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<http://www.mn.gov/bah>

**AT A GLANCE**

Our activities help to keep these animals disease-free:

- 33,000 cattle herds
- 7,200 swine herds
- 12,000 poultry flocks
- 600 dog or cat breeders
- 150 kennels and/or dog or cat rescues
- 460 deer and elk herds
- Horses on 16,500 farms
- 125,000 sheep and 34,500 goats

**PURPOSE**

The mission of the Board of Animal Health is to protect the health of the state’s domestic animals. Our partners in this mission include:

- Veterinarians
- Livestock farmers
- Small animal enthusiasts
- Numerous state and federal agencies

Together that team serves Minnesota by:

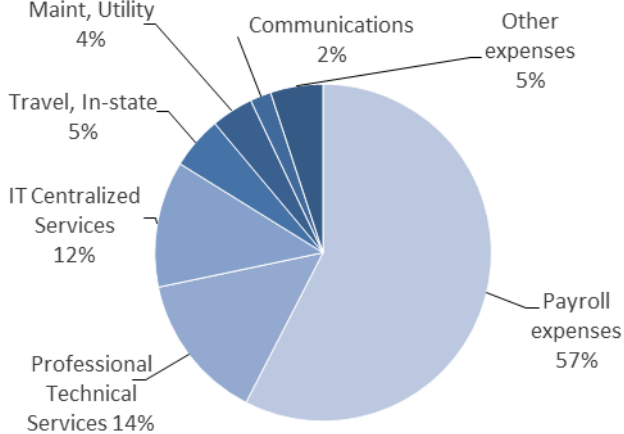
- Assuring an abundant and wholesome food supply
- Supporting the business of animal agriculture
- Protecting public health

Through those activities we support the following statewide outcomes:

- **All Minnesotans have optimal health**
- **A thriving economy that encourages business growth and employment opportunities**
- **People in Minnesota are safe**

**BUDGET**

**Spending by Category  
FY 15 Actual**

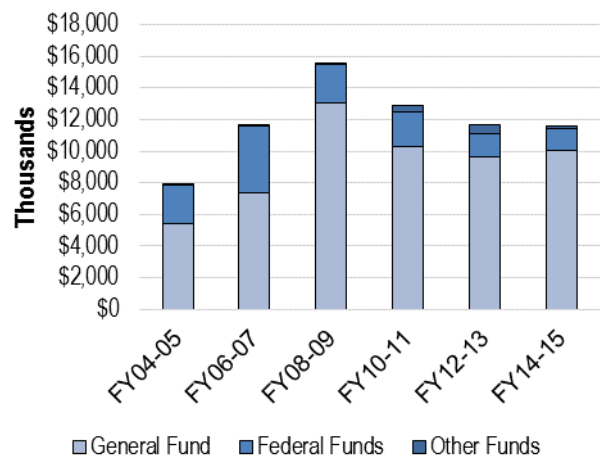


**Total expenditures for FY15 = \$6.221 million.  
We use our funding for three main activities:**

1. **Disease surveillance, control and eradication**
2. **Inspections**
3. **Education and outreach**

Source: BPAS

**Historical Spending**



**We have three funding sources:**

1. **General funds appropriation**
2. **Federal cooperative agreements**
3. **Other sources, e.g. licensing and inspection fees**

Source: Consolidated Fund Statement

**STRATEGIES**

Many animals move into and out of Minnesota. One of our biggest tasks is to ensure that those animals are disease-free. We also work to make sure that if an outbreak does occur, our animals can be traced and the diseases contained. We have a system in place to detect, control and in some cases eliminate domestic animal diseases.

Along with detection and containment of diseases, another important role we play is in enforcement. Our staff makes regular visits to farms, livestock sales, livestock exhibitions and kennels to assure that all rules and laws governing animal health and safety are being followed.

Finally, we put an emphasis on ensuring Minnesota’s livestock remain free of certain diseases of national and international importance to allow for free trade of animals and animal products with other states and countries.

As an example of implementing one of our strategies, in December 2014 highly pathogenic avian influenza (HPAI) was detected in the United States for the first time in 10 years. The first case of the HPAI outbreak in Minnesota was announced on March 5, 2015. Throughout the outbreak, poultry on 108 farms spanning 23 counties were infected with HPAI in Minnesota. Over nine million birds were depopulated or died due to the virus, including commercial turkeys, commercial layers and one backyard flock. The last case of HPAI in Minnesota was confirmed on June 5, 2015.

The Board is the lead response agency for HPAI events in Minnesota. However, it took a large team of people from across the country to help us minimize and eventually stop the spread of the virus. When Minnesota experienced its first case a small state Incident Management Team (IMT) was activated. The purpose of an IMT is to organize a response and maximize efforts of personnel working on the event. In this case, the state IMT consisted of staff members from the Board, Minnesota Department of Agriculture and Minnesota-based USDA.

At the height of the incident, over 600 people were working on the ground in Minnesota. The Board continues to work together with Minnesota’s poultry industry and other state and federal agencies to prepare for and respond to introductions of influenza in poultry. The state’s voluntary cooperative control plan includes education, monitoring, reporting, and response. Testing for influenza in poultry is conducted at the Minnesota Poultry Testing Laboratory in Willmar. Commercial and non-commercial poultry flocks are routinely monitored for influenza.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous-2014</i>	<i>Current-2015</i>
Quantity	Livestock producers, livestock auction markets and other stakeholders visits and education	8600+	4550
Quality	Ability to track animals based on length of reporting period to USDA*	12 Hours	14 hours
Results	Freedom of movement of livestock across state and international borders due to continuing disease free status	Disease free	Poultry restrictions

\*One of the goals of the United States Department of Agriculture (USDA) is to test each state’s ability to trace animals. It is very important that we are able to do so quickly - every minute counts when it comes to containing contagious diseases of livestock and poultry.

### To test our ability to trace animals:

- The USDA sent us numbers from official ear tags that were applied to Minnesota livestock
- Each state was required to report back on whether the tag was applied to an animal and where it was applied

### The results:

Minnesota reported the information back to USDA within 14 hours. The national average was 87.6 hours

M.S. 35 (<https://www.revisor.mn.gov/statutes/?id=35>) provides the legal authority for the Board of Animal Health.

**Expenditures By Fund**

	Actual	Actual	Actual	Estimate	Forecasted Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	4,615	5,443	5,351	6,481	5,748	6,024	5,807	6,131
2000 - Restrict Misc Special Revenue	131	29	116	109	95	87	95	87
3000 - Federal	615	749	1,044	645	612	612	612	612
<b>Total</b>	<b>5,361</b>	<b>6,221</b>	<b>6,511</b>	<b>7,235</b>	<b>6,455</b>	<b>6,724</b>	<b>6,514</b>	<b>6,831</b>
<i>Biennial Change</i>				2,164		(567)		(401)
<i>Biennial % Change</i>				19		(4)		(3)
<i>Governor's Change from Base</i>								166
<i>Governor's % Change from Base</i>								1

**Expenditures by Program**

Program: Livestock And Poultry Health	5,361	6,221	6,511	7,235	6,455	6,724	6,514	6,831
<b>Total</b>	<b>5,361</b>	<b>6,221</b>	<b>6,511</b>	<b>7,235</b>	<b>6,455</b>	<b>6,724</b>	<b>6,514</b>	<b>6,831</b>

**Expenditures by Category**

Compensation	3,364	3,570	4,278	3,730	3,879	3,959	3,938	4,066
Operating Expenses	1,976	2,611	2,231	3,480	2,559	2,747	2,559	2,747
Other Financial Transactions	21	39	2	25	17	18	17	18
<b>Total</b>	<b>5,361</b>	<b>6,221</b>	<b>6,511</b>	<b>7,235</b>	<b>6,455</b>	<b>6,724</b>	<b>6,514</b>	<b>6,831</b>

**Full-Time Equivalents**

	<b>38.3</b>	<b>39.2</b>	<b>49.8</b>	<b>42.4</b>	<b>42.1</b>	<b>42.1</b>	<b>42.1</b>	<b>42.1</b>
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**1000 - General**

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	46	268	316	2,136	1,039	675	1,039	675
Direct Appropriation	4,837	5,526	7,171	5,384	5,384	5,384	5,443	5,491
Cancellations	0	35	0	0	0	0	0	0
<b>Expenditures</b>	<b>4,615</b>	<b>5,443</b>	<b>5,351</b>	<b>6,481</b>	<b>5,748</b>	<b>6,024</b>	<b>5,807</b>	<b>6,131</b>
Balance Forward Out	268	316	2,136	1,039	675	35	675	35
<i>Biennial Change in Expenditures</i>				1,775		(60)		106
<i>Biennial % Change in Expenditures</i>				18		(1)		1
<i>Gov's Exp Change from Base</i>								166
<i>Gov's Exp % Change from Base</i>								1
Full-Time Equivalents	33.5	34.8	38.9	38.4	38.4	38.4	38.4	38.4

**2000 - Restrict Misc Special Revenue**

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	302	242	258	204	166	142	166	142
Receipts	71	46	62	71	71	71	71	71
<b>Expenditures</b>	<b>131</b>	<b>29</b>	<b>116</b>	<b>109</b>	<b>95</b>	<b>87</b>	<b>95</b>	<b>87</b>
Balance Forward Out	242	258	204	166	142	126	142	126
<i>Biennial Change in Expenditures</i>				65		(42)		(42)
<i>Biennial % Change in Expenditures</i>				40		(19)		(19)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	0.0	0.2	1.1	1.1	0.2	0.2	0.2	0.2

**3000 - Federal**

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	615	749	1,044	645	612	612	612	612
<b>Expenditures</b>	<b>615</b>	<b>749</b>	<b>1,044</b>	<b>645</b>	<b>612</b>	<b>612</b>	<b>612</b>	<b>612</b>
<i>Biennial Change in Expenditures</i>				325		(464)		(464)
<i>Biennial % Change in Expenditures</i>				24		(27)		(27)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

**3000 - Federal**

Full-Time Equivalents	4.8	4.3	9.9	2.9	3.5	3.5	3.5	3.5
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# Board of Animal Health

## FY18-19 Biennial Budget Change Item

### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	59	107	107	107
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	59	107	107	107
FTEs	0	0	0	0

### Recommendation:

The Governor recommends \$166,000 in FY 2018-19 and \$214,000 in FY 2020-21 from the general fund to maintain the current level of service delivery at the Minnesota Board of Animal Health.

### Rationale/Background:

Each year, employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For the Animal Health Board, an erosion of services means less ability to enforce the state's laws that protect animal health and safety and a reduced capacity to quickly detect, control, and eliminate animal diseases and public health crises.

### Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For the Animal Health Board, this funding will cover expected and anticipated employee compensation growth, including anticipated compensation increases and employer-paid pension costs.

### Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

### Statutory Change(s):

N.A.

# FY 2018-19 Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant?	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
United States Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Budget Activity Total Name: Animal Health Technical Services (AHTS) – Traceability Purpose: Animal Disease Traceability Program	No	147	200	149	149	No	1.6
United States Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Budget Activity Total Name: Managing National Surveillance and Response for Animal Health Activities Umbrella Purpose: Animal Health Surveillance and Response	No	429	445	463	463	No	2.0
United States Department of Agriculture – Animal and Plant Health Inspection Service-Veterinary Services 10.025	Budget Activity Total Name: Managing Highly Pathogenic Avian Influenza Purpose: Highly Pathogenic Avian Influenza Response	No	468	0	0	0	No	0
	Federal Fund – Agency Total	No	1,044	645	612	612	No	3.6

## Narrative:

Funding received from United States Department of Agriculture – Animal and Plant Health Inspection Service- Veterinary Services will/has been used to:

- Maintain continuity of the Board’s surveillance, testing and education programs for our livestock disease programs. These programs include avian influenza, scrapie, as well as other sheep, swine, and cattle disease prevention, control, and preparedness programs.
- Maintain continuity of the Board’s animal disease traceability program as outlined in Minnesota’s Animal Disease Traceability Road Map. This funding will help support key elements of traceability, including breeding cattle identification and capturing both interstate and intrastate animal movement in a searchable database.
- Maintain continuity of the Board’s Highly Pathogenic Avian Influenza response, control and surveillance efforts. These efforts are designed to quickly diagnose, control, and prevent the spread of Highly Pathogenic Avian Influenza (HPAI) in Minnesota poultry flocks.

The Board of Animal Health manages the Managing National Surveillance and Response for Animal Health Activities program funded by Federal money in accordance with Title 2 Code of Federal Regulations Part 200 and the associated Office of Management and Budget (OMB) Circular governing costs allowed, and all other applicable laws, regulations and guidelines.