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STATE OF MAINE
ONE HUNDRED AND THIRTY-FIRST LEGISLATURE
COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

CORRECTED COPY

TO: Senator Margaret Rotundo, Senate Chair,
Representative Melanie Sachs, House Chair, and
Members of the Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Henry Ingwersen, Senate Chair, ^{HI KSN}
Representative Bill Pluecker, House Chair, and ^{BP KSN}
Members of the Joint Standing Committee on Agriculture, Conservation and
Forestry

DATE: March 9, 2023

RE: Biennial Budget Report-back

The Agriculture, Conservation and Forestry (ACF) Committee is pleased to submit the following report for the proposed 2024-25 biennial budget initiatives relating to agriculture, conservation and forestry (see attached report-back document). We voted unanimously in favor of all initiatives and language parts with the exception of the following:

- a) The ACF Committee unanimously voted OUT Ref. # 329 on Page 12 and language part DD on Page 110.
- b) The ACF Committee voted unanimously to AMEND Ref. #527 on Page 30. Currently, this initiative, which capitalizes the Fund to Address Food Insecurity and Provide Nutrition Incentives provides one-time funding in the amount of \$600,000 each fiscal year in the 2024-25 biennium. **The ACF Committee voted unanimously in favor of amending this initiative to provide ongoing funding, rather than one-time funding, to support programs that address food insecurity and provide nutrition incentives.**

The ACF Committee recently voted unanimously in favor of LD 568, An Act to Provide Funding for the Fund to Address Food Insecurity and Provide Nutrition Incentives. This bill proposes to provide ongoing General Fund appropriations of \$600,000 to the Fund to Address Food Insecurity and Provide Nutrition Incentives within the Department of ACF. The bill also removes the \$50,000 limit on matching contributions from the fund criteria.

c) The ACF Committee vote for Ref. #355 on Page 63 was divided with 6 in favor and 6 opposed.

d) A majority of the ACF Committee voted in favor of the following initiatives:

- Ref. #357 on Page 64; 11 voted in favor and one voted in opposition.
- Ref #358 and 359 on Page 64; 10 voted in favor and one voted in opposition.

In addition, the ACF Committee voted unanimously in favor of the following proposed changes to the biennial budget.

1. Maine Meat and Poultry Inspection Program

This new initiative establishes one Consumer Protection Inspector position for the Maine Meat and Poultry Inspection program and provides funding for related All Other costs. This new initiative is in ADDITION to the initiative Ref. #308 and 309 on Page 5 and Ref. #345 on Page 62. The intent is to establish 2 new Consumer Protection Inspector positions rather than one as proposed in the biennial budget. See Ref. #308 and 309 on Page 5 and Ref. #345 on Page 62 for associated costs and funding details.

2. One-time Dairy Stabilization Subsidy

This new initiative directs the administrator of the Maine Milk Pool to distribute to qualifying in-state milk producers a one-time payment if the milk producer produced milk in calendar year 2022 and reported such production to the Maine Milk Pool administrator for calendar year 2022 and if the milk producer is currently participating in the Maine Dairy Stabilization “Tier” Program. The one-time payment will be based on a milk producer’s total milk production in calendar year 2022 up to a production cap of 5 million pounds per milk producer.

The ACF Committee recommends the addition of this initiative to allocate the transfer.

Maine Milk Commission 0188

Initiative: Provides a one-time allocation to allow distribution of pandemic volatility payments to Maine dairy farmers who meet specific milk production criteria.

	2023-24
<i>Other Special Revenue Funds</i>	<i>\$1,500,000</i>
<i>Total</i>	<i>\$1,500,000</i>

The following is corresponding unallocated language for this initiative:

Notwithstanding any provision of law to the contrary on or before July 30, 2023, the State Controller shall transfer \$1,500,000 from the unappropriated surplus of the General Fund to the Department of Agriculture, Conservation and Forestry, Maine Milk Commission, Maine Milk Pool, Other Special Revenue Funds account to provide one-time pandemic volatility payments to Maine milk producers who produced milk and reported production information to the Maine Milk Commission in the calendar year starting January 1, 2022, and ending December 31, 2022

and if the milk producer is currently participating in the Maine Dairy Stabilization "Tier" Program. In calculating the payment, the administrator of the Maine Milk Pool shall attempt to achieve, insofar as practical, a proportional distribution of the entire transferred amount to farmers by basing the payments on a per hundredweight production basis and limiting payments to a production limit of 5 million pounds per farm. The administrator of the Maine Milk Pool may use existing distribution methods within the Maine Milk Pool program to expedite the distribution of payments.

We would like to take a moment to acknowledge that this initiative is just the tip of iceberg in terms of addressing the dairy crisis in Maine. The Dairy Stabilization, or Tier, Program has done a respectable job of supporting dairy farmers during cyclical market swings, but what has occurred in the past few years has been extraordinary and severe. In 2019, prior to the COVID pandemic, there were 214 dairy farms in Maine. Currently, only 163 remain with many of those farms on the verge of going out of business. Maine has lost nearly one-quarter of its dairy farms over the last few years.

The ACF Committee recognizes that dairy farms play an important role in the agricultural landscape and economy. We cannot overstate this crisis. In the coming weeks, the ACF Committee will be hearing and working LD 384, An Act Addressing Agriculture, Conservation and Forestry in Maine, which is a concept draft sponsored by Representative Pluecker. The sponsor has expressed his intent to use this bill to provide additional emergency stabilization funds for dairy farms in Maine. Specifically, the sponsor's amendment to the concept draft will propose an additional one-time payment to Maine milk producers at a rate of one dollar per hundredweight of milk produced totaling approximately \$5.5 million.

3. Board of Pesticides Control

The committee voted unanimously in favor of changing the funding source for 5 horticulture program positions, which are currently funded by the Board of Pesticides Control, Other Special Revenue funds, to the General Fund. See attached (Attachment "A") for position titles and associated costs.

4. New Language Part regarding Quality Assurance Feed, Seed and Fertilizer Database

This new language will allow the Department of Agriculture, Conservation and Forestry (ACF), Bureau of Food and Rural Resources to carry forward funds for the development and implementation of a new database for the feed, seed and fertilizer program.

The ACF Committee voted unanimously in favor of this additional initiative, which was proposed by the Department of ACF. Pursuant to P.L. 2021, chapter 635, in SFY 2023, the department received a General Fund appropriation of \$550,000 to replace the Quality, Assurance Feed, Seed and Fertilizer database. These funds will expire on June 30, 2023. This new language part will allow these funds to carry into SFY 2024 as needed. The following is draft language as proposed by the department:

Carrying provision; Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources. Notwithstanding any other provision of law to the contrary, at the end of fiscal year 2022-23, the State Controller shall carry forward any

unexpended balance remaining of the \$550,000 appropriated in Public Law 2021, chapter 635, in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund account, All Other line category to the next fiscal year to be used for replacement and hosting of the feed, seed and fertilizer database.

In addition, the committee unanimously voted in favor of requesting that your committee explore increasing the statutory thresholds for public improvement projects as referenced in Title 5, sections 1741, 1742, 1743 and 1745 and specifically for projects under the jurisdiction of the Department of Agriculture, Conservation and Forestry, Bureau of Parks and Lands (BPL).

Back in June of 2022, the Governor announced a \$50 million investment, using federal American Rescue Plan funds, to fund maintenance and infrastructure and maintenance projects at BPL's 48 State parks. ACF Committee members are concerned that federal dollars will be left on the table if funds set aside for this purpose are not spent by the federal deadline. The ACF Committee suggests an increase of 60 percent for the statutory thresholds in Title 5 for architecture, engineering and construction.

Finally, we would like to acknowledge that the ACF Committee discussed at length two additional proposals that we considered worthy, but decided not to include in our biennial budget memo at this time.

First, the committee considered including initiatives proposed in the committee amendment to LD 315, An Act to Provide Funding for Drought Relief and Other Programs Benefitting Maine Farmers. The biennial budget includes funding to capitalize the Farmers Drought Relief Program created by P.L. 2021, chapter 729 – which the ACF Committee unanimously endorsed. Additionally, the unanimous committee report for LD 315 proposes to implement the recommendations of the Department of Agriculture, Conservation and Forestry January 2023 report, which provides ongoing for 3 full-time permanent positions: one within the Land Use Planning Commission; one within the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources; and one within the Department of Environmental Protection's Water Withdrawal Program. The committee amendment also provides a one-time appropriation for the Land Use Planning Commission to hire a consultant to review and overhaul the current applications process to improve water withdrawal permitting.

Secondly, the committee considered Senator Brenner's LR 1018, An Act to Support Outdoor for All Maine Students. This bill establishes the Outdoor School for All Maine Students program and fund to support immersive outdoor education program experiences for publicly-funded students in grades 4 through 8.

c: Members, Joint Standing Committee on Appropriations and Financial Affairs
 Members, Joint Standing Committee on Agriculture, Conservation and Forestry