

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Department of Agriculture			
Salaries and wages	\$14,232,746	\$15,717,126	\$1,484,380
Operating expenses	6,592,780	6,848,052	255,272
Capital assets	15,000	15,000	
Grants	8,823,774	14,731,774	5,908,000
State Board of Animal Health	865,718	865,718	
Wildlife services	1,457,400	1,457,400	
Crop Harmonization Board	75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000	
Ag. Products Utilization Commission	1,760,417	4,460,417	2,700,000
Mitigation of environmental impacts	5,000,000		(5,000,000)
Bioscience innovation grants		5,500,000	5,500,000
Environmental law impact review		5,000,000	5,000,000
North Dakota trade office		1,600,000	1,600,000
Total all funds	\$39,022,835	\$56,470,487	\$17,447,652
Less estimated income	<u>28,322,406</u>	<u>32,510,775</u>	<u>4,188,369</u>
General fund	\$10,700,429	\$23,959,712	\$13,259,283
FTE	78.00	79.00	1.00
Bill total			
Total all funds	\$39,022,835	\$56,470,487	\$17,447,652
Less estimated income	<u>28,322,406</u>	<u>32,510,775</u>	<u>4,188,369</u>
General fund	\$10,700,429	\$23,959,712	\$13,259,283
FTE	78.00	79.00	1.00

House Bill No. 1009 - Department of Agriculture - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000		15,000
Grants	8,823,774	708,000	9,531,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400		1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	2,700,000	4,460,417
Mitigation of environmental impacts	5,000,000	(5,000,000)	
Bioscience innovation grants		5,500,000	5,500,000
Environmental law impact review		5,000,000	5,000,000
North Dakota trade office		1,600,000	1,600,000
Total all funds	\$39,022,835	\$12,250,827	\$51,273,662
Less estimated income	<u>28,322,406</u>	<u>(1,007,568)</u>	<u>27,314,838</u>
General fund	\$10,700,429	\$13,258,395	\$23,958,824
FTE	78.00	1.00	79.00

Department 602 - Department of Agriculture - Detail of House Changes

	Adds Funding for Salary and Benefit Increases¹	Adds Funding for Cost to Continue 2019-21 Salaries²	Adds Funding for Salary Compression³	Adds Funding for 1 FTE Grain Inspector Position⁴	Adds Funding for Meat Inspector Position⁵	Adds Funding for FTE Reclassification⁶
Salaries and wages	\$348,561	\$125,067	\$702,500	\$152,670	\$90,478	\$68,279
Operating expenses				30,729	15,980	
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
Mitigation of environmental impacts						
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office						
Total all funds	\$348,561	\$125,067	\$702,500	\$183,399	\$106,458	\$68,279
Less estimated income	158,197	55,860	332,634	0	0	0
General fund	<u>\$190,364</u>	<u>\$69,207</u>	<u>\$369,866</u>	<u>\$183,399</u>	<u>\$106,458</u>	<u>\$68,279</u>
FTE	0.00	0.00	0.00	1.00	0.00	0.00

	Adjusts Base Level Funding⁷	Adds Funding for Grants⁸	Removes Funding for Environmental Impact Grants⁹	Transfers the North Dakota Trade Office¹⁰	Adds One-Time Funding for APUC¹¹	Adds One-Time Funding for a Soil Health Grant Program¹²
Salaries and wages						
Operating expenses	\$208,563					
Capital assets						
Grants		\$208,000				\$500,000
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$2,700,000	
Mitigation of environmental impacts			(\$5,000,000)			
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office				\$1,600,000		
Total all funds	\$208,563	\$208,000	(\$5,000,000)	\$1,600,000	\$2,700,000	\$500,000
Less estimated income	37,741	208,000	(5,000,000)	0	2,700,000	500,000
General fund	<u>\$170,822</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,600,000</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Bioscience Innovation Grants ¹³	Adds One-Time Funding for Environmental Law Impact Review ¹⁴	Total House Changes
Salaries and wages			\$1,487,555
Operating expenses			255,272
Capital assets			
Grants			708,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			2,700,000
Mitigation of environmental impacts			(5,000,000)
Bioscience innovation grants	\$5,500,000		5,500,000
Environmental law impact review		\$5,000,000	5,000,000
North Dakota trade office			1,600,000
Total all funds	\$5,500,000	\$5,000,000	\$12,250,827
Less estimated income	<u>0</u>	<u>0</u>	<u>(1,007,568)</u>
General fund	\$5,500,000	\$5,000,000	\$13,258,395
FTE	0.00	0.00	1.00

¹ The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$188,218	\$156,594	\$344,812
Health insurance increase	<u>2,146</u>	<u>1,603</u>	<u>3,749</u>
Total	\$190,364	\$158,197	\$348,561

² Funding of \$125,067 is added for the cost to continue salary increases given to employees in the 2nd year of the 2019-21 biennium, of which \$69,207 is from the general fund, \$26,577 is from federal funds, \$996 is from game and fish funds, \$4,217 is from the Agriculture Commissioner's operating fund, and \$24,070 is from the environment and rangeland protection fund.

³ Funding of \$702,500 is added to address employee salary compression concerns, of which \$369,866 is from the general fund, \$158,484 is from federal funds, \$3,903 is from game and fish funds, \$21,330 is from the Agriculture Commissioner's operating fund, and \$148,917 is from the environment and rangeland protection fund.

⁴ Funding of \$183,399 from the general fund is added for 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses.

⁵ Funding of \$106,458 is added from the general fund to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses.

⁶ Funding of \$68,279 is added from the general fund to reclassify an FTE program coordinator position to an FTE attorney position.

⁷ Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for the industrial hemp program	\$0	\$36,250	\$36,250
Adds funding for public warehouse and grain buyer license costs	43,500	0	43,500
Adds funding for Microsoft Office 365 license expenses	7,322	1,491	8,813
Adds funding for the North Dakota mediation service program	<u>120,000</u>	<u>0</u>	<u>120,000</u>
Total	\$170,822	\$37,741	\$208,563

⁸ Funding of \$208,000 is added for grants, including \$158,000 of federal funding for the specialty crop block grant program to provide total federal funding of \$5,758,000, and \$50,000 from the environment and rangeland protection fund for noxious weed grants to provide a total of \$1,425,274, of which \$90,000 is from federal funds and \$1,335,274 is from the environment and rangeland protection fund.

⁹ Federal funding of \$5,000,000 is removed relating to the environmental impact mitigation fund. The Agriculture Commissioner has an existing continuing appropriation from the fund to provide grants to political subdivisions for the mitigation of environmental impacts.

¹⁰ Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office. A section is added to the bill regarding a matching requirement for these funds.

¹¹ One-time funding of \$2,700,000 is added from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) to provide a total of \$4,460,417, including \$1,760,417 from the APUC fund. A section is added to the bill to provide for the transfer from the Bank.

¹² One-time funding of \$500,000 is added for a soil health cover crop grant program, of which \$300,000 is from Bank of North Dakota profits and \$200,000 is from the outdoor heritage fund. A section is added to the bill to provide for the transfers from the Bank and the outdoor heritage fund.

¹³ One-time funding of \$5.5 million is added from the general fund, which is transferred to the bioscience innovation grant fund, for providing bioscience innovation grants during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund.

¹⁴ One-time funding of \$5 million is added from the general fund, which is transferred to the federal environmental law impact review fund, for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the federal environmental law impact review fund.

This amendment also:

- Adds a section to appropriate \$5.5 million from the general fund, which the Office of Management and Budget is required to transfer to the bioscience innovation grant fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to appropriate \$5 million from the general fund, which the Office of Management and Budget is required to transfer to the federal environmental law impact review fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the APUC fund for the purpose of defraying the expenses of the APUC during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the environment and rangeland protection fund during the 2021-23 biennium.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the Game and Fish Department operating fund during the 2021-23 biennium.
- Adds a section to identify \$1.6 million in the North Dakota trade office line item relating to the North Dakota Trade Office, which is transferred from the Department of Commerce. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching

funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
- Adds a section to amend North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
- Adds a section to amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.
- Adds a section to provide for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.

House Bill No. 1009 - Department of Agriculture - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$14,232,746	\$15,720,301	(\$3,175)	\$15,717,126
Operating expenses	6,592,780	6,848,052		6,848,052
Capital assets	15,000	15,000		15,000
Grants	8,823,774	9,531,774	200,000	9,731,774
State Board of Animal Health	865,718	865,718		865,718
Wildlife services	1,457,400	1,457,400		1,457,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000	200,000		200,000
Ag. Products Utilization Commission	1,760,417	4,460,417		4,460,417
Mitigation of environmental impacts	5,000,000			
Bioscience innovation grants		5,500,000		5,500,000
Environmental law impact review		5,000,000		5,000,000
North Dakota trade office		1,600,000		1,600,000
Total all funds	\$39,022,835	\$51,273,662	\$196,825	\$51,470,487
Less estimated income	28,322,406	27,314,838	195,937	27,510,775
General fund	\$10,700,429	\$23,958,824	\$888	\$23,959,712
FTE	78.00	79.00	0.00	79.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts One- Time Funding for a Soil Health Grant Program ²	Total Senate Changes
Salaries and wages	(\$3,175)		(\$3,175)
Operating expenses			
Capital assets			
Grants		\$200,000	200,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			
Mitigation of environmental impacts			
Bioscience innovation grants			
Environmental law impact review			
North Dakota trade office			
Total all funds	<u>(\$3,175)</u>	<u>\$200,000</u>	<u>\$196,825</u>
Less estimated income	(4,063)	200,000	195,937
General fund	<u>\$888</u>	<u>\$0</u>	<u>\$888</u>
FTE	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² One-time funding is increased by \$200,000 for a soil health cover crop grant program to provide a total of \$700,000 for the program, of which \$300,000 is from Bank of North Dakota profits and \$400,000 is from other funds derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program. The House approved a total of \$500,000 for the program, of which \$300,000 was from Bank profits and \$200,000 was from the outdoor heritage fund.

This amendment also:

- Amends a section related to the Agriculture Commissioner's salary provided for in statute to reflect salary increases of 1.5 percent and 2 percent approved for the 2021-23 biennium.
- Adds a section to amend North Dakota Century Code Section 54-12-08 to add the Agriculture Commissioner to the list of agencies allowed to employ an attorney position.

House Bill No. 1009 - Department of Agriculture - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$14,232,746	\$15,720,301	(\$3,175)	\$15,717,126	\$15,717,126	
Operating expenses	6,592,780	6,848,052		6,848,052	6,848,052	
Capital assets	15,000	15,000		15,000	15,000	
Grants	8,823,774	9,531,774	5,200,000	14,731,774	9,731,774	\$5,000,000
State Board of Animal Health	865,718	865,718		865,718	865,718	
Wildlife services	1,457,400	1,457,400		1,457,400	1,457,400	
Crop Harmonization Board	75,000	75,000		75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000		200,000	200,000	
Ag. Products Utilization Commission	1,760,417	4,460,417		4,460,417	4,460,417	
Mitigation of environmental impacts	5,000,000					
Bioscience innovation grants		5,500,000		5,500,000	5,500,000	
Environmental law impact review		5,000,000		5,000,000	5,000,000	
North Dakota trade office		1,600,000		1,600,000	1,600,000	
Total all funds	\$39,022,835	\$51,273,662	\$5,196,825	\$56,470,487	\$51,470,487	\$5,000,000
Less estimated income	28,322,406	27,314,838	5,195,937	32,510,775	27,510,775	5,000,000
General fund	\$10,700,429	\$23,958,824	\$888	\$23,959,712	\$23,959,712	\$0
FTE	78.00	79.00	0.00	79.00	79.00	0.00

Department 602 - Department of Agriculture - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts One-Time Funding for a Soil Health Grant Program ²	Adds One-Time Funding for Grassland Grazing Grants ³	Total Conference Committee Changes
Salaries and wages	(\$3,175)			(\$3,175)
Operating expenses				
Capital assets				
Grants		\$200,000	\$5,000,000	5,200,000
State Board of Animal Health				
Wildlife services				
Crop Harmonization Board				
Pipeline restoration and reclamation				
Ag. Products Utilization Commission				
Mitigation of environmental impacts				
Bioscience innovation grants				
Environmental law impact review				
North Dakota trade office				
Total all funds	(\$3,175)	\$200,000	\$5,000,000	\$5,196,825
Less estimated income	(4,063)	200,000	5,000,000	5,195,937
General fund	\$888	\$0	\$0	\$888
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022, the same as provided by the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² One-time funding is increased by \$200,000 for a soil health cover crop grant program to provide a total of \$700,000 for the program, of which \$300,000 is from Bank of North Dakota profits and \$400,000 is from other funds derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program, the same as provided by the Senate. The House approved a total of \$500,000 for the program, of which \$300,000 was from Bank profits and \$200,000 was from the outdoor heritage fund.

³ One-time funding of \$5 million is added from the strategic investment and improvements fund for providing grassland grazing grants to an organization representing cooperative grazing associations in the state. A separate section is added to the bill to provide eligibility requirements for the funding, including requiring successful applicants to provide \$1 of matching funds from nonstate sources for every \$4 of grant funding.

This amendment also:

- Amends a section to require the Agriculture Commissioner to submit an application to the North Dakota Outdoor Heritage Advisory Board for funding from the outdoor heritage fund for the soil health cover crop grant program, which the North Dakota Outdoor Heritage Advisory Board shall consider pursuant to North Dakota Century Code Section 54-17.8-03. This requirement was not included in the Senate version.
- Amends a section related to the Agriculture Commissioner's salary provided for in statute to reflect salary increases of 1.5 percent and 2 percent approved for the 2021-23 biennium, the same as provided by the Senate.
- Adds three sections to amend Sections 4.1-83-22, 4.1-83-23, and 4.1-83-28, related to livestock dealer insolvency cases being overseen by the Agriculture Commissioner rather than the courts, similar to grain insolvency cases. These sections are declared emergency measures. These sections were not included in the Senate or House versions.
- Adds a section to amend Section 54-12-08 to add the Agriculture Commissioner to the list of agencies allowed to employ an attorney position. The Senate included this section.