



# SCIENCE IS THE KEY

West Virginia Department of Agriculture  
Kent A. Leonhardt, Commissioner



The Department of  
Agriculture touches  
the lives of **EVERY**  
West Virginian  
**EVERY DAY**



# COVID-19 RESPONSE – CALENDAR YEAR 2020

## Agency operations continued during the COVID-19 pandemic due to emergency response readiness

- 1 Strategic planning and implementation of the Continuity of Operations Plan (COOP)
- 2 Modified work schedules and Work-from-Home arrangements to maximize staff and public safety
- 3 Technology initiatives in place to accommodate remote operations: electronic documents, digital signatures, virtual meetings, and online registration/renewal processes
- 4 COVID expenses reported to the State Budget Office through December - \$93K
  - Includes \$10K IT expenses to facilitate Work-from-Home and continued operations of agency staff
- 5 Additional expenses for the remainder of FY 2021 and FY 2022 are unknown at this time
- 6 COVID funding from the Governor's Office for SNAP Stretch funding 100% pass-through - \$100K
- 7 COVID direct award expenses from USDA for TEFAP FFCRA – 100% pass-through to food banks:
  - \$853K CARES funding
  - \$683K FFCRA funding

# COVID-19 EFFICIENCIES AND NEGATIVE IMPACTS

## EFFICIENCIES

- 1 | WVDA operations were virtually uninterrupted due to department-wide efficiencies and emergency response readiness preparations that were put in place over the preceding three years
- 2 | Previously-implemented cost-saving and efficiency measures, such as electronic signature and processing of transactions, use of technology for collaboration/meetings, remote learning/training capabilities, and existing inventories of personal protective equipment to be used for emergency response before the onset of COVID, helped to maintain operations and avoid excessive response costs
- 3 | Laboratory personnel also received training on COVID-19 testing protocols in the event WVDA personnel were needed to provide interagency support for public testing initiatives

## NEGATIVE IMPACT

### Cedar Lakes Camp and Conference Center

4 | Lost revenue - Operations have essentially been halted during this period due to restrictions imposed on travel and public gatherings – March - December 2020 revenue was **\$1.44M or 87% lower** than the same period of the preceding calendar year

Full-time staff were assigned non-customary duties to work on non-routine maintenance and renovation projects at the facility in preparation for being designated as an overflow medical facility

Staff were also assigned to work in other areas of the department to support agency programs or projects as needed

### Food Distribution Program

Lost revenue – Normal operations were significantly impacted due to school closures – this revenue is generated by a fee per case of food delivered to the schools - March – December 2020 revenue was **\$774,000 or 31% lower** than the same period of the preceding calendar year

5 | Staff and tractor trailers were used to assist the boards of education with the early distribution of meals to the children while schools were closed – the program has not received reimbursement for expenses incurred

# Supplemental and Improvement Request Summary

DESCRIPTION	FUND	AMOUNT	FY 2021	FY 2022
<b>➔ GENERAL REVENUE</b>				
Guthrie Laboratory	0131	17,000,000	☑	☑
Cedar Lakes Camp And Conference Center	0131	1,000,000	☑	
WV Grown/Fresh Food Program	0131	1,000,000	☑	☑
Meat And Poultry Inspection Program	0135	270,000	☑	☑
SNAP Stretch	0131	200,000		☑
<b>➔ SPECIAL AND FEDERAL REVENUE (SPENDING AUTHORITY ONLY)</b>				
Rural Rehabilitation Loan Program	1408	1,236,596		☑
Agriculture Capital Improvements Fund	1413	1,000,000		☑
Agriculture Federal Fund	8736	3,500,000		☑

# GUTHRIE LABORATORY

General Revenue Fund 0131 -  
\$17,000,000 FY 2021  
Supplemental; \$17,000,000 FY  
2022 and \$15.8 million  
FY 2023 Improvements

(Multi-year request: 3 year total =  
\$49,800,000)

- 1 Funding to be established in a new appropriation, with re-appropriation language
- 2 Research of design consultant resulted in recommendation to build at the Guthrie site as the most suitable and cost-effective location
- 3 Inadequate facilities currently in use are a concern for the safety of lab staff and the public
- 4 Providing a single lab facility for activities currently located in multiple buildings at Guthrie will be more efficient and cost effective
- 5 New facility is critical to maintain the accreditations achieved with Federal funding that is expiring
- 6 Loss of accreditations will mean a loss of Federal funding opportunities

# GUTHRIE LABORATORY

CONTINUED

- 7 | New facility will improve detection and management of livestock diseases, food-borne illnesses, and other threats to the economic and physical health of the public and agricultural operations
- 8 | COVID-19 has highlighted just how vulnerable our food supply is and has significantly increased demand for locally sourced food
- 9 | Pandemic has created an unprecedented economic opportunity to support and grow agriculture enterprises in WV
- 10 | Department of Agriculture laboratory operations and personnel touch the lives of every West Virginia citizen every day and are vital to the protection and promotion of state and national agriculture initiatives
- 11 | Laboratories process samples collected for the Meat and Poultry Inspection Program, Food Emergency Response Network (FERN), Manufactured Food Regulatory Program Standards (MFRPS), Animal Food Regulatory Program Standards (AFRPS), soft-serve ice cream, hemp and hemp products, ground water, dairy products, pesticide products, veterinary specimens and plant pathogens





# GUTHRIE LABORATORY

C O N T I N U E D

**12** Laboratory activities provide interagency support via contract testing for the Federal agencies of USDA, FDA, EPA, and WV Departments of Education and Health and Human Resources; specialized food testing for large-scale events such as the Presidential Inauguration, Republican National Convention, Democratic National Convention, Rose Bowl, and Super Bowl; and additional emergency surge capacity for other federal and state laboratories during times of crisis

**13** In late 2020, \$1 million in new federal funding was awarded to the Department of Agriculture under the highly competitive FDA Laboratory Flexible Funding Model (LFFM) for surveillance testing, new equipment, and research and development activities for detecting contaminants in human and animal food. This grant is for \$1,040,000 per year for five years

**14** To date, existing laboratory endeavors and past federal awards have resulted in the Department of Agriculture receiving accreditation for 24 microbiology and chemistry testing methods, designation as the go-to laboratory in the U.S. for ricin detection in foods, and development of the first method in the country for the detection of abrin (a toxin related to ricin) in foods

**15** ZMM Architects and Engineers, in partnership with CannonDesign evaluated various sites throughout the Kanawha Valley and their recommendation is to demolish some of the most dilapidated buildings at the Guthrie Agricultural Center and construct a new facility at our current site to streamline lab operations and staff utilization

**16** Proposed laboratory design will provide a modern and efficient space that has been designed to meet current laboratory standards, support a variety of concurrent lab spaces with both employee safety and operational security, and facilitate future expansion as agency needs or programs grow in the future

**17** Proposed facility is 42,000 sq. ft. with an estimated total cost of \$49.8 million

## GUTHRIE LABORATORY – ALTERNATIVE FUNDING PROPOSAL

General Revenue Fund 0131 -  
\$5,000,000 - FY 2021  
Supplemental and FY 2022  
through FY 2040 Improvements  
(Multi-year, 20 years total  
\$100,000,000)

- 1 The EDA would need to have authority to issue bonds to support the building of facilities for WVDA. In our meetings with the EDA, they have advised us that they already have this authority and no legislation would be required
- 2 The WVDA would transfer the land that the laboratories would sit on to EDA. The land would not stay permanently with EDA, but would be returned to WVDA ownership once the bonds were paid off
- 3 The EDA would handle the bid process and all of the details associated with building the project. They would also handle all the legwork for the issuance of bonds to pay for it
- 4 After the construction was completed, EDA would lease the buildings to WVDA. The rent would be the amount owed on the bonds. The WVDA would require an on-going general revenue appropriation
- 5 At the end of the term of the bonds, EDA will transfer the land, with the laboratory buildings, back to WVDA in accordance with the terms of the deed transfer

# CEDAR LAKES CAMP AND CONFERENCE CENTER

General Revenue Fund 0131 -  
\$1,000,000 – FY 2021  
Supplemental - One-time  
Request

- 1 Funding to be included in Appropriation 94101 (State FFA-FHA Camp and Conference Center - CLCCC) - \$600k staff + \$400k classrooms
- 2 The facility was making strides toward becoming self-sufficient before the pandemic required a complete shut-down of the facility for an extended period of time
- 3 A portion of the funding (\$600,000) will provide a bridge for staffing expense for FY 2021 due to the severe loss of revenue due to the pandemic – March – December 2020 revenue was **\$1.44M or 87% lower** than the same period of the preceding calendar year
  - During this cessation of normal operations, staff have been effectively utilized to perform non-routine maintenance to prepare the facility for response as an overflow medical facility in the event of a surge of COVID-19

# CEDAR LAKES CAMP AND CONFERENCE CENTER

C O N T I N U E D

- 1 \$400,000 of the funding will also provide for the addition of two classroom spaces (2,155 square feet) to the expanded Cedar Lakes Assembly Hall which will be able to accommodate the annual FFA conference as well as other large gatherings to increase revenue

  - If construction of the classroom addition is completed with the main Assembly Hall renovation that is now underway, it will result in a significant, overall cost **savings of \$80K - \$100K** versus completing the addition at a later date
- 2 As with all businesses affected by COVID-19, financial recovery will take some time



# WV GROWN & FRESH FOOD PROGRAM

General Revenue Fund 0131 -  
\$1,000,000 - FY 2021  
Supplemental; FY 2022  
Improvement (Ongoing)

- 1 Funding to be established in a new appropriation, with re-appropriation language
- 2 Provide development and design of a dual-purpose program for the official marketing and branding of agricultural products grown or produced in West Virginia to promote and support statewide agribusiness development
- 3 Develop ways for consumers to easily identify and purchase WV products, thereby supporting and promoting local farmers, producers, manufacturers and agribusinesses
- 4 Increase access to healthy foods to improve the health of citizens, support the tourism industry and create jobs

# WV GROWN & FRESH FOOD PROGRAM

C O N T I N U E D

- 5 | Planning Coordinators (4 FTEs) to act as liaisons and facilitators for agriculture projects and agribusiness to create and support economic and business development growth
- 6 | Build relationships and coordinate efforts of producers and buyers; provide educational materials; and facilitate training and outreach
- 7 | Address food insecurities and resiliency in local communities by providing technical assistance through partnerships
- 8 | Without this funding, the Fresh Food Act will not achieve its intended purpose of expanding West Virginia's food system to create opportunities for diversification of the state's economy



# MEAT AND POULTRY INSPECTION PROGRAM

General Revenue Fund  
0135 - \$270,000 - FY 2021  
Supplemental; FY 2022  
Improvement (Ongoing)

- 1 Additional funding to be distributed: \$254,000 for 00100 (Personal Services) and \$16,000 for 13000 (Current Expenses)
- 2 COVID-19 has created a tremendous increase in demand for locally-sourced food due to lack of confidence in the safety or availability of the national/international food supply chain
- 3 With the onset of the pandemic and through September 2020 WV facilities increased slaughter rates by 93% more beef and 38% more swine – this is a conservative representation of the full impact through 2020 – Slaughter facilities are already booked up thru 2021 and into 2022

# MEAT AND POULTRY INSPECTION PROGRAM

CONTINUED

- 4 Explosive demand and expansion of existing facilities and anticipated addition of new plants requires the addition of at least four (4) FTEs – 3 Field Inspectors and 1 Public Health Veterinarian – to provide adequate in-plant inspection and oversight to meet federal processing standards
- 5 Within the next year, new slaughter/processing facilities are expected to open in Roane Co. (Amma), Tucker Co. (Parsons), Hardy Co. (Lost River), and Mineral Co. (Keyser); additional in-state plants are also in the early stages of planning
- 6 This program is typically a 50/50 cost share with Federal funding but the current year federal funding has not yet been provided to address the increased demand – WVDA must cover 100% of the additional cost for FY 2021; future Federal funding remains unknown at this time





# SNAP STRETCH

General Revenue Fund 0131  
- \$200,000 - FY 2022  
Improvement (Ongoing)

- 1 Funding to be established in a new appropriation, with re-appropriation language
- 2 SNAP Stretch funding provides for an expansion and continuation of existing benefits to support WV's most vulnerable citizens' access to fresh, nutritious food products (especially in the aftermath of the COVID-19 pandemic) while at the same time providing a means of economic support to WV producers, local farmers' markets, farm stands, mobile markets, community-supported agriculture enterprises (CSAs), and local food retailers
- 3 Expansion of an existing partnership with the WV Food and Farm Coalition (WVFFC) to broaden the use of federal SNAP matching funds to allow the public to purchase a greater variety of items at authorized farmers' markets

# SNAP STRETCH

CONTINUED

- 4 In addition to fresh fruits and vegetables currently permitted under traditional SNAP federal funds, program participants are now permitted to use non-traditional federal “stretch” funds to purchase meat, dairy, and eggs to improve and balance their nutrition options
- 5 During the COVID-19 pandemic, CARES Act funds were provided via the Governor’s Office to initially implement the SNAP Stretch expansion, benefitting 6,714 WV households (approximately 10,714 adults, children, and seniors)



## RURAL REHABILITATION LOAN PROGRAM FUND

Special Revenue Fund 1408 -  
\$1,236,596 - FY 2022  
Improvement (Ongoing) –

*(Spending Authority Only)*

- 1 Additional spending authority for FY 2021 was processed via the State Budget Office to bring the current year total spending authority to \$2.2 million
- 2 Spending authority to be increased for Appropriation 13000 (Current Expenses)
- 3 The additional spending authority gives us the ability to fully utilize loan funds available for agricultural economic development to start, purchase or expand farm operations; to assist farmers who have suffered financial setbacks from natural disasters, or who need additional resources to maintain farming operations; or for any other agricultural purpose determined important by the Commissioner
- 4 This program was started with Federal funding and is self-perpetuating from the interest earned on the loans

## AGRICULTURE CAPITAL IMPROVEMENTS FUND

Special Revenue Fund 1413 -  
\$1,000,000 - FY 2022  
Improvement (Ongoing) –

*(Spending Authority Only)*

- 1 Additional spending authority for FY 2021 was processed via the State Budget Office to bring the total spending authority to \$2 million
- 2 Additional spending authority to be increased: \$500,000 for 13000 (Current Expenses), \$300,000 for 25800 (Buildings), \$190,000 for 69000 (Other Assets), and \$10,000 for 09900 (Unclassified)
- 3 Ensure that the continuity and completion of capital projects begun in accordance with WV Code § 19-1-4e are not disrupted due to insufficient spending authority
- 4 Planning and design stages are currently underway for a new lab facility
- 5 Preliminary planning of accommodations necessary for relocating staff to allow site prep to begin is also in progress

# AGRICULTURE FEDERAL FUND

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Federal Revenue Fund 8736 -  
\$3,500,000 - FY 2022  
Improvement (Ongoing) –  
*(Spending Authority Only)*

1

Additional spending authority for FY 2021 was processed via the State Budget Office to increase the total spending authority to \$13.1 million

2

Additional spending authority for FY 2022 to be increased \$3,000,000 for 13000 (Current Expenses) and \$500,000 for 69000 (Other Assets)

# AGRICULTURE FEDERAL FUND

C O N T I N U E D

3

The number and dollar amount of federal awards administered by WVDA has increased, including the five-year Laboratory Flexible Funding Model (LFFM) recently awarded from the FDA (\$1M+ per year) as well as additional pass-through funding via the USDA Emergency Food Assistance Program (TEFAP) (\$2M)

- A significant increase in pass-through dollars obligated to WV by the USDA Food and Nutrition Service due to the COVID-19 pandemic to assist the State's nonprofit food banks with storage and distribution expenses for TEFAP
- The Federal Trade Mitigation program, which has also increased pressure on our spending authority, provides additional food products for the school lunch program that has been sourced from farmers impacted by international trade issues
- Additional commodity products and funding through the Families First Coronavirus Response Act (FFCRA) and Coronavirus Aid Relief and Economic Security Act (CARES)
- Federal relief measures are expected to continue into the foreseeable future and will require additional spending authority to effectively administer the program without disruption



# SUMMARY OF WVDA VACANCIES AS OF DECEMBER 31, 2020



General Revenue	
FTEs <\$32K	FTEs \$32K - \$64K
<b>1</b>	<b>5.5</b>



Special Revenue	
FTEs <\$32K	FTEs \$32K - \$64K
<b>1</b>	<b>1</b>



Federal Revenue	
FTEs <\$32K	FTEs \$32K - \$64K
<b>1</b>	<b>2.5</b>





# Supplemental & Improvement Request Summary

## Comparison with Governor's Recommended Budget

<i>Description</i>	<i>Fund</i>	<i>Amount \$</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>Compared with Gov. Budget</i>
<b>General Revenue (In Priority Order)</b>					
GUTHRIE LABORATORY (Multi-Year)	0131	17,000,000	●	●	N
CEDAR LAKES CAMP AND CONFERENCE CENTER	0131	1,000,000	●		N
WV GROWN/FRESH FOOD PROGRAM	0131	1,000,000	●	●	N
MEAT AND POULTRY INSPECTION PROGRAM	0135	270,000	●	●	N
SNAP STRETCH	0131	200,000		●	N
<b>Special and Federal Revenue (Spending Authority Only)</b>					
RURAL REHABILITATION LOAN PROGRAM	1408	1,236,596		●	Y
AGRICULTURE CAPITAL IMPROVEMENTS FUND	1413	1,000,000		●	Y
AGRICULTURE FEDERAL FUND	8736	3,500,000		●	Y

# HAVE QUESTIONS?

C O N T A C T   U S



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**Thank You**  
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