

**Department 602 - Agriculture Commissioner
House Bill No. 1009**

Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

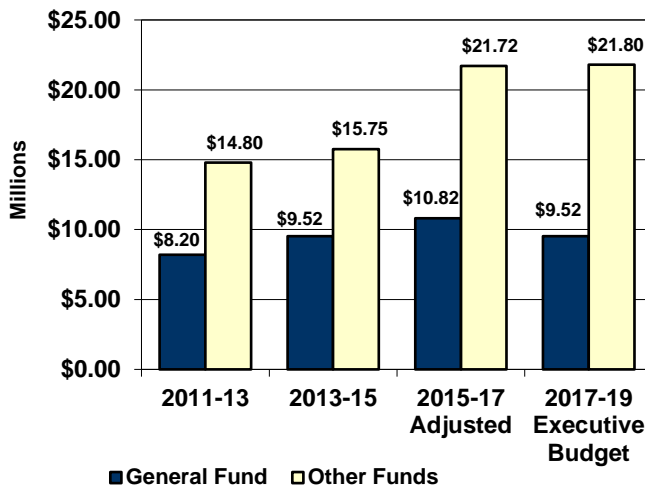
	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	75.00	\$9,523,505	\$21,799,874	\$31,323,379
2015-17 Adjusted Legislative Appropriations ¹	77.00	10,822,497	21,718,053	32,540,550
Increase (Decrease)	(2.00)	(\$1,298,992)	\$81,821	(\$1,217,171)

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but does not include additional federal funds authority of \$229,500 resulting from Emergency Commission action during the 2015-17 biennium.

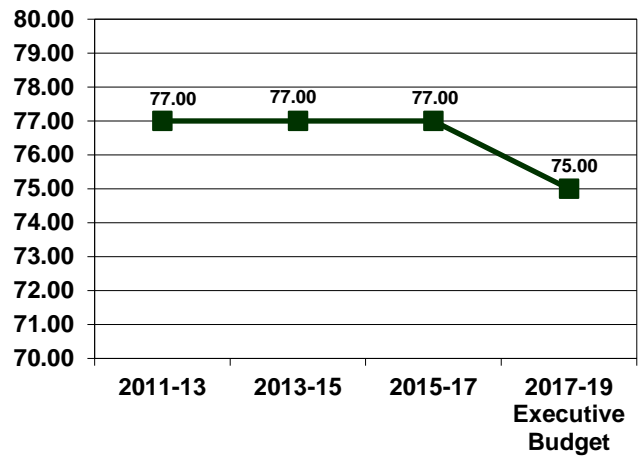
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	\$9,523,505	\$0	\$9,523,505
2015-17 Adjusted Legislative Appropriations	9,961,137	861,360	10,822,497
Increase (Decrease)	(\$437,632)	(\$861,360)	(\$1,298,992)

Agency Funding



FTE Positions



Dalrymple Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$9,523,505	\$21,799,874	\$31,323,379
2017-19 Base Level	9,961,137	20,276,053	30,237,190
Increase (Decrease)	(\$437,632)	\$1,523,821	\$1,086,189

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Dalrymple and Burgum Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$50,082 is for salary increases and \$208,923 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) The House removed funding for the salary increases.	\$142,322	\$116,683	\$259,005
2. Restores funding for salaries reduced during the August 2016 special legislative session	\$312,936	\$0	\$312,936

3. Removes funding for 2 FTE positions. The House removed 2 additional FTE positions, resulting in a total reduction of 4 FTE positions, a general fund reduction of \$600,304, and a reduction in federal funding of \$52,724.	(\$292,385)	\$0	(\$292,385)
4. Adds federal funding for a food and drug residue program	\$0	\$229,500	\$229,500
5. Adjusts funding for grants, primarily due to an increase in federal funds. The House did not approve the general fund portion of this recommendation.	\$6,000	\$125,000	\$131,000
6. Adjusts funding for grants for the waterbank program	\$0	\$300,000	\$300,000
7. Removes funding for the pipeline restoration program. The House restored funding of \$200,000 to provide an appropriation of \$200,000 for the pipeline restoration program.	\$0	(\$400,000)	(\$400,000)
8. Adds funding from the strategic investment and improvements fund for federal environmental law impact review	\$0	\$1,000,000	\$1,000,000
9. The Burgum budget reduced general fund appropriations by 2 percent. The House did not approve this recommendation.	(\$190,470)	\$0	(\$190,470)

Other Sections in House Bill No. 1009

Health insurance increase - Section 2 identifies the amount included in the agency appropriations relating to increases in employee health insurance premiums from \$1,130 to \$1,249 per month.

Environment and rangeland protection fund transfer - Section 4 requires the agriculture commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2017-19 biennium.

Environment and rangeland protection fund - Section 5 provides the estimated income line item in Section 1 includes \$6,446,503 from the environment and rangeland protection fund for the purpose of defraying the expenses of various Department of Agriculture programs.

Game and Fish fund - Section 6 provides the estimated income line item in Section 1 includes \$614,430 from the Game and Fish Department operating fund for the purpose of defraying the expenses of various Department of Agriculture programs.

State Water Commission transfer - Section 7 requires the State Water Commission to transfer \$125,000 to the Agriculture Commissioner for the Wildlife Services Program.

Waterbank program - Section 8 provides the salaries and wages line item in Section 1 includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

Environmental law impact review fund - Section 9 requires the Office of Management and Budget to transfer \$1,000,000 from the strategic investment and improvements fund to the federal environmental law impact review fund for expenses related to the federal Waters of the United States lawsuit.

Pipeline restoration and reclamation - Section 10 provides the estimated income line item in Section 1 includes \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation oversight program.

Beekeeper and colony assessment fees - Sections 11 and 12 amend North Dakota Century Code Sections 4.1-16-06 and 4.1-16-07 to require fees collected on beekeeper's licenses and bee colony assessments be deposited in the Agriculture Commissioner operating fund rather than the general fund. The estimated beekeeper license and colony assessment fees for the 2017-19 biennium is \$180,000.

Continuing Appropriations

Honey promotion fund - Chapter 4.1-08 - Commodity checkoff for market development of honey.

Turkey fund - Chapter 4.1-12 - Commodity checkoff for market development of turkeys and turkey products.

Minor use pesticides fund - Section 4-35-06.3 - For studies, investigations, and evaluations regarding registration and use of pesticides.

Federal environmental law impact review fund - Section 4-01-35 - All funds in the federal environmental law impact review fund are appropriated to the Agriculture Commissioner.

Industrial hemp - Section 4-41-02 - House Bill No. 1240 would amend Section 4-41-02 to provide a continuing appropriation to the Agriculture Commissioner for an industrial hemp program.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

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.

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 increases the per acre fee from \$5 to \$25.

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.

House Bill No. 1282 - Provides for a Legislative Management study of commodity groups during the 2017-18 interim.

Senate Bill No. 2026 - This bill is part of the agriculture law rewrite process.

Senate Bill No. 2027 - This bill is part of the agriculture law rewrite process.

Senate Bill No. 2028 - This bill is part of the agriculture law rewrite process.

Senate Bill No. 2029 - This bill is part of the agriculture law rewrite process.

Senate Bill No. 2236 - Identifies 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.

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.

Agriculture Commissioner - Budget No. 602
House Bill No. 1009
Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	77.00	\$9,961,137	\$20,276,053	\$30,237,190	77.00	\$9,961,137	\$20,276,053	\$30,237,190
2017-19 Ongoing Funding Changes								
Base payroll changes		(\$343,194)	\$109,507	(\$233,687)		(\$343,194)	\$109,507	(\$233,687)
Salary increase - Performance				0				0
Health insurance increase		114,802	94,121	208,923		114,802	94,121	208,923
Employee portion of health insurance		(60,140)	(49,306)	(109,446)				0
Restores funding for salaries		312,936		312,936		312,936		312,936
Removes 2 FTE positions	(2.00)	(292,385)		(292,385)				0
Reduces funding for salaries, including 4 FTE positions				0	(4.00)	(600,304)	(52,724)	(653,028)
Adds funding for food and drug residue program			229,500	229,500			229,500	229,500
Adjusts funding for operating expenses		25,525	(21,094)	4,431		10,525	(141,094)	(130,569)
Adjusts funding for information technology operating expenses		(296,836)	67,225	(229,611)		(296,836)	67,225	(229,611)
Reduces funding for energy development oil mediation				0		(50,000)		(50,000)
Removes funding for computer scanner			(8,000)	(8,000)			(8,000)	(8,000)
Adds funding for copier		8,000	5,000	13,000		8,000	5,000	13,000
Adjusts funding for grants		6,000	125,000	131,000			125,000	125,000
Adjusts funding for waterbank program			300,000	300,000			300,000	300,000
Adjusts funding for pipeline restoration program			(400,000)	(400,000)			(200,000)	(200,000)
Reduces appropriations by 2 percent		(190,470)		(190,470)				0
Reduces State Water Commission transfer for Wildlife Services				0			(125,000)	(125,000)
Adjusts Game and Fish Department transfer for Wildlife Services				0			114,845	114,845
Adds funding for bee program				0			180,000	180,000
Adds funding for industrial hemp program				0			120,000	120,000
Total ongoing funding changes	(2.00)	(\$715,762)	\$451,953	(\$263,809)	(4.00)	(\$844,071)	\$818,380	(\$25,691)
One-time funding items								
Adds funding for federal environmental law impact review			\$1,000,000	\$1,000,000			1,000,000	1,000,000
Adds funding for genomics center				0			120,000	120,000
Total one-time funding changes	0.00	\$0	\$1,000,000	\$1,000,000	0.00	\$0	\$1,120,000	\$1,120,000
Total Changes to Base Level Funding	(2.00)	(\$715,762)	\$1,451,953	\$736,191	(4.00)	(\$844,071)	\$1,938,380	\$1,094,309
2017-19 Total Funding	75.00	\$9,245,375	\$21,728,006	\$30,973,381	73.00	\$9,117,066	\$22,214,433	\$31,331,499

Other Sections in Agriculture Commissioner - Budget No. 602

**Burgum Executive Budget Recommendation
(Changes to Dalrymple Budget in Bold)**

House Version

Health insurance increase		Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Environment and rangeland protection fund transfer	Section 3 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2017-19 biennium.	Section 4 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2017-19 biennium.
Environment and rangeland protection fund	Section 4 provides the estimated income line item in Section 1 includes \$6,446,503 from the environment and rangeland protection fund for the purpose of defraying the expenses of various Department of Agriculture programs. (The Burgum budget recommendation reduces this section.)	Section 5 provides the estimated income line item in Section 1 includes \$6,446,503 from the environment and rangeland protection fund for the purpose of defraying the expenses of various Department of Agriculture programs.
Game and fish fund	Section 5 provides the estimated income line item in Section 1 includes \$498,830 from the Game and Fish Department operating fund for the purpose of defraying the expenses of various Department of Agriculture programs.	Section 6 provides the estimated income line item in Section 1 includes \$614,430 from the Game and Fish Department operating fund for the purpose of defraying the expenses of various Department of Agriculture programs.
State Water Commission transfer	Section 6 requires the State Water Commission to transfer \$250,000 to the Agriculture Commissioner for the Wildlife Services Program.	Section 7 requires the State Water Commission to transfer \$125,000 to the Agriculture Commissioner for the Wildlife Services Program.
Waterbank program	Section 7 provides the salaries and wages line item in Section 1 includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.	Section 8 provides the salaries and wages line item in Section 1 includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.
Agriculture Commissioner salary	Section 8 provides the statutory changes increasing the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary is increased from the current level of \$108,656 to \$109,743, effective July 1, 2018, to reflect the 1 percent recommended salary increase. (The Burgum budget recommendation removes this section.)	
Environmental law impact review fund	Section 9 requires the Office of Management and Budget to transfer \$1,000,000 from the strategic investment and improvements fund to the federal environmental law impact review fund for operating expenses.	Section 9 requires the Office of Management and Budget to transfer \$1,000,000 from the strategic investment and improvements fund to the federal environmental law impact review fund for operating expenses.
Pipeline restoration and reclamation oversight program		Section 10 provides the estimated income line item in Section 1 includes \$200,000 from the abandoned oil and gas well plugging site reclamation fund for the pipeline restoration and reclamation oversight program.

Other Sections in Agriculture Commissioner - Budget No. 602

**Burgum Executive Budget Recommendation
(Changes to Dalrymple Budget in Bold)**

Beekeeper and colony assessment fees

House Version

Sections 11 and 12 amend North Dakota Century Code Sections 4.1-16-06 and 4.1-16-07 to require fees collected on beekeeper's licenses and bee colony assessments be deposited in the Agriculture Commissioner operating fund rather than the general fund. The anticipated beekeeper license and colony assessment fees for the 2017-19 biennium is \$180,000.

Department 602 - Agriculture Commissioner

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$10,530,834	\$1,050,222	\$11,581,056
General fund reductions	(569,697)	(188,862)	(758,559)
Adjusted 2015-17 appropriations	\$9,961,137	\$861,360	\$10,822,497
Dalrymple Executive Budget changes	(437,632)	(861,360)	(1,298,992)
2017-19 Dalrymple Executive Budget	\$9,523,505	\$0	\$9,523,505

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced salaries and wages	(\$312,936)	\$0	(\$312,936)
Reduced operating expenses, including one-time funding for information technology analysis and website redesign	(207,726)	(100,000)	(307,726)
Reduced grants, including one-time funding related to the national genomics center	(6,000)	(88,862)	(94,862)
Reduced funding for the state board of animal health	(26,892)		(26,892)
Reduced funding for wildlife services	(16,143)		(16,143)
Total reductions	(\$569,697)	(\$188,862)	(\$758,559)
Percentage reduction to ongoing and one-time general fund appropriations	5.41%	17.98%	6.55%

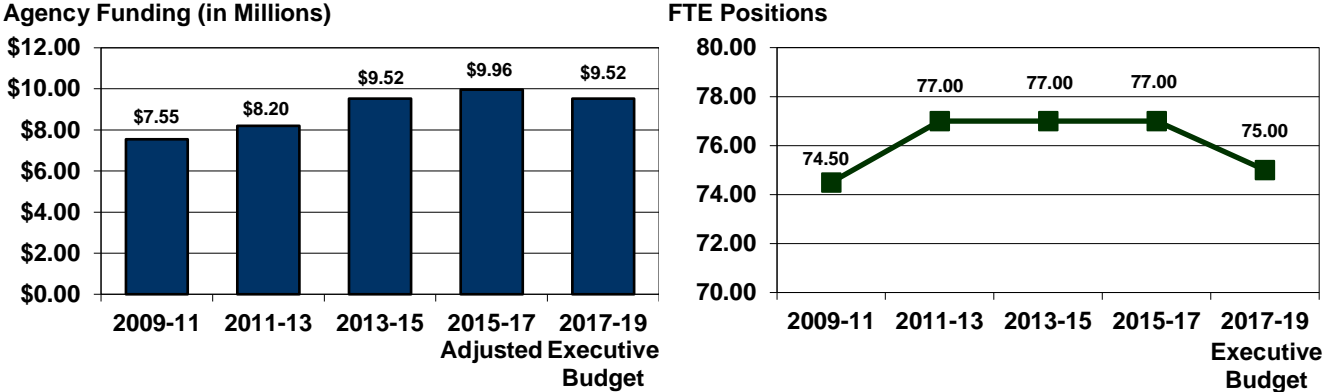
2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$142,322	\$0	\$142,322
Base payroll changes	(343,194)		(343,194)
Restores funding for salaries		312,936	312,936
Removes 2 FTE positions	(292,385)		(292,385)
Adjusts funding for operating expenses	(225,236)	250,761	25,525
Adjusts funding for information technology operating expenses	(296,836)		(296,836)
Adds funding for copier	8,000		8,000
Adjusts funding for grants		6,000	6,000
Total	(1,007,329)	\$569,697	(437,632)

Department 602 - Agriculture Commissioner

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing general fund appropriations	\$7,547,383	\$8,196,746	\$9,519,217	\$9,961,137	\$9,523,505
Increase (decrease) from previous biennium	N/A	\$649,363	\$1,322,471	\$441,920	(\$437,632)
Percentage increase (decrease) from previous biennium	N/A	8.6%	16.1%	4.6%	(4.4%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	8.6%	26.1%	32.0%	26.2%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. Removed 1 FTE pesticide registration specialist position and related operating expenses (\$140,000)
- 2. Added 1 FTE research analyst position \$131,000
- 3. Added a 0.5 FTE marketing specialist position \$96,000
- 4. Adjusted the funding source for department rent expense and a grant to the Dairy Coalition from the general fund to the environment and rangeland protection fund (\$350,000)

2013-15 Biennium

- 1. Added funding to hire an emergency program specialist to fill an existing vacant FTE position \$30,000
- 2. Added funding for energy development mediation services \$100,000
- 3. Replaced a portion of funding from the game and fish fund with funding from the general fund \$100,000
- 4. Added funding for Information Technology Department desktop support services \$48,000
- 5. Added funding for grape and wine industry grants \$80,000

2015-17 Biennium

- 1. Added funding for monitoring, surveying, and inspecting for Japanese beetle, emerald ash borer, and other issues \$82,297
- 2. Added funding for Information Technology Department desktop support services \$352,912

2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

- 1. Restores funding for salaries reduced during the August 2016 special legislative session \$312,936
- 2. Removes 2 FTE positions. **The House removed 2 additional FTE positions, resulting in a total reduction of 4 FTE positions, a general fund reduction of \$600,304, and a reduction in federal funding of \$52,724.** (\$292,385)
- 3. The Burgum budget reduced general fund appropriations by 2 percent. **The House did not approve this recommendation.** (\$190,470)