



March 16, 2022

The Honorable Stan Saylor
 245 Main Capitol Bldg.
 PO Box 202094
 Harrisburg, PA 17120-2094

The Honorable Matthew Bradford
 512E Main Capitol Bldg.
 PO Box 202025
 Harrisburg, PA 17120-2025

Dear Chairmen Saylor and Bradford,

Thank you for the opportunity to appear before the House Appropriations Committee to discuss the Governor’s proposed budget for the PA Department of Agriculture (PDA) and discuss agriculture in the commonwealth.

While speaking with your committee members, several questions were asked that required clarification and supplemental information. I am pleased to provide responses to these questions below.

Representative Cephas – The Farmer’s Market Nutrition Program provides fresh produce to seniors and WIC recipients, what is the redemption rate of the vouchers provided through the program?

2021 WIC and Senior Farmers Market Nutrition Program

Attached to this letter are spreadsheets that provide detailed information regarding distribution and redemption of WIC and Senior Farmers Market Nutrition Program (FMNP) checks, respectively, at each of the local agencies with which we partner. Included in the information for each of these sites is:

- the name (or names) of the county they serve
- the total number of checks that were ordered for them to distribute
- the total number of checks they issued
- the total number of checks they issued that were redeemed
- the dollar value of redeemed checks (\$6 per check)
- the check redemption percentage
- the administrative funding amount that was provided to the agency by PDA for their work in issuing the checks

When reviewing the redemption rate, it is important to remember that PDA over-issues FMNP checks, recognizing that achieving 100% redemption is highly unlikely. The goal of overissuing is to be able to use as much of the funding as possible to reach individuals in need. As evidenced by the chart below, if 100% of the checks were fully redeemed, we would overspend funding for the program by nearly \$3 million. The downside of over-issuance is that it skews our redemption percentage, making it look artificially lower than is truly the reality.

	WIC	Senior	State	Total

Value of checks sent	\$4,176,000.00	\$4,308,000.00		\$8,484,000.00
Total funds available	\$2,131,380.83	\$1,673,660.00	\$1,867,858.00	\$5,672,898.83

WIC FMNP

With the same over-issuing caveat in mind, the WIC FMNP redemption rate **slightly declined** in 2021 as compared to 2020 (26.84% in 2021 vs. 27.36% in 2020). However, the overall dollar value of WIC FMNP checks redeemed **increased** in 2021 as compared to 2020 (\$973,092 in 2021 vs. \$932,292 in 2020). Note that because we over issue checks, anticipating that more checks will be issued than redeemed – thus allowing us to more fully utilize all budgeted and appropriated funds for the program – the decline in redemption rate is somewhat less concerning given the fact that we actually saw a 4% increase (\$40,800) in the value of checks redeemed.

It is worth noting three critical factors that are also influencing WIC FMNP redemption percentages and values:

- Declining Participation in WIC. According to the PA Department of Health, enrollment in WIC in PA has been declining for the past 10 years. In 2021, from January through November, the WIC program lost 21,727 recipients.

21-Jan	176,472
21-Feb	173,871
21-Mar	175,388
21-Apr	172,260
21-May	169,161
21-Jun	165,667
21-Jul	161,688
21-Aug	159,585
21-Sep	157,588
21-Oct	155,094
21-Nov	154,745

- Cash-Value Vouchers (CVV). The Cash-Value Voucher (CVV) allows WIC participants to purchase fruits and vegetables as part of their WIC food package. Under normal circumstances, the monthly cash-value voucher is \$9 per child and \$11 for pregnant, postpartum, and breastfeeding women. The American Rescue Plan Act (ARPA) allowed state agencies to temporarily provide \$35 per child and adult, per month from April through September 2021.

Month	Percentage of total dollars redeemed in PA
Apr-21	62%

May-21	63%
Jun-21	55%
Jul-21	55%
Aug-21	57%
Sep-21	57%

Under the Continuing Resolutions that have been passed to continue funding for the federal government, the CVVs will continue from October 2021 through March 2022 at the following rates: \$24 for child participants, \$43 for pregnant and postpartum women participants, and \$47 for fully and partially breastfeeding women participants.

These vouchers can only be used at approved WIC retail stores for fresh, canned, and frozen fruits and vegetables. PA FMNP farmers are unable to accept these vouchers because they do not have the technology to accept the WIC Smart Cards being used in Pennsylvania. (These Smart Cards are not the same as EBT cards and therefore not compatible with the SNAP terminals which a number of farmers markets do have.)

- WIC Clinic Closures: With the WIC clinics being closed to in-person visits for most of the FMNP program year (June through September) WIC clinics were unable to have FMNP events and pop up markets at the clinics like have been held before. However, a few clinics were able to hold pop up markets at the very end of this past year’s program, and we anticipate the return of those opportunities for this program year.

Senior FMNP

Redemption rates remained relatively high among seniors – 75.82% in 2021 as compared to 73.23% in 2020. However, less checks were distributed in 2021 -- 133,149 vs. 138,923 in 2020. As a result, dollar value redemption slightly declined in 2021 -- \$2,423,040 in 2021 vs. \$2,441,904 in 2020. This is a reduction of \$18,864 or 0.77%.

Representative Warner – What are the workers’ compensation rates for employees of the hardwoods and logging industry?

Pennsylvania hardwoods remain a staple of our agriculture industry. Workers Compensation Insurance provides an important safety net for logging professionals and their families. There is no substitute that protects the health and financial stability of those who suffer injury or death while on the job. Promoting increased use of Workers Compensation Insurance by logging professionals will lead to further growth within the sector and will decrease the number of individuals working alone and uninsured.

The average rate for hardwoods and forest products employees insured through the State Workers’ Insurance Fund (SWIF) for 2021 was \$40.08 per \$100 in payroll for manual logging (non-mechanized)

and \$18.63 per \$100 in payroll for the mechanized class. The majority of those insured are in the manual logging distinction.

Attached to this letter is a flyer used by the Department and Pennsylvania Hardwoods Development Council to promote use of Workers Compensation Insurance by logging professionals. This handout also summarizes rate changes.

The 2021 non-mechanized rate was down 4.7% from \$42.07 in 2019. The mechanized rate saw an 11.4% drop from \$21.03 in 2019.

The 2022 workers' compensation rate averages are not yet available. However, we expect to see a minimal drop in rates as the statewide cost is trending down.

Representative Wheeland – With employees returning to offices after primarily teleworking during the pandemic, what are the current statistics of employees continuing to telework?

Throughout the COVID 19 pandemic and shift to telework for eligible employees, the Department continues to serve the public with accountability, stewardship, and civility. The Department of Agriculture currently has 26% of employees teleworking part-time. 74% of Department employees are not eligible for telework due to the nature of their positions.

Representative Quinn – What is the current financial situation facing the Bureau of Dog Law Enforcement? What are the financial needs of the Bureau?

The Bureau of Dog Law Enforcement (BDLE) continues to face a financial crisis without the ability to raise the dog licensing fee to meet their current financial needs. As discussed at the hearing, legislative action is needed for the fee increase. Historically, funding for BDLE came entirely from fees but over the past several years and in the Governor's proposed budget for the upcoming fiscal year, money from the General Fund will unfortunately be necessary to keep the Bureau operational.

A financial projection for the BDLE provided by the Department's Budget Office has been provided and is attached.

The projection sheet shows the decline in operational funding available to the BDLE. For the next two years, the bureau's beginning and ending balance projections are as follows:

- FY 2021-22: beginning fund balance of \$1,421,438, ending fund balance of \$797,874;
- FY 2022-23: beginning fund balance of \$797,874, ending fund balance of \$793,580;
- FY 2023-24: beginning fund balance of \$793,580, ending fund balance of \$791,989.

These balances reflect an increasing transfer from the General Fund to maintain operational funding. The projected transfers are \$1.34 million in 2021-22, \$3 million in 2022-23, and \$4.25 million in 2023-24. These transfers are included in the Governor's Budget proposal.

Funding that has been transferred to the BDLE has primarily been to "keep the lights on", meaning the bureau continues to be short staffed and stretched thin to complete the duties tasked to them by law, including completing kennel inspections.

Returning the BDLE to financial solvency through the increase of dog licensing fees would allow the bureau to fill warden vacancies (currently 14 vacancies statewide, 11 wardens currently cover multiple counties), increase the number of kennel and breeder inspections, resume canvassing for dog license compliance, and allow for greater support to shelters which house lost or forfeited dogs.

Representative Bullock – What is the minority and gender make-up of employees at PDA?

Employment data for the Department of Agriculture is broken down to categories of salary filled positions, salary complement positions, union covered, and wage complement positions. The most recent data we can provide is from 2021.

Out of a total of 546 salary filled positions, the Department’s minority and women employee data is as follows:

- 48 employees who identified as a member of a minority, accounting for 9% of total salary filled positions;
- 285 employees who identified as female; accounting for 52% of the total salary filled positions.

Wage complement positions, which include horse racing staff, Farm Show temporary staff, and seasonal staff, hold a total of 283 positions under the Department. The 2021 data showed the following classifications for minority and women employees:

- 52 employees who identified as a member of a minority; accounting for 18.3% of the total wage complement positions;
- 130 employees who identified as female; accounting for 45.94% of the total wage complement positions.

For 2021, 12 employees who identified as a member of a minority were in management positions under salary complement. The department also employed 36 individuals who identified as a member of a minority and were union covered.

The Department of Agriculture continues to pursue and encourage opportunities for more minority and female identifying individuals to join the department and agriculture industry. Through workforce development and agriculture education support initiatives, such as the Commission on Agriculture Education Excellence, we believe that the Pennsylvania agriculture industry will continue to grow in diversity in the coming years.

Representative Hershey – Are rural areas of Pennsylvania receiving Farm Bill grants at an equitable rate across the Commonwealth?

The Pennsylvania Farm Bill invests in Pennsylvania’s agriculture industry to grow opportunities and resources, remove barriers to entry, and cultivate future generations of leaders within agriculture.

The vast majority of farm bill funding is used as grant funding that has gone directly to lifting the Pennsylvania people and businesses advancing agriculture: the innovators adapting to changing markets; farmers with family businesses in transition, and educators sparking a lifelong appreciation for agriculture.

The PA Farm Bill specifically supports:

- Resources for Agricultural Business Development and Succession Planning
- Building a Strong Agricultural Workforce
- Removed Regulatory Burdens, Strengthen Ag Business Climate in PA
- Increased Processing Capabilities
- New Market Opportunities, Investments in Organic
- Protection for Pennsylvania Agriculture

[At present, 1,105 grants have been provided by the Pennsylvania Farm Bill. The PA Farm Bill StoryMap shows the investments made by funding year, grant type, county, location or legislative district and learn about the project.](#)

Representative Mako – What is the purpose and goal of the current audit being conducted for the PA Preferred program?

The PA Preferred label is a guarantee of origin to consumers that products, or the majority of the ingredients within the product, were produced by a Pennsylvania farmer and certified under the program.

The Bureau of Market Development, which oversees and administers the PA Preferred program, is auditing membership to ensure that the producers and products listed under the PA Preferred brand are meeting the standards which designates them as such. We expect to have this audit concluded by the fall of 2022.

The core effort of this audit is continuing consumers’ trust and faith of the PA Preferred brand in the products they purchase and providing updated information on where to purchase those products. Like all industries, businesses change products, locations, and even close, and we want to ensure consumers can find the amazing array of Pennsylvania agricultural goods through accurate information.

The Bureau is also installing a new software system to assist with record keeping of products and producers, which will be updated through an annual survey of producers to confirm that their qualifications have not changed. Going forward the survey will be considered a requirement under the program for producers to participate and use the PA Preferred trademark.

Additional information on the PRISM Program proposal.

During the Appropriations Hearing for the Department of Agriculture, questions surrounding the larger discussions of threats to animal health and invasive species were noted as points of concern by legislators. The Department of Agriculture believes that the implementation of a Partnership for Regional Invasive Species Management (PRISM) framework and program in Pennsylvania will be a major step in detection and management of invasive species.

A number of invasive species pose a risk to human and animal health, such as feral swine, that can act as a reservoir for swine fever, which can infect domestic hogs, and Emerald ash borer which kills ash trees, resulting in dead trees in parks and housing areas. These dead trees pose a risk of falling on homes and causing harm.

A PRISM program would help protect human health by controlling invasive plants in parks, forests, and other natural areas that if left unmanaged would result in much higher invasive populations and potential impacts to humans and animals.

Pennsylvanians, community organizations and elected officials continue to express concern and frustration over the economic and environmental impact of invasive species. It is estimated that invasive species have caused economic losses exceeding \$100 million in direct and indirect costs and reduced economic activity in areas impacted by invasive species across the commonwealth. Establishing a regionally based detection and management model, such as PRISM, would allow for a quicker response to combat invasive species in the areas where they appear.

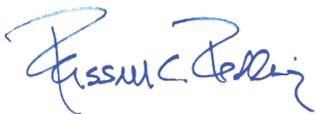
A fact sheet discussing the impact of invasive species was prepared by the Invasive Species Council and the Center for Rural Pennsylvania, following its hearing on the topic on January 18, 2022, is attached to this letter. The sheet also expands on information on PRISM, and more information can be found on the Department's website

The Department of Agriculture continues to work with the Department of Environmental Protection and the Department of Conservation & Natural Resources, the Invasive Species Council, elected officials, academia, and stakeholders on collaborative efforts to establish and support a PRISM framework in Pennsylvania.

Additional information on investments to combat Highly Pathogenic Avian Influenza (HPAI).

The Department remains steadfast in our efforts to protect the poultry industry as well as the many people and businesses who would feel an impact from HPAI downstream. To this end, we are thankful for the \$2 Million dollars in funding that stands ready to be used if HPAI is found in Pennsylvania. This \$2 Million in funding was originally appropriated in the 2015-2016 budget to combat HPAI and has remained available through a 310.3 waiver that has been applied for annually.

Sincerely,

A handwritten signature in blue ink that reads "Russell C. Redding". The signature is written in a cursive style with a large, stylized initial "R".

Russell C. Redding
Secretary
Pennsylvania Department of Agriculture