

1999 SENATE APPROPRIATIONS
SB 2018


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2018

Senate Appropriations Committee

Conference Committee

Hearing Date 1/7/99

Tape Number	Side A	Side B	Meter #
1	x		0-2,018
Committee Clerk Signature 			

Minutes:

SUMMARY OF THE BILL: A BILL for an Act to provide an appropriation for defraying the expenses of the state seed department.

Senator Nething opened the hearing on SB 2018.

DOUG JOHANSEN: I am Doug Johansen, ND State Seed Department to testify in support of SB 2018 (testimony attached).

SENATOR TALLACKSON: Should the requested budget be for the 1999-2000 biennium instead of 1997-1999 as indicated?

DOUGLAS JOHANSEN: Yes, that is correct.

SENATOR KRAUTER: What is the revolving fund balance?

DOUGLAS JOHANSEN: The balance is roughly \$2m. We receive 80% on interest and 20% of the interest goes back to the general fund.

SENATOR HOLMBERG: Is winter testing done by contract?

DOUGLAS JOHANSEN: Yes, the grower purchases the land. We have been contracting 25 acres with the same farmer the past several years. The staff goes there to conduct testing.

SENATOR NAADEN: What is the increased production in Kidder and Western Counties?

DOUGLAS JOHANSEN: The potato acreage is not going down, but is changing.

SENATOR LINDAAS: What is your work force?

DOUGLAS JOHANSEN: There are currently 35.5 full time employees, temporary employees average between 50-100 throughout the busier times of the year.

SENATOR NETHING: Is this budget \$16,000 less this year?

DOUGLAS JOHANSEN: The greenhouse expansion was a factor in our previous budget.

SENATOR BOWMAN: How many District Offices are there?

DOUGLAS JOHANSEN: District offices are located in Grafton and Grand Forks. There was formerly an office in Minot.

SENATOR NETHING: There being no further testimony, the hearing on SB 2018 is closed.

(Tape 1506, Side A).

SENATOR NETHING: Called for the motion.

SENATOR NAADEN: **MOVED** approval of SB 2018.

SENATOR TALLACKSON: Seconded the motion.

ROLL CALL: 14 Yeas, 0 Nays; 0 Absent and not voting.

SENATOR NETHING: SB 2018 unanimously passes.

SENATOR NETHING: Senate Appropriations Committee is recessed.

FLOOR ASSIGNMENT: Senator Naaden

Date: 1/2/98
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2018

Senate APPROPRIATIONS Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Passed

Motion Made By Sen. Naaden Seconded By sen Tallackson

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Senator Naaden

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2018: Appropriations Committee (Sen. Nething, Chairman) recommends DO PASS
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2018 was placed on the
Eleventh order on the calendar.

1999 HOUSE APPROPRIATIONS

SB 2018

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2018

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date March 3, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-21.4
Committee Clerk Signature <i>Asey Davis</i>			

Minutes:

SB 2018 - A bill for an act to provide an appropriation for defraying the expenses of the state seed department.

CHAIRMAN WENTZ opened the hearing of SB 2018.

1A: 1.0 DOUG JOHANSEN, Seed Commissioner and Manager of State Seed Dept., testified in support of the bill and provided an overview of the department and the budget. (See testimony.)

1A: 10.0 REP. WENTZ noted that the Senate did not make the salary reductions that have been made across the board, and she asked if it was discussed. Mr. Johansen said that it had not been discussed in the Senate.

1A: 10.9 REP. AARSVOLD asked if the Seed Dept. collects royalties for Plant Variety Protection, and whether the money is allocated back. Mr. Johansen said that they do collect these royalties. They allocate to the University of Minnesota or NDSU, and those universities allocate it back to the breeder. The department can keep 50% of the MN money to grant out. The Seed Department withholds 10% for administrative purposes.

1A: 11.8 REP. AARSVOLD asked what the reserves are. Mr. Johansen said that the reserves are held in the State Treasurer's office and total about \$2 million now. Rep. Aarsvold continued by asking about the range of the reserves. Mr. Johansen said that it is roughly \$1-2 million, although at one point there was not enough to make the payroll.

CHAIRMAN WENTZ closed the hearing on SB 2018.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 17, 1999			
Tape Number	Side A	B Side	Meter #
1	x		15.2-24.0
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

SB 2018

CHAIRMAN WENTZ opened the meeting.

1A: 15.2 REP. LLOYD presented the recommendation for the bill, along with the proposed amendments 0101 which would remove 2.5 FTE.

1A: 22.8 REP. LLOYD made a motion to adopt amendments 0101 to SB 2018. The motion was seconded by Rep. Boehm. A voice vote was taken and the motion carried.

1A: 23.2 REP. LLOYD made a motion for a Do Pass as amended. The motion was seconded by Rep. Boehm. A roll call vote was taken and the motion carried with 7 yeas and 0 nays.

CHAIRMAN WENTZ closed the meeting.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 18, 1999			
Tape Number	Side A	B Side	Meter #
1	x		0-5.7
Committee Clerk Signature <i>Asey Davis</i>			

Minutes:

SB 2018

CHAIRMAN DALRYMPLE opened the meeting and discussion on SB 2018.

1A: 0.7 REP. LLOYD presented the EE subcommittee's recommendation for a Do Pass, along with the proposed amendments 0101. He made a motion to adopt the amendments to SB 2018. The motion was seconded by Rep. Boehm. A voice vote was taken and the motion carried.

1A: 4.2 REP. LLOYD made a motion for a Do Pass as amended. The motion was seconded by Rep. Boehm. A roll call vote was taken and the motion carried unanimously with 20 yeas and 0 nays. Rep. Lloyd will carry the bill to the floor.

Date: 3-17-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~2018~~ 2018

House Appropriations Committee

Subcommittee on Education and Environment

or

Conference Committee

Legislative Council Amendment Number 0101

Action Taken Do Pass as amended

Motion Made By Lloyd Seconded By Boehm

Representatives	Yes	No	Representatives	Yes	No
Chairperson Janet Wentz	✓				
Vice Chairman Ed Lloyd	✓				
Rep. Ole Aarsvold	✓				
Rep. James Boehm	✓				
Rep. Al Carlson	✓				
Rep. David Monson	✓				
Rep. Ronald Nichols	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Lloyd

If the vote is on an amendment, briefly indicate intent:

Date: 3-18-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2018

House Appropriations Committee _____

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number 0101

Action Taken Do Pass as amended

Motion Made By Lloyd Seconded By Boehm

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	✓		Nichols	✓	
Vice-Chairman Byerly	✓		Poolman	✓	
Aarsvold	✓		Svedjan	✓	
Bernstein	✓		Timm	✓	
Boehm	✓		Tollefson	✓	
Carlson	✓		Wentz	✓	
Carlisle	✓				
Delzer	✓				
Gulleson	✓				
Hoffner	✓				
Huether	✓				
Kerzman	✓				
Lloyd	✓				
Monson	✓				

Total (Yes) ~~20~~ 20 No 0

Absent _____

Floor Assignment Lloyd

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2018: Appropriations Committee (Rep. Dalrymple, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (20 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2018 was placed on the Sixth order on the calendar.

Page 1, line 8, replace "3,701,911" with "3,523,363"

Page 1, line 14, replace "5,493,381" with "5,314,833"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 616 - SEED DEPARTMENT

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,701,911	\$3,701,911	(\$178,548)	\$3,523,363
Operating expenses	1,201,470	1,201,470		1,201,470
Equipment	70,000	70,000		70,000
Major improvements	20,000	20,000		20,000
Grants	300,000	300,000		300,000
Contingency	<u>200,000</u>	<u>200,000</u>		<u>200,000</u>
Total all funds	\$5,493,381	\$5,493,381	(\$178,548)	\$5,314,833
Less special funds	<u>5,493,381</u>	<u>5,493,381</u>	<u>(178,548)</u>	<u>5,314,833</u>
General fund	\$0	\$0	\$0	\$0
FTE	35.50	35.50	(2.50)	33.00

Detail of House changes to the Senate version includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	REMOVE VACANT POSITIONS	TOTAL HOUSE CHANGES
Salaries and wages	(\$34,854)	\$10,549	(\$154,243) ¹	(\$178,548)
Operating expenses				
Equipment				
Major improvements				
Grants				
Contingency				
Total all funds	(\$34,854)	\$10,549	(\$154,243)	(\$178,548)
Less special funds	<u>(34,854)</u>	<u>10,549</u>	<u>(154,243)</u>	<u>(178,548)</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(2.50)	(2.50)

House changes narrative:

¹ Removes the following vacant positions:

(1 FTE) Potato/grain inspector	(\$53,938)
(1 FTE) Potato/grain inspector	(53,938)
(.5 FTE) Potato/grain supervisor	(46,367)
Total	(\$154,243)

1999 TESTIMONY

SB 2018

Department 616 - Seed Department
 Senate Bill No. 2018

	FTE Positions	General Fund	Other Funds	Total
1999-2001 Executive Budget	35.50	\$0	\$5,493,381	\$5,493,381
1997-99 Legislative Appropriations	35.50	0	5,509,104	5,509,104
Increase (Decrease)	0.00	\$0	(\$15,723)	(\$15,723)

Major Items Affecting Seed Department 1999-2001 Budget

	General Fund	Other Funds	Total
1. Adds funding to address the anticipated increased demand for services as follows:		\$197,430	\$197,430
Seed regulatory			
Operating expenses	\$3,100		
Potato			
Operating expenses	38,330		
Field seeds			
Salaries and wages	\$45,000		
Operating expenses	111,000		
Total	\$156,000		
Total	\$197,430		
2. Reduces funding for capital improvements. A total of \$20,000 is provided for miscellaneous repairs and maintenance.		(334,000)	(334,000)

Major Legislation Affecting Seed Department

No major legislation has been introduced at this time affecting this agency.



**NORTH DAKOTA
STATE SEED
DEPARTMENT**

STATE UNIVERSITY STATION
P.O. BOX 5257
FARGO, ND 58105-5257
701-239-7210 FAX: 701-239-7214

January 8, 1999

Senator David Nething
Senate Appropriations Committee
North Dakota State Senate
State Capitol
600 East Blvd Ave
Bismarck ND 58505

Senator Nething,

Please insert the corrected copies of page three of the presentation of North Dakota State Seed Department Senate Bill 2018, which was heard on January 7, 1999.

We apologize for the inconvenience.

Sincerely,

Douglas G. Johansen
ND State Seed Commissioner

enc

DGJ/kdn

State Seed Department

SB 2018

Budget 616

The State Seed Department is a self-funding agency that provides services to the North Dakota agricultural industry. The department is funded by the fees it collects for these services. We are directed by a seven member commission who represent the industries we service. The commission establishes policy, appoints a manager and approves budgets and expenditures. A revolving fund is maintained through the State Treasurer's office in the Bank of North Dakota.

Our activities involve enforcing regulations and assisting in marketing of field seeds and potatoes. We employ approximately 35.5 full time employees. These employees provide the foundation for our operation. Throughout the year, we employ many temporary employees who make it possible for us to provide economical service to the industry.

The department is subdivided into three major programs:

- Seed Regulatory
- Potato Program
- Field Seeds

A brief explanation of each follows.

The **seed regulatory** program is responsible for the enforcement of North Dakota seed laws. This program is responsible to ensure that seed is properly labeled for the farmer. It involves sampling and testing seed lots, performing tests for varietal identification, investigating complaints, administrating a seed permit system and educating the industry on seed laws of North Dakota. This program also enforces the plant variety protection act.

Budget for this program is as follows:

Salaries	304,277
Operating Expense	<u>132,770</u>
Total	\$ 437,047

The **potato program** provides service to the potato industry with the inspection of seed fields and provides a Federal/State potato grade inspection at warehouses and processing plants. The program provides a winter testing program of seed potato lots at Homestead, Florida. Seed stocks are developed through tissue culture in the laboratory and a very complex laboratory is maintained for disease testing. Businesses engaging in the buying and selling of North Dakota potatoes are licensed and bonded to protect the farmer. The potato program accounts for about half of the department activities.

Budget for this program is as follows:

Salaries	2,196,030
Operating Expense	<u>561,500</u>
Total	\$ 2,757,530

The **field seeds** program is the second largest program in the department. Services are provided to the field seeds industry by inspecting seed fields, providing laboratory testing of seed, and approving final certification of seed. Our new laboratory provides new services such as identification of varieties by electrophoreses, identification of diseases such as bacterial bean blight, the recent karnal bunt testing and other diagnostic testing. Grading of rapeseed, mustard and buckwheat is also provided. Inspection and issuing of Phytosanitary Certificates for export is done by this program. The program is also involved in educating the public and promoting the use of certified seed in North Dakota.

Budget for this program is as follows:

Salaries	1,201,604
Operating Expense	507,200
Grants	<u>300,000</u>
Total	\$ 2,008,804

The **administrative program** contains the equipment funds, contingency funds and the capital budget. The equipment line item is to provide updated computer and laboratory equipment. The contingency funds will provide for any emergency needs, while the capitol line item provides funds to maintain the building. The request is as follows:

Equipment	70,000
Contingency	200,000
Capital	<u>20,000</u>
Total	\$ 290,000

The Seed Department budget request totals are as follows:

	<u>1997-1999</u> <u>Present Budget</u>	<u>% Change</u>	<u>1999-2001</u> <u>Requested Budget</u>
Salaries	3,514,894	5.3%	3,701,911
Operating	1,070,210	12.3%	1,201,470
Equipment	70,000	0.0%	70,000
Capitol	354,000	-94.4%	20,000
Grants	300,000	0.0%	300,000
Contingencies	<u>200,000</u>	<u>0.0%</u>	<u>200,000</u>
Total	5,509,104	-0.3%	5,493,381

Our total budget for 1999-2001 is actually less than our present budget, however, this is because of the lower amount in the capitol improvement budget. Our two major areas, salaries and wages, and operating expenses are increased, but rather conservatively. Our other line items are the same as our present budget.

We are enduring radical changes in the services we provide the agriculture industry. The planting of plant protected varieties and genetically altered varieties require more testing and services of our department. The movement of the potato production to irrigated areas and the reduction in the dryland areas is causing the department to reassess our staff placement. Our karnal bunt testing program has been reduced with changes in the USDA program. We now only test seed lots going into Canada.

The amount of our services is difficult to predict, but this budget, with our contingency line item will enable us to operate into the year 2001.

The Seed Commission has approved this budget.

Jeff Weispfennig

Deputy Commissioner of Agriculture

Douglas G. Johansen

North Dakota State Seed Commissioner

Ordean Fossaa

North Dakota Crop Improvement Association

Kim Alberty

North Dakota Agricultural Association

Don Bjornstad

North Dakota Certified Seed Potato Growers Association

Tony Johannesen

North Dakota Grain Dealers

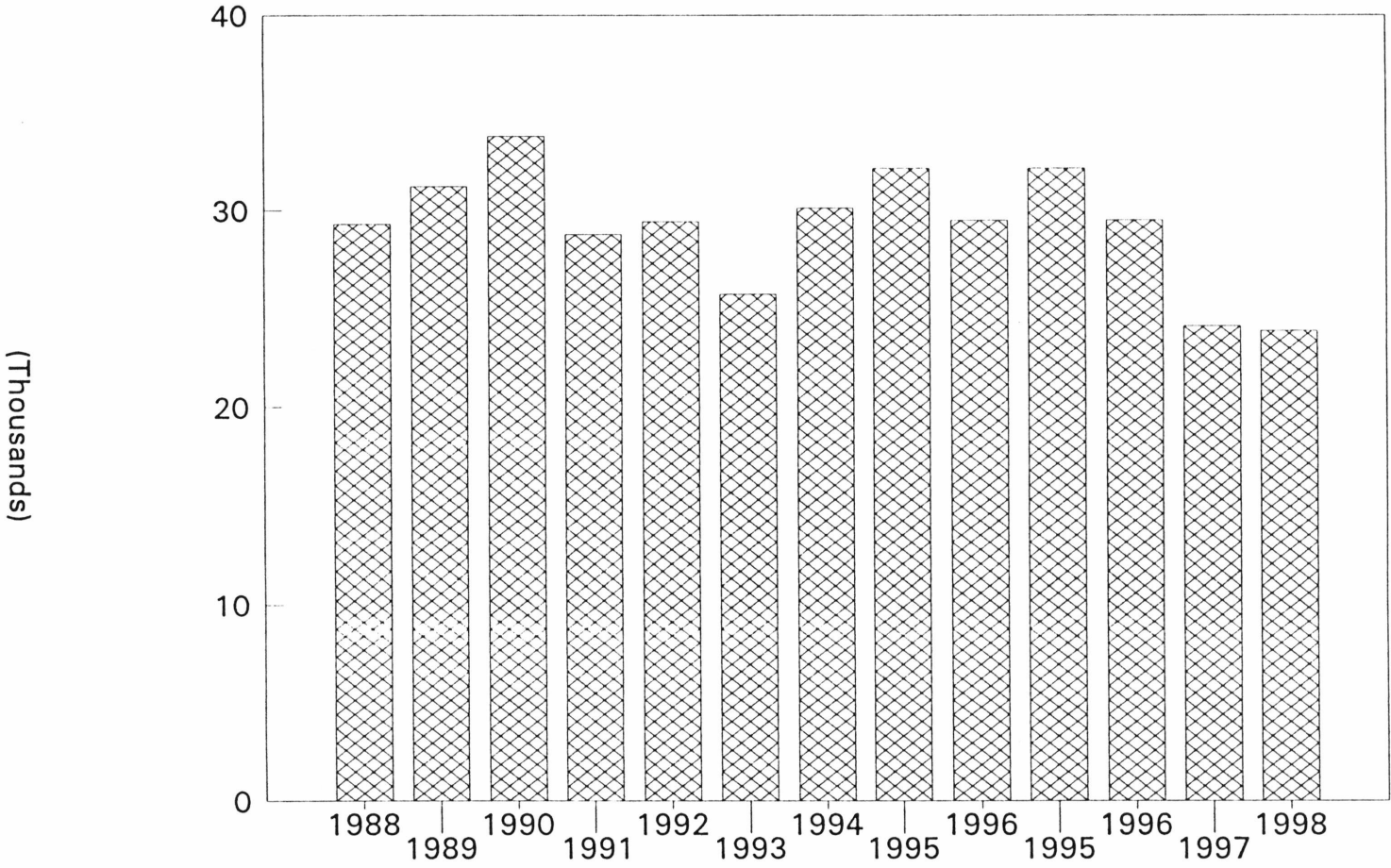
Kit Midgarden

North Dakota Potato Council

Rick Engelmann

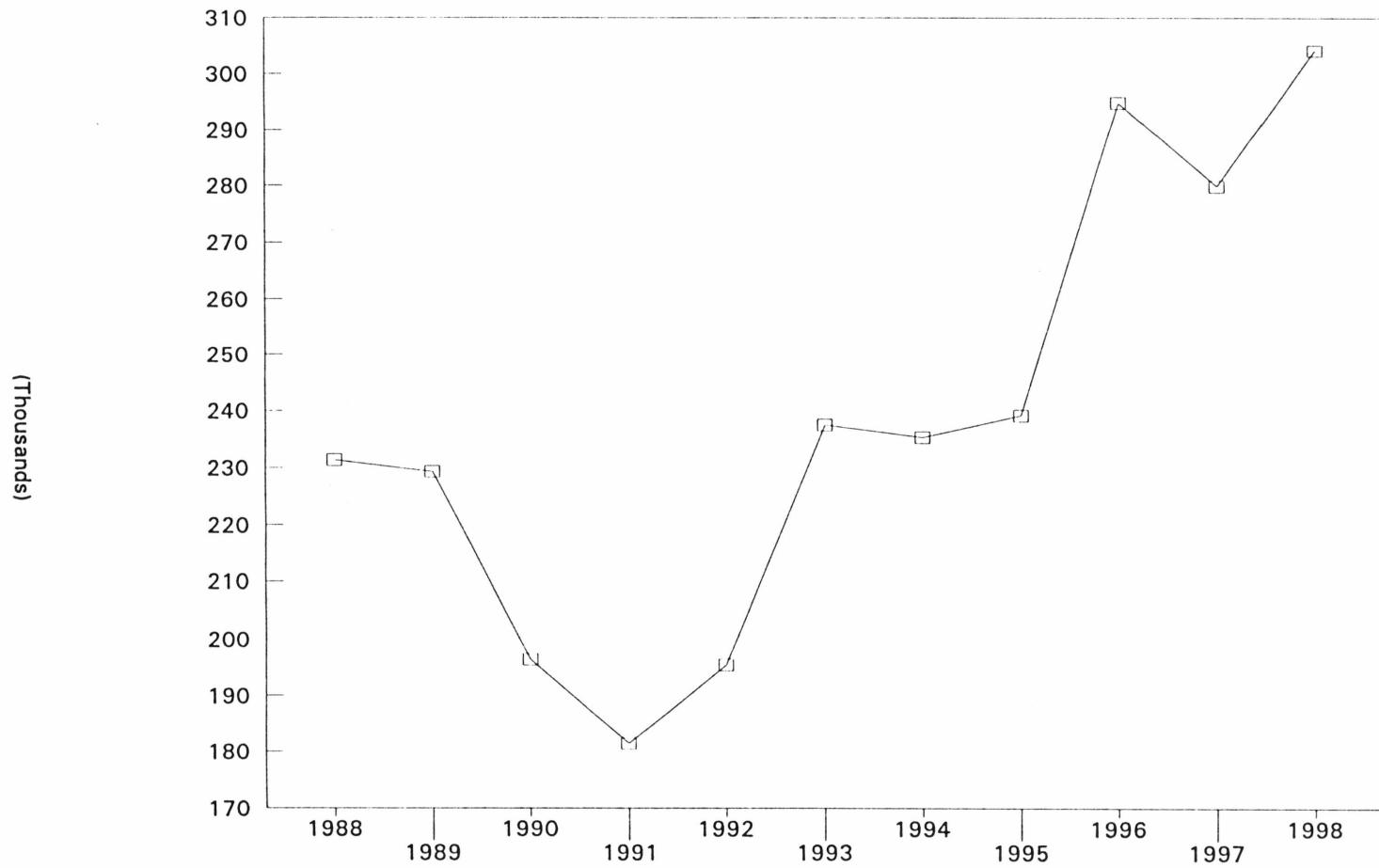
Red River Potato Growers Association

NORTH DAKOTA STATE SEED DEPARTMENT
SEED POTATO ACRES PASSING INSPECTION



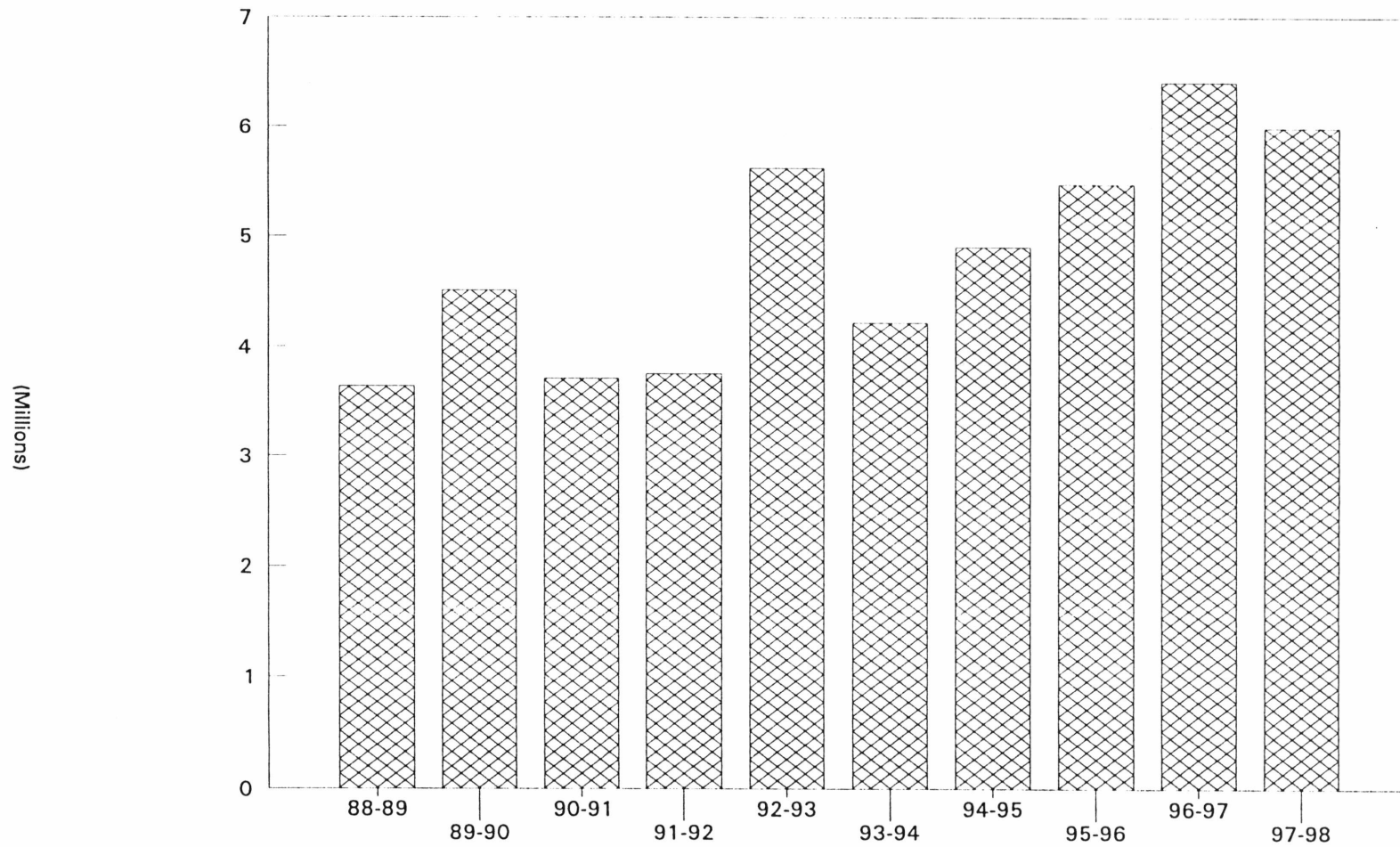
Seed potato acres have decreased slightly the past two years, but is expected to remain fairly consistant.

NORTH DAKOTA STATE SEED DEPARTMENT
ACRES PASSING INSPECTION - FIELD SEEDS



In the past 10 years, the acreage passing field inspection has increased over 30%

NORTH DAKOTA STATE SEED DEPARTMENT
BUSHEL OF SEED CERTIFIED



Bushels of seed certified have increased over 60% in the past 10 years.