

**Agriculture Commissioner
Budget No. 602
House Bill No. 1009**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	73.00	\$9,109,101	\$22,207,676	\$31,316,777
2017-19 base budget	77.00	9,961,137	20,276,053	30,237,190
Legislative increase (decrease) to base budget	(4.00)	(\$852,036)	\$1,931,623	\$1,079,587

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 legislative appropriations	\$9,109,101	\$0	\$9,109,101
2015-17 adjusted legislative appropriations	9,961,137	861,360	10,822,497
2017-19 legislative increase (decrease) to 2015-17 adjusted appropriations	(\$852,036)	(\$861,360)	(\$1,713,396)
Percentage increase (decrease) to 2015-17 adjusted appropriations	(8.6%)	(100.0%)	(15.8%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly did not include funding for employee salary increases.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.		(\$343,194)	\$109,507	(\$233,687)
Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.		106,837	87,364	194,201
Removed 4 FTE positions and related funding of \$653,028, of which \$600,304 is from the general fund and \$52,724 is from federal funds.	(4.00)	(600,304)	(52,724)	(653,028)
Restored salaries and wages funding from the general fund removed as a part of the August 2016 budget reductions.		312,936		312,936
Added federal funding for a food and drug residue program.			229,500	229,500

Adjusted funding for operating expenses, primarily related to reductions to Project Safe Send and the State Board of Animal Health.	10,525	(141,094)	(130,569)
Adjusted funding for information technology operating expenses.	(296,836)	67,225	(229,611)
Reduced funding for energy development oil mediation, to provide a total of \$50,000.	(50,000)		(50,000)
Removed funding for a computer scanner.		(8,000)	(8,000)
Added funding for a copier.	8,000	5,000	13,000
Adjusted funding for grants, primarily due to an increase in federal funds.		125,000	125,000
Added funding for the waterbank program to provide a total of \$300,000.		300,000	300,000
Reduced funding for the pipeline restoration program to provide total funding of \$200,000, all of which is from the abandoned oil and gas well plugging and site reclamation fund.		(200,000)	(200,000)
Reduced the State Water Commission transfer to the Agriculture Commissioner for the Wildlife Services program to provide a total transfer of \$125,000.		(125,000)	(125,000)
Adjusted the Game and Fish Department transfer to the Agriculture Commissioner for the Wildlife Services program and State Board of Animal Health to provide total funding of \$614,430.		114,845	114,845
Added funding for beekeeper and colony assessment fee revenue to be deposited in the Agriculture Commissioner's operating fund rather than the general fund.		180,000	180,000
Added funding for an industrial hemp program.		120,000	120,000
Added one-time funding from the strategic investment and improvements fund for federal environmental law impact review.		1,000,000	1,000,000
Added one-time funding from the Agriculture Commissioner's operating fund for the national genomics center.		120,000	120,000
Total	<u>(4.00)</u>	<u>(\$852,036)</u>	<u>\$1,931,623</u>
			<u>\$1,079,587</u>

FTE Changes

The 2017-19 biennium appropriations for the Agriculture Commissioner include funding for 73 FTE positions, a decrease of 4 FTE positions from the 2015-17 biennium. The Legislative Assembly removed 1 FTE administrative assistant I position, 1 FTE public information specialist I position, 1 FTE senior agriculture program inspector position, and 1 FTE agriculture marketing specialist I position.

One-Time Funding

In Section 3 of House Bill No. 1009, the Legislative Assembly identified \$1,120,000 of funding as one-time funding items for the Agriculture Commissioner, of which \$120,000 is from the Agriculture Commissioner's operating fund and \$1 million is from the strategic investment and improvements fund. The following is a summary of one-time funding included in the 2017-19 legislative appropriation for the Agriculture Commissioner:

	Other Funds
National genomics center	\$120,000
Environmental law impact review (transferred from the strategic investment and improvements fund to the federal environmental law impact review fund)	1,000,000
Total	\$1,120,000

Environment and Rangeland Protection Fund

The environment and rangeland protection fund was established by the 1991 Legislative Assembly in Senate Bill No. 2451 (North Dakota Century Code Section 19-18-02.1). The fund contains collections from pesticide registration fees, fertilizer registration, inspection, and tonnage fees, and weed seed free forage fees. During the 2007-09 biennium, the biennial fee was \$350 per pesticide product registered in the state. Of this amount, \$300 was deposited in the environment and rangeland protection fund and \$50 in the general fund. Pursuant to Section 19-18-04, as amended by 2009 House Bill No. 1009, beginning with the 2009-11 biennium, the entire pesticide registration fee is deposited in the environment and rangeland protection fund rather than a portion in the general fund. Funding in the environment and rangeland protection fund is utilized for various programs within the Department of Agriculture.

Section 4 of House Bill No. 1009 transfers \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2017-19 biennium.

Section 5 of House Bill No. 1009 identifies \$6,446,503 of funding from the environment and rangeland protection fund in the other funds appropriation for the Department of Agriculture.

Other Sections in House Bill No. 1009

Health insurance increase - Section 2 identifies the amount of funding included in the agency budget for state employee health insurance premium rate increases during the 2017-19 biennium.

Game and fish funding - Section 6 provides \$614,430 from the game and fish operating fund for the State Board of Animal Health (\$114,430) and Wildlife Services Program (\$500,000) for the 2017-19 biennium. The 2015-17 legislative appropriation from the game and fish fund for these programs was \$499,585.

State Water Commission funding - Section 7 provides that \$125,000 be transferred from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program for the 2017-19 biennium. The 2015 Legislative Assembly provided for a transfer of \$250,000 from the State Water Commission to the Agriculture Commissioner during the 2015-17 biennium, the same as provided during the 2013-15 biennium.

Waterbank program - Matching funds - Section 8 identifies \$50,000 from the general fund in the salaries and wages line item for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

Transfer - Environmental law impact review fund - Section 9 identifies \$1 million, which the Office of Management and Budget shall transfer from the strategic investment and improvements fund to the federal environmental law impact review fund, for use by the Agriculture Commissioner during the 2017-19 biennium.

Pipeline restoration and reclamation - Section 10 identifies \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program during the 2017-19 biennium. The 2015 Legislative Assembly provided \$400,000 for pipeline restoration and reclamation for the 2015-17 biennium.

Beekeeper licenses - Section 11 amends Section 4.1-16-06 to require all beekeeper license fees collected to be deposited in the Agriculture Commissioner's operating fund, rather than the general fund.

Colony assessment fees - Section 12 amends Section 4.1-16-07 to require all bee colony assessment fees collected to be deposited in the Agriculture Commissioner's operating fund, rather than the general fund.

Related Legislation

Meat and poultry inspections - House Bill No. 1131 provides for all federal meat and poultry inspection regulations effective as of August 1, 2016, as provided under title 9, Code of Federal Regulations, are incorporated by reference and made a part of this title.

Industrial hemp - House Bill No. 1240 provides a continuing appropriation to the Agriculture Commissioner for an industrial hemp program, including adding an applicant fee of \$150 and increasing the per acre fee from \$5 to \$25. All fees collected must be deposited in the Agriculture Commissioner's operating fund.

Large truck primary highway network - House Bill No. 1255 creates an advisory committee for a large truck primary highway network and requires committee membership from the Agriculture Commissioner or a designee.

Beekeeping license denial and confiscation - House Bill No. 1342 provides that any person who the Agriculture Commissioner denied a beekeeper license may request a hearing before the commissioner within 30 days after the date of the denial. The bill also provides that any bees, hives, or beekeeping equipment, confiscated under this section, must be disposed of pursuant to a court order or an administrative order issued by the commissioner, unless the beekeeper or other responsible person appears to claim the property and pay any costs incurred by the commissioner due to the confiscation and any civil penalties imposed under this section.

Agriculture law rewrite - Senate Bill Nos. 2026, 2027, and 2028 are part of the agriculture law rewrite process.

Agriculture law rewrite - Industrial hemp - Senate Bill No. 2029 is part of the agriculture law rewrite process. The bill also provides a continuing appropriation to the Agriculture Commissioner for an industrial hemp program, including adding an industrial hemp applicant fee of \$150 and increasing the per acre fee from \$5 to \$25. All fees collected must be deposited in the Agriculture Commissioner's operating fund. These changes are estimated to generate \$41,000 of additional revenue for the 2017-19 biennium.

Pipeline restoration and reclamation - Senate Bill No. 2236 provides that the names of surface owners and surface tenants who receive assistance under the pipeline restoration and reclamation oversight program to be exempt records as defined under Section 44-04-17.1.

Wind energy reclamation - Senate Bill No. 2313 requires the Agriculture commissioner to create a wind energy reclamation program to provide technical education, support, and outreach to property owners on wind property reclamation and to contract with ombudsmen to provide technical support and followup on wind property issues. The Agriculture Commissioner is to work cooperatively with the Public Service Commission to administer the program.