

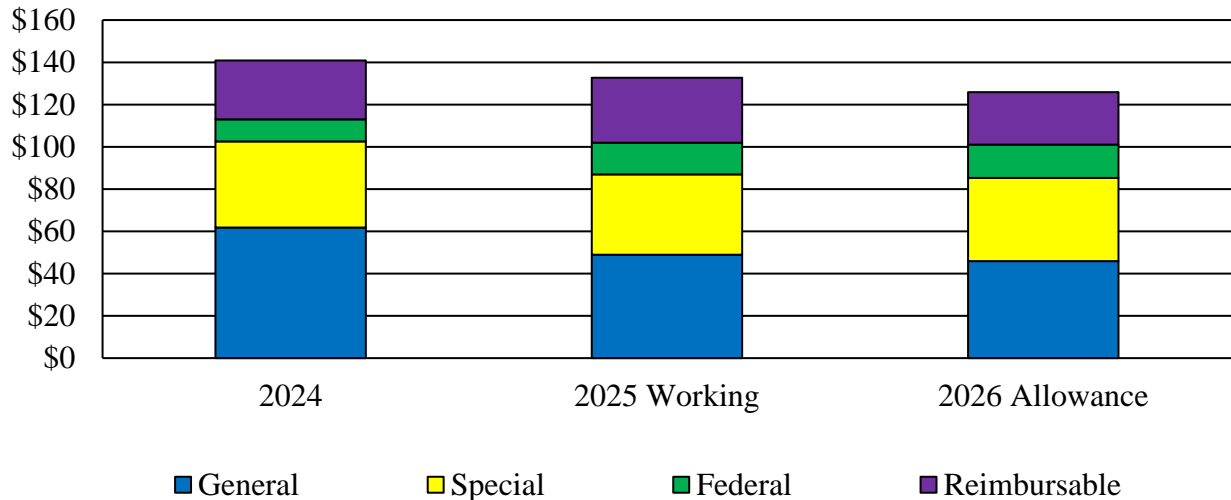
L00A
Department of Agriculture

Program Description

The Maryland Department of Agriculture (MDA) supervises, administers, and promotes agricultural activities throughout the State. MDA’s goals are (1) to promote the profitable production, use, and sale of Maryland agricultural products; (2) to protect the health of the public, plant, and animal resources in Maryland; (3) to preserve adequate amounts of productive agricultural land and woodland in Maryland in order to provide for the continued production of food and fiber, to limit random development, and to protect agricultural land and woodland as open space; (4) to provide and promote land stewardship, including conservation, environmental protection, preservation, and resource management; (5) to provide health, safety, and economic protection for Maryland consumers; and (6) for the Rural Maryland Council, to bring together citizens; community-based organizations; federal, State, county, and municipal government officials; as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of rural Maryland communities.

Operating Budget Summary

**Fiscal 2026 Budget Decreases \$6.9 Million, or 5.2%, to \$125.9 Million
(\$ in Millions)**



Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies, and contingent reductions. The fiscal 2026 allowance accounts for contingent reductions. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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- The \$6.9 million decrease in the fiscal 2026 allowance primarily is attributable to a decrease of \$6.0 million in reimbursable funds from the Department of Information Technology (DoIT) for the MDA Digitization and Modernization Project (a major information technology (IT) development project), \$3.5 million in contingent reductions and one-time legislative priorities, and \$3.3 million in grant funding for the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). These reductions are offset partially by an increase of \$3.7 million for salaries, \$2.0 million for a Watershed Implementation Plan (WIP) federal fund grant, and \$2.0 million for mandated tree planting funding on agricultural land.

Fiscal 2024

Closeout

The Resource Conservation Grants program had a fiscal 2024 general fund legislative appropriation of \$4.3 million. This appropriation was reduced by \$0.1 million by budget amendment, leaving a working appropriation of \$4.2 million. Of this amount, \$2.0 million was expended, and \$2.2 million was reverted to the General Fund. The large amount of funding reverted correlates with the \$2.5 million in general funds mandated by Chapter 645 of 2021 (Tree Solutions Now Act) for tree plantings under the Conservation Reserve Enhancement Program and other tree-planting programs on agricultural land. As noted below, provisions in the fiscal 2026 Budget Bill and the Budget Reconciliation and Financing Act (BRFA) reduce the mandated funding for the tree mandate by \$2.0 million to \$0.5 million, which appears to be in line with recent program activity.

Fiscal 2025

Cost Containment

The Board of Public Works (BPW) approved cost containment actions in July 2024. The general fund reductions pertaining to MDA are as follows:

- ***Rural Maryland Council:*** \$2.25 million budgeted for grants to rural areas, which reduced the overall appropriation from \$9,010,479 to \$6,760,479;
- ***Resource Conservation Operations:*** \$250,000 budgeted for supporting Soil Conservation District technical assistance, which reduced the overall appropriation from \$500,000 to \$250,000;
- ***Marketing and Agriculture Development:*** \$100,000 for staff to administer the Maryland Native Plants Program established by Chapters 489 and 490 of 2023 that was mandated beginning in fiscal 2025; and

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- **Resource Conservation Grants:** \$100,000 for grants under the Urban Agriculture Grant Program established by Chapter 519 of 2023 mandated for fiscal 2025 through 2029.

Implementation of Legislative Priorities

Section 21 of the fiscal 2025 Budget Bill added funding for legislative priorities totaling \$1,137,500 as follows.

- **Soil Conservation District Technical Assistance:** \$500,000 in general funds was added to the Resource Conservation Operations program for the purpose of supporting soil conservation district technical assistance. As noted above, BPW actions reduced the funding to \$250,000.
- **Nuisance Insects – Midge Spraying:** \$300,000 in general funds was added to the Nuisance Insects program for the purpose of spraying midges in Back River.
- **Baltimore Animal Rescue and Care Shelter:** \$200,000 in general funds was added to the Marketing and Agriculture Development program for the purpose of providing a grant to the Baltimore Animal Rescue and Care Shelter.
- **Nuisance Insects – Black Flies Spraying:** \$112,500 in general funds was added to the Nuisance Insects program for the purpose of spraying black flies.
- **Montgomery County Office of Agriculture:** \$25,000 in general funds was added to the Marketing and Agriculture Development program for the purpose of providing a grant to the Montgomery County Office of Agriculture for tourist wayfinding signs.

MDA should comment on the status of the fiscal 2025 legislative priorities, including whether grant agreements have been executed and the amount of funding for State projects that has been encumbered and expended.

Proposed Deficiency

The fiscal 2026 budget contains four fiscal 2025 deficiency appropriations for a net increase of \$1,230,440. This is comprised of a net decrease of \$1,815,440 in general funds, offset partially by increases of \$28,000 in special funds and \$557,000 in federal funds. The deficiency appropriations are as follows:

- **Central Services:** an increase of \$128,000 in general funds to fund cost increases associated with procurement of MDA’s janitorial services contract.
- **Forest Pest Management:** a net increase of \$141,560 comprised of \$56,560 in general funds, \$28,000 in County and Other Participation matching special funds, and

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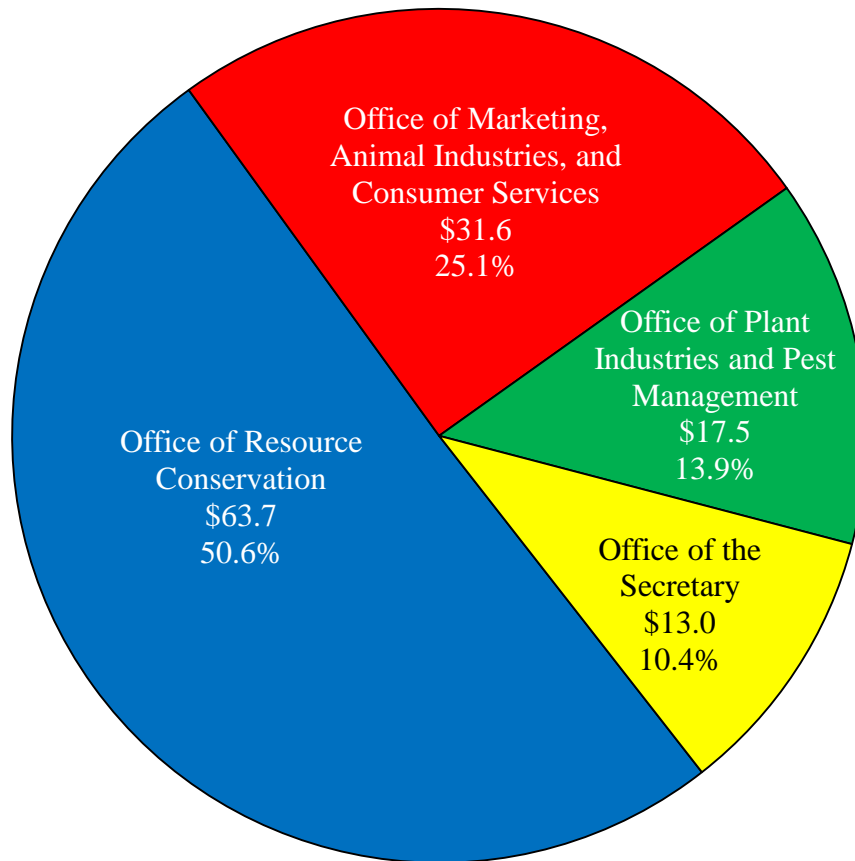
\$57,000 in federal funds from the U.S Department of Agriculture (USDA) – Forest Services’ Cooperative Forestry Assistance funding. The funding would support increased costs for spongy moth suppression work due to expanded spraying needed to address the increase in spongy moth outbreaks and higher costs for fuel and supplies. The majority of the proposed deficiency appropriation would support contractual services (\$112,000) and motor vehicles (\$23,560), with the remainder (\$7,000) to be used for various other expenses. Of note, in April 2024, BPW approved the use of \$300,000 from the State’s contingent fund for spongy moth suppression work to be completed in fiscal 2024.

- ***Resource Conservation Operations:*** an increase of \$500,000 in federal funds from USDA – Natural Resources Conservation Service’s Regional Conservation Partnership Program to fund technical assistance for dairy operations in Northern and Western Maryland. The majority of the proposed deficiency appropriation would support grants (\$225,000) and contractual services (\$150,000), with the remainder (\$125,000) supporting various other expenses.
- ***Resource Conservation Grants:*** a decrease of \$2,000,000 in general funds contingent on the enactment of the BRFA of 2025 reducing the mandate for tree planting on agricultural land to \$500,000.

Fiscal 2026 Overview of Agency Spending

MDA is organized into four administrative units and is staffed by 440.5 regular positions and 65.7 contractual full-time equivalents (FTE) in the fiscal 2026 allowance. **Exhibit 1** reflects the breakdown of the fiscal 2026 allowance of \$125.9 million, accounting for the contingent reductions, for the four units as follows.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Millions)



Note: The fiscal 2026 allowance accounts for contingent reductions. The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Department of Budget and Management; Department of Legislative Services

- **Office of Resource Conservation (\$63.7 Million, 50.6%):** Advises the Secretary on agricultural soil conservation and water quality; provides financial, technical, and staffing support to the State's 24 soil conservation districts; provides cost-share funding for best management practice (BMP) implementation, manure transport, and nutrient management plan development; trains, certifies, and licenses nutrient management plan consultants; and oversees Maryland's agricultural certainty and nutrient trading programs as part of Chesapeake Bay restoration efforts. The main expenditure categories include \$25.5 million for the Cover Crop Program; \$20.3 million for salaries, most of which is for regular

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positions in soil conservation districts; \$3.6 million for Manure Transport Program support and grants; \$2.0 million in new federal grant funding for the WIP and Total Maximum Daily Load subprogram; \$1.9 million for the contract for the University of Maryland Extension nutrient management advisors to write nutrient management plans; \$1.6 million for incentive payments to farmers for agricultural drainage management and the Conservation Reserve Enhancement Program; \$1.2 million for the Small Farm and Urban Agriculture Program; \$0.9 million for the Maryland Agricultural Water Quality Cost-Share Program; \$0.9 million from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund for WIP BMP implementation and animal waste technologies on farms; \$0.5 million for the Maryland Healthy Soils Program; and \$0.5 million for Tree Solutions Now Act tree planting on agricultural land, accounting for the contingent reduction.

- ***Office of Marketing, Animal Industries, and Consumer Services (\$31.6 Million, 25.1%):*** Provides weights and measures supervision; conducts inspection, grading, monitoring, and testing of agricultural product quality; generates agricultural statistics; protects animal health; regulates veterinarians; promotes the equine industry; assists in the development of agricultural markets; administers the Spay/Neuter program; promotes agriculture through agricultural fairs, shows, and youth activities; supports the transition from tobacco production in Southern Maryland; addresses issues affecting rural quality of life through the Rural Maryland Council and Maryland Agricultural Education and Rural Development Assistance Fund; and helps develop resource-based industries through MARBIDCO. The main expenditures include \$12.1 million for salaries; \$5.4 million for grants through the Rural Maryland Council; \$4.7 million for grants through the Women, Infants, and Children Coupon Program; \$1.4 million for Maryland Agricultural Fair Board grants; \$0.8 million for the Southern Maryland Agricultural Development Commission for the transition from tobacco production, accounting for the contingent reduction; \$0.9 million for the Spay and Neuter Grants Program; \$0.3 million for the Maryland Farms and Families Fund; \$0.3 million for MARBIDCO, accounting for the contingent reduction to the Maryland Watermen’s Microloan Program; and \$0.2 million for the Maryland Food and Agricultural Resiliency Mechanism Grant Program.
- ***Office of Plant Industries and Pest Management (\$17.5 Million, 13.9%):*** Manages forest pests; implements mosquito control services; regulates pesticides and pesticide applicators; administers nursery inspections, noxious weed control, nuisance bird control, and honeybee registration programs; regulates seed and sod labeling; regulates the chemical components of pesticides, commercial fertilizers, feeds, pet foods, compost, soil conditioners, and liming materials; and administers nuisance insect control services in cooperation with local governments. The main expenditure categories include \$10.6 million for salaries; \$2.3 million for contracts, including \$0.7 million for gypsy moth suppression, \$0.6 million in the State Chemist, and \$0.3 million for nuisance insect control; \$1.6 million for contractual FTEs; and \$1.5 million for motor vehicles.
- ***Office of the Secretary (\$13.0 Million, 10.4%):*** Provides administrative support services, advises the Secretary on agricultural issues through the Maryland Agricultural

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Commission, and administers agricultural land preservation. The main expenditure categories include \$6.0 million for salaries, \$2.5 million for DoIT services allocation, and \$1.2 million for contractual arrangements related to agricultural easement purchases.

Proposed Budget Change

As shown in **Exhibit 2**, the MDA fiscal 2026 allowance accounting for contingent reductions decreases by \$6.9 million, or 5.2%, relative to the adjusted fiscal 2025 working appropriation. Personnel changes are discussed first and then other changes.

**Exhibit 2
Proposed Budget
Department of Agriculture
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2024 Actual	\$61,869	\$40,734	\$10,347	\$27,977	\$140,926
Fiscal 2025 Working Appropriation	48,964	38,040	14,932	30,825	132,760
Fiscal 2026 Allowance	<u>45,883</u>	<u>39,474</u>	<u>15,608</u>	<u>24,902</u>	<u>125,867</u>
Fiscal 2025-2026 Amount Change	-\$3,080	\$1,434	\$676	-\$5,923	-\$6,893
Fiscal 2025-2026 Percent Change	-6.3%	3.8%	4.5%	-19.2%	-5.2%

Where It Goes: **Change**

Personnel Expenses

Salary increases and associated fringe benefits, including fiscal 2025 cost-of-living adjustment and increments.....	\$3,439
Contractual conversions (8.0)	523
New regular positions (6.3).....	467
Turnover decreases from 4.90% to 4.58%	137
Workers' compensation	22
Reclassification decrease, primarily in Resource Conservation Operations.....	-133
Employee and retiree health insurance.....	-771

Other Changes

Agricultural Policy

Watershed Implementation Plan federal fund grant increase.....	2,000
Grants for new Maryland Leaders in Environmentally Engaged Farming Program.....	785

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Where It Goes:	<u>Change</u>
Watershed Implementaton Plan special projects, federal funds.....	-150
Rural Maryland Council general fund grants	-775
MARBIDCO general fund grants	-3,335
<i>Contingent Reductions</i>	
Maryland Native Plants Program general fund contingent reduction	-100
Tri-County Council for Southern Maryland special fund contingent reduction .	-250
Watermen’s Microloan Program general fund contingent reduction.....	-500
<i>One-time Legislative Priorities</i>	
Montgomery County Office of Agriculture tourist wayfinding signs.....	-25
Spraying black flies	-113
Baltimore Animal Rescue and Care Shelter.....	-200
Midge spraying in Back River	-300
<i>Routine Operations</i>	
Statewide controlled subobjects, primarily Department of Information Technology services allocation	257
Travel in-state/routine operations for Resource Conservation Operations	220
Utilities – electricity	-10
Communications.....	-22
State Chemist fixed charges, special funds	-280
Vehicles, mostly in Office of Marketing, Animal Industries, and Consumer Services	-362
Equipment repairs and maintenance at Animal Health Laboratories, mostly federal funds	-439
Contractual full-time equivalents decrease due to conversions, primarily in Mosquito Control	-622
Modernization Program information technology project reimbursable fund decrease due to timing.....	-6,009
Other.....	-348
Total	-6,893

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies, and contingent reductions. The fiscal 2026 allowance accounts for contingent reductions. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Personnel

MDA's overall personnel expenditures increase by \$3.7 million in the fiscal 2026 allowance. The largest increase between the adjusted fiscal 2025 working appropriation and the fiscal 2026 allowance is \$4.0 million for salary increases and associated fringe benefits. The largest increase is due to the fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments, while the fiscal 2025 impacts of those adjustments are budgeted within the Department of Budget and Management (DBM). There are 14.3 new positions in the fiscal 2026 allowance. The funding associated with the new positions is comprised of \$0.5 million for 8.0 contractual conversions and \$0.5 million for 6.3 to-be-hired positions, of which the 0.3 increase reflects a part-time position being converted to a full-time position.

Other Changes

Agricultural Policy

There is one large increase under agricultural policy. The WIP subprogram reflects an increase of \$2.0 million in federal funding from the USDA – Natural Resources Conservation Service's Regional Conservation Partnership Program for Chesapeake Bay Restoration. The funding was based on receiving a grant award, but MDA has been notified that the application was not selected for funding. **The Department of Legislative Services (DLS) recommends that the \$2.0 million in federal funding be deleted.**

The largest reductions are for grant funding, comprised of \$3.3 million for MARBIDCO and \$0.8 million for the Rural Maryland Council for rural development work. MARBIDCO is now deemed fully self-sufficient as required by statute, which dictates that MARBIDCO shall conduct its financial affairs so that by fiscal 2026, it is self-sufficient and in no further need of general operating support by the State. The fiscal 2026 allowance includes \$0.8 million in grant funding for MARBIDCO comprised of \$0.5 million for the Maryland Watermen's Microloan Program, which is reduced contingent on the BRFA, and \$0.3 million for the Maryland Livestock Processing Equipment Grant Program. The Rural Maryland Council receives \$6.0 million in the fiscal 2026 allowance of which \$5.4 million is for grants.

Routine Operations

Expenditures that may be categorized as supporting routine operations decrease by \$7.4 million in the fiscal 2026 allowance. The largest decrease is the \$6.0 million in reimbursable funds for the MDA Customer Data Modernization Initiative IT project. This is due to the timing of when funding is allocated from DoIT's budget. The reimbursable funding comes from the Major IT Development Project Fund (\$5.0 million) and DoIT (\$1.1 million). The overall project cost has increased from \$6.5 million in the fiscal 2025 analysis to \$10.9 million in the fiscal 2026 analysis, or approximately \$4.5 million. The funding increase occurs in fiscal 2024, which was already closed at the time of the fiscal 2025 analysis. In addition, the majority of the funding programmed in fiscal 2026 for MDA's second IT project – MDA Digitization and Modernization Project – has shifted out a year. This increases the amount of funding programmed for fiscal 2027 from

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\$17.1 million to \$29.4 million, which could be difficult to manage. The two IT projects are discussed in **Appendix 2** and **Appendix 3** of this analysis. **MDA should explain the changed reporting on the total cost for the MDA Customer Data Modernization Initiative IT project from \$6.5 million to \$10.9 million. MDA should also discuss why the fiscal 2026 MDA Digitization and Modernization Project IT project costs have been shifted out to fiscal 2027 and how MDA will manage the expenditure of \$29.4 million in fiscal 2027, which is almost half of the overall project cost.**

Budget Reconciliation and Financing Act

The BRFA of 2025 includes a number of provisions related to MDA, not all of which have corresponding budget contingencies. The provisions, some of which affect both fiscal 2025 and 2026, are shown in **Exhibit 3**.

Exhibit 3
BRFA Provisions Impacting the Maryland Department of Agriculture
Fiscal 2026

<u>Program</u>	<u>Contingency/ Purpose</u>	<u>Cont. Approp. Amount</u>	<u>Fund Type</u>	<u>Special Fund</u>	<u>Fiscal Year</u>	<u>Description</u>
Resource Conservation Grants	Reduce the mandate for tree planting on agricultural land to \$500,000.	-\$2,000,000	GF	NA	2025 and 2026	Reduces from \$2.5 million to \$0.5 million the amount the Governor is mandated to budget for the Conservation Reserve Enhancement Program and other tree-planting on agricultural land in fiscal 2025 through 2031 as part of Chapter 645 of 2021. Corresponding budget bill language on the Resource Conservation Grants' fiscal 2025 deficiency and fiscal 2026 general fund appropriation reduces the \$2.0 million contingent on enactment of the BRFA provision.
Marketing and Agriculture Development	Eliminate the mandate for the Maryland Native Plants Program.	-100,000	GF	NA	2026	Removes the mandate and instead authorizes the Governor to budget \$100,000 to hire staff to administer the Maryland Native Plants Program.
Maryland Agricultural and Resource-Based Industry Development Corporation	Eliminate the mandate for the Watermen's Microloan Program.	-500,000	GF	NA	2026	Removes the mandate that the Governor budget \$500,000 for the Maryland Watermen's Microloan Program in fiscal 2026, the last year of mandated funding for the program.

<u>Program</u>	<u>Contingency/ Purpose</u>	<u>Cont. Approp. Amount</u>	<u>Fund Type</u>	<u>Special Fund</u>	<u>Fiscal Year</u>	<u>Description</u>
Marketing and Agriculture Development	Reduce the mandated CRF appropriation for the Tri-County Council for Southern Maryland to \$750,000.	-250,000	SF	CRF	2026	Modifies the mandate that the Governor annually budget \$1.0 million in CRF special funds for the Tri-County Council for Southern Maryland by reducing the mandate to \$750,000 in fiscal 2026, \$500,000 in fiscal 2027, and \$250,000 in fiscal 2028, the last year of mandated funding.
Weights and Measures	Weights and Measures registration notification and grace period requirements; and fee setting authorization.	N/A	N/A	N/A	N/A	Requires the Weights and Measures program to notify weights and measures registration holders one month before a registration expires, provides a grace period for registration renewal as long as the renewal and late fees are submitted within 60 days after the registration expires, removes the weights and measures fee structure, and authorizes the Secretary of Agriculture to set reasonable fees for registering each weight and measure used for commercial purposes.
Maryland Horse Industry Board	Horse establishment license notification and grace period.	N/A	N/A	N/A	N/A	Requires the Maryland Horse Industry Board to notify horse establishment licensees one month before a license expires and to provide a grace period for renewal application and renewal fee submission if certain conditions are met.

<u>Program</u>	<u>Contingency/ Purpose</u>	<u>Cont. Approp. Amount</u>	<u>Fund Type</u>	<u>Special Fund</u>	<u>Fiscal Year</u>	<u>Description</u>
Plant Protection and Weed Management	Beekeeper late registration and bee colony moveable frame penalties.	N/A	N/A	N/A	N/A	Requires beekeepers to pay increasing penalties if registration is not submitted and moveable bee colony frames are not provided timely to the Plant Protection and Weed Management program.
Nutrient Management Program	Nutrient Management Program penalties modification.	N/A	N/A	N/A	N/A	Removes the graduated penalty structure, increases the base penalty from \$100 to \$1,000, and caps the overall penalty at \$2,000 for a farmer who uses or produces animal manure and does not file a nutrient management report or an updated summary in the form of an annual implementation report with the Nutrient Management program as required.
Turf and Seed Program	Wholesale Seedsman Permit fee increase.	N/A	N/A	N/A	N/A	Increases the wholesale seedsman permit fee from \$100 to \$125 in the Turf and Seed Program.
Total GF Fiscal 2025		-\$2,000,000				
Total SF Fiscal 2025		-\$250,000				
Total GF Fiscal 2026		-\$2,600,000				
Total SF Fiscal 2026		-\$250,000				

BRFA: Budget Reconciliation and Financing Act
 CRF: Cigarette Restitution Fund

GF: general funds
 SF: special funds

Source: Department of Budget and Management; Department of Legislative Services

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There is an increase of \$2.0 million for the tree planting on agricultural land mandated in the Tree Solutions Now Act of 2021 due to the fiscal 2025 contingent reduction of \$2.0 million. However, this \$2.0 million increase is reduced contingent on the BRFA in fiscal 2026.

Chapters 575 and 576 of 2024 increased the mandated appropriation from the Cigarette Restitution Fund (CRF) for the Tri-County Council for Southern Maryland from \$0.9 million to \$1.0 million. As noted in the exhibit, the fiscal 2026 allowance decreases by \$250,000 in special funds due to a contingent reduction of CRF special funds for the Tri-County Council for Southern Maryland. The revenue received by the CRF has been substantially reduced in the last couple of years, and the fund balance is effectively eliminated, which requires the use of general funds to support other uses of the CRF. Therefore, the budget plan incorporates a \$250,000 annual reduction of the mandated funding for the Tri-County Council for Southern Maryland from fiscal 2026 to 2028. This funding reduction is in line with the end of the other two State-funded components of the Southern Maryland Regional Strategy-Action Plan for Agriculture: tobacco buyout payments ended in fiscal 2016; and pay-as-you-go capital funding for the purchase of agricultural easements ended in fiscal 2019.

In addition to the BRFA provisions, SB 264/HB 244 are departmental bills that also have budget implications. The bills would increase the inspection fee that a nursery is required to pay to the Secretary of Agriculture; increase the annual certification fee that a nursery is required to pay from \$100 to \$150; and increase the annual license fee that a broker or dealer is required to pay from \$100 to \$150.

Infrastructure Investment and Jobs Act and Inflation Reduction Act Funding

MDA has noted that it is not directly receiving federal Infrastructure Investment and Jobs Act and Inflation Reduction Act (IRA) funding. DBM's October 2024 competitive grant application summary report indicated that MDA was seeking \$9.2 million in IRA funding from the USDA – Natural Resources Conservation Service's Regional Conservation Partnership Program. MDA applied on July 2, 2024, and the status is pending. The period of performance is October 1, 2025, to September 30, 2030, or over six fiscal years, and no State match is required. For last year's analysis, MDA indicated that Natural Resources Conservation Service funding for four programs in DBM's summary report was pass-through funding that goes directly to farmers and that while the funding does not flow through MDA's budget, MDA staff are colocated with Natural Resources Conservation Service staff and provide technical assistance to promote programs and advise on available State funds that can be cost shared.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	409.20	426.20	440.50	14.30
Contractual FTEs	<u>54.20</u>	<u>86.15</u>	<u>65.65</u>	<u>-20.50</u>
Total Personnel	463.40	512.35	506.15	-6.20

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	20.17	4.58%
Positions and Percentage Vacant as of 12/31/24	45.00	10.56%
Vacancies Above Turnover	24.83	

- MDA regular positions increase by 14.3 between the fiscal 2025 working appropriation and the fiscal 2026 allowance, as shown in **Exhibit 4**. Of these 14.3 regular positions, 6.3 are reflected as new positions and 8 are reflected as contractual conversions, which usually reflects a minimal change between the contractual FTE compensation and that of the new regular position. The 6.3 new positions appear to account for \$467,362, comprised of \$176,492 in general funds and \$290,870 in special funds. Of note, the 0.3 increase for the 6.3 new positions reflects an existing part-time position being converted to a full-time regular position using available special funds. The turnover rate for the new positions ranges from 2% to 26%. **Given the high number of existing vacancies and positions above budgeted turnover, DLS recommends the addition of budget bill language deleting the 6.0 new positions and associated funding in favor of MDA reclassifying existing vacant positions.**

Exhibit 4
Maryland Department of Agriculture New Positions
and Contractual Conversions
Fiscal 2026

<u>Program</u>	<u>Position Title</u>	<u>Positions</u>	<u>Position Type</u>	<u>Subprogram</u>
L00A1205 Animal Health	Agricultural Inspector III	1.0	New position	Salisbury Animal Health Laboratory
L00A1207 State Board of Veterinary Medical Examiners	Assistant Attorney General	0.3	Existing position addition	Administration
L00A1403 Mosquito Control	Administrative Specialist I	1.0	Contractual conversion	Administration
	Agricultural Inspector II	2.0	Contractual conversion	Administration
	Agricultural Inspector III	2.0	Contractual conversion	Administration
L00A1504 Resource Conservation Grants	Agricultural Resource Conservation Specialist III	2.0	Contractual conversion	MACS and Cover Crop Program
	Office Secretary II	1.0	Contractual conversion	MACS
	Program Administrator V	1.0	New position	Maryland LEEF
L00A1506 Nutrient Management	Administrative Specialist III	1.0	New position	Nutrient Management
	Assistant Attorney General VIII	1.0	New position	New subprogram
	Nutrient Management Specialist II	2.0	New position	New subprogram
Total		14.3		
Total New Positions		6.3		
Total Contractual Conversions		8.0		

LEEF: Leaders in Environmentally Engaged Farming

MACS: Maryland Agricultural Water Quality Cost-Share Program

Note: The 0.3 position for the Assistant Attorney General in the State Board of Veterinary Medical Examiners reflects an existing part-time position that will be converted to a full-time position. There are sufficient special funds to cover the cost increase.

Source: Department of Budget and Management

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- MDA’s vacancy rate has increased from 6.72% to 10.56% between December 31, 2023, and December 31, 2024. In last year’s analysis, it was noted that MDA had one of the lowest vacancy rates among State agencies. **MDA should comment on the reason for the substantial increase in the vacancy rate.**
- MDA had 45 regular positions that were vacant as of December 31, 2024, of which 4 positions had been vacant for more than a year.
- MDA contractual FTEs decrease by a net of 20.5 positions in the fiscal 2026 allowance. The largest changes are decreases of 10.0 FTEs in Mosquito Control, 6.0 in Plant Protection and Weed Management, 3.0 in Resource Conservation Grants, and 2.3 in Animal Health, which generally correlates with the contractual conversions.
- The MDA budgeted turnover rate decreased from 4.90% in the fiscal 2025 working appropriation to 4.58% in the fiscal 2026 allowance. Therefore, MDA must hold open approximately 20 positions throughout fiscal 2026 to meet turnover. MDA had 45.0 positions vacant, or 10.56%, as of December 31, 2024, which means that there are sufficient vacancies for MDA to meet turnover.

Key Observations

1. Lack of Highly Pathogenic Avian Influenza Reimbursement Reflects Federal Funding Uncertainty

MDA receives federal funding for managing highly pathogenic avian influenza, a highly contagious airborne respiratory virus that affects poultry and wild bird species. As of February 2, 2025, there have been six cases of highly pathogenic avian influenza in Maryland, including a case in a Montgomery County backyard flock announced on January 30, 2025, and a commercial broiler farm in Worcester County announced on February 2, 2025. Three additional cases – two in Kent County, Delaware and one in Accomack County, Virginia – bring the total number of cases to eight in the Delmarva region. MDA has requested reimbursement from USDA for work done to mitigate highly pathogenic avian influenza but as of this writing has not received a response. **MDA should discuss the status of the reimbursement and if not yet received, any communication that it has had with its federal funding agencies concerning the receipt, and use of federal funds for managing highly pathogenic avian influenza.**

2. Electric Vehicle Charging Station Inspection Program Funding Needs

The budget committees requested that MDA, in coordination with the Electric Vehicle Metering Subgroup of the Public Service Commission’s (PSC) Public Conference 44 Electric Vehicle Workgroup, submit a report on a funding and implementation plan for a statewide nonutility electric vehicle charging station inspection program by October 1, 2024. In addition, Chapter 452 and 453 of 2024 established the Electric Vehicle Supply Equipment Workgroup and required a report to be submitted by November 1, 2024. The reports reflect the need for increased funding for MDA’s Weights and Measures program to regulate electric vehicle charging station accuracy, a current MDA responsibility, and possibly reliability and reporting as well.

MDA Electric Vehicle Charging Station Report

The report submitted by MDA notes the following regarding the electric vehicle charging station inspection program.

- **Funding:** requires \$610,000 for Weights and Measures to register, regulate, and take enforcement action regarding electric vehicle charging stations. The funding is needed for the following: four pieces of special testing equipment – called a “standard” – each of which costs \$100,000 (\$400,000); two fleet vehicles at \$50,000 per vehicle (\$100,000); and two entry level positions at \$55,000 per position (\$110,000).
- **New Device Registration:** requires a new device registration category to be created within the registration fee structure.

- **MDA Jurisdiction:** limited currently to registration, specifications, tolerances, and user requirements for commercial electric vehicle charging stations.

Electric Vehicle Supply Equipment Workgroup Report

The Electric Vehicle Supply Equipment Workgroup is required to (1) develop a framework for reliability and reporting standards for electric vehicle charging stations; (2) study and make recommendations regarding which government entities have responsibility for ensuring accountability regarding electric vehicle charging stations; and (3) make recommendations regarding adopting and implementing regulations.

The report focuses on public-facing commercial supply equipment – where a fee is charged – and distinguishes between publicly funded and privately funded equipment. Workgroup members appeared to favor a more regulatory-oriented approach for publicly funded equipment and a more consumer-oriented approach (focus on public safety and health) for privately funded equipment. Notably, the workgroup was unable to come to agreement about which State agency with electric vehicle oversight roles – MDA, the Maryland Department of Transportation (MDOT), the PSC, the Comptroller, and the Maryland Energy Administration (MEA) – should administer the reliability and reporting component of an electric vehicle supply equipment program. Workgroup members largely agreed on MDA completing its process and starting registration and enforcement of electric vehicle supply equipment by October 1, 2025. MDA intends to register, inspect, test, and certify electric vehicle supply equipment used in commercial transactions starting July 1, 2025.

The workgroup report’s main distinction was between electric vehicle supply equipment accuracy (clearly under MDA’s purview) and reliability and reporting (which could be administered by one of the five State agencies with electric vehicle fueling roles). Reliability refers to the percentage of time – “uptime” – electric vehicle supply equipment is functional and available for use. A typical standard, which would be applied to publicly funded equipment, would be an “uptime” of 97%. Reporting standards include the following: power output and level; number of ports and connector types; hours of availability; whether the supply equipment is networked; facility open date; facility type; accepted payment methods; and annual energy use.

The agency budget estimates for the implementation of electric vehicle supply equipment reliability and reporting are reflected in **Exhibit 5**. While these are estimates and do not reflect the total scope of the workgroup’s suggested framework, it is clear that PSC’s estimate is the lowest and MDA’s estimate is the highest regardless of the time period. **Exhibit 6** shows a more detailed breakdown of MDA’s costs, reflecting both the inspections for accuracy and specifications – MDA’s current responsibility – and uptime and reliability – a possible expansion of MDA’s role as it relates to electric vehicle supply equipment.

Exhibit 5
Agency Budget Estimates for Implementation of Electric Vehicle Supply
Equipment Reliability and Reporting
November 1, 2024

<u>Agency</u>	<u>Startup</u>	<u>Annual</u>	<u>4-year</u> <u>Total</u>	<u>10-year</u> <u>Total</u>
MDA	\$2,000,000	\$1,700,000	\$7,100,000	\$17,300,000
MDOT	2,009,000	1,584,000	6,761,000	16,265,000
Comptroller	3,045,389	1,445,389	7,381,556	16,053,890
MEA	1,800,000	750,000	4,050,000	8,550,000
PSC	1,116,000	659,475	3,094,425	7,051,275
Average	\$1,994,078	\$1,227,773	\$5,677,396	\$13,044,033

MDA: Maryland Department of Agriculture
MDOT: Maryland Department of Transportation
MEA: Maryland Energy Administration
PSC: Public Service Commission

Note: The budget reflected here was created before the final scope of the program was determined and then reported on November 1, 2024. The PSC expressed ranges for startup costs (\$992,000-\$1,240,000) and annual costs (\$586,200 to \$732,750). The average for each range is reflected in this exhibit.

Source: Public Service Commission; Department of Legislative Services

Exhibit 6
MDA Estimated Budget for Accuracy and Reliability
November 1, 2024

<u>Category</u>	<u>Description</u>	<u>Cost</u>
<i>Reliability</i>	<i>Implementation</i>	
Field Personnel	Field Inspectors, Supervisors	\$711,000
Administrative Personnel	Data Specialist, Administrator, Administrative Aide	395,000
Vehicles/Fleet	Purchase Vehicles, Maintenance Fees, Fuel Costs	679,000
Training	Safety, Inspection, Data Collection and Analyzing	45,000
Infrastructure	Data Reporting, Laptops, Office Furniture, Cell Phones	95,000
Software	Create, Track, and Storage of Data – Software	40,000
Supplies	Office and Field Supplies Equipment	35,000
Total Implementation of Reliability		\$2,000,000
Estimated Annual Operational Cost through 2029		\$1,700,000
<i>Accuracy</i>	<i>Implementation</i>	
Field Personnel	Field Inspection Staff	\$110,000
Vehicle/Fleet	Purchase Vehicles, Maintenance Fees, Fuel Costs	100,000
Equipment	Purchase Standards for Accuracy	400,000
Total Implementation of Accuracy as Currently Outlined		\$610,000
Estimated Annual Operational Cost through 2029		\$360,000
Total Reliability and Accuracy	Startup Total for Reliability and Accuracy	\$2,610,000
Total Reliability and Accuracy	Estimated Annual Operational Costs for Reliability and Accuracy through 2029	\$2,060,000

MDA: Maryland Department of Agriculture

Note: The budget reflected here was created before the final scope of the program was determined and then reported on November 1, 2024.

Source: Public Service Commission; Department of Legislative Services

On December 17, 2024, MDA announced that, starting January 1, 2025, it would begin registering service agencies and technicians involved in the installation, repair, and calibration of

electric vehicle fueling equipment. To fund this work, MDA is charging \$200 per agency, \$50 per technician, and \$25 for the required test. As noted above, the BRFA of 2025 removes the weights and measures fee structure and instead authorizes the Secretary of Agriculture to set reasonable fees for registering each weight and measure used for commercial purposes. Presumably this authority would be used to set fees for inspections for accuracy as well. **MDA should discuss whether there has been any further discussion about which State agency will be responsible for reliability as it relates to electric vehicle supply equipment and the funding in the fiscal 2026 budget for inspections for accuracy.**

3. Maryland Leaders in Environmentally Engaged Farm Program

Administration bills SB 428/HB 506 have been introduced in the 2025 session. Among other provisions, the bills would establish the Maryland Leaders in Environmentally Engaged Farming (LEEF) Program, a tiered program incentivizing conservation and community best practices. The program receives 1 position and \$900,000 in general funds in fiscal 2026, comprised of \$115,176 for salary and fringe benefits and \$784,824 for grants. However, the supporting material for the program reflects \$450,000 for contracts, including \$250,000 to contract with research institutions to support tier development and \$200,000 for software and database support for program documentation and management and only \$334,824 for grants to incentivize certified farms participating in the program. Finally, MDA provided information for the fiscal note accompanying SB 428/HB 506 indicating that \$122,768 is for salaries for 2 positions, \$100,000 is for contractual services, \$660,994 is for grants, and \$16,238 is for general operating expenses. In addition, there is a lack of clarity about the actual funding intended for the program.

SB 428/HB 506 specify that the program, for fiscal 2026 through 2031, may receive up to \$2.0 million of the \$2.5 million, mandated by the Tree Solutions Now Act, that is not used for tree planting on agricultural land. At the same time, the BRFA of 2025 proposes reducing the \$2.5 million mandate for tree planting funding to \$0.5 million. **MDA should comment on the intent of how this program will be funded long term, since one source of funding proposed in the legislation would not be viable based on the BRFA of 2025.**

The lack of clarity about the funding intent, the fiscal condition of the State, the fact that the program is new, and the lack of concrete program details suggest that the program's funding should be conditioned. **DLS recommends reducing the appropriation for the program from \$900,000 to \$500,000. In addition, DLS recommends adding budget bill language making a portion of the funding contingent on the legislation establishing the program and restricting \$100,000 pending the submission of a report on the program's parameters.**

4. More Work to Be Done on Value-added Agriculture in Maryland

The committees were interested in learning more about the status and future of value-added agriculture in Maryland given that the Business Economic and Community Outreach Network of Salisbury University estimates that Maryland's value-added agriculture industry supports close to

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74,000 jobs and brings a total economic impact of more than \$20.6 billion annually to the State’s economy. Therefore, the committees requested that MDA develop Managing for Results (MFR) measures and report on the state of value-added agriculture in Maryland. The MFR measures were requested to include input, output, and outcome measures that correspond to a numerical goal for the number of value-added agricultural businesses that are launched or relocate to Maryland each fiscal year.

The report was requested be submitted by October 1, 2024, and to include the following: (1) information related to value-added agriculture from the 2022 Census of Agriculture; (2) updated information on the jobs and total economic impact of value-added agriculture; (3) an assessment of the potential and growth of value-added enterprises in Maryland; (4) information about State and local educational institutions that provide training for value-added entrepreneurs; (5) an assessment of the need for supporting infrastructure, such as processing equipment, meat processing facilities, and commercial/shared-use kitchens; and (6) the resources available for supporting research and technology in the value-added agriculture policy area.

The submitted report notes that value-added agriculture concerns can be categorized as follows: value-added processing; agritourism and food service; and retail sales of value-added products. The report also notes the following:

- ***Agricultural Industry Risk Factors:*** the agricultural industry requires new thinking and operations due to (1) the fundamental inability of farmers to relocate their land, unlike other business assets; (2) the aging of farmers; and (3) less than half of farmers farm as a primary occupation.
- ***Valued-added Agriculture Infrastructure Constraints:*** the number of farms is slowly growing, but value-added agriculture expansion is constrained by the lack of infrastructure (termed middle-of-supply infrastructure) for processing, aggregation, and distribution of locally grown and made products.
- ***Value-added Agriculture Regulatory Constraints:*** the line between State and local regulation is not clear, producers are faced with both food processing and environmental health regulations, guidance is unavailable to navigate the regulatory process, licenses cap revenues allowed and require land ownership, and inflexible definitions requiring permanent solutions to temporary or seasonal activities limit expansion ability.
- ***Limited Engagement:*** training of and outreach by local health officers and agricultural/economic development professionals is needed to help build partnerships with value-added agricultural operations seeking to start or expand.

The report was submitted, but formal MFR measures were not developed. Instead, MDA looked at using value-added agriculture licenses as a proxy for the status of value-added agriculture. **Exhibit 7** shows the Maryland issued valued-added agriculture licenses between April and July 2024. While not representative of the entire industry, the number of licenses is a rough proxy for value-added agriculture businesses in Maryland. The “on-farm home processing cut and

wrap meat, cheese processed off-farm” license is the most popular license and experienced the most growth between April and July 2024.

Exhibit 7
Maryland Issued Value-Added Agriculture Licenses
April-July 2024

<u>Industries</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Diff. April-July</u>
On-Farm Home Processing Cut and Wrap Meat, Cheese Processed Off-Farm	209	213	213	215	6
Pasteurized Milk	8	8	9	9	1
Cheese (On-Farm)	8	8	8	9	1
Frozen Dessert (Ice Cream)	6	6	7	7	1
On-farm processing and sales of poultry and rabbits	50	50	50	50	0
Farm-based Winery	112	113	113	113	1
Farm-based Brewery	38	38	38	38	0
Total	431	436	438	441	10

Source: Maryland Department of Agriculture

Attendance at the annual Buyer Grower Expo is one measure of the status of value-added agriculture in Maryland. MDA hosts the annual expo, which offers an opportunity for local growers and producers to expand marketing and sales of local products. The expo has grown since 2020, and the product offerings have become diverse, showing the potential for value-added agriculture in Maryland.

MDA should comment on:

- **why MFR measures for value-added agriculture are not included with the fiscal 2026 budget submission;**
- **the outcomes of the 2025 Buyer Grower Expo, an annual opportunity to expand marketing and sales for local products;**
- **the relationship between value-added licenses issued at the State, federal, and local levels and the growth and health of value-added agriculture in Maryland;**
- **how increasing the number of agricultural-development-specific positions in the local jurisdictions from 14 to 24 could be implemented;**

- **the work MDA and the Maryland Department of Health are doing to reduce the regulatory burden faced by value-added licensees;**
- **MDA’s fiscal 2026 funding to promote the expansion of value-added agriculture; and**
- **the overall goals for value-added agriculture in Maryland.**

5. Enforcement and Inspection Position Strength Assessment and Vacant Position Filling

Committee narrative in the fiscal 2025 budget bill requested the submission of quarterly reports from the Maryland Department of the Environment (MDE) and MDA on compliance and enforcement inspections and positions. The reports were required to include an evaluation of the adequacy of Maryland’s current authorized compliance and enforcement positions; a comparison of the size, roles, responsibilities, and inspection workload of the departments’ compliance and enforcement positions to neighboring or similar states; a list of all inspection activities in certain programs; staffing and funding levels for fiscal 2025 and 2026; and a description of the use and outcomes from any next generation compliance techniques to increase compliance with Maryland’s environmental regulations. The report was requested to be submitted by January 1, 2025. To date, the report has not been submitted. **MDA should discuss why the report was not submitted as requested and the anticipated timeline for submission. In addition, DLS recommends that committee narrative be adopted requesting the compliance and enforcement inspections and positions information by January 1, 2026. For administrative purposes, this recommendation will appear in the operating budget analysis for U00A – MDE.**

Operating Budget Recommended Actions

1. Add the following language:

Provided that \$176,492 in general funds and \$290,870 in special funds are reduced and the following new regular positions are deleted: N2616630; N2617652; N2617155; N2617152; N2617153; and N2617154.

Explanation: This action reduces the 6.0 new positions and associated funding in the Maryland Department of Agriculture’s (MDA) fiscal 2026 budget. MDA also has 8.0 contractual conversions in the fiscal 2026 budget, which are not affected by this action. Given the high number of vacancies and positions above budgeted turnover, MDA can reclassify existing vacant positions instead.

2. Add the following language to the general fund appropriation:

Further provided that the appropriation made for the purpose of the Maryland Leaders in Environmentally Engaged Farming (LEEF) Program shall be reduced by \$500,000 contingent on failure of SB 428 and HB 506 establishing the LEEF Program.

Further provided that \$100,000 of the appropriation made for the purpose of the LEEF Program that is contingent on the enactment of SB 428 or HB 506 establishing the program may not be expended until the Maryland Department of Agriculture (MDA) submits a report to the budget committees on the implementation of the program. The report shall describe the program’s final parameters, a detailed spending plan, the criteria for establishing each of the proposed engagement tiers, the incentives available to program participants under each tier, the relationship with other MDA policy and funding programs, and proposed Managing for Results measures and goals to determine program success, including how the program is anticipated to improve agriculture sector outcomes for Chesapeake Bay restoration and increase farming profitability. The report shall be submitted by September 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The fiscal 2026 budget as introduced includes a \$900,000 general fund appropriation for the new Maryland Leaders in Environmentally Engaged Farming Program, established by SB 428/HB 506 of the 2025 legislative session. The program’s parameters have not been fully defined. Therefore, this budget bill language makes a portion of the funding contingent on the policy bills establishing the program and restricts a portion of the funding pending the submission of a report on the program’s parameters.

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Information Request	Author	Due Date
LEEF Program report	MDA	September 1, 2025

	<u>Amount Change</u>	
3. Reduce \$400,000 in general fund grant funding for the new Maryland Leaders in Environmentally Engaged Farming program. The fiscal 2026 budget includes a \$900,000 general fund appropriation for the new program, established by SB 428/HB 506 of the 2025 session. Program funding is unclear due to multiple possible interpretations of the funding parameters in the bills and a related provision in the Budget Reconciliation and Financing Act of 2025. In addition, the fiscal condition of the State does not warrant the level of expenditure proposed.	-\$ 400,000	GF
4. Delete funding for a U.S. Department of Agriculture federal fund grant that was not awarded. The funding would have been from the Natural Resources Conservation Service’s Regional Conservation Partnership Program.	-\$ 2,000,000	FF
Total Net Change	-\$ 2,400,000	
Total General Fund Net Change	-\$ 400,000	
Total Federal Fund Net Change	-\$ 2,000,000	

Updates

- ***Farm Bill Delayed Again:*** Typically renewed every five years, the Farm Bill is the major federal agricultural and food policy bill. The most recent farm bill, the Agriculture Improvement Act of 2018, includes both mandatory and discretionary (appropriated) funds for an array of programs, including a number of conservation programs that enable farmers to implement BMPs that support bay restoration efforts. Many of these provisions expired on September 30, 2023, and have since been extended by continuing resolutions in November 2023 (until September 30, 2024) and December 21, 2024, (until September 30, 2025). The U.S. Congress has not yet considered a new version of the bill, but the continuing resolution on December 21, 2024 – the American Relief Act of 2025 – included \$31 billion in direct payments for disaster and economic assistance to agriculture producers, of which \$10 billion is to address economic challenges.
- ***Report on Blue Catfish Marketing:*** The committees were interested in learning more about MDA’s marketing of blue catfish. Therefore, the committees requested that MDA, in consultation with the Department of Natural Resources (DNR), report by December 1, 2024, on its efforts to increase the marketing, processing, and sale of blue catfish in Maryland. The submitted report notes that MDA and DNR have made a concerted effort to market blue catfish, including advertising that targets consumers and seafood marketers; a Maryland Public Television documentary; segments on Maryland Public Television’s Farm and Harvest program; and tastings with consumers at music festivals (e.g. Annapolis Baygrass Festival), sporting events, and the Maryland-Japan night at the Embassy of Japan. Further, MDA hired 2 seafood marketing team members in the last year to bolster marketing efforts. The report notes that funding is needed to conduct market research and widespread marketing campaigns to counter the image of blue catfish as a bottom feeder living in polluted waters and thus undesirable for consumption. In addition, technical assistance is needed to support larger fish processors in meeting the USDA strict processing guidelines. Finally, coordination between all the blue catfish market stakeholders, including harvesters and processors, is critical.

Appendix 1
2024 Joint Chairmen’s Report Responses from Agency

The 2024 *Joint Chairmen’s Report* (JCR) requested that MDA prepare five reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Historical and Projected Chesapeake Bay Restoration:*** The budget committees requested that the Maryland Department of Planning, DNR, MDA, MDE, and DBM submit a report on historical and projected Chesapeake Bay restoration spending and associated impacts and the overall framework needed to meet the calendar 2025 requirement of having all BMPs in place to meet water quality standards for restoring the Chesapeake Bay. Further discussion of this data can be found in the analysis for CHESBAY – Chesapeake Bay Overview.
- ***Electric Vehicle Charging Station Inspection Program Report:*** The budget committees requested that MDA, in coordination with the Electric Vehicle Metering Subgroup of the PSC’s Public Conference 44 Electric Vehicle Workgroup, submit a report on a funding and implementation plan for a statewide nonutility electric vehicle charging station inspection program by October 1, 2024. Further discussion of this data can be found in Key Observation 2 of this analysis.
- ***Status and Future of Value-added Agriculture in Maryland:*** The budget committees requested that MDA develop measures and submit a report on the state of value-added agriculture in Maryland by October 1, 2024. Further discussion of this data can be found in Key Observation 4 of this analysis.
- ***Report on Blue Catfish Marketing:*** The budget committees requested that MDA, in consultation with DNR, report on its efforts to increase the marketing, processing, and sale of blue catfish in Maryland by December 1, 2024. Further discussion of this data can be found in the Updates section of this analysis.
- ***Enforcement and Inspection Position Strength Assessment and Vacant Position Filling:*** The budget committees requested that MDE and MDA submit a report on compliance and enforcement inspections and positions by January 1, 2025. Further discussion of this data can be found in Key Observation 5 of this analysis.

Appendix 2
Customer Data Modernization Initiative
Major Information Technology Project

New/Ongoing: Ongoing								
Start Date: January 31, 2023					Est. Completion Date: June 30, 2026			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2025	2026	2027	2028	2029	Remainder	Total
GF	\$8.678	\$2.167	\$0.050	\$0.000	\$0.000	\$0.000	\$0.000	\$10.895
Total	\$8.678	\$2.167	\$0.050	\$0.000	\$0.000	\$0.000	\$0.000	\$10.895

- **Project Summary:** This project moves MDA’s programs to the State’s OneStop platform to allow customers and staff to use a uniform web-based system for delivery of programs and to allow staff to a geographic information system for data storage. This project is being developed for the following MDA programs: Turf and Seed; State Chemist; and Nutrient Management.
- **Need:** MDA’s existing infrastructure for State-issued licenses and permits is decentralized and based on PDFs that have to be filled out by the public and manually categorized by MDA staff. This is a burden for the public and causes tracking challenges for MDA, especially with legacy systems.
- **Observations and Milestones:** The Turf and Seed program, which was divided into two parts, went fully live on March 4, 2024, as projected. The State Chemist program will provide a phased implementation of the State Chemist’s Tonnage Reporting for Fertilizers reporting and enhancements to existing features. The State Chemist originally was anticipated to go live on May 27, 2024, but the schedule shifted slightly to June 18, 2024, with additional items still being addressed. The Nutrient Management program work began on May 8, 2024, with no go live date available.
- **Concerns:** Staff expertise, time, and buy-in is a risk internally while integration with outside vendors (Salesforce, Tyler Technologies and Velocity Payment Gateway) is a risk externally. The overall project cost has increased from \$6.5 million to \$10.9 million, or approximately \$4.5 million, and the increase occurred in fiscal 2024, which was already closed at the time of the fiscal 2025 analysis.

Appendix 3
Digitization and Modernization Project
Major Information Technology Development Project

New/Ongoing: Ongoing								
Start Date: July 1, 2024					Est. Completion Date: June 29, 2030			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2025	2026	2027	2028	2029	Remainder	Total
GF	\$0.000	\$1.050	\$1.233	\$29.435	\$16.785	\$11.435	\$0.000	\$59.938
Total	\$0.000	\$1.050	\$1.233	\$29.435	\$16.785	\$11.435	\$0.000	\$59.938

- Project Summary:** This project moves MDA’s programs to the State’s OneStop platform to allow customers and staff to use a uniform web-based system for delivery of programs. This project is being developed for the following MDA programs: Agricultural Fair Board; Board of Veterinary Medical Examiners; Spay and Neuter Grants Program; Farmer’s Market Nutrition Program; International Marketing; Maryland’s Best program; Forest Pest Management; Mosquito Control; Pesticide Regulation; Plant Protection and Weed Management; Specialty Crop Block Grant Program; Maryland Agricultural Land Preservation Foundation; Animal Health; Food Quality Assurance; Conservation Program Planning and Evaluations; Conservation District Operations; and Conservation Grants.
- Need:** MDA’s existing infrastructure for State-issued licenses and permits is decentralized and based on PDFs that must be filled out by the public and manually categorized by MDA staff. This is a burden for the public and causes tracking challenges for MDA, especially with legacy systems.
- Observations and Milestones:** The amount of work planned for fiscal 2026 has been substantially reduced. This task reduction was done to focus on the back end infrastructure and both modernizing the outdated Oracle data platform and consolidating it with the Salesforce platform.
- Concerns:** Limiting the scope of the project too early is identified as a concern as well as the identification of sufficient funding. Staff expertise, available time, and buy-in are all concerns, especially given the large number of programs being migrated to the OneStop platform and frustrations due to lack of progress in migrating to the OneStop platform in the past. While the overall project cost has decreased from \$60.4 million to \$59.9 million, the funding schedule has been shifted out, with only \$1.2 million provided in fiscal 2026 instead of the \$14.0 million programmed. This increases the amount of funding programmed for fiscal 2027 from \$17.1 million to \$29.4 million, which could be a concern.

**Appendix 4
Object/Fund Difference Report
Department of Agriculture**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	409.20	426.20	440.50	14.30	3.4%
02 Contractual	54.20	86.15	65.65	-20.50	-23.8%
Total Positions	463.40	512.35	506.15	-6.20	-1.2%
Objects					
01 Salaries and Wages	\$ 45,076,354	\$ 45,267,647	\$ 48,951,159	\$ 3,683,512	8.1%
02 Technical and Special Fees	2,874,993	3,635,872	3,014,268	-621,604	-17.1%
03 Communication	270,590	338,148	315,810	-22,338	-6.6%
04 Travel	656,613	633,499	922,772	289,273	45.7%
06 Fuel and Utilities	800,792	699,521	689,521	-10,000	-1.4%
07 Motor Vehicles	1,486,941	2,819,080	2,494,657	-324,423	-11.5%
08 Contractual Services	15,423,488	18,722,679	12,406,511	-6,316,168	-33.7%
09 Supplies and Materials	1,274,224	1,914,782	1,563,873	-350,909	-18.3%
10 Equipment – Replacement	556,886	706,132	600,867	-105,265	-14.9%
11 Equipment – Additional	97,583	564,000	105,000	-459,000	-81.4%
12 Grants, Subsidies, and Contributions	70,909,065	56,887,457	56,143,687	-743,770	-1.3%
13 Fixed Charges	1,166,277	1,324,786	1,031,765	-293,021	-22.1%
14 Land and Structures	332,197	477,108	477,108	0	0%
Total Objects	\$ 140,926,003	\$ 133,990,711	\$ 128,716,998	-\$ 5,273,713	-3.9%
Funds					
01 General Fund	\$ 61,868,969	\$ 50,779,153	\$ 48,483,473	-\$ 2,295,680	-4.5%
03 Special Fund	40,733,515	38,011,506	39,723,967	1,712,461	4.5%
05 Federal Fund	10,346,726	14,375,006	15,607,537	1,232,531	8.6%
09 Reimbursable Fund	27,976,793	30,825,046	24,902,021	-5,923,025	-19.2%
Total Funds	\$ 140,926,003	\$ 133,990,711	\$ 128,716,998	-\$ 5,273,713	-3.9%

Note: The fiscal 2025 appropriation does not include deficiencies or contingent reductions. The fiscal 2026 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.