

AG ONE Newsletter

Issue 2018.2 *** February 13, 2018

AG ONE is a periodic newsletter on legislation, regulations and agricultural topics produced by Phillips Associates expressly for the Pennsylvania State Council of Farm Organizations (PSCFO), an organization of over 60 organizations sharing an interest in promoting Pennsylvania's Number One industry, Agriculture. Questions or comments should go to PSCFO leadership or to 717/232-9665 or email to xenobun@aol.com. AG ONE Newsletter, PA State Council of Farm Organizations, 26 North Ninth Street, Lemoyne, PA 17043. Material may be cited as long as PSCFO is given appropriate credit.

Dear Reader:

The Council meeting was successful with substantive presentations from the PA Department of Agriculture Secretary, Governor Wolf's "Broadband Czar", the Executive Directors of the Senate and House Agriculture & Rural Affairs Committees, and dynamic presentations from Penn State's College of Agricultural Science and the University of Pennsylvania School of Veterinary Medicine. The Cornucopia again attracted a bumper crop of legislators and staff and was again filled above capacity with PSCFO member tables and displays. There was no shortage of Pennsylvania foods including mushrooms, pulled pork, cheeses, Frappaccino, milk, pierogies, sweet and sour meat balls, Whoopee pies and more. Everyone, please accept thanks from the PA State Council of Farm Organizations for its success. A special thanks goes to our sponsors including PDA and PA Preferred. Next meeting is June 11 where the program will focus on the Spotted Lanternfly threat to much of PA agriculture and particularly grapes and fruit. Hope to see you there. Regards, *Vince Phillips*

SPEAKER TURZAI SUSPENDS GOVERNOR EFFORT

Shortly before the PA Republican State Committee formally endorsed Senator Scott Wagner (R-York), Speaker of the House Mike Turzai (R-Allegheny) suspended his candidacy for Governor. This means that he will continue as a candidate for re-election to the PA House of Representatives. Assuming Republicans maintain a majority in the November election, he would seek another term as Speaker. The decision leaves two other candidates vying with Wagner for the GOP nomination, Paul Mango and Laura Ellsworth, both from western PA.

DEMOCRATIC ENDORSEMENTS

The PA Democratic Party also met and endorsed Governor Tom Wolf and Senator Bob Casey, Jr. for re-election. There was no endorsement for the Lt. Governor contest where incumbent Lt. Governor Mike Stack is fighting for his political life against several opponents including Rep. Madeleine Dean (D-Montgomery).

AND NOW THE BUDGET GAUNTLET BEGINS!

On February 6, Governor Tom Wolf presented his proposed State Budget for the Fiscal Year 2018-19 to the General Assembly. He projects spending to be \$32.9 billion, an increase of \$989.8 million (a 3.1% increase) over the current fiscal year. If you are a policy wonk or have put on a new pot of coffee, feel free to delve into the 930 page Budget Book produced by the Office of the Budget.

<http://www.budget.pa.gov/PublicationsAndReports/CommonwealthBudget/Documents/2018-19%20Proposed%20Budget/2018-19%20Governor%27s%20Executive%20Budget%20-%20Web.pdf>

Following are several of the changes the Governor is seeking (**bold means specific rural impact**):

- There would be a new tax, the Marcellus Severance Tax: (248.7 million)
- *No increase in rate of Sales Tax or Personal Income Tax (PIT) is envisioned.*
- Increasing the minimum wage to \$12 per hour has a target of reducing entitlement costs (Medicaid, etc.) by \$101 million per year.
- *Merging the Department of Health into the Dept. of Human Services*
- **Impacting 67% of all PA municipalities would be a \$25 per person levy to fund State Police for those communities with no local law enforcement.**
- *Additional \$225 million for education with \$100 million increase for basic education and \$15 million increase for State System of Higher Education, \$25 million increase in STEM (Science, Technology, Engineering, Mathematics) and computer science education*
- \$25 million more in child care
- *More spending (\$33 million) on various programs directed at combating the opioid crisis*
- \$74 million more for services for individuals with autism or intellectual disabilities
- *\$2.5 million to combat Lyme Disease*
- **Roads and bridges infrastructure includes \$50 additional million for maintenance of low traffic roads and \$40 million in new money for Rural Commercial Routes.**
- *Department of Environmental Protection (DEP) gets \$2.5 million additional to fund inspections of natural gas wells.*

SPECIFICS AFFECTING AGRICULTURE

- PA Department of Agriculture budget shows a **\$2 million decrease in General Fund monies** from the current \$177.034 million to \$174.988 million for Fiscal Year 2018-19.
- However, the good news was that the **General Government Operations line item was increased \$2.6 million from \$30.784 million in the current fiscal year** to a proposed \$33.407 million. This increase includes \$1.597 million to combat the Spotted Lantern Fly, a pest particularly threatening PA's wine and fruit industry.
- **INCREASES**
 - Transfer from Environmental Stewardship Fund from current \$9.893 million to \$11.037 million (Agriculture Conservation Easement Program)
 - Farm Products Show Fund from \$12.798 million to \$13.438 million
 - Equine Toxicology & Research Lab from \$12.95 million to \$13.025 million
 - Dog Law Administration from \$7.4 million to \$8.75 million
 - Fruit & Vegetable Inspection and Grading from \$389,000 to \$460,000
 - Conservation District Grants from \$2.851 million to \$2.877 million
- **ZEROED OUT:** Centers for Agricultural Excellence \$1.331 million; Ag Research (not to be confused with Penn State) \$1.687 million; Ag Promotion, Education & Exports \$303,000; Hardwoods Research & Promotion \$424,000; Livestock Show \$215,000; Open Dairy Show \$215,000; Food Marketing & Research \$494,000.
- **SAFE (for now):** Penn State Extension and Ag Research \$52.313 million; UPenn Vet School \$30.135; PA Preferred \$605,000; Youth Shows \$169,000; Nutrient Management \$2.714 million; Dirt, Gravel Roads \$28.0 million; State Food Purchases \$19.188 million; PASS (Food Banks) \$1.0 million; Farmers Market Food Coupons \$2.079 million (state share)