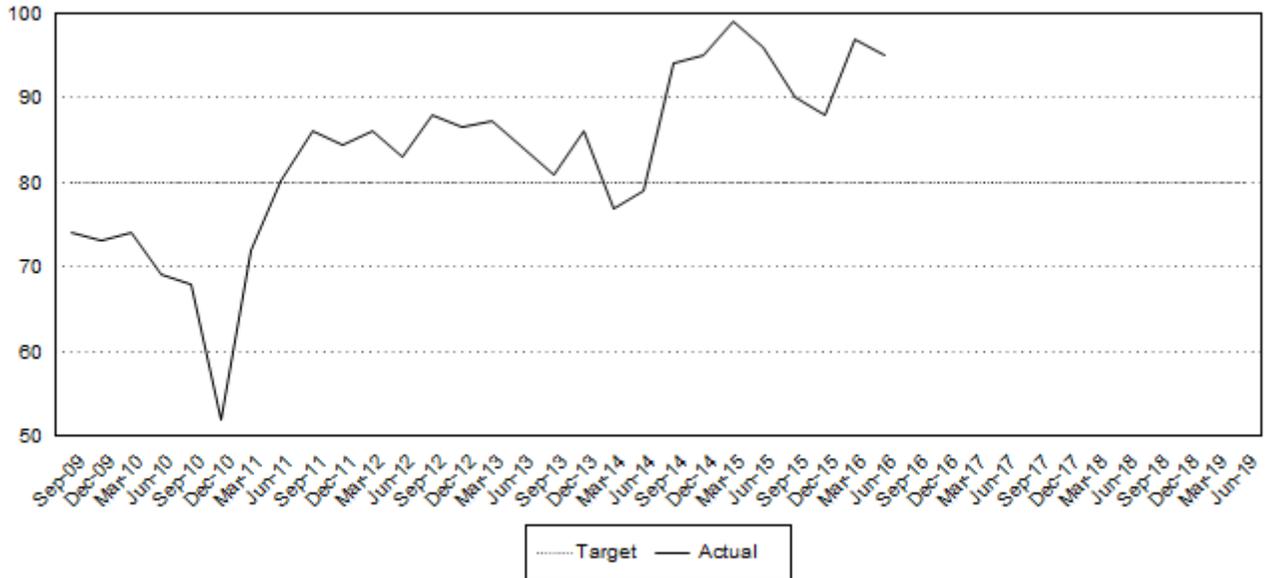
Expected Results

Weighing and measuring devices are properly maintained and produce accurate measurements for commercial transactions. Motor fuels sold in Washington meet technical standards.

Appropriation Period: 2017-19 Activity Version: OB - 2017-19 Budget Submittal

000532 Percent of weighing and measuring devices inspected in the last 36 months.			
Biennium	Period	Actual	Target
2017-19	Q8		80%
	Q7		80%
	Q6		80%
	Q5		80%
	Q4		80%
	Q3		80%
	Q2		80%
	Q1		80%
2015-17	Q8		80%
	Q7		80%
	Q6		80%
	Q5		80%
	Q4	95%	80%
	Q3	97%	80%
	Q2	88%	80%
	Q1	90%	80%
2013-15	Q8	96%	80%
	Q7	99%	80%
	Q6	95%	80%
	Q5	94%	80%
	Q4	79%	80%
	Q3	77%	80%
	Q2	86%	80%
	Q1	81%	80%
Performance Measure Status: Approved			

Percent **000532 - Weighing and measuring devices**



A028 Food Assistance and Distribution

The Food Assistance and Distribution program distributes state and federal funds and food provided by the U.S. Department of Agriculture to 32 tribes and through local community organizations that work with more than 450 food banks, food pantries and meal programs to combat hunger and improve the health of low income individuals and families. Staff develop and issue contracts and funding; provide food ordering, warehousing and shipping logistics services; participate in emergency management, including food recalls; offer technical assistance and nutrition education information; and monitor compliance with state and federal requirements.

Account	FY	FY	Biennial Total
FTE			
001-1 State	4.6	5.2	4.9
001-2 Federal	1.5	1.5	1.5
001 General Fund			
001-1 State	\$6,103,289	\$6,106,583	\$12,209,872
001-2 Federal	\$2,221,648	\$2,222,952	\$4,444,600
001 Account Total	\$8,324,937	\$8,329,535	\$16,654,472

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Provide cash, food, and shelter assistance

Expected Results

Tribes and local organizations that participate in the statewide emergency food system will increase their capacity to provide nutritious food and operate efficiently.

Grand Total

	FY 2018	FY 2019	Biennial Total
FTE's	879.6	881.2	880.4
GFS	\$17,847,000	\$17,910,000	\$35,757,000
Other	\$80,100,000	\$79,238,000	\$159,338,000
Total	\$97,947,000	\$97,148,000	\$195,095,000

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Washington State Department of Agriculture Administrative Cost Allocation Information

Cost Allocation Principles

1. All costs are directly charged to agency programs/activities where it is practical and feasible to do so, unless doing so would create disincentives or barriers to achieving key policy objectives.
2. All agency programs (activities) that are recipients of internal services or users of administrative resources contribute to agency administrative costs. Administrative costs are allocated using a basis that is a reasonable surrogate for the cost drivers and efficient to implement.
3. The administrative cost allocation approach is fair and equitable, and easy to calculate, implement, and understand.

Indirect Cost Allocation

The portion of administrative costs, defined as *indirect costs* by OFM, are treated as direct costs by the department and are charged directly to agency activities using a reasonable surrogate for the cost drivers. For example, rent is charged based on square footage occupied, postage on actual usage, AFRS charges on FTEs, Attorney General on actual usage, and self-insurance premium on FTEs. As such, indirect costs are directly charged to each activity and therefore, included in each activity's budget.

Overhead Cost Allocation

The budget amounts for the Agency Administration activity are the overhead component of agency administrative costs as defined by OFM.

Overhead Costs - Overhead costs are those costs that support the entire agency, are not directly attributable to specific activities, and are not affected by typical fluctuations in program activity. The department's overhead costs are captured in the Agency Operations division and include costs associated with the Director's Office, Human Resources, Financial Services, Information Technology Services, Communications, Administrative Regulations, and Risk Management.

Allocation Basis - WSDA uses the actual salary and benefit base of the prior biennium to assess agency overhead costs. Adjustments to the base are made in cases where a new program is added to the department or where known changes in an activity are expected to occur in the ensuing biennium. For the 2015-17 Biennium, the department used 16.4% of salaries and benefits to charge each program its share of overhead costs.

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Washington State Department of Agriculture Agency Description and Mission

Description:

The Department of Agriculture carries out a broad spectrum of activities that benefit the producers, distributors, and consumers of food and agricultural products.

The department protects public health and safety through its regulation of food producers, processors, and distributors and its regulation of pesticide and fertilizer use. The department seeks to protect the state's natural resources, its agricultural industry, and the public through surveillance, control, and/or eradication of selected plant pests and diseases and animal diseases in Washington State. The department works to facilitate the orderly movement of agricultural products in domestic and international markets by providing timely and accurate official inspection and certification of grain, fruits, vegetables, nursery stock, seeds, livestock, and other agricultural commodities. The department combats hunger and improves health among low-income individuals and families by supporting nutritious food distribution, food banks, and tribal food voucher programs. The department assists with the development of agricultural markets and to guarantee marketplace equity for businesses and consumers.

RCW:

RCW 43.23

Agency Mission:

Through service, regulation, and advocacy, the Washington State Department of Agriculture supports the viability and vitality of agriculture while protecting consumers, public health, and the environment.

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Strategic Plan 2016-2021

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Message from the Director

Washington runs on agriculture. It's the lifeblood of our rural communities and a cornerstone of our state's economy. All across our state, agriculture adds thousands of jobs and billions of dollars to the economy each year—to say nothing of putting food on the table.

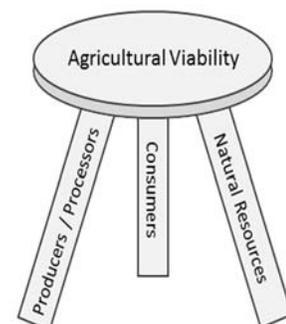
Our agricultural industry extends far beyond farms and ranches. It includes food processors and distributors, animal feed mills, livestock markets, seed suppliers and landscape nurseries. Worldwide, we have a reputation for high-quality agricultural products, and our deep ports make it easy to ship them (as well as products from other states) abroad.

Like a three-legged stool, the viability of agriculture in Washington depends on active agricultural producers and processors, consumers willing to buy their products, and healthy natural resources that support sustainable production.

Through a wide range of activities, the Washington State Department of Agriculture (WSDA) supports each leg of that stool, helping to maintain its overall strength and balance. Some of our activities are regulatory, such as licensing and inspection, but WSDA also provides key services to industry. And we reach out to industry and the public about agricultural issues.

Through this strategic plan, we've set the department's direction for the next few years. As you read it, I hope you'll gain a better understanding of the work we do and how we are working to support Washington's agricultural future.

Derek I. Sandison
Director, Washington State
Department of Agriculture



About WSDA

Our Mission – *How we serve the people of Washington*

Through service, regulation, and advocacy, the Washington State Department of Agriculture (WSDA) supports the viability and vitality of agriculture while protecting consumers, public health, and the environment.

Our Vision – *The future we work to achieve*

Agriculture thrives across Washington, contributing to the health of the state’s people, environment and economy.

What that looks like: People in Washington—on both sides of the Cascade Range—make their living from agriculture. Washington agricultural products are trusted and have customers worldwide. The state’s natural resources (soil, water) continue to be able to support production. Managed properly, agricultural lands can help maintain ecosystem health, functions and values, and meet open space needs.

WSDA is both pro-active and responsive—a model of leadership, expertise and public service.

What that looks like: The agency recognizes future issues and opportunities. We have the willingness, ability and commitment to address them, while balancing them with present needs. Day-to-day issues and work are handled smoothly, and our response to emergencies is timely and effective. WSDA values its relationship as a strong partner with industry and other entities and has a reputation for finding solutions. WSDA is a great place to work. It attracts smart, motivated employees that want to stay and contribute to the agency’s success.

Our Roles – *The nature of what we do*

As our mission indicates, WSDA fills three kinds of roles: **service, regulatory and advocacy.**

Service Roles – WSDA’s expertise and credentials are recognized as a valuable resource and are the basis for services the agency provides, many of which are requested by and paid for by industry.

Typical work: quality inspections, grading, certification, laboratory testing, publications, environmental data collection, technical resources, outreach.

Internal service functions include specialized services (e.g., laboratory testing) that support WSDA’s regulatory and advocacy roles. Administrative and operational support services allow the entire agency to function.

Typical work: recruitment, training, payroll, purchasing, budget, safety, facilities, mapping, technical support, laboratory testing.

GUIDING PRINCIPLES

ESSENTIAL TO OUR WORK and OUR SUCCESS...

- *Serve the customer and the public.*
- *Act with integrity, consistency, transparency and respect.*
- *Pursue practical, reasonable solutions.*
- *Cultivate partnerships.*
- *Use science and data to inform decisions.*
- *Fulfill statutory responsibilities.*
- *Anticipate the future.*

Regulatory Roles – WSDA’s regulatory role involves more than making and enforcing rules. Taking the position that education before and during regulation supports better compliance, WSDA offers guidelines, workshops, and technical assistance. Compliance is approached through progressive corrective action when appropriate, but egregious violations and emergencies prompt WSDA to take immediate action.

Typical work: registration, permits/licensing, inspection, investigation, monitoring/surveillance, sampling, compliance, enforcement, education, technical assistance and emergency response.

Advocacy Roles – Programs that raise the profile of the state’s agricultural products and industry, here and abroad, are a key part of WSDA’s advocacy role. WSDA also has the responsibility to raise concerns regarding issues related to its core work. Though lack of authority and resources limit what WSDA can do to address many of the larger issues impacting Washington agriculture, WSDA supports looking for solutions and can be a voice, a catalyst, a facilitator and a partner in collaborative efforts.

Typical work: policy, planning, partnership, outreach, promotion.

There can be a tension among these roles. However, they need not conflict, and can actually work to support each other. For example, WSDA’s regulatory work not only directly protects public health and environmental quality, but also supports the agricultural industry by ensuring a level playing field and by strengthening the reputation of Washington products, making them more marketable. Also, within the regulatory role, there are opportunities for customer service and advocacy.

Our Scope – *The range and focus of our work*

WSDA carries out a wide range of activities, but the department does not deal with every aspect of agriculture in our state. Rather, WSDA focuses on a few specific (but far-reaching) areas, doing some of what the agricultural industry, cooperative extension and other agencies cannot do. WSDA also performs functions needed to support the agency as a whole. See Figure 1.

The areas WSDA focuses on are connected. The first three areas listed (Fig. 1) relate to agricultural production and also overlap on public health concerns. WSDA’s work in those areas supports *marketable* agricultural products, which supports work in the fourth area, helping to facilitate the movement of those products in foreign and domestic markets. The fifth area provides the framework that allows WSDA to accomplish its work in the other four areas.

A portion of WSDA’s scope of work is defined by its specific statutory assignments and authorities (see next page) and by its general responsibilities as a state agency. This scope is underscored by funding sources dedicated to specific activities.

Figure 1

FOCUS OF WORK
<p>1. Food and Feed Safety, integrity, and availability.</p>
<p>2. Pesticides, Fertilizers, and Nutrients Safe and legal distribution, use, and disposal.</p>
<p>3. Plant and Animal Health Protection from selected plant and animal pests and diseases.</p>
<p>4. Market Support Marketplace equity and access to markets.</p>
<p>5. Internal Agency Support Organizational resources, planning, and management.</p>

WSDA's Roots

1854 First Washington Territorial Assembly passes laws related to livestock brands and weights and measures.

1889 Washington becomes a state.

1890 The Secretary of State is designated as the Sealer of Weights & Measures (first state law related to WSDA's duties today).

1891 The State Board of Horticulture is created.

1893 The Washington State Fair is organized.

1895 The offices of the state grain inspector, the state veterinarian and the state dairy commissioner are created; and the Bureau of Statistics, Agriculture and Irrigation is established.

1913 The Department of Agriculture is created, consolidating eight areas of responsibility:

- State Veterinarian,
- Dairy and Food Commissioner,
- Commissioner of Horticulture,
- State Oil Inspector,
- Bakery Inspector,
- State Fair Commission,
- Licensing and registering jacks and stallions (formerly done by Washington State College), and
- Duties related to feed and fertilizer (formerly handled by Washington Agricultural Experiment Station).

Statutory Authorities

WSDA administers or is responsible for significant activities under more than 70 different chapters of the Revised Code of Washington (RCW) in the following portions of the code:

- Title 15 - Agriculture and Marketing
- Title 16 - Animals and Livestock
- Title 20 - Commission merchants – agricultural products
- Title 22 - Warehousing and Deposits
- Title 43 - State Government - Executive
- Title 69 - Food, Drugs, Cosmetics, and Poisons
- Title 70 – Public Health and Safety
- Title 90 - Water Rights – Environment

The Department is established in RCW 43.17.010, and its general powers and duties are established by RCW 43.23.

Organizational Structure

The Director of the Department of Agriculture is a cabinet-level position appointed by and reporting to the Governor. Currently, WSDA is organized into five divisions plus the Director's Office and administrative and operational support programs.

Closely related activities are grouped together, but most divisions support more than one of the five areas WSDA focuses on—sometimes through a single action. For example, by inspecting feed mills for compliance with Bovine Spongiform Encephalopathy (BSE) regulations, the Food Safety and Consumer Services Division supports a safe food supply, protects animals and humans from animal disease, and helps create the credibility needed for product marketability. Such connections echo the way agriculture itself connects land, consumers and the agricultural community.

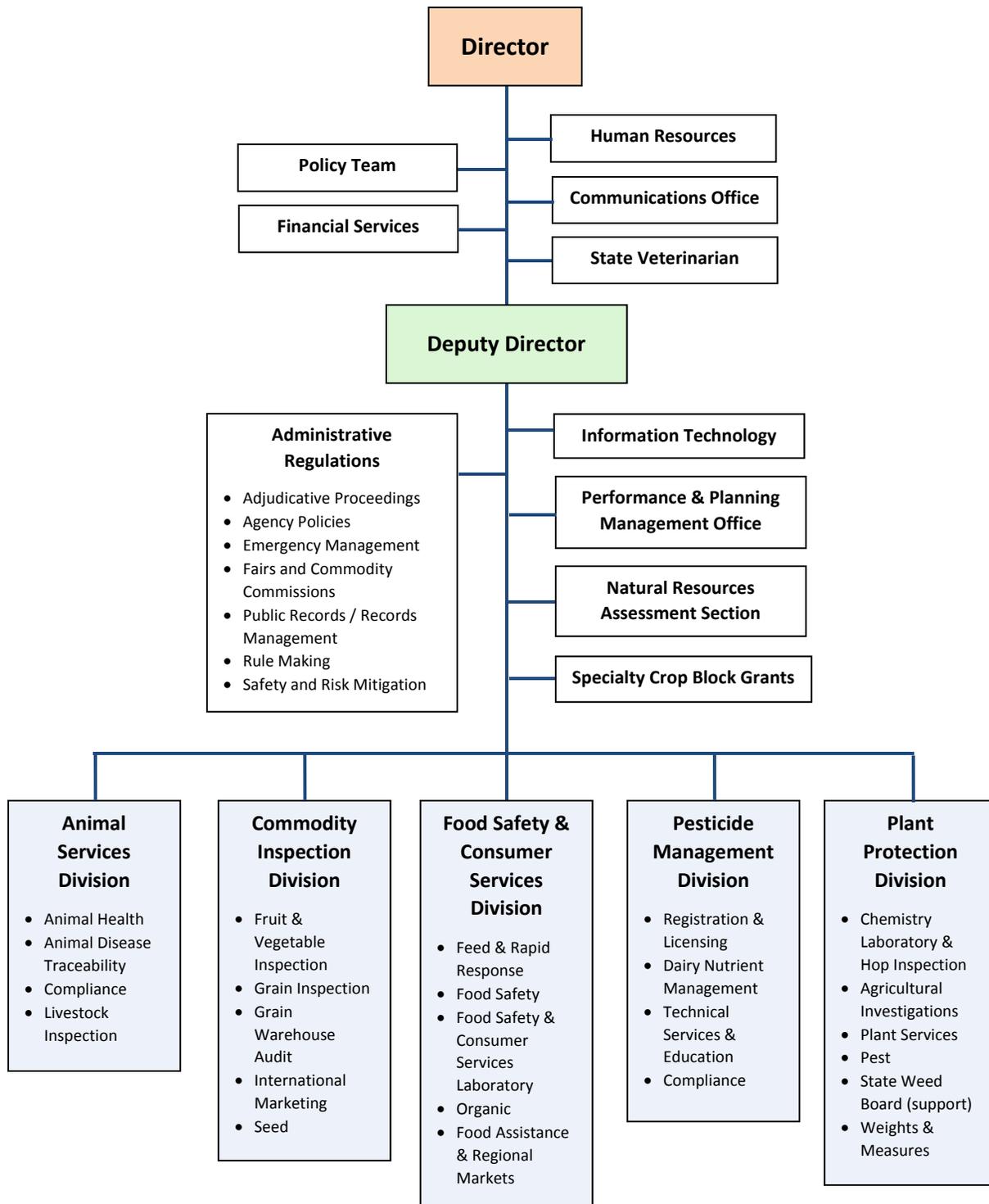
The work of one division often directly supports the work of another. For example, the Chemistry Laboratory in the Plant Protection Division not only supports the division's Hop Inspection program, it also supports investigations and monitoring for the Food Safety and Consumer Services and Pesticide Management Divisions.

WSDA is headquartered in Olympia, but department employees work in every county of the state. Their work takes them to farms, ranches, processing plants, warehouses, and ports. They inspect animals, commodities, nurseries, dairies and trucks. They process permit applications in offices and process samples in laboratories. About 75 percent of WSDA's roughly 700 regular employees work from field offices and satellite locations across the state. WSDA also employs about 200 seasonal employees, mostly for gypsy moth trapping and seasonal inspection.

Figure 2

WSDA Organizational Chart

As of 8/5/2016.



The Landscape

In the landscape of our work, WSDA faces both challenges and opportunities that are shaped in part by the factors listed below.

External Factors

Availability of Resources for Agriculture

About 7 million people live in Washington State. The Office of Financial Management estimates our population will grow to 8 million by 2027 and will be nearly 9 million by 2040. A growing population requires more food and other agricultural products, but also requires more land, water and energy, putting pressure on resources currently used for agriculture. Washington agriculture is already dealing with the impacts of recent drought, and the increasing competition for limited resources only adds to the challenge.

Changing Regulatory Landscape

Agricultural organizations as well as individual producers often express concerns over their difficulties in operating within a complex, multi-level regulatory system. Farming practices must conform to a variety of federal, state, and local rules and regulations concerning water quality, air quality, water use, habitat protection, pesticide use, public health and food safety. WSDA promotes the coordination and streamlining of regulatory processes in what is often a dynamic environment in which rules and regulations change frequently.

These changes can range from a reinterpretation of an existing agency rule to a statutory change passed by the Legislature and signed by the Governor. The fast-paced world of policy and regulation requires the agency to effectively communicate changes through outreach and education to our state's agricultural industry. Through WSDA's legislative and communications teams, and our technical experts throughout the agency, we are committed to updating and informing the agricultural industry about regulatory modifications that affect how farmers do business in Washington State.

New regulations or changes to existing regulation can be expensive and complex, and can come with little or no notice. The agency is frequently required to convey this information to industry members to help farmers understand or adjust to these changes. WSDA places a high priority on this function. Without outreach, industry can be caught flat-footed and left unable to react to new requirements. It is critical that the agency work to identify these potential changes early in the process and engage with industry to ensure their voices are heard by those making the regulatory decisions.

Some regulatory changes at state and federal levels directly affect WSDA's work and working relationships. For example, the status of cannabis is changing in Washington State and across the nation. The legalization of marijuana in Washington has already resulted in WSDA working with the state Liquor and Cannabis Board (LCB) on food safety in marijuana-infused edibles and pesticide testing. Also, the impacts of the federal Food Safety Modernization Act (FSMA) are expected to be far-reaching, not just for the agricultural industry, but for WSDA as well. For example, WSDA will be working with partners to help Washington farmers successfully comply with the new federal Produce Safety Rule, initially through education and technical assistance. Compliance is important not only for public health but also for marketability of Washington produce. Sufficient authority and resources will be needed to ensure the rule is uniformly and consistently applied.

Increased Pressure on Industry

The agricultural industry is under increased pressure and scrutiny from consumers, farm labor advocates, tribal governments, animal welfare advocates, and environmental groups—each with a different perspective on perceived harm caused by farming and ranching. As one example, the environmental community has turned its focus on water quality and proper storage of manure. The recent “What’s Upstream” campaign highlights the impact of disseminating misinformation and the enormous negative impact it has on working farmers throughout Washington. WSDA believes in working collaboratively with a wide range of interests to identify a middle ground. Solutions to these issues are complex and require a pragmatic approach. The goal should be bringing people together to identify solutions, not to throw stones or mislead the public. This type of misleading or negative campaign damages relationships and only further aggravates an already challenging situation.

Unfortunately, this type of anti-farmer campaign has become common practice. The pace of social media and electronic communication means misinformation moves fast. It's ever important that the agency continue to monitor and set the record straight when misinformation is spread about our state's agricultural industry. WSDA supports facilitating, when necessary, honest, transparent dialog to identify “win-win” solutions that maintain the viability of our state's agricultural industry while also preserving the environmental quality of our state's landscape.

Different Players, Different Game

Washington agriculture competes in a global market system that is constantly evolving and driven by social, economic and political forces. Consumer expectations change, sometimes rapidly, such as the increased demand for alternative or “niche” products (organic, local, etc.). Increased interest can mean increased markets, and also increased competition for some of the services WSDA provides, such as organic certification or warehouse audits. It can mean new training needed for inspectors or new technical assistance needed for industry.

Washington's farmers are aging. New farmers are needed to take their place for agriculture to continue to thrive. New connections will need to be made, and new relationships will need to be built. New priorities and technology will change how many aspects of agriculture—production, processing, distribution and marketing—will be handled. Trends such as urban agriculture and community supported agriculture (CSAs) may expand.

Threats and Emergencies

In recent years, WSDA has dealt with a variety of incidents threatening agriculture, including animal disease outbreak, pest

PRIMARY CONSTITUENTS, PARTNERS, and INTERESTED PARTIES

Agricultural Community

- Agricultural producers and processors: farmers, ranchers, food and dairy processors, packing sheds, animal food manufacturers
- Associated industry: warehouses, distributors, shipping companies, pest control companies
- Agricultural industry-related groups
- Irrigation entities
- Labor
- Veterinarians

Government

- Federal: USDA, FDA, Commerce, EPA, Homeland Security, Bureau of Reclamation, Natural Resources Conservation Service
- Washington Tribes
- Foreign governments of key export markets
- State: Health, Ecology, Fish and Wildlife, Natural Resources, Noxious Weed Control Board, Commerce, Conservation Commission, Commodity Commissions, Liquor and Cannabis Board
- Local: Counties, Cities, Weed control boards, Public and Environmental Health departments, Ports

Other

- Individual consumers.
- Commercial/ industrial users of agricultural products
- WSU Extension Service
- Environmental groups

infestation, industry labor disputes, and multiple natural disasters impacting crops, livestock, and agriculture infrastructure. Currently, Washington State is threatened with permanent establishment of Asian gypsy moth, a pest that, if established, would significantly damage our state's forests and horticultural crops. Food security is an emerging issue, and climate change is anticipated to increase the danger and impact of droughts, fires and pests to agricultural areas. WSDA needs to be able to effectively respond to such threats.

Internal Factors

Funding sources and stability

More than 80% of WSDA's funding is from sources that limit how the funds can be spent, including local funds from fees paid by WSDA customers (57%), grants and cooperative agreements (17%), and other state accounts (8%). The restrictions of such dedicated funding sources leave limited resources available for addressing emerging issues.

Increasing demands for WSDA services don't necessarily come with the resources to provide them, and federal funding for some functions is being discontinued. Unstable or inadequate funding makes it challenging to plan, build and maintain a stable framework. It can leave WSDA unable to provide adequate service to the public in general and to the agricultural industry in particular.

Workforce changes

Retaining experienced workers and recruiting have become more difficult for some WSDA positions because better-paying jobs are available in the private sector or with federal agencies. With about 16% of its workforce age 60 and older, WSDA is also vulnerable to the impacts knowledgeable, experienced personnel retiring. Succession planning, particularly for key positions, is becoming more and more important, while recruiting new employees offers the opportunity to increase diversity and acquire new skills and perspectives across the agency.

Infrastructure – tools and facilities

Technology continues to change, especially in the area of digital information and communication. Keeping the agency up-to-date technologically creates challenges, opportunities and options for how work is accomplished. Also, WSDA's laboratory facilities are aging, and limited workspace is presenting challenges across the agency. Both conditions put performance and safety at risk.

Agency 5-Year Direction – strategic priorities for 2016-2021

WSDA’s strategic plan for 2016-2021 centers on shared, **agency-wide** priorities. WSDA is emphasizing good government, strategic partnerships and good working relationships with other natural resource agencies. These elements are essential to carrying out the specific work of each WSDA program and also to supporting our overall mission of supporting the vitality and long-term viability of agriculture in Washington—a multi-billion-dollar sector of our state’s economy.

To do this, we’ve identified four priority goals that every WSDA program can share. By sharing common goals, individual program missions and assignments are approached through a shared perspective, and every program action plan builds on common ground. This both creates a solid foundation and opens the door to integrated efforts, understanding and efficiencies. The four priority goals are:

- A. The capability and commitment to carry out our mission effectively, efficiently and safely.
- B. Consistent customer focus and satisfaction.
- C. Consistent, effective and transparent regulation.
- D. Effective partnerships and relationships.

A brief description of each priority and our approach to it (*strategies*) are outlined below.

A. The capability and commitment to carry out our mission effectively, efficiently and safely.

What that looks like

We have the competent, professional staff and systems, equipment and facilities we need to do our job well, including dealing with unexpected issues and events. We meet our obligations and continuously work to improve.

Ongoing strategies

- *Develop and retain high-quality and diverse workforce.*
- *Develop employees to increase level of professionalism, accountability, leadership.*
- *Provide internal consistency and direction.*
- *Use Lean or other Quality Management tools for continuous improvement of systems and processes.*
- *Assess and address risk. Use Enterprise Risk Management tools as appropriate.*
- *Assess and address tools, staff, safety, and work environment needs.*
- *Use employee engagement survey to identify needs and opportunities.*
- *Improve IT functions, lab facilities.*
- *Invest in succession planning.*

B. Consistent customer focus and satisfaction.

What that looks like:

Customers know what they can expect, and we meet those expectations consistently. Customers would say that we provide good service—appropriate, timely, reliable, responsive, attentive, competent, trustworthy. We do not compromise our responsibilities to the public to make customers happy, but we do treat them fairly and with respect.

Ongoing strategies

- *Assess customer needs, expectations and satisfaction. Improve service as needed.*
- *Improve communication with customers. E.g., stay connected, use most effective language or form, such as website or social media.*
- *Proactively engage stakeholders through outreach.*
- *Make doing business clear, simple, efficient, easy.*

C. Consistent, effective and transparent regulation.

What that looks like

Internally and externally, within a single program and across the agency, policies, laws and rules are applied regularly and appropriately and bring about the results they were intended to.

Ongoing strategies

- *Clearly establish and articulate our regulatory approach/philosophy and expectations.*
- *Review and update regulations.*
- *Identify regulatory program needs.*
- *Audit regulatory performance.*
- *Create cross-program regulatory tools, forum, platform.*
- *Provide scientifically sound regulation and policy.*

D. Effective partnerships and relationships.

What that looks like

We have partners, systems and networks that help us do our work and that accomplish things we cannot do but that are necessary to see agriculture thrive in Washington for the long term. Other people understand our vision and want to help make it come true.

Ongoing strategies

- *Improve and emphasize communication about WSDA and the agricultural industry through all available media, including social media.*
- *Build and maintain partnerships and systems, especially for key agricultural issues beyond our scope of authority or control. E.g., water/drought, agricultural land conversion, emergencies.*
- *Raise profile of challenges to statewide agriculture. E.g., Western Washington land conversion.*
- *Raise profile of agricultural opportunities.*
- *Build bridges between all sectors of agriculture.*
- *Support pathways for getting into agriculture – encourage and support next generation of farmers.*
- *Increase access to foreign markets for small agricultural businesses.*

Program Priority Goals

Each WSDA program has developed a program-level strategic action plan that aligns with the agency strategic priorities. From its action plan, each program has also identified which goals it considers to be priority. The matrix below shows these program-priority goals. It is important to remember that these goals and/or their priority status may change over time as programs update their action plans. Agency Activity numbers are from the OFM Agency Activity Inventory.

Figure 3

WSDA Org.	Agency Activity #	PROGRAM	TOP PROGRAM PRIORITIES from July 2016 Program Strategic Action Plans
Director's Office and Admin. & Operational Support	A001	Administrative Regulations	
		<i>Adjudicative Proceedings</i>	<ul style="list-style-type: none"> • Ensure compliance with the Administrative Procedures Act (APA).
		<i>Agency Policies</i>	<ul style="list-style-type: none"> • Review and update, as necessary, agency policies on a four-year cycle to ensure policies are current and accurate.
		<i>Emergency Mgmt..</i>	<ul style="list-style-type: none"> • Coordinate and support WSDA's emergency response efforts.
		<i>Records Mgmt.</i>	<ul style="list-style-type: none"> • Establish an Enterprise Content Management System (ECM).
		<i>Rule Making</i>	<ul style="list-style-type: none"> • Ensure compliance with the Administrative Procedure Act (APA). • Ensure compliance with the Regulatory Fairness Act.
	A002 A007	<i>Agricultural Fairs and Commodity Commissions</i>	<ul style="list-style-type: none"> • Distribute allocations to agricultural fairs timely and using a consistent method of calculation. • Sponsor legislation to revise and clarify Chapters 15.65 and 15.66 RCW.
	A001	Communications Office	<ul style="list-style-type: none"> • Raise the level of professionalism and centralized coordination of WSDA communications services.
	A001	Human Resources	<ul style="list-style-type: none"> • Improve data integrity • Creating and enhancing strategic partnerships
	A001	Financial Services	<ul style="list-style-type: none"> • Advance a culture of compliance and accountability, ensuring efficiency and stewardship of state resources.
A001	Information Technology	<ul style="list-style-type: none"> • Centralize Service Desk. • Establish a Project Management Office (PMO). • Build and support software solutions (custom, COTS, MOTS, legacy) that meet/exceed the needs of the divisions/programs in a cost-effective manner. • Plan and Manage an Application Portfolio. • Develop and Implement an IT Governance Process. • Increase FTEs within IT for more Service Desk staff, Programmers, Business Analyst & Network/Security staff. 	

WSDA Org.	Agency Activity #	PROGRAM	TOP PROGRAM PRIORITIES from July 2016 Program Strategic Action Plans
	A001	Performance and Planning Mgmt. Office	<ul style="list-style-type: none"> Clarify and establish our role and our services that support the agency.
	A001	Policy Team	<ul style="list-style-type: none"> Advance agency's legislative and budget agenda.
	A003	Specialty Crop Block Grant	<ul style="list-style-type: none"> Our commitment to administer a fair and competitive grant program.
	A021	Natural Resources Assessment Section	<ul style="list-style-type: none"> Support the protection of Washington's surface water quality and aquatic species. Assess agricultural land use. Assess groundwater quality as it relates to pesticides, nutrients, and other contaminants. Assess pesticide/nutrient use practices throughout Washington. Geographic Information Systems (GIS). Agency and policy support.
Animal Services Division	A004	Animal Health	<ul style="list-style-type: none"> Protect Washington State's natural resources, agriculture industry, and the public from selected animal pests and diseases.
	A004	Animal Disease Traceability	<ul style="list-style-type: none"> Promote and offer electronic health certificates.
	A004	Compliance	<ul style="list-style-type: none"> Enhance the Animal Services compliance program to more effectively address non-compliance with animal health, animal disease traceability, and livestock inspection regulations.
	A016	Livestock Inspection	<ul style="list-style-type: none"> Make certain that the Livestock Inspection program becomes and remains financially stable, while meeting the needs of the livestock industry.
Commodity Inspection Division	A011	Fruit & Vegetable Inspection	<ul style="list-style-type: none"> Maintain staffing levels and resources to meet customer service demands in an accurate, timely, efficient, and safe manner.
	A012	Grain Inspection	<ul style="list-style-type: none"> Effectively manage and operate the grain Inspection program.
	A013	Grain Warehouse Audit	<ul style="list-style-type: none"> Ensure compliance with state grain warehouse and dealer requirements. Ensure positive annual fund reserve balance.
	A015	International Marketing	<ul style="list-style-type: none"> Support the health and viability of Washington's food and agricultural business and deliver services to help position them to export their products efficiently and profitably.
	A025	Seed	<ul style="list-style-type: none"> Decrease turnaround time for all samples submitted to our lab. Increase our net promoter score from our customer survey annually.

WSDA Org.	Agency Activity #	PROGRAM	TOP PROGRAM PRIORITIES from July 2016 Program Strategic Action Plans
Food Safety and Consumer Services Division	A008	Feed/Rapid Response	<ul style="list-style-type: none"> • Work to foster routine and effective communication with Program and Division staff as well as regulatory and industry partners. • Streamline and standardize Program work processes to better protect animal/public health and better serve customers.
	A010	Food Safety	<ul style="list-style-type: none"> • Ensure that the Food Safety Program maintains and improves the level of consistency, effectiveness, standardization and maintains adequate budgets to better protect the health of the public. • Develop and provide technical advisement, education and information to the industry and consuming public to inform them about the Food Safety Program and assist them to comply with laws and regulations.
	A018	Food Safety and Consumer Services Laboratory	<ul style="list-style-type: none"> • Washington State Food Safety and Consumer Services Laboratory is WSDA's Central Consumables Regulatory laboratory. • The laboratory is the state's Central Reference Dairy Testing Laboratory and provides test results as mandated by RCW 15.36.
	A020	Organic	<ul style="list-style-type: none"> • Protect the integrity of the organic label through effective review, inspection, and compliance activities. • Facilitate market access. • Develop a strong team and organization.
	A026 & A028	Food Assistance and Regional Marketing	<ul style="list-style-type: none"> • Grow producer sales to schools and institutional markets, including state agencies, employee cafeterias and vending, early learning programs, senior meal programs, emergency food programs, and others. • Ensure Food Assistance and Regional Marketing (FARM) staff have the resources, training and tools necessary for core program services and to provide exemplary service that is responsive to the needs of our customers, clients, and partners in the agricultural and the emergency food system communities.

WSDA Org.	Agency Activity #	PROGRAM	TOP PROGRAM PRIORITIES from July 2016 Program Strategic Action Plans
Pesticide Mgmt. Division	A009 A021	Registration and Licensing	<ul style="list-style-type: none"> • Update Technology to Current Industry standards to allow us to support the growth in this industry. • Conduct LEAN Process with Performance Office on all Pesticide Licensing Processes. • Due to EPA Certification and Training rule update, update Pesticide Licensing laws and rules to meet the new requirements.
	A017	Dairy Nutrient Management	<ul style="list-style-type: none"> • Develop and retain a team with expertise in <ul style="list-style-type: none"> ○ water quality, natural resource or agricultural science, ○ environmental state rules and regulations, ○ effective communication skills and focused customer service. • Work with agricultural producers, partners and stakeholders to evaluate and develop manure management strategies for on-going issues beyond the scope and authority of DNMP that results in protecting water quality by dairy, non-dairy livestock and nutrient transfers. • Provide clear guidance, education and technical assistance to dairy producers and maintain good communication within the agricultural industry, partner agencies and stakeholders.
	A021	Technical Services and Education	<ul style="list-style-type: none"> • Collect and properly dispose of canceled, suspended and unusable pesticides within budget and staff constraints while maximizing resources. • Partner with public and private organizations to conduct a variety of content relevant pesticide safety workshops in English and Spanish at all levels of agricultural operations.
	A021	Pesticide Compliance	<ul style="list-style-type: none"> • Conducting quality, timely and fair enforcement of pesticide laws and rules. • Promote and support employee development and training.

WSDA Org.	Agency Activity #	PROGRAM	TOP PROGRAM PRIORITIES from July 2016 Program Strategic Action Plans
Plant Protection Division	A005 A014	Chemistry Laboratory and Hop Inspection	<ul style="list-style-type: none"> • Perform chemical analysis at the request of our clients. • Inspect, Sample, and Grade hops in a timely manner under USDA/GIPSA regulations.
	A006	Agricultural Investigations	<ul style="list-style-type: none"> • Enforce regulatory requirements and investigate complaints in a timely and effective manner. • Continuously improve a healthy, vigorous organization with well supported employees, adequate funding, effective data systems and efficient processes.
	A019 A023	Plant Services	<ul style="list-style-type: none"> • Protect Washington’s agriculture industry and natural resources from plant pest introduction through an effective nursery inspection program. • In cooperation with USDA, facilitate interstate and international trade by providing timely and accurate export certification services
	A022	Pest	<ul style="list-style-type: none"> • To identify those invasive species that represent the greatest threat to the agriculture, environment and natural resources of Washington State and maintain or create early detection systems and rapid response programs that prevent their permanent establishment in Washington State. • Invest in employee development through attendance at trainings, workshops, conferences and work with national experts outside the agency. • Continue to invest in new technologies that will increase the effectiveness of the program to detect invasive species in early stages of introductions, delimit the geographic areas of infestation rapidly, and develop an efficient and effective management response.
	A022	State Weed Board (support)	<ul style="list-style-type: none"> • Work on agency-requested or board-requested legislation to clarify and improve RCW 17.10.
	A027	Weights and Measures	<ul style="list-style-type: none"> • Assure compliance with Weights and Measures laws and regulations. • Assure compliance with Motor Fuel Quality laws and regulations. • Continuously improve a healthy, vigorous organization with well supported employees, adequate funding, effective data systems and efficient processes.

Alignment with Results Washington

WSDA directly supports four of the five statewide Results Washington goals. The matrix on the next page (Figure 5) shows how WSDA’s Activities align with those goals and the focus of WSDA’s work. Activities are identified in the OFM Agency Activity Index. Note that many Activity names are similar to program names. See Figure 3 (pp. 11-15) for activity/program connection. WSDA focus of work is outlined in Figure 1 (p.3).

Results Washington Measures

WSDA is the lead on several specific Results Washington (RW) measures. Work toward these targets is reflected in goals from program strategic action plans, as shown below. *(Note: WSDA is also co-lead on Goal 2 Leading Indicator 3.1.d, but the work is accomplished through the Department of Ecology.)*

Figure 4

RW Goal	RW Outcome Measure - Leading Indicator	Program Strategic Action Plan Goal <i>(Program – Agency activity no.)</i>
 <p>Goal 3. Sustainable Energy & a Clean Environment</p>	<p>4.1 Increase the net statewide acreage dedicated to working farms (cropland) from 7,237 million to 7.347 million by 2020.</p> <p>4.1.a Maintain current level of statewide acreage dedicated to working farms of 7.312 million acres in 2015 with no net loss through 2018.</p>	<ul style="list-style-type: none"> Assess agricultural land use. <i>(Natural Resources Assessment Section – A021)</i>
 <p>Goal 4. Healthy & Safe Communities</p>	<p>1.2.Y.c – Increase number of schools serving nutritious, Washington grown foods to children by 15 % (from 1,734 to 1,994) by 2017.</p>	<ul style="list-style-type: none"> Grow producer sales to schools and institutional markets, including state agencies, employee cafeterias and vending, early learning programs, senior meal programs, emergency food programs, and others. <i>(Food Assistance and Regional Markets – A026 & A028)</i>
	<p>1.2.A.f – Increase percentage of healthier food options being offered to low-income children and families through food pantries, farmers markets and meal programs by 5% from 2014 to 2017.</p>	<ul style="list-style-type: none"> Increase access to Healthier food options available through emergency food providers for clients. <i>(Food Assistance and Regional Markets – A026 & A028)</i>
	<p>2.2.a – Increase percent of animal health trace events completed within 24 hours from 73% in 2012 to 100% by 2017.</p>	<ul style="list-style-type: none"> Improve the retrieval time of cattle movement and identification information. Promote and offer electronic health certificates. <i>(Animal Disease Traceability – A004)</i>
	<p>2.2.b – Increase percentage of Reserve Veterinary Corps members trained as animal disease first responders from 52% to 65% by 2016. <i>(This target has been met and is expected to be archived.)</i></p>	<ul style="list-style-type: none"> Be prepared to prevent, identify, respond to and recover from animal health emergencies, natural disasters, agro-terrorism, and bio-terrorism. <i>(Animal Health – A004)</i>
	<p>2.2.c: Increase percentage of high risk food processing facilities successfully completing risk-based inspections from 92% to 95% by 2016.</p>	<ul style="list-style-type: none"> Ensure that the Food Safety Program maintains and improves the level of consistency effectiveness, standardization and maintains adequate budgets to better protect the health of the public. Develop and provide technical advisement, education and information to the industry and consuming public to inform them about the Food Safety Program and assist them to comply with laws and regulations. <i>(Food Safety – A010)</i>

Figure 5. Agency Activity Alignment - Focus of Work and Results WA Goals

KEY

Focus of Work

- X** - has direct role or responsibility
- o** - provides secondary support

Alignment with Results Washington Goals

- RW** - Reports on Results WA measure
- - Identified in Agency Activity Inventory w/performance measures
- - Additional alignment
- *** - Indirect support via nutritious, Washington-grown food in schools

WSDA STRUCTURE/ DIVISIONS	AGENCY ACTIVITIES		FOCUS OF WORK					RESULTS WA GOALS				
	#	Activity	1. Food & Feed	2. Pesticides, Fertilizers & Nutrients	3. Plant & Animal Health	4. Market Support	5. Internal Agency Support	1. World-class Education	2. Prosperous Economy	3. Sustainable Energy & a Clean Environment	4. Healthy & Safe Communities	5. Efficient, Effective, Acctbl. Government
Director's Office and Administrative & Operational Support	A001	Agency Administration				X	X		RW ●			RW ○
	A002	Agricultural Fairs				X			●			○
	A003	Agriculture Promotion & Protection				X			●			○
	A007	Commodity Commissions				X			●			○
	A021	Pesticide Regulation (NRAS portion)		X			X			RW		○
Animal Services Division	A004	Animal Health	X		X	o			○		RW ●	○
	A016	Livestock Brand Inspection	X			X			●		○	○
Commodity Inspection Division	A011	Fruit & Veg. Inspection	X		o	X			●		○	○
	A012	Grain Inspection	X		o	X			●		○	○
	A013	Grain Warehouse Audit				X			●			○
	A015	International Marketing	o			X			●			○
	A025	Seed Inspection / Certification	o			X			●			○
Food Safety and Consumer Services (FSCS) Division	A008	Feed Regulation	X		X	X			●		○	○
	A010	Food Safety	X			X			○		RW ●	○
	A018	FSCS Laboratory	X		X	X					●	○
	A020	Organic Food Certification	X	o		X			●			○
	A026	Small Farm and Direct Marketing Assistance	o			X		*	●		RW	○
	A028	Food Assistance and Distribution	X			o					RW ●	○
Pesticide Management Division	A009	Fertilizer Regulation		X		X			●	○		○
	A017	Dairy Nutrient Mgmt. Program		X						●		○
	A021	Pesticide Regulation	o	X		X			○	○	●	○
Plant Protection Division	A005	Chemistry Laboratory	X	X		X			○		●	○
	A006	Commission Merchants				X			●			○
	A014	Hop Inspection				X			●			○
	A019	Nursery Inspection			X	X			●	○		○
	A022	Plant Protection			X	X			○	●		○
	A023	Planting Stock Certification			X	X			●			○
	A027	Weights and Measures Inspection				X			●			○



O u r P U R P O S E					
MISSION <i>HOW WE SERVE THE PEOPLE OF WASHINGTON...</i>	Through service, regulation, and advocacy, the Washington State Department of Agriculture (WSDA) supports the viability and vitality of agriculture while protecting consumers, public health and the environment.				
O u r F O C U S					
VISION <i>THE FUTURE WE WORK TO ACHIEVE...</i>	<ul style="list-style-type: none"> • Agriculture thrives across Washington, contributing to the health of the state’s people, environment and economy. • WSDA is both pro-active and responsive—a model of leadership, expertise and public service. 				
SCOPE <i>THE RANGE AND FOCUS OF OUR WORK...</i>	1. FOOD and FEED – Safety, integrity and availability.				
	2. PESTICIDES, FERTILIZERS and NUTRIENTS – Safe and legal distribution, use, and disposal.				
	3. PLANT and ANIMAL HEALTH – Protection from selected pests and diseases.				
	4. MARKET SUPPORT – Marketplace equity and market access.				
	5. INTERNAL AGENCY SUPPORT – Organizational resources, planning, management.				
O u r I N T E N T					
AGENCY GOALS <i>OUR STRATEGIC PRIORITIES...</i>	A. The capability and commitment to carry out our mission effectively, efficiently and safely. B. Consistent customer focus and satisfaction. C. Consistent, effective and transparent regulation. D. Effective partnerships and relationships.				
O u r S U P P O R T O F S T A T E W I D E G O A L S					
	Results Washington Goals				
	 1. World Class Education	 2. Prosperous Economy	 3. Sustainable Energy & Clean Environment	 4. Healthy & Safe Communities	 5. Efficient, Effective and Accountable Government
Focus of Work					
1. Food and Feed	*	●		●	●
2. Pesticides, Fertilizers and Nutrients			●	●	●
3. Plant and Animal Health		●	●	●	●
4. Market Support		●			●
5. Internal Agency Support					●
* Indirect support of Goal 1 via nutritious, Washington-grown food in schools – good nutrition supporting better learning					

TAB B Summary Reports

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State of Washington
Recommendation Summary

1:36:19PM

Agency: **495 Department of Agriculture**

9/12/2016

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2015-17 Current Biennium Total	777.1	34,134	151,281	185,415
CL CF Carry Forward Adjustments	(8.5)	(1,373)	(3,818)	(5,191)
Total Carry Forward Level	768.6	32,761	147,463	180,224
Percent Change from Current Biennium	(1.1)%	(4.0)%	(2.5)%	(2.8)%
M1 90 Maintenance Level Revenue				
Carry Forward plus Workload Changes	768.6	32,761	147,463	180,224
Percent Change from Current Biennium	(1.1)%	(4.0)%	(2.5)%	(2.8)%
M2 9J Nonappropriated Fund Adjustment	82.7		6,900	6,900
Total Maintenance Level	851.3	32,761	154,363	187,124
Percent Change from Current Biennium	9.6%	(4.0)%	2.0%	.9%
PL AA Asian Gypsy Moth Eradication	5.6	180	543	723
PL AB Food Safety Lab Accreditation		334		334
PL AC Small Farm Direct Marketing	1.5	500		500
PL AD Produce Safety Federal Agreement	10.0		3,332	3,332
PL AE Cannabis Regulatory Support	6.0	1,850		1,850
PL AF Edible Marijuana Inspections	1.0		200	200
PL AG Voluntary Marijuana Certification	4.6		900	900
PL AH Aquaculture Coordination	0.5	132		132
Subtotal - Performance Level Changes	29.1	2,996	4,975	7,971
2017-19 Total Proposed Budget	880.4	35,757	159,338	195,095
Percent Change from Current Biennium	13.3%	4.8%	5.3%	5.2%

M1 90 Maintenance Level Revenue

Maintenance Level Revenue

M2 9J Nonappropriated Fund Adjustment

This proposal is an adjustment to increase the Expenditure Authority control numbers and FTEs for three of the WSDA's nonappropriated funds to reconcile to actual agency usage.

PL AA Asian Gypsy Moth Eradication

This proposal requests \$723,000 (\$180,000 General Fund-State (GF-S); \$543,000 General Fund-Federal (GF-F)) in the 2017-19

biennium for the Washington State Department of Agriculture (WSDA) Plant Pest Program. This funding will allow the WSDA to conduct the required two additional calendar years of post-treatment, high-density trapping after the Asian Gypsy Moth (AGM) eradication efforts in 2016.

PL AB Food Safety Lab Accreditation

This proposal requests \$334,000 General Fund-State (GF-S) in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) Food Safety and Consumer Services Laboratory. This funding will allow the laboratory to maintain its International Standard Organization (ISO) accreditation that protects consumers from contaminated food and feed due to faster recalls and fewer challenges from the responsible firms.

PL AC Small Farm Direct Marketing

This proposal requests \$500,000 General Fund-State (GF-S) in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) Farm to School and Small Farm Direct Marketing programs to meet producer and buyer demands for guidance, training, and technical assistance services. These services strengthen the economic vitality of small and beginning farms, support rural communities, keep agricultural land in production, and increase availability of healthy Washington-grown foods for vulnerable people.

PL AD Produce Safety Federal Agreement

This proposal requests \$3,332,000 General Fund-Federal (GF-F) spending authority in the 2017-19 biennium to support the Washington State Department of Agriculture's (WSDA) development of a produce safety program focused on, and in alignment with, the FDA Produce Safety Rule.

PL AE Cannabis Regulatory Support

This proposal requests \$1,850,000 General Fund-State (GF-S), transferred from the Dedicated Marijuana Account, for cannabis regulatory support operations at the Washington State Department of Agriculture (WSDA). This proposal, at the request of the Liquor and Cannabis Board (LCB), will allow the WSDA to test cannabis samples for both pesticide and potency levels; regulate and enforce cannabis pesticide regulations; and, coordinate an agency-wide cannabis program. With the additional resources, the agency will be properly positioned to maintain and enhance its current cannabis regulatory services, and avoid service level reductions to the department's core agricultural programs.

PL AF Edible Marijuana Inspections

This proposal requests \$200,000 in Agricultural Local Account spending authority in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) to ensure marijuana edibles are produced under appropriate sanitary conditions. This proposal, at the request of the Liquor and Cannabis Board (LCB), supports proposed legislation granting WSDA statutory authority to regulate the sanitary processing of marijuana-infused edible products.

PL AG Voluntary Marijuana Certification

This proposal requests \$900,000 in Agricultural Local Account non-appropriated spending authority in support of proposed legislation allowing the Washington State Department of Agriculture (WSDA) to establish a new voluntary program to certify state-licensed marijuana producers and handlers (processors) who use "natural" and "sustainable" production practices.

PL AH Aquaculture Coordination

This proposal requests \$132,000 General Fund-State (GF-S) in fiscal year two of the 2017-19 biennium to establish a state aquaculture coordinator position at the Washington State Department of Agriculture (WSDA). This request will allow the agency to develop a position to look for ways to improve the permitting process associated with aquaculture activities.

TAB C - Decision Packages

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Agency Budget Request Decision Package Summary

Agency: 495 Department of Agriculture

9/12/2016
12:16:56PM

Budget Period: 2017-19

Decision Package

Code

Decision Package Title

PL-AA	Asian Gypsy Moth Eradication
PL-AB	Food Safety Lab Accreditation
PL-AC	Small Farm Direct Marketing
PL-AD	Produce Safety Federal Agreement
PL-AE	Cannabis Regulatory Support
PL-AF	Edible Marijuana Inspections
PL-AG	Voluntary Marijuana Certification
PL-AH	Aquaculture Coordination

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Maintenance Level

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2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: 9J Nonappropriated Fund Adjustment

Budget Period: 2017-19

Budget Level: ML2 – Maintenance Level

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 126-6	3,100,000	3,100,000	3,100,000	3,100,000
Fund 128-6	350,000	350,000	350,000	350,000
Total Cost	3,450,000	3,450,000	3,450,000	3,450,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs Fund 126-6	34.4	36.9	36.9	36.9
FTEs Fund 128-6	30.3	30.3	30.3	30.3
FTEs Fund 516-6	15.0	18.5	18.5	18.5
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 126-6	3,100,000	3,100,000	3,100,000	3,100,000
Fund 128-6	350,000	350,000	350,000	350,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	2,150,000	2,150,000	2,150,000	2,150,000
Obj. B - Benefits	1,300,000	1,300,000	1,300,000	1,300,000

Package Description

This proposal is an adjustment to increase the Expenditure Authority control numbers for some of the agency's nonappropriated funds in order to reconcile to actual agency usage.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

This proposal affects sixteen of the agency's twenty-seven activities. Listed below are the affected activities:

Fund 126-6**Activity Activity Description**

A001	Agency Administration
A005	Chemistry Laboratory
A006	Commission Merchants
A008	Feed Regulation
A009	Fertilizer Regulation
A010	Food Safety
A013	Grain Warehouse Audit
A014	Hop Inspection
A016	Livestock Identification
A018	Food Safety & Consumer Services Laboratory
A020	Organic Food Certification
A021	Pesticide Registration
A022	Plant Protection
A027	Weights and Measures

Fund 128-6

A012	Grain Inspection
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Fund 516-6

A011	Fruit & Vegetable Inspection
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Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Expenditure and revenue projections based on fiscal year 2016 base operating costs. Request also based on agency-provided services remaining constant over the next four fiscal years.

Decision Package Justification and Impacts**What specific performance outcomes does the agency expect?**

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

This proposal is an adjustment only and state residents will see no impact to current service levels.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections	N/A	

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

N/A

What are the consequences of not funding this request?

N/A

How has or can the agency address the issue or need in its current appropriation level?

N/A

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AA - Asian Gypsy Moth Eradication

Budget Period: 2017-19

Budget Level: PL – Performance Level

Agency Recommendation Summary Text:

This proposal requests \$723,000 (\$180,000 General Fund-State; \$543,000 General Fund-Federal) in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) Plant Pest Program. This funding will allow the WSDA to conduct the required two additional calendar years of post-treatment, high-density trapping after the Asian Gypsy Moth (AGM) eradication efforts in 2016.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	103,000	77,000	0	0
Fund 001-2	309,000	234,000	0	0
Total Cost	412,000	311,000	0	0
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	6.3	4.8	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	0	0	0	0
Fund 001-2	309,000	234,000	0	0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	180,000	137,000	0	0
Obj. B - Benefits	96,000	72,000	0	0
Obj. E – Goods & Services	64,000	48,000	0	0
Obj. G – Travel	23,000	17,000	0	0
Obj. T – Agency Overhead	49,000	37,000	0	0

Package Description

Both Asian Gypsy Moth (AGM) and European Gypsy Moth (EGM) are aggressive defoliators of forests. Although the same species, they differ in important ways. AGM is a particular threat to the conifer forests of the Pacific Northwest, since it consumes conifer foliage. The AGM female can fly up to 25 miles, unlike the flightless EGM female. Once introduced, AGM can very quickly become permanently established.

After the WSDA trapped 10 AGM in the summer of 2015, state and federal funding was allocated for eradication operations in the spring of 2016 and 2017 and post-treatment survey efforts in the summer of 2016.

WSDA requires additional funding for a post-treatment high-density trapping program. The post-treatment trapping will follow the national response guidelines established by USDA for the AGM program USDA-APHIS-PPQ Asian Gypsy Moth Survey and Response Guidelines, January 2014). National guidelines state that high density trapping should approach 25 traps per square mile for a several mile radius and should continue for three years to assure that no populations remain. About 15,000 traps will be deployed by about 25 trappers, outreach specialists, support staff, and field supervisors. Three years of zero catches is the national standard for declaring an AGM population eradicated.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

WSDA received funding in the 2016 Supplemental Budget for 8.9 annualized FTEs and \$4,852,000 (\$1,213,000 General Fund-State, \$3,639,000 General Fund-Federal) in the A022 Plant Protection Agriculture Activity. This one-time funding covered eradication operations in the spring of 2016 and 2017 and post-treatment, high density trapping in the summer of 2016.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

The funding requested in this package will provide funding for 5.6 annualized FTE based on FY17 salary and benefit levels. Multiple employees will be used during this three to six month per year trapping and survey effort including job classifications in Pest Biologist 2, Agricultural Technologist, Agriculture Aide, Secretary Supervisor, Office Assistant 3, Cartographer 3, and Supply Officer 2. The funding will also cover anticipated travel and equipment required to deploy, monitor, retrieve, and analyze the estimated 15,000 traps.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

- 1) The pest free status of Washington State will be maintained by the eradication of an important commercial and environmental insect pest.
- 2) Washington State forestry and agriculture industries will be protected from a destructive defoliating insect allowing the unrestricted export of timber, nursery products, and Christmas trees.
- 3) Native upland forests and riparian areas within Washington's many national forests, parks, and

wilderness areas will be protected from environmental degradation.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Identify: A wide range of economic and environmental impacts are likely if infestation is not defeated.
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: A loss of revenue from state trust lands could occur if infestation is not defeated.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections	Yes	This request supports Results Washington Goals 2 and 3

Please provide a detailed discussion of connections/impacts identified above.

This decision package provides essential support to the Results Washington Goal 2: Prosperous Economy and Goal 3: Sustainable Energy and a Clean Environment. The establishment of AGM would result in significant economic losses resulting from destruction of commercial forestlands. The timber, nursery and Christmas tree industries would suffer economically due to the implementation of quarantines that impose costly restrictions on exports important to the state's economy.

Widespread areas of dead and dying trees create a wildfire hazard, decrease water quality, destroy salmon habitat, and would have an adverse impact on tourism. Native upland forests and riparian areas within Washington's many national forests, parks and wilderness areas could be subject to severe environmental degradation if AGM establishes itself in Washington.

Forests and timber are an important part of Washington State's unique identity and heritage. Currently there are no established Asian gypsy moth populations in North America. Keeping the Asian gypsy moth out of North America is one of the highest national priorities of any invasive species in the US. If AGM were to become established, Washington State forests could experience huge defoliation events on a scale of tens of thousands and perhaps even hundreds of thousands of acres of forest.

If AGM were to become established, the state could face a loss of revenue from state trust lands.

What alternatives were explored by the agency and why was this option chosen?

Anything less than total eradication of this insect risks the establishment of a reproducing population in the Pacific Northwest. An aggressive treatment program gives the state the best chance to successfully eradicate this invasive pest. In order to confirm the eradication efforts in 2016 were successful, the post-treatment, high density trapping and survey efforts are vital to make sure the infestation has not worsened.

WSDA is working with federal agencies to find ways to increase inspections of ships and other modes of transportation that may have caused the infestation. If these prevention efforts are more aggressive, we believe that fewer gypsy moths will be introduced into the state, resulting in a decreased need for eradication efforts in the future.

What are the consequences of not funding this request?

Both AGM and EGM are aggressive defoliators of forests. Large defoliation events would degrade environmental quality, increase the risk of wildfires, adversely affect salmon habitat, harm recreation, reduce tourism, and limit the potential of state trust lands.

How has or can the agency address the issue or need in its current appropriation level?

Current trapping and survey effort funding for the WSDA allows for approximately one trap per square mile to monitor for invasive species. In order to confirm successful eradication efforts, approximately 40-50 traps per square mile are needed in the infested area. Agency resources are not available to support the high density trapping efforts without additional funding.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AB - Food Safety Laboratory Accreditation

Budget Period: 2017-19

Budget Level: PL - Performance Level

Agency Recommendation Summary Text:

This proposal requests \$334,000 General Fund-State (GF-S) in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) Food Safety and Consumer Services Laboratory. This funding will allow the laboratory to maintain its International Standard Organization (ISO) accreditation that protects consumers from contaminated food and feed due to faster recalls and fewer challenges from the responsible firms.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	167,000	167,000	167,000	167,000
Total Cost	167,000	167,000	167,000	167,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	0	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E – Goods & Services	167,000	167,000	167,000	167,000

Package Description

The WSDA Food Safety and Consumer Services Laboratory (the ‘laboratory’) is the State’s central food/feed/dairy regulatory laboratory that supports the WSDA Food Safety and Consumer Services Division to protect both human and animal health. The laboratory tests for and identifies pathogens in food/feed/dairy products. Credible laboratory test results that are accurate, complete and able to stand up in court are needed to support regulatory decisions and actions (e.g. food safety recalls or embargoes), and are requested by our federal partners (FDA; USDA; CDC) during national food emergencies, incidents, and responses. Since test results produced by regulatory labs must be reliable and universally accepted, accreditation is expected. Accreditation supports the laboratory’s authority

as a state regulatory body and lends substantial weight to the state's Food Safety and Consumer Services Division's efforts to ensure food and feed safety. Regarded both nationally and internationally, accreditation is a reliable indicator of the lab's technical competence. Accreditation means lab test results are accepted, defensible and rarely challenged.

After several years of intense work and funding support from USDA and FDA, the laboratory became ISO 17025:2005 accredited in 2011. Any laboratory and Food Safety organization in the county, state, nation, and world can confidently use our testing without question, eliminating the potential need to re-test. In the arena of consumer protection and food safety, accreditation is especially important. Accredited test results allow the state to respond to food and feed safety emergencies faster and more efficiently. Time and money spent to re-test and confirm results is eliminated (re-testing can take longer than a week and be costly). By producing defensible test results and initiating recalls quickly, the lab fulfills its obligation to Washington state citizens by protecting them from exposure to toxic food and its likely end: illness and/or death. One recent example of the importance of defensible data (accredited laboratory test results) occurred in early 2015. The laboratory detected *Listeria monocytogenes* in Snoqualmie Gourmet ice cream. The FDA was able to begin an immediate national recall based on our accredited defensible lab test results (rather than delay several days or even weeks), thereby preventing an unknown number of illness and hospitalizations.

Moreover, accreditation has become a lynchpin for several other federal cooperative agreements and grants awarded to sister programs in WSDA, amounting up to \$1 million annually. This federal money goes to support more food safety initiatives. Without the support of our accredited laboratory, (laboratory accreditation being a requirement of these awards), other WSDA food safety grants will be threatened. The potential loss of federal funding will create a substantial loss in our capability to protect the consumers of food and feed.

The laboratory needs \$334,000 biennially to sustain accreditation (equipment calibration, equipment maintenance, frequent and ongoing training for analysts, FTE costs (Quality Assurance Officer), proficiency testing requirements, etc.). The laboratory has not requested any state funding to offset this effort for the past 15 years because up until now, federal money covered accreditation costs. The laboratory received federal funding from USDA to gain and maintain accreditation beginning in 2001. Then USDA funding ended in 2012. In 2012, the US-FDA awarded the laboratory a new 5-year accreditation grant to help the laboratory maintain accreditation. With this FDA grant expiring in the summer of 2017, and no indication of a renewal, a succession plan is needed to maintain accreditation. After absorbing some accreditation-relevant expenditures under other various funding sources, the laboratory still foresees a biennial budget deficit of \$334,000 to cover ongoing accreditation costs for annual maintenance of technical analytical equipment.

Our proposal aligns with and supports the Governor's Goal 4: Healthy and Safe Communities.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

The Laboratory has depended on federal funding (since 2001) to obtain and maintain the ISO accreditation. A key cost and an essential element of this effort is the annual maintenance of technical analytical equipment (see attached supportive data, Table 1). Up until this point, our federal partners have monetarily supported the costs of obtaining and maintaining accreditation; the laboratory has not requested any state funding to offset this effort for the past 15 years.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

The WSDA does not currently have the GF-S funding to support any of the ISO requirements (FTEs, maintaining equipment, extensive training for analysts, assessment costs, proficiency tests, etc.). We have re-prioritized our current funding sources to cover most of the accreditation expenditures and FTEs; however, we do not have funding to pay for the maintenance of the laboratory's sensitive and specialized analytical equipment, a critical piece of accreditation requirements. Maintaining equipment is expensive because:

- The laboratory utilizes current technology to meet customer's demand for sensitivity, specificity and quick turn-around test results. This type of equipment is very specialized and expensive to maintain.
- All laboratory critical equipment is required to have regular maintenance provided by approved technical vendors in order to qualify for accreditation.
- An essential element of this accreditation effort is the annual maintenance of technical analytical equipment (see attached supportive data, Table 1) costing \$167,000 annually.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

The laboratory will maintain its accreditation because it will have funding to ensure its equipment is operating according to requirements.

- The laboratory will produce defensible test results.
- The regulatory partners (local, state, federal) will be successful in using defensible test results in order to protect public and animal health.
- The laboratory will be able to provide essential defensible test results during food safety emergencies and in court (a very rare likelihood since accredited test results are universally accepted).

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

Protecting both human and animal health constitutes the foremost mission of the laboratory. The ability to produce rapid, defensible test results is a crucial step in this mission. It is up to the WSDA to ensure the food chain is safe and free from adulterants that can cause illness and/or death. Maintaining accreditation not only provides reliable test results, but also acts as a lynchpin for several food safety measures and other funding sources for the WSDA. By continuing ISO accreditation efforts, the lab can maintain its role in these measures and ensure a safe food system for all state citizens.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	Yes	Identify: FDA Food Safety Modernization Act
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):

Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

The reduction or elimination of laboratory accreditation would negate the need for maintenance funding. However, this alternative was rejected because reduction/elimination of the laboratory accreditation would negatively affect the safety of our food supply and erode consumer confidence. Similarly, a service level reduction to accommodate this need would not support the governor’s priorities.

The WSDA Food Safety and Consumer Services Division, which contains both the Food Safety program and the laboratory, provides all the necessary inspection and lab testing services in the food safety area. However, the current funding from licenses and other fees does not cover the division’s total cost for providing food safety regulatory services. In addition, the current funding level is not adequate to support the laboratory accreditation activities, which is a relatively new regulatory practice across the nation. Reliable and defensible laboratory testing is a key component of a successful program to detect contaminated food products before they reach consumers. The requested funding will help ensure the success of the broader mission to protect public health.

What are the consequences of not funding this request?

The Washington State Department of Agriculture Food Safety and Consumer Services program benefits from funding support through FDA-funded cooperative agreements:

- Manufactured Food Regulatory Program Standards (MFRPS)
- Animal Feed Regulatory Program Standards (AFRPS)
- Rapid Response Team (RRT)
- ISO Standards (ISO)

These agreements provide the department over one million dollars per year to support the agency’s obligation to bring the state into compliance with the Food Safety Modernization Act (FSMA). An essential requirement to qualify for (and continue) FDA funding support is the maintenance of ISO accreditation for the agency’s food safety laboratory.

If accreditation were lost, a key requirement for these contracts could be lost. The FDA could nullify the agreements and the one million dollars in support funding could be gone. Then the agency could need a total of nearly \$1.2 million in additional state funding annually (including the \$167,000 requested in this proposal) to bring Washington State into compliance with FSMA.

How has or can the agency address the issue or need in its current appropriation level?

The WSDA does not currently receive any the state funding to support or maintain any of the ISO requirements, and cannot address this issue within its current appropriation level.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

Table 1: Laboratory Instrumentation Maintenance Yearly Cost

Product	Description	Cost
DiversiLab	Yearly maintenance agreement for an instrument that identifies organisms more specifically	\$4,283
VITEK 2	Yearly maintenance agreement for an instrument that identifies food-borne pathogens	\$16,015
VIDAS	Yearly maintenance agreement for an instrument that identifies pathogenic organisms i.e. Listeria, Campy and Staph	\$12,893
Autoclaves (3)	Yearly maintenance agreement for the 3 autoclaves that sterilizes media and instruments and also decontaminates waste	\$32,869
Distilled Water Service	Water service for distilled water used in all of labs	\$10,835
VITEK Compact	Yearly maintenance agreement for an instrument that identifies food-borne pathogens	\$14,638
MagMAX Express	Yearly maintenance agreement for an instrument to extract DNA	\$6,789
Maxwell 16	Yearly maintenance agreement for an instrument to extract DNA	\$5,983
BAX System	Yearly maintenance agreement for a PCR instrument	\$6,250
7500 FAST Real Time	Yearly maintenance agreement for an instrument to detect food-borne E. Coli O157:H7 and other pathogens.	\$6,691
Lancer Care Plus	Yearly maintenance agreement for the dishwasher/dryer combo	\$3,731
Smart Cyclor	Yearly maintenance agreement for an instrument used to detect food-borne pathogenic STEC	\$9,590
X-LIMS	Laboratory Information Management System	\$17,341
Virtual Server	Amega View – Laboratory Temperature Monitoring System	\$5,625
QC Services	Calibration services for lab supplies such as thermometers, pipets, balances, ph meters, microscopes, etc. This is onsite visits	\$11,250
Biosafety Hoods	Maintenance agreement for our bio-safety hoods	\$1,875
	TOTAL	\$166,660

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2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AC - Small Farm Direct Marketing

Budget Period: 2017-19

Budget Level: PL – Performance Level

Agency Recommendation Summary Text:

This proposal requests \$500,000 General Fund-State (GF-S) in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) Farm to School and Small Farm Direct Marketing programs to meet producer and buyer demands for guidance, training, and technical assistance services. These services strengthen the economic vitality of small and beginning farms, support rural communities, keep agricultural land in production, and increase availability of healthy Washington-grown foods for vulnerable people.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	250,000	250,000	250,000	250,000
Total Cost	250,000	250,000	250,000	250,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	1.5	1.5	1.5	1.5
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	105,300	105,300	105,300	105,300
Obj. B - Benefits	36,300	36,300	36,300	36,300
Obj. E – Goods & Services	76,300	76,300	76,300	76,300
Obj. G - Travel	8,000	8,000	8,000	8,000
Obj. P – Debt Service	900	900	900	900
Obj. T – Agency Overhead	23,200	23,200	23,200	23,200

Package Description

Viable Small Farm Businesses

The Small Farm Direct Marketing and Farm to School programs, known to the agency as the Regional Markets program (program), provide crucial guidance, training, and technical assistance to Washington farmers to develop and access local and regional markets in our state. Small farms constitute the vast majority of all farms in Washington (89% according to the USDA census). Farmers face a rapidly evolving market and complex regulatory environment. Washington's farmers are aging and, as many farmers retire, productive farmland is being lost to other uses. Meanwhile, new and beginning farmers, including career-transitioning veterans, are looking to agriculture as a way to support themselves and their communities. Consumer demand for local foods continues to grow in household, retail, and institutional food service settings, representing significant new market opportunities for Washington farmers.

To meet this growing demand for local food and be competitive, farmers require timely and specific guidance and technical assistance related to food safety, market opportunities and strategies, overcoming barriers to market access, developing new types of relationships, and planning around supply chain logistics.

Healthy Washington-grown Food

The program also promotes and facilitates the purchase of Washington-grown foods by schools and other institutional buyers (such as state agency facilities, preschools and senior meal service providers) to increase consumption of local foods by children, families, and others. Washington schools and institutions want to offer healthier foods and more Washington-grown fruits and vegetables by buying from regional farmers. The WSDA provides support to overcome sourcing and procurement challenges related to contractual requirements, nutritional guidelines, infrastructure and distribution, and seasonality of Washington-grown product. WSDA also plays a critical role in assessing regional food trends, determining buyer/seller needs, making introductions between producers and buyers, and supporting Farm to School/Farm to Institution efforts by offering promotional and educational materials for a variety of audiences.

This additional funding will ensure the WSDA can provide:

- 1) A sufficient level of technical assistance to support new and beginning farmers, maintain farms' economic viability, regulatory compliance, and access to markets that include direct-to-consumers, small retailers, schools, public institutions, and food pantries; and
- 2) Guidance to schools and other institutional buyers to purchase from Washington farmers and make healthy foods available to children, employees, seniors, and low-income families.

The program provides support in meeting the specific technical needs of small and mid-size farms while understanding the opportunities and challenges facing the state's producers and buyers. Our current reliance on grant funding, with its specific deliverables, limits our ability to respond to emerging needs in a timely fashion. This funding will enable WSDA to engage with producers, food processors, distributors and buyers at the local level and tailor our services to meet specific needs. In

addition, this funding will allow WSDA staff to work with the Department of Veteran's Affairs to provide more support to veteran farmers and veteran farming programs.

This proposal requests funding for staffing and operational costs in order to:

- **Identify and reduce market barriers** to the development of business relationships, including sales to schools and institutions and direct-to-retail markets.
- **Offer targeted technical assistance and ensure staff are available** to farmers, food businesses, and buyers when they request guidance about business planning, access to markets, product development, distribution infrastructure, sourcing, procuring, and promoting Washington-grown foods.
- **Develop and deliver up-to-date reliable print and online publications**, including Spanish language resources, to assist agricultural producers in responding to emerging market opportunities, changing regulations and market requirements (e.g., Small Farm Direct Marketing Handbook, updates or companions to our Bridging the GAPs Farm Guide on food safety practices for small farms, and local food procurement guides for schools and institutions).
- **Encourage development of local infrastructure and regional supply chains**, including food hubs, to increase direct marketing opportunities for farms.
- **Engage and collaborate with businesses, nonprofits, state and local government entities** to support regional efforts to increase availability and purchasing of Washington-grown food in public institutions and in direct market venues.
- **Train small and mid-size farms and food processors in food safety best practices** appropriate to their scale and type of operation so they are prepared to meet market demands and new Food Safety Modernization Act rules.

This funding will enable the program to market the available services when meeting with people at the local level, which will allow the WSDA to support on-the-ground efforts in agricultural communities and be responsive to the real issues facing farms and food businesses.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The current annual budget for the program of \$130,000 allows for very limited operational expenditures that cannot be billed to grants, including staff time to seek non-state funding. Funding for .7 FTE is leveraged to support five other temporarily grant-funded positions. By actively seeking competitive federal grants and funding partnerships, the WSDA has relied nearly exclusively on federal grants to support the program since 2011. At the moment, the program is managing projects funded with over \$1 million in grants and partnerships. The specific deliverables associated with each grant limit our ability to respond to the opportunities we see in the marketplace. Seventy-five percent of the program's current federal grant funding will expire in 2017 and the remaining twenty-five percent expires at the end of 2018.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Requesting biennial funding for staffing and related costs for \$356,000 (1.0 FTE Commerce Specialist 4; .5 FTE Commerce Specialist 3) and program specific operational costs of \$144,000 for travel, translation services, graphic design, and printing and publication costs.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

1. Small and mid-sized farms and food businesses will remain a viable and vibrant part of Washington's agricultural economy. Farms and food businesses will be equipped with information about the direct marketing strategies, infrastructure, regulations, and market requirements (including food safety practices) that they need to access local and regional markets for their products.
2. Healthier and Washington-grown food options will be more available to children, families, and individuals at schools, public food service and food access programs.
3. The next generation of farmers, including career transitioning veterans and socially disadvantaged farmers, will be supported with pathways for entering agriculture and establishing viable farm businesses.
4. Sales from Washington agricultural producers will increase to schools and institutional markets, including state agencies, employee cafeterias and vending, early learning programs, senior meal programs, and emergency food programs.
5. Washington consumers will have a positive perception of Washington agriculture and demand local agricultural products.

Performance Measure detail:

This proposal upholds the WSDA's vision of contributing to the health of the state's people, environment, and economy in a way that is pro-active and responsive, with a model of leadership, expertise, and service. The proposal also contributes to the WSDA's strategic plan by providing key services to agricultural industry to support viable farm businesses and improve public health and welfare.

This proposal directly contributes to the **Governor's Results Washington Goal 4. Healthy and Safe Communities - Healthy Youth and Adults**

- 1.2.Y.c: Increase the number of Washington schools serving nutritious, Washington grown foods to children by 15% (from 1,734 to 1,994) by 2017.
- 1.2.A.f: Increase the percentage of healthier food options being offered to low income children and families through food pantries, farmers markets, and meal programs by 5% from 2014 baseline by 2017.

This proposal also provides indirect support to other Results Washington Priorities.

- Goal 2: Prosperous Economy by supporting the vitality and business income of agricultural and food businesses (1.2.a).

- Goal 3: Sustainable Energy and Clean Environment by supporting our working lands and helping keep farmers on the land to maintain current levels of farmland (4.1.a).
- Goal 4: Efficient, Effective, and Accountable Government by maintaining WSDA’s service reliability and increasing customer satisfaction with timely, accurate, and relevant information and assistance, including socially disadvantaged farmers and vulnerable populations.

Fully describe and quantify expected impacts on state residents and specific populations served.

This proposal will benefit Washington’s agricultural industry and consumers, specifically small farms, direct marketing farms of all sizes, new and beginning farmers including veterans and socially disadvantaged farmers, food businesses that deal with Washington grown products, including processors, distributors, and new efforts like regional food hubs. It will assist schools, pre-schools, state agency food service programs, county and city level food assistance programs, and other state agency and non-profit partners whose work intersects with the objectives of the Small Farm Direct Marketing and Farm to School Programs.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	WSDA collaborates with: <ul style="list-style-type: none"> • County Extension Offices statewide • County governments initiatives such as Pierce County’s Agriculture Community of Interest, King County’s Farm King County and Local Institutional Food Team, etc. • County level food assistance programs • Assistance to regional food hubs
Other local gov’t impacts?	Yes	WSDA collaborates with cities and school districts to support their efforts to promote consumption of Washington foods and successful farms and small food businesses.
Tribal gov’t impacts?	Yes	WSDA provides technical assistance to tribes on making healthy Washington food options available through tribal food programs.
Other state agency impacts?	Yes	WSDA is a key project partner and advisor to DOH, DSHS, WSU, DES, DEL, OSPI, DVA, WSU
Responds to specific task force, report, mandate or exec order?	Yes	<ul style="list-style-type: none"> • RCW 15.64.050 • RCW 15.64.060 • Results Washington • Governor’s Executive Order 13-06 <i>Improving the</i>

		<p><i>Health and Productivity of State Employees and Access to Healthy foods in State Facilities</i></p> <ul style="list-style-type: none"> • Governor’s Healthiest Next Generation Initiative • USDA Pilot for the Procurement of Unprocessed Fruits and Vegetables • Food Insecurity Nutrition Incentive (FINI) Project • Food Safety Modernization Act
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions,
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The program’s work affects businesses, non-profits, state agencies, tribes, and local government entities ranging from partnerships on statewide initiatives to local efforts. All aim to increase purchasing and availability of Washington-grown food in public and private institutions and in direct market venues with the goal of expanding the availability of healthy foods and connecting Washington farmers with markets for their products. This funding will allow WSDA to meet the obligations and opportunities presented by the following efforts:

- **USDA Pilot for the Procurement of Unprocessed Fruits and Vegetables.** Washington is one of eight states selected to participate in a pilot that allows schools more flexibility to purchase Washington-grown produce with federal funding. This project was supported by Governor’s Office during the application phase in 2014. WSDA’s Farm to School team, in partnership with OSPI, has been providing education, resources and technical assistance to

recruit schools and farms to apply and participate in the USDA Pilot Project. Over the past 6 months, over 50 schools and 75 farms have been reached, and sales of Washington product through the program have doubled.

- **Governor's Executive Order 13-06** *Improving the Health and Productivity of State Employees and Access to Healthy foods in State Facilities*. **WSDA collaborates with DES, DSHS, DOH, and DEL to update umbrella food contract rebid language and provide technical assistance** to DSHS, DOC, Tribes, County and City food service programs, Schools, early childhood education centers, senior meal providers, and other state contractors on procurement, use and promotion of Washington grown products.
- **Food Insecurity Nutrition Incentive (FINI)**. WSDA has a four year commitment as advisors to this DOH led project to increase fruit & vegetable consumption among low-income Supplemental Nutrition Assistance Program (SNAP) recipients by engaging farmers, farmers markets, healthcare providers, non-profits, and produce retailers.
- **Federal Food Safety Modernization Act**. Establishes new, mandatory food safety rules for produce growers, processors, shippers and other food handlers. Regional Markets has extensive experience educating farmers and other businesses on how to meet these regulations and other food safety certifications directly affecting their market access.
- **Governor's Healthiest Next Generation Initiative**. Includes recommendations to sustain and expand WSDA's Farm to School program and to increase fruit and vegetable consumption via schools and food assistance programs.
- **Washington State Department of Veterans Affairs**. WSDA support for veteran farmers in collaboration with new veteran farmer programs being developed by the DVA.
- **Washington State University**. The program works in close partnership on several WSU programs throughout the state, including:
 - **County Extension**. WSDA is a critical partner for WSU Extension at the county level with grower education on everything from logistics, to farmer outreach, to expertise. WSDA frequently calls upon WSU as a local representative to engage farming communities at the county level, and WSDA is often requested to speak and give technical assistance, offer workshops, or provide materials for WSU Extension programming.
 - **SNAP Ed Farm to Communities Project**. Funded through DSHS, WSDA is lead on this statewide project to link farms with SNAP eligible populations with policy, systems and environment changes for farm to institution success.
 - **WSU Farms and Food Systems Team**. WSDA is a member of this statewide team dedicated to unifying farmers and consumers in developing local markets and community food access.
- **County-level Food Assistance programs**. WSDA facilitates connections between food assistance programs and local farms.

What alternatives were explored by the agency and why was this option chosen?

One alternative to this funding request is to severely reduce or eliminate services when the federal grants expire. This alternative is not preferred because of the negative impacts on important sectors of the agricultural industry, specifically small and mid-size family farms, new and beginning farmers, including veterans and socially disadvantaged farmers and to impacts on children, low-income families, and others who want access to healthy Washington-grown foods.

The alternative of continuing to rely excessively on federal grants is not a viable option to support this program either. The program has relied heavily on grant funding, but the number of grants available for state agencies is increasingly limited and those that are still available require cost sharing through matching state funds. In addition, the challenge of meeting stakeholder needs primarily through grant-funded projects is compounded by gaps in grant funding that limit the type of services offered. For example, the program has been very successful in securing federal Specialty Crop Block Grants but these are focused exclusively on supporting fruit and vegetable growers and we are not able to respond to the great demand for technical assistance from direct-marketing meat, dairy, or grain producers. The average two- to three-year grant cycle timeline also makes it very difficult for WSDA to respond to emerging needs in a timely fashion, as staff activities must be limited to grant-funded project work plans.

Grants and cooperative agreements will remain key elements of the funding strategy for these programs; however, the lack of consistent reliable funding has detrimental impacts on the level and quality of service we are able to provide – especially to small and mid-sized family farms and food businesses whose growth WSDA is committed to supporting.

What are the consequences of not funding this request?

Without the requested funding, fewer farmers will have the opportunity to receive critical outreach they need to access domestic markets, strengthen their businesses, contribute to Washington’s safe food supply, and implement food safety standards. The market and regulatory landscape relating to food safety on farms is rapidly changing. Small farms especially need help understanding how new regulatory frameworks will be implemented on their farms and how to comply in ways that do not require undue regulatory burdens and prohibitive business costs.

Current grant funding will expire. The ability to leverage partnerships, cooperative agreements and seek federal grant funding will be lost. Without this funding, WSDA will not be able to provide services that support the viability of an important sector of our agricultural industry. Current initiatives and programs cannot be sustained without additional resources. Small, mid-sized, and direct marketing farms will not receive the technical assistance on direct marketing strategies, regulatory guidance, and food safety that they need to successfully access local and regional markets, including schools and institutions. Schools and institutions will not have access to training and purchasing guidance they need to incorporate healthy Washington-grown options into their food service.

The progress made on implementing the USDA Pilot Purchasing program may not be sustained and the program could run the risk of being discontinued by USDA. WSDA would not be able to sustain our role as a key partner on multi-agency efforts to increase availability of healthy produce in other institutions and food assistance programs – leaving a new market opportunity for farmers on the table.

WSDA has funded this work primarily through federal grants, which are aimed at stimulating agricultural economic development with new opportunities for farmers and ranchers through the promotion of healthful, local and regional foods. These federal grants require state matching funds. Without this funding, WSDA’s ability to compete for grants to carry out this work will be significantly reduced.

How has or can the agency address the issue or need in its current appropriation level?

Services will have to be severely reduced or eliminated after the expiration of the current federal grant funding if appropriation levels remain the same.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

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2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AD - Produce Safety Federal Agreement

Budget Period: 2017-19

Budget Level: PL – Policy Level

Agency Recommendation Summary Text:

This proposal requests \$3,332,000 General Fund-Federal (GF-F) spending authority in the 2017-19 biennium to support the Washington State Department Agriculture’s (WSDA) development of a produce safety program focused on, and in alignment with, the FDA Produce Safety Rule.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-20	1,666,000	1,666,000	1,666,000	1,666,000
Total Cost	1,666,000	1,666,000	1,666,000	1,666,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	10.0	10.0	10.0	10.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-20	1,666,000	1,666,000	1,666,000	1,666,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	747,400	747,400	747,400	747,400
Obj. B - Benefits	298,900	298,900	298,900	298,900
Obj. C -Contractual Services	155,200	155,200	155,200	155,200
Obj. E - Goods & Services	211,300	211,300	211,300	211,300
Obj. G - Travel	49,900	49,900	49,900	49,900
Obj. J - Equipment	12,400	12,400	12,400	12,400
Obj. P - Debt Service	5,900	5,900	5,900	5,900
Obj. T – Agency Overhead	185,000	185,000	185,000	185,000

Package Description

By establishing a produce safety program within the Washington State Department of Agriculture (WSDA), the Department will facilitate the implementation of the FDA Produce Safety Rule. This rule is an important part in creating a proactive and preventive food safety system envisioned by the Food Safety Modernization Act (FSMA). This project is designed to assist the U.S. Food and Drug Administration (FDA) in accomplishing the FSMA-mandated unified, partnership approach to food safety regulation. The goal of this project is to build a produce safety program for Washington state that meets the following goals:

GOAL 1: Help Washington farmers comply with the FDA Produce Safety Rule.

Expected Outcomes: Risks to the public's health will be reduced as farmers comply with the rule. Farmers will feel supported and will be less at risk of being in violation with the rule. Additionally, an understanding of how the rule can be applied appropriately in Washington will be developed.

- Objective 1: Assess the produce commodities, available resources and needs for a produce safety program.
- Objective 2: Develop infrastructure needed to manage the program.
- Objective 3: Evaluate the pertinent statutory/regulatory authorities and determine any needed changes.
- Objective 4: Educate and inform the farming community about compliance with the rule.
- Objective 5: Develop a multi-year strategy for accomplishing the goals and objectives of the program.

GOAL 2: Consistently and uniformly apply the FDA Produce Safety Rule in Washington.

Expected Outcomes: The public's health will be protected, local/state/federal partnerships needed for an integrated food safety system will be enhanced, and producers will be educated so they will know what to expect regarding inspection, compliance and enforcement.

- Objective 1: Educate and inform Produce Safety program inspectors and other regulatory personnel so they can consistently and appropriately apply the Produce Safety Rule and work effectively with those being regulated.
- Objective 2: Research, design and implement an inspection/compliance/enforcement program for the Produce Safety Rule, including regulatory surveillance inspections and an emphasis on education to promote compliance.

WSDA plans to use both education and enforcement to promote understanding of and compliance with the FDA Produce Safety Rule. The program will encourage the safe production of fruits and

vegetables, significantly advance a national integrated food safety system (IFSS), and effectively fulfill the requirements of the Food Safety Modernization Act (FSMA).

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

This is not an expansion or alteration of a current program or service, but a new program fully funded for the first five years, beginning in FY 2017 through federal grant funding. Future funding may require General Fund-State or other dedicated fund sources.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes propose.

In accordance with the budget instructions, expenditures and FTEs were determined at the maximum amount needed over the life of the federal grant, so future additional spending authority requests should not be required unless there is a significant increase in salary or benefit levels.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

A produce safety program in Washington State can positively impact public health far beyond the state's borders and its seven million residents. Washington is a major grower of produce commodities covered by the Produce Safety Rule within the Food Safety Modernization Act (FSMA). Rich soils, diverse climates and large-scale irrigation make the state one of the most productive growing regions in the world. According to the United States Department of Agriculture (USDA), Washington ranks number one in the US for producing raspberries, sweet cherries, apples, pears, carrots; number two for producing onions, apricots and nectarines; third for tart cherries and prunes / plums; and number five for blueberries, cranberries, and strawberries.

WSDA will develop and implement performance measures to measure progress of establishing a produce safety program. These may include, but are not limited to:

1. Establishing a well-defined and effective produce safety program to provide the foundation for outreach, inspection, and compliance work,
2. Determining the legal authority needed for a produce safety program to conduct outreach, inspections, and compliance work facilitation needed changes in laws and regulations,
3. Evaluating outreach, education, and training efforts for producers, processors, and inspection staff,
4. Monitoring program effectiveness and identifying best practices,

5. Developing protocols and documenting program processes to prevent foodborne illness and, if needed, facilitating rapid response activities,
6. Encouraging outreach to industry and community stakeholders impacted by the Produce Safety Rule,
7. Determining resources needed to fully support a produce safety program,
8. Establishing protocols to assess and demonstrate compliance with the Produce Safety Rule, and
9. Determining laboratory services, whether within WSDA or outside WSDA, needed to accomplish a produce safety program goals.

In addition, this new program will support Results Washington’s Goal 4: Healthy and Safe Communities, under Safe People, Sub Topic Food Safety by potentially helping reduce the incidence of food borne illnesses in Washington.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Identify: Local Public Health Jurisdictions will be impacted with our shared responsibility with food borne illnesses / investigations.
Other local gov’t impacts?	No	Identify:
Tribal gov’t impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Washington State Department of Health will be impacted with our shared responsibility with food borne illnesses / investigations.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	Yes	Identify: By year five of this program, workspace for up to ten staff will be needed.
Capital Budget Impacts?	No	Identify:

Is change required to existing statutes, rules or contracts?	Yes	Identify: This is the start-up of a new program initially supported by federal funding. New or revised Food Safety statutes will be determined after implementation.
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections	N/A	

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

No other alternative was explored to establishing a Produce Safety program.

What are the consequences of not funding this request?

Without funding, WSDA cannot establish a produce safety program and FDA will be the agency responsible for implementing the Produce Safety Rule in Washington. If the FDA takes the lead in implementing the program, the WSDA and other state agencies will have no input or oversight over the program. This lack of input could lead to conflicting regulations and other compliance issues for citizens of the Washington State.

How has or can the agency address the issue or need in its current appropriation level?

Funding is not currently available within the WSDA appropriation to establish a produce safety program.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

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2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AE – Cannabis Regulatory Support

Budget Period: 2017 - 19

Budget Level: PL – Policy Level

Agency Recommendation Summary Text:

This proposal requests \$1,850,000 General Fund-State (GF-S), transferred from the Dedicated Marijuana Account, for cannabis regulatory support operations at the Washington State Department of Agriculture (WSDA). This proposal, at the request of the Liquor and Cannabis Board (LCB), will allow the WSDA to test cannabis samples for both pesticide and potency levels; regulate and enforce cannabis pesticide regulations; and, coordinate an agency-wide cannabis program. With the additional resources, the agency will be properly positioned to maintain and enhance its current cannabis regulatory services, and avoid service level reductions to the department’s core agricultural programs.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	925,000	925,000	925,000	925,000
Total Cost	925,000	925,000	925,000	925,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	6.0	6.0	6.0	6.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	371,100	371,100	371,100	371,100
Obj. B - Benefits	140,600	140,600	140,600	140,600
Obj. E – Goods & Services	274,800	274,800	274,800	274,800
Obj. G – Travel	27,000	27,000	27,000	27,000
Obj. J – Equipment	27,500	27,500	27,500	27,500
Obj. T – Agency Overhead	84,000	84,000	84,000	84,000

Package Description

CANNABIS PESTICIDE AND POTENCY TESTING:

The Chemical and Hop Laboratory (laboratory) provides analytical testing and technical support to the LCB and additional support to WSDA Pesticide Management division. The laboratory provides technical support and tests agricultural products for Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) compounds (pesticides, herbicides, etc.) and other active ingredients in support of enforcement action.

The requested funding would allow the laboratory to conduct testing on cannabis and related products. The laboratory will validate and accredit a multi-residue method capable of testing for more than a hundred pesticides, including pesticides misused on cannabis. The funding would allow the laboratory to test 450 samples a year by this method and an additional 450 samples for single compounds not included in the multi-residue screen. The current testing for LCB and WSDA does not use a cannabis specific method so this funding would allow for the development of such a method. With our current staffing, samples often takes months to complete due to a large backlog. The LCB has had to curtail the number of investigatory cases and the number of samples they collect per case due to laboratory capacity restrictions. Increasing the number of investigations will encourage producer compliance. Under an existing contract with LCB, WSDA will hire more staff and buy equipment to increase the laboratory's capacity. This funding request will provide a sustainable source of funding for this work in future years. The funding would allow the lab to reduce turnaround time to about three weeks.

The laboratory also provides potency testing. Potency testing quantifies THC, THC-A, CBD, and CBD-A in cannabis. Potency labeling is required on products and is an important factor in consumer decisions. The LCB regulates this market by monitoring for mislabeled or fraudulently labeled cannabis. Under the current contract, the LCB sends the laboratory ten samples a month for testing at a government reference laboratory. This funding request will provide a sustainable source of funding for this work in future years.

The biennial amount requested for cannabis pesticide and potency testing is \$1,000,000

COMPLIANCE AND REGISTRATION:

Within the Pesticide Management division are the Pesticide Compliance and the Registration & Licensing programs, both of which interact with the cannabis industry. Pesticide Compliance enforces pesticide rules under the FIFRA and Worker Protection Standards (WPS). Registration & Licensing provides registration services for fertilizer and pesticide products and issues licenses for pesticide applicators.

COMPLIANCE

Pesticide Compliance provides technical assistance and support to the LCB upon request to support pesticide investigations. The WSDA has not yet conducted any routine inspections in the marijuana

industry. The requested resources will allow the program to start conducting compliance inspections and investigations independent of LCB activities. The Pesticide Compliance program has authority to do inspection and investigation activities under FIFRA and RCW 17.21 Washington Pesticide Application Act.

Inspections ensure that producers comply with applicable regulations, but also are an opportunity to provide technical education to the business. Cannabis is a new industry with complex pesticide regulations. The requirements for DOH-compliant cannabis products are slightly different from the requirements for recreational cannabis. Routine inspections and technical education will help producers comply with the regulations and support public health. The Compliance Program will conduct approximately 18 inspections of licensed cannabis producers annually. If inspections reveal substantial compliance in the industry, the number of annual inspections could be reduced in the future. Over the past year, the department has assisted LCB on 20 investigations, primarily driven by complaints. Some of these would not have otherwise met the department's criteria to conduct an investigation, so we estimate 10-15 investigations annually.

REGISTRATION

The bulk of the work performed in support of cannabis would be in the pesticide registration section. This would include:

- processing an increased number of standard pesticide registrations;
- providing guidance, processing, and reviewing for Section 24c Special Local Need Registrations that would allow the use of a particular pesticide on marijuana in Washington State;
- providing technical guidance through multiple avenues, including updates to the criteria for allowing pesticides to be used on marijuana and updates to the list of allowable pesticides on the Pesticide Information Center Online (PICOL) website;
- working with several state and federal agencies including the LCB, Department of Health (DOH), and the Environmental Protection Agency (EPA) on pesticide issues involving cannabis; and,
- providing leadership and outreach to producers and the industry on market compliance and registration issues.

Additionally, on the fertilizer registration and compliance side, the department will:

- provide guidance on fertilizer compliance, including assistance with fertilizer adulterated with pesticides;
- serve as the lead agency for sampling and inspection of hydroponic production;
- provide outreach and education to and through hydroponic fertilizer outlets.

The biennial amount requested for pesticide compliance and registration is \$550,000

CANNABIS COORDINATION:

The agency has identified a need for a new position in the Director's Office that would coordinate cannabis policies and activities across the agency, within the state family, and with external partners.

Four of the agency's divisions have active operational roles in cannabis regulation. The Cannabis Coordinator will ensure consistent application of the agency's approach to cannabis issues across divisions and ensure that each division's activities complement the others. The position would also serve as a liaison to the Governor's Office, other state agencies, and external partners. The coordinator will understand the agency's existing functions and participate in policy level conversations about possible improvements to the cannabis regulatory system. Issue areas will include pesticides, food safety standards, production standards, and research. The position will play a role in implementation of the agency's new industrial hemp pilot program.

The biennial amount requested for cannabis coordination is \$300,000.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

WSDA currently absorbs within present funding levels a limited ability to provide services to the cannabis industry. As demand for these services grows, those functions could reduce the resources the agency has available for current core agricultural functions. The additional resources requested in this decision package will preserve current service levels in core programs while allowing the agency to meet new demands for service in the cannabis industry.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

The requested resources will allow the agency to maintain and enhance its service to the cannabis industry in the areas of laboratory testing, pesticide registration and compliance, and agricultural marijuana policy. Service levels are quantified above. The requested resources also preserve current service levels to existing core agricultural programs.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Liquor and Cannabis Board, Department of Health
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	Yes	Identify: Workspace for additional employees
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The requested resources will allow the agency to enhance service levels in areas that support LCB and DOH regulatory functions. Our three agencies closely coordinate our activities.

What alternatives were explored by the agency and why was this option chosen?

The only alternative explored by the agency was to continue to provide pesticide residue and potency testing to the LCB under an interagency agreement, and reducing pesticide registration and compliance efforts for other agricultural products to offset the increase in cannabis-related activities. The cannabis industry continues to grow in Washington state so this alternative is not sustainable over the long-term.

What are the consequences of not funding this request?

Without funding, the WSDA will be unable to:

- improve pesticide registration and compliance,
- continue testing marijuana samples for both pesticide and potency, and
- coordinate an agency-wide cannabis program.

The lack of regulation, enforcement and testing could expose the citizens of Washington to unhealthy levels of pesticides in cannabis products and reduce public confidence in product safety. The lack of coordination at an agency level will lead to inconsistent application of the agency’s approach and reduce the agency’s ability to work with other agencies on regulatory improvements. The lack of funding would also require other state agencies like LCB to reduce their other service levels if required to provide funding for cannabis pesticide testing.

How has or can the agency address the issue or need in its current appropriation level?

The WSDA may be able to continue to perform a limited level of service in pesticide registration and potency testing within the current appropriation level but will be unable to maintain the service long-term or enhance any cannabis regulation or compliance programs with current resource levels.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AF – Edible Marijuana Inspections

Budget Period: 2017-19

Budget Level: PL – Policy Level

Agency Recommendation Summary Text:

This proposal requests \$200,000 in Agricultural Local Account spending authority in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) to ensure marijuana edibles are produced under appropriate sanitary conditions. This proposal, at the request of the Liquor and Cannabis Board (LCB), supports proposed legislation granting WSDA statutory authority to regulate the sanitary processing of marijuana-infused edible products.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 126-6	100,000	100,000	100,000	100,000
Total Cost	100,000	100,000	100,000	100,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	1.0	1.0	1.0	1.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 126-6	100,000	100,000	100,000	100,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	55,000	55,000	55,000	55,000
Obj. B - Benefits	20,800	20,800	20,800	20,800
Obj. E – Goods & Services	10,800	10,800	10,800	10,800
Obj. G - Travel	1,000	1,000	1,000	1,000
Obj. T – Agency Overhead	12,400	12,400	12,400	12,400

Package Description

This proposal gives the WSDA the Agricultural Local Account spending authority necessary to support the proposed legislation granting statutory authority to ensure that marijuana edibles are produced under appropriate sanitary conditions.

The WSDA currently regulates the sanitary processing of food produced in the state and moving in intrastate commerce. Sanitary processing standards are an area of expertise for the agency. The LCB, however, is currently the only state agency with statutory authority to regulate the sanitary processing of marijuana-infused edible products. Sanitary processing standards are not an area of expertise for LCB.

To address this, WSDA and LCB have already entered into a contractual arrangement in which WSDA performs sanitary inspections of edibles processors at LCB's request. WSDA then seeks reimbursement from LCB for the costs of providing those services. LCB, in turn, seeks reimbursement from the inspected processor. In a similar fashion, violations found during WSDA inspections are referred to LCB for compliance and enforcement actions. The LCB is in the position of performing pass-through activities for both billing and enforcement related to sanitary processing standards – serving as only the intermediary between WSDA and the processor.

LCB has asked WSDA to add direct authority for the sanitary processing of edibles to its book of work. Adding statutory authority for this work to WSDA will allow LCB to stop performing its current intermediary functions in the area of sanitary processing standards.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

The WSDA inspects the sanitary processing of marijuana-infused edible products under an inter-agency agreement with the LCB so no agency resources are currently allotted for inspections.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

This proposal supports a 1.0 FTE combination of multiple job classifications including Food Safety Officer 2, Food Safety Officer 3, Public Health Gen 4, and divisional support staff. The expenditure estimates are based on the current interagency agreement with the LCB to perform inspections.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

The WSDA anticipates licensing about 110 marijuana edibles processors in the year following the effective date of the bill. Currently, there are just over 1000 approved marijuana-infused edible products. Oversight of sanitary processing standards serves consumers of these products.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Liquor and Cannabis Board (LCB); Department of Health (DOH)
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	Yes	Identify: Additional staff will require workspace
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	Yes	Identify: Makes changes to RCWs 69 and 19
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The LCB and the DOH rely on the WSDA inspections to ensure sanitary processing of marijuana edibles.

The supported legislation amends RCW 69.07.010, 69.07.020, and 19.02.110; adds a new section to chapter 69.07 RCW; creates a new section; and provides an effective date.

What alternatives were explored by the agency and why was this option chosen?

The WSDA could continue to perform sanitary inspection of edibles processors under an interagency agreement with the LCB. The LCB would continue to perform pass-through billing and enforcement activities related to WSDA inspections. This option would not eliminate administrative redundancies in state government.

What are the consequences of not funding this request?

Without this funding, the WSDA will be unable to ensure marijuana edibles are produced under appropriate sanitary conditions and the LCB will have to continue to provide funding through the inter-agency agreement.

How has or can the agency address the issue or need in its current appropriation level?

The WSDA is unable to perform sanitary inspections of edibles processors without the required resources.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AG - Voluntary Marijuana Certification

Budget Period: 2017 - 19

Budget Level: PL – Policy Level

Agency Recommendation Summary Text:

This proposal requests \$900,000 in Agricultural Local Account non-appropriated spending authority in support of proposed legislation allowing the Washington State Department of Agriculture (WSDA) to establish a new voluntary program to certify state-licensed marijuana producers and handlers (processors) who use “natural” and “sustainable” production practices.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 126-6	360,000	540,000	720,000	900,000
Total Cost	360,000	540,000	720,000	900,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	3.6	5.5	7.3	9.3
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 126-6	360,000	540,000	720,000	900,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	186,300	284,700	377,800	478,700
Obj. B - Benefits	78,100	119,500	158,400	200,700
Obj. E – Good & Services	47,200	64,500	90,900	104,200
Obj. G - Travel	5,000	5,000	5,000	5,000
Obj. T – Agency Overhead	43,400	66,300	87,900	111,400

Package Description

This proposal supports legislation to adopt rules establishing standards for marijuana and marijuana products produced and processed in a manner consistent with the United States Department of Agriculture (USDA) organic regulations. The marketing term “organic” is a federally regulated term.

Within the scope of the USDA organic regulations, the term “organic” cannot be used in the marketing of agricultural products unless the production practices used have been certified. Because marijuana is federally illegal, it is outside the scope of the USDA organic regulations, and organic certification is not available. Any use of the term “organic” in representing or selling marijuana is misleading and not permissible.

Board licensed marijuana producers and handlers (processors), as well as marijuana consumers are looking for ways to differentiate marijuana products in the marketplace. With the incorporation of the Washington state medical marijuana system into the existing recreational system, consumer demand for products that they perceive to be healthier is likely to grow. Organic-style production practices are one way that operations could set their product apart and meet consumer demand. Some private companies have recognized the opportunity to facilitate market differentiation based on verified production practices. These firms face challenges regarding the perception of their independence, transparency of their processes and procedures, and consumer education regarding their trademarked marketing terms. A new public certification program at WSDA would be better positioned to meet these challenges by building on our existing reputation, independence, legally-required transparency, public accountability, and consumer recognition.

The proposed legislation establishes a self-sustaining program for certifying marijuana producers and marijuana handlers (processors) as meeting USDA organic regulations. It provides the program the authority to collect fees; inspect licensee facilities to verify compliance; impose and collect civil penalties for violations; and deny, suspend or revoke a license when it is determined the rules have been violated.

The program would provide a mechanism to differentiate these “natural” marijuana products in the marketplace and meet consumer demand for such assurances. Based on the USDA organic regulations, and with extensive public input, development of an alternative marketing term would occur.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

The WSDA Organic program is entirely fee funded, with annual revenue of over \$2,970,000 that funds 36 staff and presently certifies more than 1,100 operations. The program would apply this same fee funded model to the administration of a “natural” marijuana certification program. As with current organic certification activities, budget and staff would increase commensurate with program growth.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Revenue assumptions based on average certification fee paid by current organic operations in fiscal year 2016. This was multiplied by estimates provided by the marijuana industry on operations that may be interested in the new certification over the next four fiscal years.

- FY18 = \$1,800 average certification fee x 200 clients = \$340,000
- FY19 = \$1,800 average certification fee x 300 clients = \$540,000
- FY20 = \$1,800 average certification fee x 400 clients = \$720,000
- FY21 = \$1,800 average certification fee x 500 clients = \$900,000

The expenditures in this proposal would be tied to the revenue generated by the assumptions above. No additional funding would be required. The program will utilize FTE positions in the Environmental Specialist 3 job classification with associated benefits, goods and services, travel, and intra-agency indirect costs.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

1. Marijuana producers and handlers (processors) will have a recognized term and certification program to differentiate their products in the marketplace, creating a marketing niche that presents potential market premiums.
2. Marijuana consumers will be able to more clearly make a choice when looking for a marijuana product produced according to the organic practices familiar to them.
3. Uncertified claims will diminish with the ability to impose compliance action and levy fines.
4. The use of sustainable production practices will increase.

Performance Measure detail:

This proposal upholds WSDA's vision of contributing to the health of the state's people, environment, and economy in a way that is pro-active and responsive and with a model of leadership, expertise, and service. The proposal also contributes to the WSDA's strategic plan by providing key services to agricultural industry to support viable farm businesses.

Fully describe and quantify expected impacts on state residents and specific populations served.

This proposal will benefit Washington's agricultural industry and consumers, providing a label that brings a premium in the marketplace to producers while broadening choice to consumers. An independently regulated label administered by a deeply experienced certification program offers a guarantee of integrity.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Liquor and Cannabis Board, Department of Health
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The proposed voluntary production standards may influence producer practices relative to various Liquor and Cannabis Board (LCB) and Department of Health (DOH) requirements, including

tighter controls on crop inputs and other production practices. The LCB and DOH provided input on this proposal.

What alternatives were explored by the agency and why was this option chosen?

The agency considered two other alternatives: wait to see if a private sector alternative fills the need for a third party certification or, wait for federal action to declassify marijuana as a controlled substance, allowing for the labeling of marijuana as organic. In consideration of the first alternative, some private companies have recognized the opportunity to facilitate market differentiation based on verified production practices. These firms face challenges regarding the perception of their independence, transparency of their processes and procedures, and consumer education regarding their trademarked marketing terms. Members of the marijuana trade have expressed support for a state-administered certification program.

In consideration of the second alternative, the federal government does not appear to be moving to declassify marijuana as a controlled substance, nor is it prepared to declassify it to allow for medical use as announced by the Drug Enforcement Administration (DEA) on August 10, 2016.

What are the consequences of not funding this request?

In the absence of establishing this program, unregulated organic-like claims will continue in the marketplace, perpetuating consumer confusion and opening the potential for false or misleading claims.

How has or can the agency address the issue or need in its current appropriation level?

The agency's organic certification program is presently the largest state-run program in the country. It has the capacity to capitalize on this position and expand its certification services to the growing marijuana market with the additional resources requested in this proposal.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

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2017-19 Biennium Budget Decision Package

Agency: 495 Department of Agriculture

Decision Package Code/Title: AH – Aquaculture Coordination

Budget Period: 2017-19

Budget Level: PL – Policy Level

Agency Recommendation Summary Text:

This proposal requests \$132,000 General Fund-State (GF-S) in fiscal year two of the 2017-19 biennium to establish a state aquaculture coordinator position at the Washington State Department of Agriculture (WSDA). This request will allow the agency to develop a position to look for ways to improve the permitting process associated with aquaculture activities.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	0	132,000	132,000	132,000
Total Cost	0	132,000	132,000	132,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	1.0	1.0	1.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A - Salaries	0	67,900	67,900	67,900
Obj. B - Benefits	0	23,700	23,700	23,700
Obj. E – Goods & Services	0	12,600	12,600	12,600
Obj. G - Travel	0	10,300	10,300	10,300
Obj. J - Equipment	0	2,500	2,500	2,500
Obj. T – Agency Overhead	0	15,000	15,000	15,000

Package Description

The agency has identified a need for a new position in the Director’s Office that would coordinate aquaculture activities in the state by conducting outreach and technical assistance to local governments, outreach to growers and conducting interagency coordination. The position would also serve as a liaison to the Governor’s Office, other state agencies, and external partners. The

coordinator would understand the agency's existing functions and participate in policy level conversations about coordinating aquaculture activities in Washington State.

Permitting any activity in water is a complex process and the agency believes it would benefit the state's interest to address these, and other aquaculture issues, comprehensively through a state aquaculture coordinator. This position would help ensure that applicants get the best results possible, agency staff get the help they need, members of the public and other interested parties get greater accountability, and the natural resources of our state continue to be protected.

Aquaculture has been part of the Pacific Northwest landscape for thousands of years. It plays an important food-producing role in our culture and is critically important to native peoples and to the economies of many coastal communities. Washington was the first state in the nation to establish a Washington Shellfish Initiative (WSI) to advance the state's shellfish goals. Shellfish have an important place in Washington State's heritage, as tribes have harvested shellfish for generations, feeding their communities from Puget Sound and coastal shores. Shellfish farming is also a foundation for rural western Washington economies. Washington State leads the nation in farmed shellfish production with 10,616 metric tons of oysters, clams, and mussels in 2013. Washington shellfish growers directly and indirectly employed over 2,700 people and provided an estimated total economic contribution of \$184 million in 2010.

The aquaculture industry is challenged by the increasing amount of time and resources required to complete a complex, and sometimes unpredictable, regulatory process. Whether expanding an existing operation or starting a new one, the aquaculture industry is faced with barriers for entry into a sustainable, industry which is the economic cornerstone of the state's coastal communities.

While the biennial amount requested for aquaculture coordination is \$264,000, it will take up to a year to work with industry partners to develop the scope of the position so only the second fiscal year funding of \$132,000 is requested in this proposal.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

This proposal is not an expansion or alteration of a current program or service.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

The decision package expenditures assume one FTE funding at the Management Analyst 4 job classification with associated travel and agency overhead costs.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

Outreach to Growers

The aquaculture industry needs to be educated and fully aware of the resources at their disposal. To achieve success, outreach to shellfish growers about resources must be continued and expanded.

Scope of position would include:

- Assistance with outreach to shellfish growers about resources and appropriate state contacts. Outreach would include continued presentations at aquaculture conferences, specialized workshops, and development informational handouts.
- Monitor and assess stakeholder needs and priorities.

Provide Technical Assistance to Local Government

The permitting process typically starts at the permit counter of the respective local government. Applications for shellfish aquaculture can get complicated quickly and there may not be in-house technical expertise. An aquaculture coordinator could provide an opportunity to generate support for all participating staff, but especially those from local government. Technical assistance to local government staff would support their permit decisions and promote consistency across varying levels of government. Additionally, it is not always apparent to local government leadership that shellfish aquaculture requires extra attention from staff and is a priority for the state through the WSI. An aquaculture coordinator could communicate WSI goals and actions to officials and administrators at local government so staff get the support they need.

Scope of position would include:

- Look for opportunities to provide consistent information, training and other means of staff support for local governments.
- Conduct outreach meetings with local government officials and administrators to promote a better understanding of aquaculture in Washington State.

Reduce Redundancies and Improve Interagency Coordination

Redundancy and inconsistencies associated with the various regulating entities continue to exist. Reducing or eliminating redundancies in the permitting process should be a fundamental function of this position.

Scope of position would include:

- Work to resolve redundancies and inconsistencies by continuing to look at existing practices for areas of improvement.
- Set clear goals and objectives with a method to evaluate progress and effectiveness as a means of accountability.

Fully describe and quantify expected impacts on state residents and specific populations served.

The requested resources will allow the agency to assist industry in coordinating their activities and streamlining processes.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	Yes	Identify: Workspace for additional employee
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important		

connections		
-------------	--	--

Please provide a detailed discussion of connections/impacts identified above.

A workspace will be needed in or near the director's office for this position.

What alternatives were explored by the agency and why was this option chosen?

The agency has worked with the aquaculture industry at a high level for years but our ability to fully engage with growers at the ground level has been limited. This position would allow the agency to provide the level of service that industry needs to continue to be successful in the state.

What are the consequences of not funding this request?

Without funding for this position, the WSDA will be unable to establish a new program to:

- Develop a coordinated and consistent process for improved timeliness of permit decisions.
- Identify the obstacles and challenges encountered in implementing those improvements.
- Increase transparency in government and better serve the public's interests by improving the accessibility to and responsiveness of regulators.

How has or can the agency address the issue or need in its current appropriation level?

The agency may be able to continue to perform a limited level of service in coordinating aquaculture activities within the current appropriation level but will be unable to maintain the service long-term or provide any meaningful outcomes for the aquaculture industry with current resource levels.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

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TAB D Special Reports

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**Washington State Department of Agriculture
Agency Revenue
Assumptions and Justification**

General fund licenses and fees are expected to remain constant throughout the 2017-19 biennium.

Federal revenue estimates are based on 2015-17 activities that are expected to be ongoing. The agreements between the department and the various federal agencies are renegotiated each year and are subject to the availability of federal appropriations.

Private contribution and grant revenue estimates are expected to remain constant throughout the 2017-19 biennium. The agency expects to maintain the current agreements with other governmental units and private entities. This level of estimated revenue also allows some flexibility to accommodate new agreements.

The special revenue funds (126-6, 128-6, and 516-6) receive revenue from licenses, registrations, certifications and fees-for-service in support of several agency activities. Revenue levels associated with these accounts are expected to remain stable throughout the 2017-19 biennium. While revenues are expected to continue at a level sufficient to cover estimated expenditures, given the nature of the agricultural industry, revenues can vary significantly based on the market and on nature. If actual revenue levels decrease, there will be a corresponding decrease in expenditure levels.

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State of Washington

Summarized Revenue by Account and Source

9/12/2016
12:13PM

Budget Period: 2017-19
Dollars in thousands
495 - Department of Agriculture
Agency Level
OB - 2017-19 Budget Submittal
Supporting Text Included

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	
001 - General Fund							
Total - 0203 - Agricul/Aquaculture - S	6	6			6	6	12
0310 - Dept of Agriculture - F	11,568	11,531		234			
AA - Asian Gypsy Moth Eradication			309				
AD - Produce Safety Federal Agreement			1,666	1,666			
Total - 0310 - Dept of Agriculture - F	11,568	11,531	1,975	1,900	13,543	13,431	26,974
Total - 0315 - Dept of Interior - F	127	127			127	127	254
Total - 0366 - Environ Protection A - F	589	589			589	589	1,178
Total - 0393 - Health & Human Svc - F	1,209	1,209			1,209	1,209	2,418
Total - 0541 - Contributions Grants - P/L	96	97			96	97	193
001 - General Fund - State	6	6			6	6	12
001 - General Fund - Federal	13,493	13,456	1,975	1,900	15,468	15,356	30,824
001 - General Fund - Private/Local	96	97			96	97	193
Total - 001 - General Fund	13,595	13,559	1,975	1,900	15,570	15,459	31,029
126 - Agric Local Acct							
0203 - Agricul/Aquaculture - S	21,443	20,895					
9J - Nonappropriated Fund Adjustment	3,100	3,100					
AF - Edible Marijuana Inspections			100	100			
AG - Voluntary Marijuana Certification			360	540			
Total - 0203 - Agricul/Aquaculture - S	24,543	23,995	460	640	25,003	24,635	49,638
Total - 0621 - Operating Trans In - S	3,388	3,388			3,388	3,388	6,776
126 - Agric Local Acct - State	27,931	27,383	460	640	28,391	28,023	56,414
Total - 126 - Agric Local Acct	27,931	27,383	460	640	28,391	28,023	56,414
128 - Grain Inspec Revolv							
0203 - Agricul/Aquaculture - S	12,079	11,907					

9J - Nonappropriated Fund Adjustment	350				
Total - 0203 - Agricult/Aquaculture - S	12,429	12,257	12,429	12,257	24,686
Total - 0622 - Operating Trans Out - S	(1,291)	(1,291)	(1,291)	(1,291)	(2,582)
128 - Grain Inspec Revolv - State	11,138	10,966	11,138	10,966	22,104
Total - 128 - Grain Inspec Revolv	11,138	10,966	11,138	10,966	22,104
516 - Fruit and Veg Ins					
Total - 0203 - Agricult/Aquaculture - S	20,229	20,013	20,229	20,013	40,242
Total - 0622 - Operating Trans Out - S	(2,097)	(2,097)	(2,097)	(2,097)	(4,194)
516 - Fruit and Veg Ins - State	18,132	17,916	18,132	17,916	36,048
Total - 516 - Fruit and Veg Ins	18,132	17,916	18,132	17,916	36,048
823 - Livestock Nut Mgmt					
Total - 0405 - Fines, Forfeits - S	18	18	18	18	36
823 - Livestock Nut Mgmt - State	18	18	18	18	36
Total - 823 - Livestock Nut Mgmt	18	18	18	18	36
495 - Department of Agriculture - State	57,225	56,289	57,685	56,929	114,614
495 - Department of Agriculture - Federal	13,493	13,456	15,468	15,356	30,824
495 - Department of Agriculture - Private/Local	96	97	96	97	193
Total - 495 - Department of Agriculture	70,814	69,842	73,249	72,382	145,631

9J - Nonappropriated Fund Adjustment
This proposal is an adjustment to increase the Expenditure Authority control numbers and FTEs for three of the WSDA's nonappropriated funds to reconcile to actual agency usage.

AA - Asian Gypsy Moth Eradication
This proposal requests \$723,000 General Fund-State (GF-S); \$543,000 General Fund-Federal (GF-F) in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) Plant Pest Program. This funding will allow the WSDA to conduct the required two additional calendar years of post-treatment, high-density trapping after the Asian Gypsy Moth (AGM) eradication efforts in 2016.

AD - Produce Safety Federal Agreement
This proposal requests \$3,332,000 General Fund-Federal (GF-F) spending authority in the 2017-19 biennium to support the Washington State Department Agriculture's (WSDA) development of a produce safety program focused on, and in alignment with, the FDA Produce Safety Rule.

AF - Edible Marijuana Inspections
This proposal requests \$200,000 in Agricultural Local Account spending authority in the 2017-19 biennium for the Washington State Department of Agriculture (WSDA) to ensure marijuana edibles are produced under appropriate sanitary conditions. This proposal, at the request of the Liquor and Cannabis Board (LCB), supports proposed legislation granting WSDA statutory authority to regulate the sanitary processing of marijuana-infused edible products.

AG - Voluntary Marijuana Certification
This proposal requests \$900,000 in Agricultural Local Account non-appropriated spending authority in support of proposed legislation allowing the Washington State Department of Agriculture (WSDA) to establish a new voluntary program to certify state-licensed marijuana producers and handlers (processors) who use "natural" and "sustainable" production practices.

State of Washington
Request for Fees
2017-19 Biennium

AGENCY	Title Department of Agriculture
	Code 495

Agy #	Agency Name	Fee Code	Name of Fee	Is a bill required?	Z-Draft # (or Pending)	New, Increased, Continued?	Incremental Revenue Dollars in Thousands				Tried to Expenditure Change?	Fee Payer Position	Explanation of Change See Instructions
							GFS		Other Funds				
							FY 2018	FY 2019	FY 2018	FY 2019			
495	Department of Agriculture	NEW	Edbile Cannabis Inspections	Yes	Pending	New			100,000	100,000	Yes. Supports new program.	Agency initiated. Fee payers will likely oppose fee.	Self supported by fees in support of agency-request legislation. See decision package AF-Edbile Marijuana Inspections
495	Department of Agriculture	NEW	Voluntary Marijuana Certification	Yes	Pending	New		360,000	540,000	No. Supports new program.	Agency initiated. Supported by industry.	Self supported by estimated fees based on current organic standards. Actual fees will be determined during rule making process.	
495	Department of Agriculture	1607	Livestock Inspection - Fee Schedule	Yes	Pending	Increased		58,533	58,533	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. The proposed increases will adjust obsolete fees and support current and future activities	
495	Department of Agriculture	1618	Public Livestock markets - Minimum Livestock Inspection Services - fee	Yes	Pending	Increased		24,544	24,544	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. The proposed increases will adjust obsolete fees and support current and future activities	
495	Department of Agriculture	2701	Weighmaster license fee	Yes	Pending	Increased		12,608	12,735	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. The proposed increases should keep the program operating at current level for six years.	
495	Department of Agriculture	2703	Weigher license fee	Yes	Pending	Increased		30,108	30,409	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. The proposed increases should keep the program operating at current level for six years.	
495	Department of Agriculture	2704	Impression seal rental fee	Yes	Pending	Increased		1,681	1,486	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. The proposed increases should keep the program operating at current level for six years.	
495	Department of Agriculture	2706	Commercial device registration fees	Yes	Pending	Increased		643,050	17,337	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. The proposed increases should keep the program operating at current level for six years.	
495	Department of Agriculture	2709	Service agent registration fee	Yes	Pending	Increased		10,827	10,935	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. The proposed increases should keep the program operating at current level for six years.	
495	Department of Agriculture	99**	Commercial fertilizer registration fee, minimum inspection fee, and late and collection fees	Yes	Pending	Increased		209,400	418,800	No. Supports expected expenditures for current program	Agency initiated. Neutral support from industry	Self supported by fees. Last fee increase was 1987 so needed to provide funding for program for next 10 years	

Additional Comments

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**Washington State Department of Agriculture
Working Capital Reserve
Assumptions and Justification**

The department's special revenue funds (126-6, 128-6 and 516-6) receive revenue from licenses, registrations, certifications and fees-for-service in support of several agency activities. The RCWs are very specific as to how these revenues are used in support of program activities.

The recommended ending balances for the current biennium reflect a six-month operating reserve based on the 2015-17 current budget level expenditure estimates. The recommended ending balances for the ensuing biennium reflect the 2017-19 maintenance level expenditure estimates.

All activities are expected to continue at a level sufficient to cover estimated expenditures; however, given the nature of the agricultural industry, revenues can vary significantly based on the market and on nature. Each account and subaccount is managed on a multi-year or multi-biennia basis. Fee levels are established with stakeholder input to provide sufficient resources for program operations over an extended period of time, usually several years. If revenue levels decrease, there would be a corresponding decrease in expenditure levels.

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Working Capital Reserve

Budget Period: 2017-19 09/12/2016
Agency: 495 Department of Agriculture 2:16:39PM
Version: OB 2017-19 Budget Submittal Page: 1

FUND ADMINISTRATOR AGENCY ONLY **FUND ADMINISTRATOR AGENCY ONLY**
RECOMMENDED ENDING FUND BALANCE **RECOMMENDED ENDING FUND BALANCE**

FUND FUND TITLE Current Biennium Ensuing Biennium

126	Agricultural Local Account	12,300,000	13,800,000
128	Grain Inspection Revolving Acct	5,300,000	5,500,000
516	Fruit and Vegetable Inspection Acct	9,000,000	9,000,000

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2017-19 Federal Funding Estimates Summary

Date 09/09/2016

CFDA NO.	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts
	Agency Total			
	FY 2016	5,709,400	5,709,400	2,006,390
	FY 2017	4,036,500	2,189,434	898,878
	FY 2018	4,054,500	3,975,000	1,262,140
	FY 2019	3,495,800	1,919,084	769,378
	Department of Agriculture			
10.025	USDA APHIS Exotic Defoliating Moth Activity #A022			
	FY 2016	365,000	365,000	150,000
	FY 2017	365,000	273,750	112,500
	FY 2018	365,000	365,000	150,000
	FY 2019	365,000	273,750	112,500
	Department of Agriculture			
10.025	USDA APHIS Exotic Snail Survey Activity #A022			
	FY 2016	113,000	113,000	15,150
	FY 2017	113,000	56,500	7,575
	FY 2018	131,000	131,000	15,150
	FY 2019	131,000	65,500	7,575
	Department of Agriculture			
10.025	USDA APHIS Gypsy Moth Activity #A022			
	FY 2016	1,962,900	1,962,900	670,000
	FY 2017	290,000	217,500	108,750
	FY 2018	290,000	290,000	145,000
	FY 2019	290,000	217,500	108,750
	Department of Agriculture			
10.025	USDA APHIS Emerald Ash Borer National Survey Activity #A022			
	FY 2016	11,200	11,200	5,000
	FY 2017	11,200	8,400	3,750
	FY 2018	11,200	11,200	5,000
	FY 2019	11,200	8,400	3,750
	Department of Agriculture			
10.025	USDA APHIS Sudden Oak Death Surveillance Activity #A022			
	FY 2016	195,000	195,000	92,600
	FY 2017	195,000	97,500	46,300
	FY 2018	195,000	195,000	92,600
	FY 2019	195,000	97,500	46,300
	Department of Agriculture			
10.025	USDA APHIS Vineyard Snail			

2017-19 Federal Funding Estimates Summary

Date 09/09/2016

CFDA NO.	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts
	Activity #A022			
	FY 2016	50,000	50,000	14,000
	FY 2017	50,000	4,167	1,167
	FY 2018	50,000	50,000	14,000
	FY 2019	50,000	4,167	1,167
10.025	Department of Agriculture USDA APHIS GM Survey Activity #A022			
	FY 2016	508,700	508,700	453,000
	FY 2017	508,700	254,350	226,500
	FY 2018	508,700	508,700	353,000
	FY 2019	109,000	54,500	176,500
10.025	Department of Agriculture USDA APHIS Exotic Woodboring Insects Activity #A022			
	FY 2016	100,000	100,000	14,640
	FY 2017	100,000	91,667	13,420
	FY 2018	100,000	100,000	14,640
	FY 2019	100,000	91,667	13,420
10.568	Department of Agriculture USDA FNS TEFAP Activity #A028			
	FY 2016	1,473,000	1,473,000	132,000
	FY 2017	1,473,000	368,250	33,000
	FY 2018	1,473,000	1,473,000	132,000
	FY 2019	1,473,000	368,250	33,000
10.680	Department of Agriculture USDA FS Integrated Noxious Weed Mgnment Activity #A022			
	FY 2016	159,000	159,000	159,000
	FY 2017	159,000	79,500	79,500
	FY 2018	159,000	79,500	39,750
	FY 2019	-	-	-
10.680	Department of Agriculture USDA FS Integrated Noxious Weed Mgnment Activity #A022			
	FY 2016	120,000	120,000	120,000
	FY 2017	120,000	90,000	90,000
	FY 2018	120,000	120,000	120,000
	FY 2019	120,000	90,000	90,000
93.103	Department of Health DHHS FDA Food Protection Task Force Conf. Activity #A010			

2017-19 Federal Funding Estimates Summary

Date 09/09/2016

CFDA NO.	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts
	FY 2016	9,000	9,000	11,000
	FY 2017	9,000	5,250	6,417
	FY 2018	9,000	9,000	11,000
	FY 2019	9,000	5,250	6,417
66.700	EPA			
	Pesticide			
	Activity #A021			
	FY 2016	642,600	642,600	170,000
	FY 2017	642,600	642,600	170,000
	FY 2018	642,600	642,600	170,000
	FY 2019	642,600	642,600	170,000

2017-19 Federal Funding Estimates Summary

Date 09/09/2016

CFDA NO.	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts
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Non-Budgeted Local Fund

Fund Description

NUMBER	687
TITLE	Rural Rehabilitation Account
CLASSIFICATION	
Fund Type	Special Revenue (BA)
Treasury Type	Treasury Trust (2)
Budget Type	Nonappropriated/Nonallotted (N)
ROLL-UP FUND	Local Construction and Loan Fund (BH)
ADMINISTERED	Department of Agriculture (4950)
AUTHORITY	RCW 15.70.030
DESCRIPTION	Used to account for moneys received from the U.S. Department of Agriculture for use in carrying out rural rehabilitation programs and on the Bankhead-Jones farm tenant act. Provide farm rehabilitation loans and grants and other purposes specified by agreement with USDA.
SOURCES OF REVENUE:	Charges and Miscellaneous Revenue Other Miscellaneous Revenue Interest Earnings
CLIENTELE:	Eligible farm loan recipients
EFFECTIVE DATE:	1951
INACTIVE DATE:	

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TAB E Electronic Submittal

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Central Service Fund Splits

495- Department of Agriculture

Save/Update

All Columns by Agency must equal 100%

Agency	Account and Approp Title	Auditor	AttGen	OAH	Facilities & Services Only	CTS	Debt Services	Workers' Comp	All Other Services
Percent Totals (only applies when one agency chosen)									
495-Department of Agriculture	001-1 General Fund-State	18.00%	18.00%	18.00%	18.00%	18.00%	100.00%	100.00%	100.00%
495-Department of Agriculture	001-2 General Fund-Federal	15.00%	15.00%	15.00%	15.00%	15.00%	33.00%	18.00%	18.00%
495-Department of Agriculture	02R-1 Aquatic Lands Enhancement Account-State	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	15.00%	15.00%
495-Department of Agriculture	108-1 Motor Vehicle Account-State	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%	2.00%	2.00%
495-Department of Agriculture	126-6 Agricultural Local Account-Non-Appropriated	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
495-Department of Agriculture	128-6 Grain Inspection Revolving Acct-Non-Appropriated	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
495-Department of Agriculture	131-6 Fair Account-Non-Appropriated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
495-Department of Agriculture	173-1 State Toxics Control Account-State	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
495-Department of Agriculture	176-1 Water Quality Permit Account-State	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
495-Department of Agriculture	516-6 Fruit and Vegetable Inspection Acct-Non-Appropriated	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%

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**Washington State Department of Agriculture
Enterprise Risk Management Update
September 16, 2016**

In accordance with Executive Order 16-06, State Agency Enterprise Risk Management (ERM), the Washington State Department of Agriculture (WSDA) submitted an agency risk management policy and risk register on September 1, 2016.

Throughout the risk management process, the WSDA worked with internal stakeholders to identify risks in order to implement initiatives and controls to mitigate the risk and ensure the planned objectives and goals are achievable.

The following three major risks could affect the agency's ability to achieve its strategic objectives/goals on time:

Risk #1: Failure to upgrade end of life software could cause applications to fail or disrupt customers' ability to work with and/or submit data to the agency.

- **Strategic Objective Impact:** The capability and commitment to carry out our mission effectively/efficiently and safely.
- **Initiative/Risk Treatment Plan:** The initiatives are to reduce the impact by collaborating with OCIO schedule and budget for agency costs.
- **Target Date Completion:** July 1, 2017.

Risk #2: Failure to secure customer confidential data, including credit card information, could expose agency to tort claims, financial losses, and damages to reputation.

- **Strategic Objective Impact:** Consistent customer focus and satisfaction.
- **Initiative/Risk Treatment Plan:** The initiatives are to reduce the impact by coding encryption changes to restrict exposure to secure data; Conduct UAT (User Acceptance Testing) tests; Move changes into production; Evaluate all methods used to obtain and store customer confidential data, including paper forms, and recommend security improvements.
- **Target Date Completion:** October 1, 2017.

Risk #3: Inability to secure stable program funding could result in decreased services, financial loss to industry, and inability to adequately protect and support the industry.

- **Strategic Objective Impact:** Effective partnerships and relationships.
- **Initiative/Risk Treatment Plan:** The agencies initiatives are to monitor current risk through on-going stakeholder work; communicate the importance of our work; work closely with legislators and key leaders.
- **Target Date Completion:** October 1, 2016 and ongoing.

Agency ERM Contact: Ron Hussung, Safety and Risk Manager, RHussung@agr.wa.gov, (360) 902-2074

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ELECTRONIC SUBMITTAL CONFIRMATION FORM

Agency Number: 495

Agency Name: Department of Agriculture

Agencies are required to provide electronic access to each decision package in their budget request as part of the submittal process. Confirm Option 1 or 2 below:

Option 1:

- This agency posts all decision packages for our 2017-19 budget request to our public facing website at the following URL:

URL: http://agr.wa.gov/AboutWSDA/DirectorsOffice/Budget_information.aspx

Option 2:

- This agency does not post decision packages and has forwarded copies via e-mail to OFM.Budget@ofm.wa.gov.

These decision packages conform to our agency's ADA accessibility compliance standards.

Agency

Contact: Walter Hamilton, Budget Manager

Contact Phone: (360) 902-1989

Contact E-mail: whamilton@agr.wa.gov

Date: 09/16/2016