MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M

ROLL NUMBER

DESCRIPTION

2009

2007 SENATE APPROPRIATIONS

SB 2009

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 01-19-07

Recorder Job Number: 1487

Committee Clerk Signature	Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on SB 2009 at 10:45 am on January 19, 2007 in the Brynhild Haugland Room regarding the Agriculture Commission. A Testimony List (a) was submitted to the committee. Notation was made by Senator Holmberg of other bills being heard during the 2007 session with interest to the Agriculture Commission, SB 2114, SB 2107, SB 2199 (Pride of Dakota), SB 2283 (Farm Markets), SB 2323 (Earth Fund Issue).

Roger Johnson, Agriculture Commissioner of the North Dakota Department of Agriculture (NDDA) presented written testimony (1) and gave oral testimony in support of SB 2009. He presented an overview of his Department as follows:

1. Vision/Mission Statements
2. Introduction
3. Organizational Chart
4. Executive Services
5. Livestock Services
6. Plant Industries
7. Summary
8. Supplemental Information (Attachments 0 -8)

Mr. Johnson was asked to supply information regarding Contract Employees in his office. He stated they use very little Contract Employees, but there are two areas where they do:

1. NDDA's livestock program has a cooperative agreement with USDA, whereby USDA provides 100% funding of three contractors to gather market information at ND livestock markets.
2. NDDA uses Command Center, a local temporary employee service, to fill certain staffing needs.

He also mentioned 3 other new bills that will be introduced this session regarding Organic Industry, State Animal ID Commission, and sunflower Association.

Senator Fischer had questions regarding the Organic Industry and what part of the state is involved in this industry and questions regarding the noxious weed issue. He was informed by Mr. Johnson that there is an Organic Association located in Medina, ND. Also the AC is working with the Weed Board in the control of noxious weeds.

Senator Christman had questions regarding the Bee Keepers Industry and a certain spray they use to kill mites. He was informed by Bonnie Woodworth that the Bee Keepers will have 2 or 3 pesticides to work with.

Chairman Holmberg commented that the Subcommittee who consists of **Senator Bowman, Chairman, and Senators Fischer and Krauter** will be working with the Department.

Roger Johnson introduced members of his Department that were present: Jeff Weispfenning, Deputy Commissioner; Program Managers – Wayne Carlson, Livestock Services; Ken Junkert, Plant Industries; Jeff Knutson, Executive Services; and State Veterinarian, Dr. Susan Keller.

Calvin Myers, President of Myer's Meats and Specialties, Inc., Parshall, ND, presented written testimony (2) and gave oral testimony in support of SB 2009.

Art Wanner, Wurst Shop, Dickinson, ND gave oral testimony in support of SB 2009.

Senator Tallackson inquired about the products they produce there. He was informed that they produce all sausage products and they do not do any processing in their plant.

Beth Bakke Stenejhem, Executive Director of the ND FFA Foundation gave written testimony (3) and oral testimony in support of SB 20009. She shared the Ag in the Classroom Program, and how successful this program is in the schools. It is estimated that these projects reached over 6,000 students and adults.

Nathan Boehm, Dairy farmer, Mandan, ND and Chairman and Dairy Representative to the State Board of Animal Health provided written testimony (4) and oral testimony in support of SB 2009.

Arlyn Scherbenske, DVM, Accredited Veterinarian, Steele, ND gave oral testimony in support of SB 2009. Some of the issues he felt concern over were the increasing number of humane complaints, need to follow up with State Veterinarian regarding neglect and abuse, concerns about Anthrax, and West Nile Disease.

Brent Stroh, Past President, ND Lamb and wool Producers, Tappen, ND presented oral testimony in support of SB 2009.

Merlin Leithold, ND Weed Control Association and Weed Officer from Grant County presented written testimony (5) and oral testimony in support of SB 2009. He stated there are 12 serious noxious weeds in his county alone. **Senator Wardner** stated he appreciates the work that is being done regarding noxious weeds.

Gary Knutson, ND AG Association, Fargo, SafeSend testified in support of SB 2009.

Ivan Williams, ND Ag Association, Mandan, ND, SafeSend presented written testimony (6) and oral testimony in support of SB 2009.

He shared the concern regarding federal funding and talked about the Endangered Species Act SB 2323.

Deanna Wiese, ND Ag Coalition, Bismarck, ND presented written testimony (7) and gave oral testimony in support of SB 2009.

Ginny Brockel, Rancher, Hurdsfield, ND presented written testimony (8) and gave oral testimony in support of this bill. She is a shepherdess and shared her concerns regarding the serious problem she is having with preditors, particularly the coyote. She is working with the USDA Wildlife Service to control the problem of the preditors.

Sherry Norbeck, Homeowner, Bismarck, ND presented written testimony (9) and gave oral testimony in support of the bill. She shared about the infestation of beavers on her property and the help she is receiving from the USDA Wildlife Service.

Linda Dammel, Rolling Hills Premium Beef, Medina, ND with Pride of Dakota gave 2 packages of Beef Sticks and testified in support of SB 2009.

Eric Bartsch, Northern Pulse Growers Association and ND Dry Pea and Lentil Council, Bismarck Representing Marketing, Plant Protection, Pesticides presented written testimony (10) and gave oral testimony in support of SB 2009. He shared the North Pulse Growers Association represents the pea, lentil and chickpea growers and processors throughout North Dakota and Montana. The NDDA has been instrumental in developing trade relations with Cuba. As a result, Cuba has become one of the major markets for North Dakota peas. The NDDA has also been working with our industry in developing a feed pea market in Mexico. The work by the marketing department in countries like Cuba and Mexico has had a major impact on the North Dakota pulse crop industry and our ability to effectively market our

crop. He shared about the pesticide programs within the Agriculture Department and how they are instrumental for North Dakota to enhance pesticide availability and provide safe, high quality food.

Senator Tallackson asked what the meaning of Pulse is. He was informed it is the Latin word for a thick soup.

Shawn Ritter, Ag Mediation Client, Ashley, ND gave oral testimony in support of SB 2009.

Wade Moser, ND Stockmen's Association stated they work very closely with the Agriculture Commissioner, the Wildlife Services that is in this budget, the Livestock Division with Wayne's supervision over the auction markets and cattle buyers. We also appreciate the extra effort being put forward in trying to increase agriculture by many departments in government and our Commissioner has taken the lead in a lot of that. Also appreciate the Board of Animal Health and the importance that they serve to our industry. The Meat Inspection Program is also very important and needs attention. We support the SB 2009.

Senator Wardner reminded members of the committee to stay tuned to reports from Senator Holmberg as to our next move. The hearing was closed on SB 2009.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02/13/07

Recorder Job Number: 3447

Committee Clerk Signature	Janet Pinks

Minutes:

Chairman Holmberg opened the hearing on SB 2009.

Senator Bowman reviewed the amendments .0102 for the committee.

Senator Bowman moved a do pass on the amendments .0102. Senator Christman seconded.

An oral vote was taken resulting in a DO PASS on amendment .0102.

Discussion was held with Senator Krauter discussing the amendment .0101.

Senator Krauter moved the circled section on amendment .0101 and 3 footnote be inserted into amendment .0102. Senator Tallackson seconded. An oral vote was taken and the motion carried.

Senator Bowman moved a DO PASS AS AMENDED. Senator Krauter seconded.

Senator Bowman moved an addition to amendment .0102 to add $79,500 to the market line and removed the language at the bottom of the amendment. Senator Krauter seconded. An oral vote was taken and the motion carried.

Chairman Holmberg put this hearing on hold.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02/13/07

Recorder Job Number: 3448

Committee Clerk Signature	

Minutes:

Chairman Holmberg reopened the hearing on SB 2009.

Senator Krauter discussed amendment .0101 and the possibility of adding this to the approved amendment. The motion carried.

Discussion was held in that the original Senator Bowman amendments were accepted, the designated Senator Krauter amendment was added and now the last paragraph was added to the amendment. A roll call vote was taken resulting in 14 yes, 0 no, 0 absent. The motion carried.

Senator Bowman moved a DO PASS ON SB 2009 with the requested change including the marketing line item be added to and language at the bottom of the amendment be removed. Senator Krauter seconded. A roll call vote resulted in 14 yes, 0 no, 0 absent. Senator Krauter was asked to carry the bill.

Chairman Holmberg closed the hearing on SB 2009.

FISCAL NOTE

Requested by Legislative Council
03/28/2007

Amendment to: Engrossed SB 2009

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			$10,744			
Appropriations			$10,744			

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill increases the salary of the agriculture commissioner by the amounts indicated as expenditures and appropriations.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A; please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The appropriation for the commissioner's salary is included in the executive budget.

Name:	Jeff Weispfenning	**Agency:**	Agriculture
Phone Number:	328-4758	**Date Prepared:**	03/28/2007

FISCAL NOTE

Requested by Legislative Council
01/04/2007

REVISION

Bill/Resolution No.: SB 2009

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$505,000		$505,000
Expenditures			$10,744	$300,000		
Appropriations			$10,744	$100,000		

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill removes the sunset on $50 of the pesticide registration fee and increases the salary of the agriculture commissioner.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

There are 10,100 registered pesticide products. With the removal of the sunset, an additional $50 per product is collected for the EARP fund. This will generate $505,000 of revenue. The increase in the agriculture commissioner's salary will cost the general fund $10,744 for the 2007-09 biennium. The removal of the sunset allows appropriation of $100,000 of operating for Ag in the Classroom and the transfer of $200,000 from the EARP Fund to the Minor Use Fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures include $100,000 for Ag in the Classroom and the transfer of $200,000 to the Minor Use Fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The appropriations for the salary increase for the Commissioner and for Ag in the Classroom and the transfer to the Minor Use Fund are included in the executive budget.

Name:	Jeff Weispfenning	**Agency:**	Department of Agriculture

Phone Number:	328-4758	**Date Prepared:**	01/03/2007

FISCAL NOTE

Requested by Legislative Council
01/02/2007

Bill/Resolution No.: SB 2009

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$505,000		$505,000
Expenditures			$10,744			
Appropriations			$10,744			

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill removes the sunset on $50 of the pesticide registration fee. It also increases the salary of the agriculture commissioner consistent with other state employees.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

There are 10,100 registered pesticide products. With the removal of the sunset, an additional $50 per product is collected for the EARP (Environment & Rangeland Protection) fund. This will generate $505,000 of revenue. The increase in the agriculture commissioner's salary will cost the general fund $10,744 for the 2007-09 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

This appropriation is included in the executive budget.

Name:	Jeff Weispfenning	**Agency:**	Department of Agriculture
Phone Number:	328-4758	**Date Prepared:**	01/03/2007

78033.0101
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Senator Krauter
February 8, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2009

Page 1, line 4, remove "and" and after "date" insert "; and to declare an emergency"

Page 1, line 23, replace "878,785" with "1,237,807"

Page 1, line 24, replace "1,262,558" with "1,277,544"

Page 2, after line 2, insert:

"Wildlife services 330,000"

Page 2, line 4, replace "2,300,018" with "3,004,026"

Page 2, line 5, replace "1,392,413" with "1,725,102"

Page 2, line 6, replace "907,605" with "1,278,924"

Page 2, line 12, replace "6,662,302" with "7,021,324"

Page 2, line 13, replace "5,518,433" with "5,533,419"

Page 2, after line 16, insert:

"Wildlife services 330,000"

Page 2, line 18, replace "16,309,662" with "17,013,670"

Page 2, line 19, replace "10,878,945" with "11,211,634"

Page 2, line 20, replace "5,430,717" with "5,802,036"

Page 3, line 2, replace "$889,684" with "$1,089,684"

Page 5, after line 15, insert:

"**SECTION 10. EMERGENCY.** The amount of $130,000 in the wildlife services line item in section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	$6,662,302	$359,022	$7,021,324
Operating expenses	5,518,433	14,986	5,533,419
Capital assets	5,000		5,000
Grants	1,774,225		1,774,225
Board of Animal Health	2,299,702		2,299,702
Crop Harmonization Board	50,000		50,000
Wildlife services		330,000	330,000
Total all funds	$16,309,662	$704,008	$17,013,670
Less estimated income	10,878,945	332,689	11,211,634
General fund	$5,430,717	$371,319	$5,802,036
FTE	67.00	0.00	67.00

Dept. 602 - Department of Agriculture - Detail of Senate Changes

	ADDS FUNDING TO CONTINUE MEAT INSPECTION PROGRAM[1]	ADDS FUNDING FOR WILDLIFE SERVICES[2]	ADDS FUNDING FOR SALARY EQUITY INCREASES[3]	TOTAL SENATE CHANGES
Salaries and wages	$40,884		$318,138	$359,022
Operating expenses	14,986			14,986
Capital assets				
Grants				
Board of Animal Health				
Crop Harmonization Board				
Wildlife services		$330,000		330,000
Total all funds	$55,870	$330,000	$318,138	$704,008
Less estimated income		200,000	132,689	332,689
General fund	$55,870	$130,000	$185,449	$371,319
FTE	0.00	0.00	0.00	0.00

1 This amendment adds $40,884 for salaries and $14,986 for operating expenses to continue the meat inspection program.

2 This amendment provides $130,000 from the general fund and $200,000 from the game and fish operating fund for wildlife services. The $130,000 from the general fund is an emergency measure.

3 This amendment provides $185,449 from the general fund and $132,689 from other funds for salary equity increases.

78033.0102
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
Senator Bowman
February 12, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2009

Page 1, line 4, after "transfers" insert "; to provide for legislative intent"

Page 1, line 23, replace "878,785" with "1,028,785"

Page 1, line 24, replace "1,262,558" with "1,362,558"

Page 1, after line 24, insert:

"Grants 150,000"

Page 2, after line 2, insert:

"Wildlife services 200,000"

Page 2, line 4, replace "2,300,018" with "2,900,018"

Page 2, line 6, replace "907,605" with "1,507,605"

Page 2, line 12, replace "6,662,302" with "6,812,302"

Page 2, line 13, replace "5,518,433" with "5,618,433"

Page 2, line 15, replace "1,774,225" with "1,924,225"

Page 2, after line 16, insert:

"Wildlife services 200,000"

Page 2, line 18, replace "16,309,662" with "16,909,662"

Page 2, line 20, replace "5,430,717" with "6,030,717"

Page 3, after line 5, insert:

"**SECTION 7. INTENT - SALARY EQUITY.** The sum of $150,000 included in the salaries and wages line item in section 3 of this Act is for salary equity increases, which must be based on market."

Page 3, after line 7, insert:

"**SECTION 9. TRANSFER.** The office of management and budget shall transfer $79,500 from the environment and rangeland protection fund to the general fund during the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	$6,662,302	$150,000	$6,812,302
Operating expenses	5,518,433	100,000	5,618,433
Capital assets	5,000		5,000
Grants	1,774,225	150,000	1,924,225
Board of Animal Health	2,299,702		2,299,702
Crop Harmonization Board	50,000		50,000
Wildlife services		200,000	200,000
Total all funds	$16,309,662	$600,000	$16,909,662
Less estimated income	10,878,945		10,878,945
General fund	$5,430,717	$600,000	$6,030,717
FTE	67.00	0.00	67.00

Dept. 602 - Department of Agriculture - Detail of Senate Changes

	PROVIDES FUNDING FOR SALARY MARKET EQUITY ADJUSTMENTS [1]	PROVIDES FUNDING FOR PRIDE OF DAKOTA AND MARKETING [2]	PROVIDES FUNDING FOR DAIRY COALITION GRANTS [3]	PROVIDES FUNDING FOR WILDLIFE SERVICES [4]	TOTAL SENATE CHANGES
Salaries and wages	$150,000				$150,000
Operating expenses		$100,000			100,000
Capital assets					
Grants			$150,000		150,000
Board of Animal Health					
Crop Harmonization Board					
Wildlife services				$200,000	200,000
Total all funds	$150,000	$100,000	$150,000	$200,000	$600,000
Less estimated income					
General fund	$150,000	$100,000	$150,000	$200,000	$600,000
FTE	0.00	0.00	0.00	0.00	0.00

1 This amendment provides $150,000 for salary equity adjustments, which must be based on market.

2 This amendment provides $100,000 for Pride of Dakota and marketing.

3 This amendment provides funding for a grant to the North Dakota Dairy Coalition for developing and expanding the dairy industry.

4 This amendment provides $200,000 from the general fund for wildlife services.

This amendment also transfers $79,500 from the environment and rangeland protection fund to the general fund and provides legislative intent that the additional salary equity dollars must be based on market.

more

Date: 2/13/07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken D-P as amend

Motion Made By Bowman Seconded By Krauter

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 14 No —

Absent 0

Floor Assignment Krauter

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

REPORT OF STANDING COMMITTEE

SB 2009: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 4, after "transfers" insert "; to provide for legislative intent"

Page 1, line 23, replace "878,785" with "1,196,923"

Page 1, line 24, replace "1,262,558" with "1,442,058"

Page 1, after line 24, insert:
"Grants 150,000"

Page 2, after line 2, insert:
"Wildlife services 200,000"

Page 2, line 4, replace "2,300,018" with "3,147,656"

Page 2, line 5, replace "1,392,413" with "1,604,602"

Page 2, line 6, replace "907,605" with "1,543,054"

Page 2, line 12, replace "6,662,302" with "6,980,440"

Page 2, line 13, replace "5,518,433" with "5,697,933"

Page 2, line 15, replace "1,774,225" with "1,924,225"

Page 2, after line 16, insert:
"Wildlife services 200,000"

Page 2, line 18, replace "16,309,662" with "17,157,300"

Page 2, line 19, replace "10,878,945" with "11,091,134"

Page 2, line 20, replace "5,430,717" with "6,066,166"

Page 2, line 23, replace "$2,962,609" with "$3,042,109"

Page 3, after line 5, insert:

"**SECTION 7. INTENT - SALARY EQUITY.** The sum of $318,138 included in the salaries and wages line item in section 3 of this Act is for salary equity increases, which must be based on market."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	$6,662,302	$318,138	$6,980,440

Operating expenses	5,518,433	179,500	5,697,933
Capital assets	5,000		5,000
Grants	1,774,225	150,000	1,924,225
Board of Animal Health	2,299,702		2,299,702
Crop Harmonization Board	50,000		50,000
Wildlife services		200,000	200,000
Total all funds	$16,309,662	$847,638	$17,157,300
Less estimated income	10,878,945	212,189	11,091,134
General fund	$5,430,717	$635,449	$6,066,166
FTE	67.00	0.00	67.00

Dept. 602 - Department of Agriculture - Detail of Senate Changes

	PROVIDES FUNDING FOR SALARY MARKET EQUITY ADJUSTMENTS [1]	PROVIDES FUNDING FOR PRIDE OF DAKOTA AND MARKETING [2]	PROVIDES FUNDING FOR DAIRY COALITION GRANTS [3]	PROVIDES FUNDING FOR WILDLIFE SERVICES [4]	TOTAL SENATE CHANGES
Salaries and wages	$318,138				$318,138
Operating expenses		$179,500			179,500
Capital assets					
Grants			$150,000		150,000
Board of Animal Health					
Crop Harmonization Board					
Wildlife services				$200,000	200,000
Total all funds	$318,138	$179,500	$150,000	$200,000	$847,638
Less estimated income	132,689	79,500			212,189
General fund	$185,449	$100,000	$150,000	$200,000	$635,449
FTE	0.00	0.00	0.00	0.00	0.00

1 This amendment provides $318,138 for salary equity adjustments, which must be based on market.

2 This amendment provides $100,000 from the general fund and $79,500 from the environment and rangeland protection fund for Pride of Dakota and marketing.

3 This amendment provides funding for a grant to the North Dakota Dairy Coalition for developing and expanding the dairy industry.

4 This amendment provides $200,000 from the general fund for wildlife services.

2007 HOUSE APPROPRIATIONS

SB 2009

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2009

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 23, 2007

Recorder Job Number: 3731

Committee Clerk Signature	Shirley Branning

Minutes:

Chairman Wald: Called the hearing to order on SB 2009, State Ag Department, by introducing Agriculture Commissioner, Roger Johnson.

Commissioner Johnson: (See Handout #1, 1a, 2, 3, and 4, SB 2009 North Dakota Department of Agriculture, NDDA) began his testimony on the budget presentation beginning on pages 3-5. On pages 6 -7 the significant budget issues are detailed. Executive services such as Pride of Dakota are being placed "on budget" rather than using conference accounts.

Chairman Wald: How much was allocated for Pride of Dakota prior to the Senate adding on $100,000?

Commissioner Johnson: The Governor's total, historically has been $150,000 line item and that included half the salary of one individual. We are asking that you put another $291,000 into that. This has been a tremendous success story. Handout # 2 has additional information done as a master's research project. Farmers' Markets was provided an additional $79,500 by the Senate.

Chairman Wald: The Senate put in $79,500 of special funds. What are those special funds?

Commissioner Johnson: Those are Environmental and Rangeland Protection Funds (EARP) as well.

Representative Aarsvold: The Game and Fish was here yesterday and they added $130,000 appropriation there, so blending with their amount you are bumping up to about to about $870,000 or something like that.

Commissioner Johnson: The $130,000 that was added to the Game and Fish budget was money that was originally appropriated for the current biennium but had language that didn't allow us to transfer it.

Representative Aarsvold: Are there federal funds also available?

Commissioner Johnson: It is different with wild life services than any other federal agency. We apply for and receive money from them and match those dollars with state dollars, we hire the personnel and carry out the program but wild life services is a USDA agency, they carry out the programs and the state provides matching money to them. We have less control over how those dollars get spent because they are run through that federal agency.

Representative Aarsvold: Next biennium, will you be able to meet the demand for wild life services?

Commissioner Johnson: We are saying "yes". We hope we can do it with this $200,000 we're askin for here. On page 7, plant industries are outlined. Money is transferred from the EARP fund into the Minor Use Fund.

Representative Klein: Expand on the Minor Use Fund.

Commissioner Johnson: The Minor Use Fund is a special fund within a special fund that is used to provide matching money to entities that want to get pesticides registered for minor crops or minor uses on major crops.

Other legislation of interest, SB 2114 allows Board of Animal Health to collect and spend money from tags and health certificates.

SB 2023, that is the deficiency appropriation bill, provides for $58,870 for the current biennium to cover funding shortfalls in the meat inspection program.

Vice Chairman Monson: You have 5 new FTEs and that includes ....

I see that the 5 FTEs really don't make a lot of money. Are they low paying jobs?

Commissioner Johnson: They are about 50% federally funded or are identified under the additional compensation package.

Chairman Wald: Is the travel included in the motor pool costs?

Commissioner Johnson: There are industry bills out there as well. SB 2323 takes $50 per product from the general fund to be deposited in the EARP fund and appropriates $325,000 for two FTE and lab fees for the endangered species program. SB 2335 allows for $131,000 for development of organic programs. SB 2338 provides $114,000 for development of a data base for tracking livestock. SB 2179 provides $79,500 for black bird depredation research

Chairman Wald: There is a program at NDSU on black bird depredation?

Commissioner Johnson: No, largely that is all done through wildlife services in our agency.

Vice Chairman Monson This is for research not for killing the birds.

Commissioner Johnson: Yes, this came forward from the sunflower industry, putting bait along roadsides. SB 2017 provides $130,000 of Game and Fish funds for Wildlife Services. The flow chart on page 8 shows the schematic of employees.

Representative Klein: Where does the special funds come from?

Jeff Weisfenning, Deputy Agriculture Commissioner: Those are mostly special funds in Ag in the Classroom, EARP fund cash and fund raising authority and others.

Commissioner Johnson: Referred to handouts # 2, 3 and 4. There is no money in DPI for Ag in the Classroom. Handout # 5 is about the ag mediation program.

Handout # 8 is a map of weed infestations

Representative Klein: Project Safe Send, haven't we about got all of the old chemicals out of...?

Commissioner Johnson: We will never see the end of Safe Send because every year there are new pesticides registered and every year there are new ones added to the banned list.

Representative Klein: There is a tendency for big distributors to use this program.

Judy Carlson: (See Handout # 7, SB 2009) stated that about 16 sites per summer are available for pesticide disposal.

Representative Klein: You change sites? Volume you collect hasn't changed much. Biennium sunset.....?

Carlson: Again referred to Handout # 7. The volume we collect is more than in the 2003 biennium. We introduced HB 1085 to take the Sunset off.

Vice Chairman Monson: Two years ago we had a lot of people bring Rinsates in and stuff that shouldn't have been coming in and pushed up the total tons tremendously. We, as legislators got tired of it and felt there was a lot of abuse of the program. Have you put a stop to that?

Carlson: Page 5 of Handout # 7 shows the tonnage of disposal. We have been charging $1.00 a pound.

Chairman Wald: Is there a chemical that will kill Salt Cedar?

Merlin Leithold, North Dakota Weed Control Association, Elgin: There is a chemical arsenal that works well if sprayed on foliage, the entire tree. If you miss one branch, the tree is so hardy, it will continue to grow. Stump treatment and Remedy with Bark Oil works.

Vice Chairman Monson: Wasn't there a bill in to specifically address salt cedar?

Leithold: Weed control was instrumental in getting funding for salt cedar two sessions ago and now it is in the budget.

Commissioner Johnson: Page 19 gives you the summary of the budget numbers for the Senate version compared to the current biennium and page 20 gives you a role up of those three earlier sections.

Art Wanner, owner of the Wurst Shop in Dickinson: Addressed the state meat inspection program. We are a state meat inspected facility and the state program needs improvement. The federal inspectors are not particularly astute about regulations. When we have a question we are told to go to the manual and look it up. There is a shortage of state inspectors and they come in only Mondays, Wednesdays and Fridays for a few hours each day. We can process meat only on the days the inspector is there. The state meat inspection needs to be improved and more days so we can expand our business out of state borders. Right now we need to be federally inspected to go beyond state borders.

Representative Klein: How has your volume changed since you have state inspectors?

Wanner: Our business has grown over the 8 years we've been in business and part of that is because we have been allowed to sell in stores which we can do because we are state inspected.

Vice Chairman Monson: How many state inspectors do we have right now? There are six right now and you want to add 3.5 FTE?

Dr. Andrea Grondahl: We have a total of 9.5 FTE now and are asking for 4 more.

Vice Chairman Monson: We add these four, then does the plant have an inspector every day? Additional employees would add more hours of inspection and more production at our existing establishments.

Dr. Grondahl: When a plant comes into operation we work out hours of operation schedule and we base it on the availability of an inspector as well as volume of the plant. We try to balance it.

Chairman Wald: How much time do you spend there?

Dr. Grondahl: We spend approximately 2-3 hours.

Chairman Wald: You're just observing.

Dr. Grondahl: We observe and each inspector has assigned tasks they perform each day and they are actually generated through a federal system. It might be temperature checks, verifying that products meat regulations, etc.

Chairman Wald: Do you get into contents where it says ingredients?

Dr. Grondahl: Yes, that is actually a big part of our job. Each time a label is developed by the plant we review the formulation to assure that it is accurate.

Chairman Wald: Do you tell them when you come?

Dr. Grondahl: We have random times.

Representative Klein: What are the requirements for an inspector?

Dr. Grondahl: The positions we hire are grade 8, no 4 year degree requirement but there is a requirement for 4 year work experience, a 4 year degree or a combination of the two.

Beth Stenehjem, Executive Director, FFA Foundation: (See Handout # 9, SB 2009) provided testimony in favor of the mini grant that is part of SB 2009.

Dr. Arlyn Scherbenske, DVM, Accredited Veterinarian, Steele: (See Handout # 10, SB 2009) provided testimony in favor of adding a third veterinarian to the staff.

Representative Klein: Would this third veterinarian be a large animal veterinarian?

Dr. Keller, State Veterinarian: The third veterinarian would not be required to be a large animal veterinarian. We would try to find someone who has a mixed animal background.

Chairman Wald: The exotic animals, llamas and such, is that still growing?

Dr. Keller: It is a growing industry. We have a lot of exotic animals and we call it the non traditional industry. We have lions, tigers and bears but also bison and llama that are considered domestic animals under the law.

Leithold: (See Handout # 11, SB 2009) urged support of SB 2009, mainly the noxious weed portion of the bill. Weeds such as leafy spurge and Canada thistle have spread throughout the state for decades.

Chairman Wald: With the drought and with the hay movement, how much of a problem is it with weeds?

Leithold: We have seen weeds on the shoulders of the road. It will be a problem that will continue and there are a lot of new ones.

Gary Knutson, North Dakota Agriculture Association: We see an ongoing need for the SafeSend program:

Representative Aarsvold: Containers are also an issue because they are not adequately disposed. Does SafeSend get involved with the container issue?

Knutson: There is commercial collection and disposal available.

Ginny Brockel, Rancher from Hurdsfield: (See Handout # 12, SB 2009), provided testimony about the predator problem, especially coyotes. Request that the funding be increased to $250,000 for the US Wildlife Service program so they can use their services to keep down the coyote population.

Representative Klein: When you call Wildlife Service how quick do you get a response and are you satisfied with what they are doing?

Brockel: I'm satisfied with what they are doing but they are short staffed with one airplane in the state, it is first come first served.

Representative Klein: Do you have authority to take action?

Brockel: We have to use a gun and I don't shoot. The wildlife people have the skills to hunt them, I don't.

Representative Aarsvold: Is aerial hunting the primary control mechanism?

Brockel: Most that are taken are by poisoning or culling, only 20 or so were taken out by the airplane. Once, when they were out, they got 12 of them in 15 minutes.

Representative Aarsvold: Are you concerned about your children's safety?

Brockel: Yes, we had one sitting under the living room window, and he was watching our dog. They are not afraid.

Chairman Wald: Do they use poison on some of these?

John Paulson, District Supervisor, predator control: described the poison control used for coyotes. It is canine specific and follows EPA regulations.

Representative Klein: you say you have 9 people to cover the program, and this is part of the federal program that you are involved with.

Paulson: Historically we have had 10 field specialists and they cover a 5-6 county area each. Because of funding issues 2 bienniums age, we weren't able to fill the northeast specialist with a permanent staff person. So now there are 9 field specialists. We need to put that 10th field specialist back in the northeast part of the state.

Kari Warberg, owner of Crane Creek Gardens and members of Pride of Dakota and Farmers' Markets. Provided testimony about the business created with the help from Pride of Dakota. They exhibit at trade shows.

Chairman Wald: What is the cost to belong?

Warberg: It costs $50 a year to join, pay to exhibit and there is cost sharing.

Representative Aarsvold: Is shelf space in the outlets a problem?

Warberg: Having the Pride of Dakota label is helpful. It gives us name recognition. We have 2 patients and 4 trademarks.

Chairman Wald How many employees do you have now and where do you distribute?

Warberg: We have 9 and distribute across the US and Canada. We work through distributors and have 19 sales reps and 8 distributors.

Bonnie Selvig, Bonnie's Country Classics, Fargo: Joined Pride of Dakota in 1998, first making her product out of a church basement in Fargo. Sells in 8-10 states, going from a hobby to a business and goes to trade shows, both regional and national.

Representative Hawken: This really is economic development, do you get funding?

Selvig: Is not aware of a program as a whole going to economic development

Representative Martinson: Several of you are looking to go national, about how many and how much would it cost.

Selvig: To do trade shows is extremely expensive. For us to do a booth costs about $2500 for an 8 X 10 booth and we partner with another company. Sometimes there are subsidies to help defray some of those costs.

Eric Bartsch, Northern Pulse Growers Association and ND Dry Pea and Lentil Council, Bismarck: (See Handout # 13, SB 2009) testified in favor of SB 2009, providing information

about the market to Cuba, India, and China. Sanitary certificates should be required to verify quality of product..

Vice Chairman Monson: Shipping to foreign countries, are you using containers or intermodal shipping?

Bartsch: Now product is bagged and stuffed into containers, we depend entirely on ports to get the containers properly stuffed. A NAFTA label is being established for cross boarder movement.

Shawn Ritter, Beginning farmer from MacIntosh County and an Ag Mediation client: Testified in favor of ag mediation. Only about 10 young farmers are starting in this part of the state.

Representative Klein: What is your basic crop and how big is your operation?

Ritter: Starting with 750 acres plus a cow-calf operation, saving the family by purchasing it. Without ag mediation it would have been impossible.

Allen Tellman, Chairman of the ND Milk Producers Association ND, Dairy Producer from New Salem and Director on the ND Dairy Coalition: (See Handout # 14, SB 2009) Asks support for SB 2009 to increase the dairy industry in ND. One cow has potential of having an economic influence of $5,000 per year. The Ag Coalition has helped a number of producers move into the state and start up an operation.

Chairman Wald: What percent of production goes into milk in stores as opposed to the cheese plant?

Tellman: Nationally 80% goes into cheese production. Producers pay transportation. For example Cass Clay was sold to a Minnesota Company and producers pay the extra transportation costs.

Wade Moser, North Dakota Stockmen's Association: Spoke in support of SB 2009.

Commissioner Johnson: The Senate made a change of $150,000 increase of pass-through money for the dairy coalition. The request was $300,000. The need for the biennium will be in that area.

Representative Klein: Where is the money coming from?

Commissioner Johnson: General fund. Growing this industry is not an easy thing to do.

Representative Aarsvold: Are we talking recruitment, new, out of state people to come in?

Chairman Johnson: Yes, and more working with existing dairies. Significantly increasing the size is the only way they can afford to keep the business going with hired hands.

Chairman Wald: The Senate put $635,000 in your budget.

Commissioner Johnson: We were pleased with what the Senate did. On pages 6 and 7, I talked about the Senate increases. If I were to tell you where the department needs increases it would be overwhelming.

Chairman Wald: Hearing no other testimony, comments or questions, the hearing on SB 2009 is closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2009

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: March 7, 2007

Recorder Job Number: 4558

Committee Clerk Signature	Shirley Bronning

Minutes:

Chairman Wald: Called the meeting to order to take up Amendment 0203 of SB 2009, State Agriculture Commission, asking Representative Klein to provide an explanation of the amendment.

Representative Klein: Began the explanation of .0203 pages 1-3. The total House change is a $467.977 decrease. The last item added is an emergency for all wildlife services funding to take care of the coyote problem before this fall and it goes into effect right away

Comments, questions? If not, I would move the amendment 0203.

Representative Aarsvold: Second.

Chairman Wald: We have a motion and a second. Any further discussion on the amendment on the table now? All those in favor, signify by saying "I". **Motion passed unanimously by voice vote.**

Representative Gulleson: I would like to move to restore the Dairy Coalition Grant at $75,000

Representative Aarsvold: I will second the motion.

Representative Klein: The idea there was that this will most likely go into conference committee. That was put in by the Senate. Keep the line item alive.

Chairman Wald: The motion is to restore $75,000 Dairy Coalition grant line item. If there is no further discussion, all those in favor signifying by saying "I". **Motion carried unanimously**.

Representative Klein: I would now move a **Do Pass as amended.**

Clerk will call the roll.

Vote: 7 yes, 0 no,) Absent **Carrier: Representative Klein:**

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2009

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: March 21, 2007

Recorder Job Number: 5384

Committee Clerk Signature	Shirley Branning

Minutes:

Chairman Wald: Called the meeting to order to consider amendment .0210 of SB 2009, Department of Agriculture. Representative Klein, carrier of the bill, was asked to review the amendment with the committee.

Representative Klein: After explaining each section on pages 2 and 3 and the footnotes on page 3, a motion to **Do Pass** the amendment was made.

Vice Chairman Monson: Second.

Representative Aarsvold: The reduction in motor pool expenses and operating, is that a double hit?

Becky Keller, Legislative Council Representative: No, they are not related. They were both enhancement requests.

Representative Aarsvold: Motor pool expense, that reduction seems to be a big hit with the expenses increasing, is it $.44 a mile?

Chairman Wald: A motion to adopt the amendment has been made, all in favor signify by saying "I", motion carries.

Representative Klein: Move a **Do Pass** as amended.

Vice Chairman Monson: Second.

Chairman Wald: If there is no further discussion, Clerk will call the roll.

Vote: 7 Yes, 0 No, 0 Absent **Motion Carried** **Carrier: Representative Klein**

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2009

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 21, 2007

Recorder Job Number: 5399

Committee Clerk Signature	Shirley Brenning

Minutes:

Chm. Svedjen called the meeting to order to take up amendment .0210 Engrossed SB 2009, known as the Ag budget, by calling on **Rep. Klein.**

Rep. Klein: I move amendment .0210, seconded by Rep. Monson.

Rep. Klein continued with the review of the Sections and the footnotes on amendment .0210.

Chm. Svedjen: You must have done an analysis on the motor pool fund and that some of those funds could be removed.

Rep. Klein: Yes, in 2003-05 the cost was $381,000, in 2005-07 they projected $409,000 and in 2007-2009 they projected $618,000. We took %50,000 out of that which will be moved over to the next bill.

Rep. Kempenich: On the green sheet there is major legislation, where does that stand?

Rep. Klein: Two of them have been passed out of here and one is coming up right after this.

Rep. Kempenich: You didn't meld this into this budget…

Rep. Klein: We took the endangered species and put it in here, but the other two are one-time standing bills.

Rep. Nelson: There were 5 FTEs in the meat inspection program, you took 2 FTEs away and that leaves 3.

Rep. Klein: That is correct

Rep. Nelson: The equity.....The Senate added, in addition to the governor's $10m package, the Senate added $318,000 and you took half away?

Rep. Klein: That is correct. We had a real problem keeping veterinarians.

Rep. Nelson: Have you taken anything from the motor pool in the other budgets. I don't recall this being in any other budgets.

Rep. Carlisle: You reduced Safesend by $25,000.

Rep. Klein: We have to come up with the dollars to fund the endangered species program.

Rep. Aarsvold: This could be a double hit to the motor pool. I am not satisfied.

Rep. Klein: The increases were high and we felt this is an area to do some cutting.

Rep. Kerzman: The Section 12, Wildlife services, it looks like the Senate put in a couple hundred thousand dollars and you have it down to $130,000 now. How about the match with the federal for wildlife control?

Rep. Klein: No, we did not change the Wildlife services. That has always been in there, this is just the ag departments portion. We pass it through them and let the feds do the animal control.

Rep. Nelson: You took $25,000 from the crop harmonization board, how much is left in there and do they provide any service anymore?

Rep. Klein: There is $25,000 left in there. I believe they still meet.

The motion to adopt amendment .0210 passed by voice vote.

Rep. Kempenich: I would like to further amend with amendment .0204. This amendment deals with ag in the classroom, it puts in statute the permanent members in Section 1 and in Section 2 those are the appointed members and it has legislative intent

Chm. Svedjen: The legislative intent is that the ag commissioner forward any moneys appropriated in this act. Has this been the case before?

Rep. Kempenich: For the most part, yes. **I will move amendment .0204. Rep. Wald seconded the motion.**

Rep. Gulleson: What is the purpose of this amendment? Have there been problems?

Rep. Kempenich: This has been a political game for years.

The motion to adopt amendment .0204 passed by voice vote.

Rep. Kroeber: On page 3, on removing 2 FTE, for the meat inspectors, I would ask that we reinstate the 2 meat inspector positions (See attachment C, SB 2009) because of the need to expand their market, state wide and to restaurants and grocery stores.

Move to reinstate 2 meat inspector positions. Rep. Ekstrom seconded the motion.

Chm. Svedjen: This restores the $97,100 and the $167,376.

Rep. Kroeber: This would be a restoration of that entire line just as it is on page 3.

Becky Keller, Legislative Counsel: If we were to restore the 2 FTE we would have to restore the total, $264,476.

Rep. Klein: I would resist that motion We added language that they could go to the Emergency Commission if needed.

Rep. Nelson: Is there a current need for the additional 3 people or is that considering the future where that will be needed during the biennium.

Rep. Kroeber: I understand that there is a need for them at this time. The ethanol plants byproducts will increase the number of cattle available for processing, which will increase the number of processing plants.

Rep. Nelson: How many inspectors will be needed during the biennium.

Roger Johnson, Agriculture Commissioner: Of the 5 positions, 1 has already been hired and is in the field, Of those 4 remaining positions, 1 is a supervisor required by federal rule. The second one will be a relief inspector who will help with paper work in the office and will not add

additional capacity. We need to hire them very soon in the biennium, it takes about 6 months to get them trained.

Rep. Nelson: How many current inspectors are there?

Johnson: Six.

Rep. Skarphol: How many federally inspected meat facilities are there?

Johnson: Can provide this information.

Rep. Kempenich: The difference between the state and the federal, is the cost that is charged by the feds to go in and inspect.

Johnson: With state inspection, you have more ability to work with the plants. The charging is almost identical for cattle.

Rep. Wald: This would double the number of inspectors in one biennium and I can't visualize which may not be so for the production. If there is a need they can go to the emergency commission, so I would resist the motion.

Rep. Kroeber requested a roll call vote.

Rep. Kerzman: Agriculture is a large part of the economy and when you visit with the processors, they say it is a lot easier to work with the state than with federal inspectors. This is an area of economic development in our state and it is finally taking off, I would hate to see us stymie this right now, so I support the amendment.

The Do Pass motion failed by a roll call vote of 8 yea and 16 nay, 0 absent. Motion Failed.

Rep Wald moved a Do Pass as amended on SB 2009. Rep. Monson seconded the motion.

Rep. Bellew: Someone explain the Pride of Dakota marketing that the Senate added at $179,000. Is this really necessary because it is marketed very well now?

Rep. Klein: That was added in the Senate. We added a small amount of money to allow them to go out of state to show their products. Pride of Dakota has been a very successful program and there are some 280 groups that belong to it.

Rep. Gulleson: Pride of Dakota assists rural communities. These companies are located on farms and ranches and small communities. They don't have a budget but collectively, through this program, we can really help them through the web site, events, and those types of things.

Rep. Wald: A lot of these start out as cottage industries out of their homes; they help them with labeling, marketing, patenting, etc. It is beyond just selling candles or beef sticks. They are going into some pretty sophisticated marketing, I think it is justified and hope we would leave it in the bill.

Rep. Hawken: We talk a lot about getting industry into smaller communities. Some of these small business are on the verge of becoming bigger. One lady who came in hires 15 people and markets her product nationally. It is ready to go to the next level. If we believe we really want to grow our rural communities, this is one method of doing it.

Rep. Kerzman: I have trouble with the motor pool and hope there are some reductions in other budgets, also. On the salary equity package, do they get to share in that $10m that was set up by the governor? What was the reason for the reduction?

Rep. Klein: Yes they do share in the governor's extra kitty that was in there. In many areas they are way behind and they are trying to bring their veterinarians, etc. up to some standards.

Rep. Gulleson: To further explain, $200,000 was put in. It shows a reduction on this amendment because there had been $300 and some on the Senate side. We tried to restore the $200,000.

Rep. Bellew: The budget that is before us, is that an increase over what the governor proposed? If so, what is the percent?

Rep. Klein: It is a small increase.

Rep. Bellew: It is $334,000 and that is a 27% increase over last biennium.

Rep. Klein: There are 3 new programs that weren't existing at that time, including the endangered species. And what we just discussed about the meat inspectors.

The Do Pass motion on amendment .0210/.0204 to SB 2009 carried by a roll call vote of 23 yea, 1 nay and 0 absent. Rep Klein will carry the bill.

78033.0211
Title.0300
Fiscal No. 12

Prepared by the Legislative Council staff for
House Appropriations
March 22, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after "sections" insert "4-01-19,", after "4-01-21" insert a comma, and replace "19-18-04" with "4-37-02"

Page 1, line 3, after "to" insert "pride of Dakota moneys," and replace "pesticide registration" with "the agriculture in the classroom council"

Page 1, line 4, remove "fees", remove "and", and after "date" insert "; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,016,409"

Page 1, line 24, replace "1,442,058" with "1,394,958"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "200,000"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "2,820,042"

Page 2, line 7, replace "1,604,602" with "1,578,381"

Page 2, line 8, replace "1,543,054" with "1,241,661"

Page 2, line 14, replace "6,980,440" with "6,799,926"

Page 2, line 15, replace "5,697,933" with "5,650,833"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 20, replace "50,000" with "25,000"

Page 2, line 21, replace "17,157,300" with "16,829,686"

Page 2, line 22, replace "11,091,134" with "11,064,913"

Page 2, line 23, replace "6,066,166" with "5,764,773"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 8, replace "$318,138" with "$200,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The office of management and budget shall transfer $50,000 from the certification and training fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. WILDLIFE SERVICES - GAME AND FISH FUND.** The sum of $130,000 is appropriated to the agriculture commissioner from the game and fish fund for the payment of wildlife services for the period beginning with the effective date of this Act and ending June 30, 2007.

SECTION 13. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 14. AMENDMENT. Section 4-01-19 of the North Dakota Century Code is amended and reenacted as follows:

4-01-19. Marketing bureau. The agriculture commissioner of this state shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the ~~general fund in the state treasury~~ agriculture commissioner's operating fund."

Page 3, replace lines 19 through 31 with:

"**SECTION 16. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established.

1. The council consists of ~~sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee~~ the following members appointed by the official or the governing body of the entity named:

   a. One individual appointed by the superintendent of public instruction;

   b. One individual appointed by the state board for career and technical education;

   c. One individual appointed by the North Dakota farm bureau;

d. One individual appointed by the North Dakota farmers union;

e. One individual appointed by the North Dakota future farmers of America;

f. One individual appointed by the North Dakota ag coalition; and

g. One individual appointed by the North Dakota state university extension service.

2. In addition to the individuals listed in subsection 1, the council also includes the following members appointed by the official or the governing body of the entity named:

a. One individual appointed for a term of two years by the governor;

b. One individual appointed for a term of two years by the agriculture commissioner;

c. One teacher appointed for a term of two years by the superintendent of public instruction;

d. One teacher appointed for a term of two years by the state board for career and technical education;

e. One teacher appointed for a term of two years by the North Dakota farm bureau;

f. One teacher appointed for a term of two years by the North Dakota farmers union;

g. One teacher appointed for a term of two years by the North Dakota future farmers of America;

h. One teacher appointed for a term of two years by the North Dakota ag coalition; and

i. One teacher appointed for a term of two years by the North Dakota state university extension service.

3. Any member appointed under subsection 2 may serve no more than three consecutive terms.

4. The council shall provide for the election of a chairman from among its members and shall establish its rules of operation and procedure.

SECTION 17. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the agriculture commissioner forward any moneys appropriated in this Act for the agriculture in the classroom program directly to the agriculture in the classroom council established in section 4-37-02.

SECTION 18. EMERGENCY. The sum of $680,000 included in the less estimated income line item in section 3 of this Act for wildlife services, the $200,000 included in the wildlife services line item in section 3 of this Act, and section 12 of this Act are declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	$6,662,302	$6,980,440	($180,514)	$6,799,926
Operating expenses	5,518,433	5,697,933	(47,100)	5,650,833
Capital assets	5,000	5,000		5,000
Grants	1,774,225	1,924,225	(75,000)	1,849,225
Board of Animal Health	2,299,702	2,299,702		2,299,702
Crop Harmonization Board	50,000	50,000	(25,000)	25,000
Wildlife services		200,000		200,000
Total all funds	$16,309,662	$17,157,300	($327,614)	$16,829,686
Less estimated income	10,878,945	11,091,134	(26,221)	11,064,913
General fund	$5,430,717	$6,066,166	($301,393)	$5,764,773
FTE	67.00	67.00	(1.00)	66.00

Dept. 602 - Department of Agriculture - Detail of House Changes

	REDUCES SALARY EQUITY FUNDING [1]	REDUCES FUNDING FOR MOTOR POOL EXPENSES [2]	REDUCES FUNDING FOR DAIRY COALITION GRANT [3]	REMOVES FUNDING FOR 2 MEAT INSPECTION FTE POSITIONS [4]	ADDS FUNDING FOR PRIDE OF DAKOTA REVENUE AND TRADE SHOWS [5]	ENDANGERED SPECIES PROGRAM [6]
Salaries and wages	($118,138)			($167,376)		$105,000
Operating expenses		($50,000)		(97,100)	$80,000	95,000
Capital assets						
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						
Wildlife services						
Total all funds	($118,138)	($50,000)	($75,000)	($264,476)	$80,000	$200,000
Less estimated income	(49,273)			(126,948)	50,000	200,000
General fund	($68,865)	($50,000)	($75,000)	($137,528)	$30,000	$0
FTE	0.00	0.00	0.00	(2.00)	0.00	1.00

	REDUCES FUNDING SUPPORT FROM THE EARP FUND [7]	TOTAL HOUSE CHANGES
Salaries and wages		($180,514)
Operating expenses	($75,000)	(47,100)
Capital assets		
Grants		(75,000)
Board of Animal Health		
Crop Harmonization Board	(25,000)	(25,000)
Wildlife services		
Total all funds	($100,000)	($327,614)
Less estimated income	(100,000)	(26,221)
General fund	$0	($301,393)
FTE	0.00	(1.00)

1 This amendment reduces the salary equity funding added by the Senate from $318,138 to $200,000.

2 This amendment reduces funding for motor pool expenses.

3 This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

4 This amendment removes funding for salary and operating funds for 2 FTE positions included in the executive budget for the state meat inspection program.

5 This amendment adds funding for operating expenses to reflect Pride of Dakota revenue being deposited in the department's operating fund instead of the general fund, resulting in a decrease of general fund revenues of $50,000. This amendment also provides additional funding for Pride of Dakota to assist North Dakota companies in attending United States trade shows outside North Dakota.

[6] This amendment provides funding from the environment and rangeland protection fund for an endangered species program, including 1 FTE position and operating expenses.

[7] This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmers' market ($50,000).

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Amends North Dakota Century Code Section 4-01-19 to allow moneys received from Pride of Dakota to be deposited in the department's operating fund instead of the general fund, resulting in a decrease in general fund revenues of $50,000.

Adds a section allowing the department to receive $130,000 from game and fish funds for wildlife services for the 2005-07 biennium and declares an emergency for the receipt of the funds.

Provides an emergency for all wildlife services funding.

A section is added identifying the one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service certification and training fund to the environment and rangeland protection fund.

A section is added to amend Section 4-37-02 of the North Dakota Century Code relating to the membership of the Agriculture in the Classroom Council.

A section is added providing legislative intent relating to the appropriation for agriculture in the classroom.

Date: March 21, 2007
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2009

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0211

Action Taken Do pass as amended

Motion Made By Rep. Klein Seconded By

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Klein

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

Do pass as amended.

78033.0203
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
Representative Klein
March 7, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after "sections" insert "4-01-19," and after "4-01-21" insert a comma

Page 1, line 3, after "to" insert "pride of Dakota moneys," and after "commissioner" insert a comma

Page 1, line 4, remove "and" and after "date" insert "; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "736,409"

Page 1, line 24, replace "1,442,058" with "1,374,958"

Page 2, remove line 1

Page 2, line 6, replace "3,147,656" with "2,470,042"

Page 2, line 7, replace "1,604,602" with "1,394,965"

Page 2, line 8, replace "1,543,054" with "1,075,077"

Page 2, line 14, replace "6,980,440" with "6,519,926"

Page 2, line 15, replace "5,697,933" with "5,630,833"

Page 2, line 17, replace "1,924,225" with "1,774,225"

Page 2, line 21, replace "17,157,300" with "16,479,686"

Page 2, line 22, replace "11,091,134" with "10,881,497"

Page 2, line 23, replace "6,066,166" with "5,598,189"

Page 3, replace lines 8 through 10 with:

"**SECTION 7. INTENT - EMERGENCY COMMISSION REQUEST.** The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 9. WILDLIFE SERVICES - GAME AND FISH FUND.** The sum of $130,000 is appropriated to the agriculture commissioner from the game and fish fund for the payment of wildlife services for the period beginning with the effective date of this Act and ending June 30, 2007.

SECTION 10. AMENDMENT. Section 4-01-19 of the North Dakota Century Code is amended and reenacted as follows:

4-01-19. Marketing bureau. The agriculture commissioner of this state shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the ~~general fund in the state treasury~~ agriculture commissioner's operating fund."

Page 5, after line 19, insert:

"**SECTION 13. EMERGENCY.** The sum of $680,000 included in the less estimated income line item in section 3 of this Act for wildlife services, the $200,000 included in the wildlife services line item in section 3 of this Act, and section 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	$6,662,302	$6,980,440	($460,514)	$6,519,926
Operating expenses	5,518,433	5,697,933	(67,100)	5,630,833
Capital assets	5,000	5,000		5,000
Grants	1,774,225	1,924,225	(150,000)	1,774,225
Board of Animal Health	2,299,702	2,299,702		2,299,702
Crop Harmonization Board	50,000	50,000		50,000
Wildlife services		200,000		200,000
Total all funds	$16,309,662	$17,157,300	($677,614)	$16,479,686
Less estimated income	10,878,945	11,091,134	(209,637)	10,881,497
General fund	$5,430,717	$6,066,166	($467,977)	$5,598,189
FTE	67.00	67.00	(2.00)	65.00

Dept. 602 - Department of Agriculture - Detail of House Changes

	REMOVES SALARY EQUITY FUNDING 1	REDUCES FUNDING FOR MOTOR POOL EXPENSES 2	REMOVES DAIRY COALITION GRANT 3	REMOVES FUNDING FOR 2 MEAT INSPECTION FTE POSITIONS 4	ADDS FUNDING FOR PRIDE OF DAKOTA REVENUE 5	PROVIDES ADDITIONAL SALARY FOR VETERINARIANS 6
Salaries and wages	($318,138)			($167,376)		$25,000
Operating expenses		($50,000)		(97,100)	$50,000	
Capital assets						
Grants			($150,000)			
Board of Animal Health						
Crop Harmonization Board						
Wildlife services						
Total all funds	($318,138)	($50,000)	($150,000)	($264,476)	$50,000	$25,000
Less estimated income	(132,689)			(126,948)	50,000	
General fund	($185,449)	($50,000)	($150,000)	($137,528)	$0	$25,000
FTE	0.00	0.00	0.00	(2.00)	0.00	0.00

	ADDS FUNDING FOR UNITED STATES TRADE SHOWS 7	TOTAL HOUSE CHANGES
Salaries and wages		($460,514)
Operating expenses	$30,000	(67,100)
Capital assets		
Grants		(150,000)
Board of Animal Health		
Crop Harmonization Board		
Wildlife services		

Total all funds	$30,000	($677,614)
Less estimated income	_____	(209,637)
General fund	$30,000	($467,977)
FTE	0.00	(2.00)

1 This amendment removes the salary equity funding added by the Senate.

2 This amendment reduces funding for motor pool expenses.

3 This amendment removes the grant to the North Dakota Dairy Coalition added by the Senate.

4 This amendment removes funding for salary and operating funds for 2 FTE positions included in the executive budget for the state meat inspection program.

5 This amendment adds funding for operating expenses to reflect Pride of Dakota revenue being deposited in the department's operating fund.

6 This amendment provides additional funding for salaries for veterinarians.

7 This amendment provides additional funding for Pride of Dakota to assist companies in attending United States trade shows outside North Dakota.

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Amends North Dakota Century Code Section 4-01-19 to allow moneys received from Pride of Dakota to be deposited in the department's operating fund instead of the general fund, resulting in a decrease in general fund revenues of $50,000.

Adds a section allowing the department to receive $130,000 from game and fish funds for wildlife services for the 2005-07 biennium and declares an emergency for the receipt of the funds.

Provides an emergency for all wildlife services funding.

Date: March 7, 2007
Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2009

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0203

Action Taken Do pass as amended

Motion Made By Rep. Klein Seconded By Rep. Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Klein

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

Do pass as amended

78033.0205
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment
March 8, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after "sections" insert "4-01-19," and after "4-01-21" insert a comma

Page 1, line 3, after "to" insert "pride of Dakota moneys," and after "commissioner" insert a comma

Page 1, line 4, remove "and" and after "date" insert "; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "736,409"

Page 1, line 24, replace "1,442,058" with "1,374,958"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 6, replace "3,147,656" with "2,545,042"

Page 2, line 7, replace "1,604,602" with "1,394,965"

Page 2, line 8, replace "1,543,054" with "1,150,077"

Page 2, line 14, replace "6,980,440" with "6,519,926"

Page 2, line 15, replace "5,697,933" with "5,630,833"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 21, replace "17,157,300" with "16,554,686"

Page 2, line 22, replace "11,091,134" with "10,881,497"

Page 2, line 23, replace "6,066,166" with "5,673,189"

Page 3, replace lines 8 through 10 with:

"**SECTION 7. INTENT - EMERGENCY COMMISSION REQUEST.** The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 9. WILDLIFE SERVICES - GAME AND FISH FUND.** The sum of $130,000 is appropriated to the agriculture commissioner from the game and fish fund for the payment of wildlife services for the period beginning with the effective date of this Act and ending June 30, 2007.

SECTION 10. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 11. AMENDMENT. Section 4-01-19 of the North Dakota Century Code is amended and reenacted as follows:

4-01-19. Marketing bureau. The agriculture commissioner of this state shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the ~~general fund in the state treasury~~ agriculture commissioner's operating fund."

Page 5, after line 19, insert:

"**SECTION 14. EMERGENCY.** The sum of $680,000 included in the less estimated income line item in section 3 of this Act for wildlife services, the $200,000 included in the wildlife services line item in section 3 of this Act, and section 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	$6,662,302	$6,980,440	($460,514)	$6,519,926
Operating expenses	5,518,433	5,697,933	(67,100)	5,630,833
Capital assets	5,000	5,000		5,000
Grants	1,774,225	1,924,225	(75,000)	1,849,225
Board of Animal Health	2,299,702	2,299,702		2,299,702
Crop Harmonization Board	50,000	50,000		50,000
Wildlife services		200,000		200,000
Total all funds	$16,309,662	$17,157,300	($602,614)	$16,554,686
Less estimated income	10,878,945	11,091,134	(209,637)	10,881,497
General fund	$5,430,717	$6,066,166	($392,977)	$5,673,189
FTE	67.00	67.00	(2.00)	65.00

Dept. 602 - Department of Agriculture - Detail of House Changes

	REMOVES SALARY EQUITY FUNDING 1	REDUCES FUNDING FOR MOTOR POOL EXPENSES 2	REDUCES DAIRY COALITION GRANT 3	REMOVES FUNDING FOR 2 MEAT INSPECTION FTE POSITIONS 4	ADDS FUNDING FOR PRIDE OF DAKOTA AND TRADE SHOWS REVENUE 5	PROVIDES ADDITIONAL SALARY FOR VETERINARIANS 6
Salaries and wages	($318,138)			($167,376)		$25,000
Operating expenses		($50,000)		(97,100)	$80,000	
Capital assets						
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						
Wildlife services						
Total all funds	($318,138)	($50,000)	($75,000)	($264,476)	$80,000	$25,000

Less estimated income	(132,689)			(126,948)	50,000	
General fund	($185,449)	($50,000)	($75,000)	($137,528)	$30,000	$25,000
FTE	0.00	0.00	0.00	(2.00)	0.00	0.00

	TOTAL HOUSE CHANGES
Salaries and wages	($460,514)
Operating expenses	(67,100)
Capital assets	
Grants	(75,000)
Board of Animal Health	
Crop Harmonization Board	
Wildlife services	
Total all funds	($602,614)
Less estimated income	(209,637)
General fund	($392,977)
FTE	(2.00)

1 This amendment removes the salary equity funding added by the Senate.

2 This amendment reduces funding for motor pool expenses.

3 This amendment removes the grant to the North Dakota Dairy Coalition added by the Senate.

4 This amendment removes funding for salary and operating funds for 2 FTE positions included in the executive budget for the state meat inspection program.

5 This amendment adds funding for operating expenses for Pride of Dakota and trade shows.

6 This amendment provides additional funding for salaries for veterinarians.

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Amends North Dakota Century Code Section 4-01-19 to allow moneys received from Pride of Dakota to be deposited in the department's operating fund instead of the general fund, resulting in a decrease in general fund revenues of $50,000.

Adds a section allowing the department to receive $130,000 from game and fish funds for wildlife services for the 2005-07 biennium and declares an emergency for the receipt of the funds.

Provides an emergency for all wildlife services funding.

A section is added identifying the one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

Attachment 4

78033.0210
Title.
Fiscal No. 12

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment
March 21, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after "sections" insert "4-01-19 and" and remove "and 19-18-04"

Page 1, line 3, after "to" insert "pride of Dakota moneys and" and remove "and pesticide registration"

Page 1, line 4, remove "fees", remove "and", and after "date" insert "; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,016,409"

Page 1, line 24, replace "1,442,058" with "1,394,958"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "200,000"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "2,820,042"

Page 2, line 7, replace "1,604,602" with "1,578,381"

Page 2, line 8, replace "1,543,054" with "1,241,661"

Page 2, line 14, replace "6,980,440" with "6,799,926"

Page 2, line 15, replace "5,697,933" with "5,650,833"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 20, replace "50,000" with "25,000"

Page 2, line 21, replace "17,157,300" with "16,829,686"

Page 2, line 22, replace "11,091,134" with "11,064,913"

Page 2, line 23, replace "6,066,166" with "5,764,773"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 8, replace "$318,138" with "$200,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The office of management and budget shall transfer $50,000 from the certification and training fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. WILDLIFE SERVICES - GAME AND FISH FUND.** The sum of $130,000 is appropriated to the agriculture commissioner from the game and fish fund for the payment of wildlife services for the period beginning with the effective date of this Act and ending June 30, 2007.

SECTION 13. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 14. AMENDMENT. Section 4-01-19 of the North Dakota Century Code is amended and reenacted as follows:

4-01-19. Marketing bureau. The agriculture commissioner of this state shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the ~~general fund in the state treasury~~ agriculture commissioner's operating fund."

Page 3, replace lines 19 through 31 with:

"**SECTION 16. EMERGENCY.** The sum of $680,000 included in the less estimated income line item in section 3 of this Act for wildlife services, the $200,000 included in the wildlife services line item in section 3 of this Act, and section 12 of this Act are declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	$6,662,302	$6,980,440	($180,514)	$6,799,926
Operating expenses	5,518,433	5,697,933	(47,100)	5,650,833
Capital assets	5,000	5,000		5,000
Grants	1,774,225	1,924,225	(75,000)	1,849,225
Board of Animal Health	2,299,702	2,299,702		2,299,702
Crop Harmonization Board	50,000	50,000	(25,000)	25,000
Wildlife services		200,000		200,000
Total all funds	$16,309,662	$17,157,300	($327,614)	$16,829,686
Less estimated income	10,878,945	11,091,134	(26,221)	11,064,913
General fund	$5,430,717	$6,066,166	($301,393)	$5,764,773
FTE	67.00	67.00	(1.00)	66.00

Dept. 602 - Department of Agriculture - Detail of House Changes

	REDUCES SALARY EQUITY FUNDING [1]	REDUCES FUNDING FOR MOTOR POOL EXPENSES [2]	REDUCES FUNDING FOR DAIRY COALITION GRANT [3]	REMOVES FUNDING FOR 2 MEAT INSPECTION FTE POSITIONS [4]	ADDS FUNDING FOR PRIDE OF DAKOTA REVENUE AND TRADE SHOWS [5]	ENDANGERED SPECIES PROGRAM [6]
Salaries and wages	($118,138)			($167,376)		$105,000
Operating expenses		($50,000)		(97,100)	$80,000	95,000
Capital assets						
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						
Wildlife services						
Total all funds	($118,138)	($50,000)	($75,000)	($264,476)	$80,000	$200,000
Less estimated income	(49,273)			(126,948)	50,000	200,000
General fund	($68,865)	($50,000)	($75,000)	($137,528)	$30,000	$0
FTE	0.00	0.00	0.00	(2.00)	0.00	1.00

	REDUCES FUNDING SUPPORT FROM THE EARP FUND [7]	TOTAL HOUSE CHANGES
Salaries and wages		($180,514)
Operating expenses	($75,000)	(47,100)
Capital assets		
Grants		(75,000)
Board of Animal Health		
Crop Harmonization Board	(25,000)	(25,000)
Wildlife services		
Total all funds	($100,000)	($327,614)
Less estimated income	(100,000)	(26,221)
General fund	$0	($301,393)
FTE	0.00	(1.00)

1 This amendment reduces the salary equity funding added by the Senate from $318,138 to $200,000.

2 This amendment reduces funding for motor pool expenses.

3 This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

4 This amendment removes funding for salary and operating funds for 2 FTE positions included in the executive budget for the state meat inspection program.

5 This amendment adds funding for operating expenses to reflect Pride of Dakota revenue being deposited in the department's operating fund instead of the general fund, resulting in a decrease of general fund revenues of $50,000. This amendment also provides additional funding for Pride of Dakota to assist North Dakota companies in attending United States trade shows outside North Dakota.

6 This amendment provides funding from the environment and rangeland protection fund for an endangered species program, including one FTE position and operating expenses.

7 This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmers' market ($50,000).

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Amends North Dakota Century Code Section 4-01-19 to allow moneys received from Pride of Dakota to be deposited in the department's operating fund instead of the general fund, resulting in a decrease in general fund revenues of $50,000.

Adds a section allowing the department to receive $130,000 from game and fish funds for wildlife services for the 2005-07 biennium and declares an emergency for the receipt of the funds.

Provides an emergency for all wildlife services funding.

A section is added identifying the one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service certification and training fund to the environment and rangeland protection fund.

Date: March 21, 2007
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2009

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0210

Action Taken Do pass as amended

Motion Made By Rep. Klein Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Klein

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

Do pass as amended.

Date: 3/21/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78033.0210

Action Taken Adopt Amendment 0210

Motion Made By Klein Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote – carries

Attachment D

78033.0204
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
March 9, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after "4-01-21" insert ", 4-37-02,"

Page 1, line 3, after "commissioner" insert ", the agriculture in the classroom council,"

Page 3, after line 18, insert:

"**SECTION 10. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established.

1. The council consists of ~~sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee~~ the following members appointed by the official or the governing body of the entity named:

   a. One individual appointed by the superintendent of public instruction;

   b. One individual appointed by the state board for career and technical education;

   c. One individual appointed by the North Dakota farm bureau;

   d. One individual appointed by the North Dakota farmers union;

   e. One individual appointed by the North Dakota future farmers of America;

   f. One individual appointed by the North Dakota ag coalition; and

   g. One individual appointed by the North Dakota state university extension service.

2. In addition to the individuals listed in subsection 1, the council also includes the following members appointed by the official or the governing body of the entity named:

   a. One individual appointed for a term of two years by the governor;

   b. One individual appointed for a term of two years by the agriculture commissioner;

   c. One teacher appointed for a term of two years by the superintendent of public instruction;

   d. One teacher appointed for a term of two years by the state board for career and technical education;

e. One teacher appointed for a term of two years by the North Dakota farm bureau;

f. One teacher appointed for a term of two years by the North Dakota farmers union;

g. One teacher appointed for a term of two years by the North Dakota future farmers of America;

h. One teacher appointed for a term of two years by the North Dakota ag coalition; and

i. One teacher appointed for a term of two years by the North Dakota state university extension service.

3. Any member appointed under subsection 2 may serve no more than three consecutive terms.

4. The council shall provide for the election of a chairman from among its members and shall establish its rules of operation and procedure.

SECTION 11. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the agriculture commissioner forward any moneys appropriated in this Act for the agriculture in the classroom program directly to the agriculture in the classroom council established in section 4-37-02."

Renumber accordingly

Date: 3/21/07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78033.0204

Action Taken Adopt amendment 0204

Motion Made By Kempenich Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote - carries

Date: 3/21/07
Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Adopt amend as below

Motion Made By Kroeber Seconded By Glassheim

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich		✓			
Representative Wald		✓	Representative Aarsvold	✓	
Representative Monson		✓	Representative Gulleson	✓	
Representative Hawken		✓			
Representative Klein		✓			
Representative Martinson		✓			
Representative Carlson		✓	Representative Glassheim	✓	
Representative Carlisle		✓	Representative Kroeber	✓	
Representative Skarphol		✓	Representative Williams	✓	
Representative Thoreson		✓			
Representative Pollert		✓	Representative Ekstrom	✓	
Representative Bellew		✓	Representative Kerzman	✓	
Representative Kreidt		✓	Representative Metcalf	✓	
Representative Nelson		✓			
Representative Wieland		✓			

Total (Yes) ~~[illegible]~~ 8 No ~~[illegible]~~ 16

Absent 0

Floor Assignment

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

Reinstate 2 meat inspector positions

Date: 3/21/07
Roll Call Vote #: 4

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 0210/0204

Action Taken Do Pass as Amended (Engrossed SB 2009) 78633.0200

Motion Made By Wald Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew		✓	Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 23 No 1

Absent 0

Floor Assignment Klein

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

REPORT OF STANDING COMMITTEE

SB 2009, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (23 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 2, after "sections" insert "4-01-19,", after "4-01-21" insert a comma, and replace "19-18-04" with "4-37-02"

Page 1, line 3, after "to" insert "pride of Dakota moneys," and replace "pesticide registration" with "the agriculture in the classroom council"

Page 1, line 4, remove "fees", remove "and", and after "date" insert "; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,016,409"

Page 1, line 24, replace "1,442,058" with "1,394,958"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "200,000"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "2,820,042"

Page 2, line 7, replace "1,604,602" with "1,578,381"

Page 2, line 8, replace "1,543,054" with "1,241,661"

Page 2, line 14, replace "6,980,440" with "6,799,926"

Page 2, line 15, replace "5,697,933" with "5,650,833"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 20, replace "50,000" with "25,000"

Page 2, line 21, replace "17,157,300" with "16,829,686"

Page 2, line 22, replace "11,091,134" with "11,064,913"

Page 2, line 23, replace "6,066,166" with "5,764,773"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 8, replace "$318,138" with "$200,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The office of management and budget shall transfer $50,000 from the certification and training fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. WILDLIFE SERVICES - GAME AND FISH FUND.** The sum of $130,000 is appropriated to the agriculture commissioner from the game and fish fund for the payment of wildlife services for the period beginning with the effective date of this Act and ending June 30, 2007.

SECTION 13. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 14. AMENDMENT. Section 4-01-19 of the North Dakota Century Code is amended and reenacted as follows:

4-01-19. Marketing bureau. The agriculture commissioner of this state shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the ~~general fund in the state treasury~~ agriculture commissioner's operating fund."

Page 3, replace lines 19 through 31 with:

"**SECTION 16. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established.

1. The council consists of ~~sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee~~ the following members appointed by the official or the governing body of the entity named:

   a. One individual appointed by the superintendent of public instruction;

b. One individual appointed by the state board for career and technical education;

c. One individual appointed by the North Dakota farm bureau;

d. One individual appointed by the North Dakota farmers union;

e. One individual appointed by the North Dakota future farmers of America;

f. One individual appointed by the North Dakota ag coalition; and

g. One individual appointed by the North Dakota state university extension service.

2. In addition to the individuals listed in subsection 1, the council also includes the following members appointed by the official or the governing body of the entity named:

a. One individual appointed for a term of two years by the governor;

b. One individual appointed for a term of two years by the agriculture commissioner;

c. One teacher appointed for a term of two years by the superintendent of public instruction;

d. One teacher appointed for a term of two years by the state board for career and technical education;

e. One teacher appointed for a term of two years by the North Dakota farm bureau;

f. One teacher appointed for a term of two years by the North Dakota farmers union;

g. One teacher appointed for a term of two years by the North Dakota future farmers of America;

h. One teacher appointed for a term of two years by the North Dakota ag coalition; and

i. One teacher appointed for a term of two years by the North Dakota state university extension service.

3. Any member appointed under subsection 2 may serve no more than three consecutive terms.

4. The council shall provide for the election of a chairman from among its members and shall establish its rules of operation and procedure.

SECTION 17. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the agriculture commissioner forward any moneys appropriated in this Act for the agriculture in the classroom program directly to the agriculture in the classroom council established in section 4-37-02.

SECTION 18. EMERGENCY. The sum of $680,000 included in the less estimated income line item in section 3 of this Act for wildlife services, the $200,000 included in the wildlife services line item in section 3 of this Act, and section 12 of this Act are declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	$6,662,302	$6,980,440	($180,514)	$6,799,926
Operating expenses	5,518,433	5,697,933	(47,100)	5,650,833
Capital assets	5,000	5,000		5,000
Grants	1,774,225	1,924,225	(75,000)	1,849,225
Board of Animal Health	2,299,702	2,299,702		2,299,702
Crop Harmonization Board	50,000	50,000	(25,000)	25,000
Wildlife services		200,000		200,000
Total all funds	$16,309,662	$17,157,300	($327,614)	$16,829,686
Less estimated income	10,878,945	11,091,134	(26,221)	11,064,913
General fund	$5,430,717	$6,066,166	($301,393)	$5,764,773
FTE	67.00	67.00	(1.00)	66.00

Dept. 602 - Department of Agriculture - Detail of House Changes

	REDUCES SALARY EQUITY FUNDING 1	REDUCES FUNDING FOR MOTOR POOL EXPENSES 2	REDUCES FUNDING FOR DAIRY COALITION GRANT 3	REMOVES FUNDING FOR 2 MEAT INSPECTION FTE POSITIONS 4	ADDS FUNDING FOR PRIDE OF DAKOTA REVENUE AND TRADE SHOWS 5	ENDANGERED SPECIES PROGRAM 6
Salaries and wages	($118,138)			($167,376)		$105,000
Operating expenses		($50,000)		(97,100)	$80,000	95,000
Capital assets						
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						
Wildlife services						
Total all funds	($118,138)	($50,000)	($75,000)	($264,476)	$80,000	$200,000
Less estimated income	(49,273)			(126,948)	50,000	200,000
General fund	($68,865)	($50,000)	($75,000)	($137,528)	$30,000	$0
FTE	0.00	0.00	0.00	(2.00)	0.00	1.00

	REDUCES FUNDING SUPPORT FROM THE EARP FUND 7	TOTAL HOUSE CHANGES
Salaries and wages		($180,514)
Operating expenses	($75,000)	(47,100)
Capital assets		
Grants		(75,000)
Board of Animal Health		
Crop Harmonization Board	(25,000)	(25,000)
Wildlife services		
Total all funds	($100,000)	($327,614)

Less estimated income	(100,000)	(26,221)
General fund	$0	($301,393)
FTE	0.00	(1.00)

1 This amendment reduces the salary equity funding added by the Senate from $318,138 to $200,000.

2 This amendment reduces funding for motor pool expenses.

3 This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

4 This amendment removes funding for salary and operating funds for 2 FTE positions included in the executive budget for the state meat inspection program.

5 This amendment adds funding for operating expenses to reflect Pride of Dakota revenue being deposited in the department's operating fund instead of the general fund, resulting in a decrease of general fund revenues of $50,000. This amendment also provides additional funding for Pride of Dakota to assist North Dakota companies in attending United States trade shows outside North Dakota.

6 This amendment provides funding from the environment and rangeland protection fund for an endangered species program, including 1 FTE position and operating expenses.

7 This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmers' market ($50,000).

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Amends North Dakota Century Code Section 4-01-19 to allow moneys received from Pride of Dakota to be deposited in the department's operating fund instead of the general fund, resulting in a decrease in general fund revenues of $50,000.

Adds a section allowing the department to receive $130,000 from game and fish funds for wildlife services for the 2005-07 biennium and declares an emergency for the receipt of the funds.

Provides an emergency for all wildlife services funding.

A section is added identifying the one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service certification and training fund to the environment and rangeland protection fund.

A section is added to amend Section 4-37-02 of the North Dakota Century Code relating to the membership of the Agriculture in the Classroom Council.

A section is added providing legislative intent relating to the appropriation for agriculture in the classroom.

2007 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2009

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☑ Check here for Conference Committee

Hearing Date: 04-02-07

Recorder Job Number: 5662

Committee Clerk Signature	Alice Delzer

Minutes:

Chairman Bowman opened the Conference Committee Hearing on SB 2009 on April 2, 2007. Members of the committee are as follows and all were present: Senators Fischer, Krauter; and Representatives Klein, Wald, and Gulleson. Chairman Bowman asked the House to explain what they did and the difference between them and the Senate.

A member of the House stated what the House had to come up with was to provide funding for the endangered species program which got dropped on us late in the game. We did some reshuffling of money to provide that with a minimum of $200,000 to get that program started. It will have to be augmented in the next session but most of you are familiar with how that program got started. The EPA lost a law suit out in the West and now each county is going to have guidelines and leaflets as to what herbicides and pesticides you can use so close to a slew, where there may be birds hatching, there's been estimates we could lose up to 200,000 acres of crop land in the state. We have 3 options, let the federal government do the whole thing, we do the whole thing, or we do the hybrid version where we have a seat at the table. That is the one we opted to go with.

Chairman Bowman asked if we addressed this someplace else. I am not sure what the appropriation was in there but we did address that same issue.

Senator Krauter said it was SB 2323 and the appropriation was about $325,000.

Representative Gulleson suggested they walk through the House changes. We'll go through the amendment 0211 on page 4.

Representative Wald stated we will go through them. We reduced the salary equity funding by $118,000. We reduced funding for the motor pool by $50,000; we reduced funding for Dairy Coalition Grant by $75,000; we removed 2 meat inspector positions and we did add some language where they can go to the emergency commission; and we did add some funding for Pride of Dakota - $80,000; the endangered species program has $200,000. so if you look at the footnotes that tells you what the House did.

1. Reduces the salary equity funding added by the Senate from $318,138 to $200,000.
2. Reduces funding for motor pool expenses.
3. Reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.
4. Removes funding for salary and operating funds for 2 FTE positions included in the executive budget for state meat inspection program.
5. Added funding for operating expenses to reflect Pride of Dakota revenue.
6. Provides funding from the environment and rangeland protection fund for an endangered species program, including 1 FTE position and operating expenses.
7. Reduces funding from the environment and rangeland protection fund for SafeSend, crop harmonization and farmer's market.

He stated the Pride of Dakota has been very successful. We also did add the money that they charged for the tables they needed at those shows, let that go back into the program instead of the general fund. Item 6 we had to do some shifting. We did some language to get that emergency clause over to these people so they can basically shoot the coyotes before they have their young. We wanted to get that out as soon as possible. We did strip some money out

of some of those others to start that endangered species program. A couple of those things from the animal ID to the endangered species to the blackbirds all kind of tied together and came to us at a late date so we had to do some reshuffling.

Chairman Bowman asked what is your bottom line to the general fund. He was told if you go to page 4 on House amendments you will see the amounts. He was told some of the amounts are also in the footnotes. The money for Game and Fish for Wildlife Services is just passed through. Chairman Bowman asked about the money concerning the Blackbird problem. He was told that was a separate bill that was passed at the same time this was. We did not touch that because part of it was this funds and part of it was checkoff. We didn't change that. Some of you have seen the articles in the papers about the damage the Blackbirds do.

Chairman Bowman asked why they reduced the funding for the Dairy Coalition.

Representative Wald said part of what they needed to do was funding for the endangered species. Our direction was to try and find it within the system. We sat down with the department and said can we squeeze some money out to get that program started. We thought that had priority. If I look at the latest sheet for appropriations it was $4million plus, the House version has $5 million plus, we have about 30% increase from their 2005-2007 funding. Originally we did reduce the equity money that you had put in there. They are losing their vetenarians to the federal system, they are about 20 million behind so we talked to them and Representative Gulleson decided we needed to put money back in there because they claim the meat inspector's situation is the same problem.

Senator Krauter wanted to have more explanation regarding the salary equity. He stated on the Senate side we worked hard at trying to make an analysis of before the agencies that OMB had given some equity to. We had the Council put together a memo for us so we could put those side by side and Ag Department came in and identified 16 FTE's in 6 catagories and we

put that side by side so we treat everything fair and that is how we came up with those numbers, so the rational behind it was put it on the table, treat everyone equally and fairly and that's where we came up with the $318,000. You are right when you say those Vetenarians and meat inspectors, some of the program managers, when they get trained, they get sucked away right away, but be consistent. We were pretty fair when we did that. Senator Fischer and Senator Bowman can agree with me. We were pretty reluctant, but when we sat down and said how are we going to kept these people in that program that is growing, if we are going to continue to provide that type of growth in the livestock industry, this is a must do.

Representative Wald stated they had originally taken just about all of it out and then when we saw what was happening in the other budgets as they were coming through the House Representative Gulleson stated lets be fair and put some money back in there.

Senator Krauter asked if they reduced other offices as well. He was told there were a number of those that were reduced.

Chairman Bowman said we have to stick to this budget. We've got our job here to try and figure out how we can come to consensus before we are done.

There was discussion concerning the $10 million equity pool and some salary equity dollars that were included in those agencies budgets above and beyond the $10 million equity.

Representative Wald stated they went $200,000 above the $10 million as the bill stands now.

Senator Krauter had questions regarding the reduction of the motor pool. That's relating to the entire department. He was informed it is. Senator Krauter then asked to reduce energy costs we are going to ask the department to reduce their travel by $50,000.

Representative Wald stated when we compared the 2003-2005 motor pools it was $331,540. the 2005-2007 projected is $409,659.00. the 2007-2009 projected was $618,185.00 an increase of $208,526.00. Senator Krauter asked if that includes additional meat inspectors. He

was told yes.. Senator Krauter stated if you take $50,000 and $97,100 that is a reduction of $147,000 in travel. The response was the meat inspectors are all located out in the field. So their travel has been reduced by them being located out in the field. So when I look at an increase compared to the previous 2 sessions it is pretty significant. There was further discussion regarding this issue (16.45).

Senator Krauter stated it just seems like a large amount for 2 meat inspectors, $97,000 in travel. I could see travel down to $20,000 for each, so that just doesn't add up.

Representative Wald said I don't think that was all the meat inspector's travel. Senator Krauter stated that is what the footnote is for #4. Rep. Wald agreed, but stated when he took the total of increase that was just a projection that included other things.

When we met with the Department and took some money out of SafeSend, we had to fund this Endangered Species Program and we sat down with them and asked where we could possibly squeeze funds for that program and we ended up getting $50,000 from NDSU.

Chairman Bowman had questions regarding the funding in SB 2323, the $325,000 wasn't that suppose to be the money used for tagging, and that money has not been taken out of any budget. He was informed that is a complete different program. That is the livestock program. Chairman Bowman said he remembered supporting that bill. That's the labeling of all the pesticides that are used. He was informed that money got moved into this bill He was told there is no more money in SB 2323.

Senator Krauter asked what happened to the $125,000 that was taken out. He was told that money was supposedly in the ERP fund and the ERP fund did not have the money in it. Senator Krauter said we need to get some clarification on this.

Becky Keller, Legislative Council said if you look at the ERP fund it would have been in the hole by about $95,000 after they did their juggling it then got some general fund money put into

it then. If everything stays status quo now there will be $4,000 left in ERP after everything is taken out. ERP was in the hole pretty good.

Senator Krauter asked for a schedule of the ERP fund from Becky.

Representative Gulleson asked for the next meeting we should have the status of the other bills so we can relate back to those.

Senator Bowman said we need some figures so everybody is on the same page and when we get to the bottom line of this we'll see how it is going to impact the budget we will probably make a decision then. I would suggest that any of the other bills that have money in it that affect this bill the committee needs a copy of those. We will try to track the two bills to see where we are at in all the programs. There is quite a few changes so it will take a little bit of work before we have our next hearing.

Senator Krauter asked for a schedule regarding Wildlife Services also.

Senator Bowman recessed the conference committee hearing on SB 2009.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: 4-04-07

Recorder Job Number: 5725

Committee Clerk Signature	Alice Dilger

Minutes:

There was kind of a spreadsheet on the two versions of the bill so we can review that. Becky was asked to highlight the areas of changes.

Becky Keller from Legislative Council went over the details of the changes that had been made by the House and by the Senate. Meter 00.30 to 03:30

Chairman: One of the items that I think we all agree on is the money that they took out of the other bill that dealt with the labeling of the pesticides. I don't think there is any disagreement that that is something we have to do and I guess the question is is the money that the House put in there enough for that program?

Question: "Chairman, you are referring to an Endangered Species ….. "

Chairman: "Right?"

The Endangered Species Program originally they had looked at something over $525,000.00, then it got reduced to around $325,000.00. To start the program we thought we would start it with $200,000.00 and one FTE. That was the reason there that we moved that money into this budget so that it would stay instead of in a separate bill.

I am just trying to recall in 2323 all the discussion we had and how the County Weed Officers and everyone was going to make this happen. When they whittled it down they came to that $325,000.00 and now if they take another $125,000.00 out of it that is 30% of it. There is

concern of how they are going to get that implemented county by county. I need to know how they got their reasoning for that amount.

We sat down with the department and realizing that this is a new program it did not get in the full swing immediately as this system gets going. What is the minimum we could operate on to get started. We sat down with them and came up with some ideas where they could cut back.

Mr. Chairman, we need to go back and talk about the Earth Fund and the whole beginning balance, the income into it, the fifty dollars that's been taken away as far as registration and the ending balance is. That would give us a solution to a lot of these questions.

You have that information sheet in front of you.

Becky: You all have the Environment and Rangeland Protection Fund spreadsheet in front of you? She went on to explain the details of that spreadsheet. (Meter # 07:05 -12:00). In her explanation she also spelled out the changes SB 2009, SB 2179, and SB 2323 would cause.

Chairman, that would be my preferences to put it the way the governor's budget was and leave that money in the ERP Fund and then you would be able to take care of a lot of these issues real quick.

Chairman, if that would be ..... Take another $5,000.00 out of the general fund

Yes,

Both budgets increase general fund dollars. The House version and the Senate version are over and above the recommended budget. Whatever we decide to do on this there is going to be an increase over the recommended budget. The difference between the House and the Senate version is $334,000.00 of general fund money. Another concern is with the meat inspection program. I want to make sure when this budget is passed that they don't shortchange all the meat inspection programs that we have. We have to make it clear that if there is a need for meat inspectors that that has to be available immediately. If we're going to

continue to try to grow that business in North Dakota you can't do it without meat inspectors. That is why we added that in from the Senate side. You have taken a couple of them out and you allowed the department to come before the budget section to add that back if the growth is there to justify the two meat inspectors. Are those meat inspectors federal dollars or state dollars? (Someone refresh my mind.)

48% federal.

48% federal dollars. And how long does it take to get those dollars from the feds so these people can be paid?

Roger: The question is if you have a need for two meat inspectors and you have to come before the budget committee to get approval for that which the House version of this bill allows how long does it take for that federal money to come to the state so that you can get the money to pay them.

That's a hard question to answer. You would have to revise your federal plan. One of the things, of all the cuts this is the one that cuts the deepest. There will be no increase in meat inspection without these two inspectors that were cut out. I would find it difficult to go to the budget section right away in the new biennium and say we need these positions right now after the legislature just cut them out. Frankly we are struggling with how we would make that case.

Response: He is getting authority. He added one meat inspector in the interim. He is getting authority for two more. There is a training period involved so even if you could hire these five tomorrow he'd never get them online. The growth is not that fast that they have to be there right now.

Rep. Gulleson: It is my understanding that the growth actually is fairly soon, the need for those plants that are being constructed and coming on line

Roger: The five positions that are at issue: first of all, this one that was granted by the Emergency Commission, that position is filled, that person is already out in the field inspecting. That is existing. The next four, the first one is required to be a supervisory position because given the growth that we have today we have less supervision than the federal program has and they require we be at least equal. The next position that has been authorized would be a part time relief inspector and part time helper in the office. That is required because we've got seven inspectors out in the field right now. As they take vacation or sick time the relief inspector can fill in. Given where the House left it, those are the three positions so there would be no additional inspections given the budget that came out of the House. The remaining two positions that were cut in the House were a half time inspector/half time grader. The grader part is necessary for these plants to get higher value and you can't stamp prime/choice whatever on your beef cuts without an official grader. We would locate those two inspectors, one in the south central part of the state, one in the north central part of the state. You have maps that show where the plants are and where the inspectors are located.

Representative Gulleson: On the day of the slaughter, what is the requirement for an inspector to be on site for the grader if it is an establishment that wants to meet the grading requirement.

Answer: Mr. Chairman, with your permission I will have Dr. Grondahl answer the question.

Dr. Grondahl: Are you asking the inspection requirements or the grading requirements?

Representative Gulleson: Actually both.

Dr. Grondahl: For the inspection requirements they have to be there to do an anti mortem before his examination of each animal post mortem or after the examination of each animal and a carcass examination. So virtually they have to be there the entire time of slaughter from the start of the day until the last carcass is placed in the coolers. For grading the carcasses are put in a cooler and have a 24 hour cool down period and then the grader is there to grade the

carcasses. They could grade the carcasses from the prior day's slaughter or they could grade a week's slaughter all at the same time.

Chairman Bowman: In the executive budget, were all of these positions filled?

Answer: Yes.

Chairman Bowman: They were all filled. So there was money in the $5,430,000.00?

Yes, all five were in the governor's recommendation.

Excuse me, Mr. Chairman, they were in the governor's recommendation but those positions were not hired _____.

Chairman Bowman: I understand that. I just wanted to see if the money was in the original budget and the reason that I asked that is the original budget was a lot less than it is today so we have added a lot of other things to this budget and we're going to get down to what we absolutely have to have so that we have a working relationship with all of the little meat stores out there and can take care of those needs and still manage the general fund dollars the best that we can. Any time you take money out of one budget and stick it in a budget it's going to escalate the cost. That's part of what's happening with that other bill dealing with the labeling. The bottom line of this is so we can get out of here I guess we have to make sure that if the need is there are we going to fund those positions so that those businesses can do business. That's the bottom line to this whole thing.

Senator Krauter: There is also the day they process the meat. We have to have the inspectors there that day too so I want you to talk about that and then I have another question. What type of commitment do we have when doing the processing?

Dr. Grondahl: That is actually something that has really come to the forefront in the last six months to a year in that when we first started the program there was a little bit of allowance for not covering all processing shifts each day a plant process is under inspection. For instance if

a plant processes three out of five days we would maybe cover two of those days. That is no longer the case. USDA has made it very clear we are to provide daily inspections and that means each time a plant processes under inspection normally it's an eight hour shift we have to have an inspector present for at least part of that day. Normally the time required to do the task takes about 2-3 hours.

Senator Krauter: If we want to get these meat processors to the next level of business they want the grader. Where do they go for the grader now? What does that cost? Do they have any in the state?

Dr. Grondahl: I have done some research lately with the help of a plant and a producer and the cost right now is extremely high. They have to get a grader out of Denver or Sioux City, Iowa and it costs per trip $2500.00 which breaks down to a cost of about $25.00 per head. A cost that's not economical to someone wanting that.

Senator Krauter: So what would it cost if we had the grader versus $25.00?

Dr. Grondahl: Approximately and this is a real approximation between $5.00 and $10.00 per head.

Senator Krauter: The inspectors, their office is their car, and they are out doing their job. What effect does this reduction in the _____ have to the meat inspection program? To me that's the, with the high price of gas now...

Dr. Grondahl: It will have a huge effect on the beef inspection program. If they aren't able to cover that increase mileage rate, the only way they can reduce it is by reducing travel and that means limiting hours of inspection or days of inspection even at our existing plants. Instead of allowing them three days of processing inspection per week there is the potential to have to cut them to two days of inspection per week.

Chairman Bowman: In the original budget you had all of the money for all of the inspectors. Did you have all the money for the fuel for those inspectors in the regular budget?

Answer: Yes, in the executive budget that was passed through the Senate just as the governor provided it. The effect of the House cuts is $50,000.00 of general funds. That executive budget provided for an increase of about $62,000.00 in general funds for travel, motor pool, and 50 of those thousand were cut out from the House recommendations so it would be a significant decrease.

Representative Klein: Let me go back to some information on motor pool totals. In 2003 2005 they showed $381, 540.00. In 2005 2007 they showed $409, 659.00.

Question: We need to understand if these are federal or special or if they are general fund dollars.

Representative Klein: These are the motor pool dollars that the department provided us. Motor pool totals. I don't know what you are trying to break out. So basically where 2007 2009 they requested $618, 185.00 a total increase of $208, 526.00. Now, that's just about half of what it was the year before.

Question: That total dollar amount, is that all general funds increase?

Representative Klein: I can't answer that question. Becky, motor pool and data processing is all general funds, isn't it?

Becky: Not necessarily. I think Roger has amendments.

I do have that broken out. The general fund portion in 2003 2005 would have been $168,031.00. We just pulled these numbers together. You may not have seen this before. We would be happy to give you this spreadsheet. In the current year it is $198, 359.00 for about a little over $30,000.00 increase from this biennium. The version coming out of the Senate was a $261,058.00. This is just general fund now for about a $63,000.00 increase. The House cut

that by $50,000.00 so you would have .... So you have a $30,000.00 increase in general funds from the last biennium to this one and with the House version we would have only a $12,000.00 increase from this one to the next one at a time when motor pool costs have dramatically increased. That is the issue.

Chairman Bowman: I understand that. If you are going to have more inspectors you have to have more money for fuel.

This is across the whole agency too. This isn't just for meat inspectors. These numbers I gave you.

Chairman Bowman: The bottom line and what we are going to get to before we get done is this. If we pass this bill with $5, 630, 717.00 of general fund money we would have all the money for the inspectors and for the gas. We would have the $200,000.00 for the labeling that was added to this budget. And all the rest of the additions or subtractions would be gone. Just an idea.

The rationale we used on the $50,000.00 reduction on the motor pool was if you get two meat inspectors out there were the travel costs associated with that. But if you look at the total increase, the House version, when the bill left the House there was $1, 391,661.00 increase which represents a 30.8% increase in this budget in one biennium.

I understand that.

When we talked those numbers and the state meat inspection program is state general fund and federal. How many federal dollars did you take out of that motor pool?

I think we just stated that a moment ago.

That was all general fund. That is my point. If you are going to reduce it proportionally federal and state but you took it all out of the state general fund.

Senator Fischer: One of the things we have to look at too is in the increases between the 2005 and the 2007 how much of those increases are just increased cost of doing the same business without any increase in business. I'm curious how much of the percentage of increase is due to just increase in cost.

Hearing was closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2009

Senate Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: April 6, 2007

Recorder Job Number: 5804

Committee Clerk Signature	

Minutes:

Senator Bowman opened the conference committee on SB 2009 (meter 19:05). The Department of Agriculture has provided some disturbing information regarding the Wildlife Service. According to the Department of Agriculture, the Wildlife Service provided false information to the 2005 conference committee on HB 1009. As a result, the conference committee added $130,000 of contingent appropriations. The Wildlife said that federal funds were drying up, but the graph from the Department of Agriculture shows that there was actually an increase in federal funds. This calls for some type of audit. The State Auditor's Office said that there is an audit that would include the feds and they need to be included.

Representative Wald asked if the misinformation came from the state or from the feds.

Senator Bowman stated that it came from the state.

Senator Krauter stated that the misinformation came from Wildlife Services, the federal agency. Information from last session's conference committee notes was shared (meter 21:10). Specifics on the funding information given by Wildlife Services last session was shared (meter 21:33). We were told that the federal dollars were being reduced, but in reality now we are finding out that they were not reduced. These dollars were used to pay for very large salary increases averaging 18 percent. Some of the federal dollars that were intended for North Dakota were used to cover shortfalls in South Dakota. These things are all coming

up now. The federal money was the there. Explanation regarding the writing of last session's legislation was given (meter 22:26). We have to get a handle on this.

Senator Bowman stated that Ag Commissioner Roger Johnson was asked to hand out a summary of this situation to explain what is going on. It is our responsibility to figure out a way to get to the truth.

Roger Johnson, Agriculture Commissioner, spoke and provided written information (Attachment #1) outlining and explaining the situation regarding the funding for the Wildlife Services (meter 24:25). An outline of the concerns with the Wildlife Services accounting practices was given. The way we deal with this federal agency is much different than how we deal with every other federal agency. Normally federal agencies provide grants to the state and then the state handles the money and reports back to them. In this case, the legislature provides money to our budget and we pass that money through a contract (meter 25:35) and the federal agency spends the money. It is difficult to come up with consistent accounting information from Wildlife Services. We have spent some time trying to get to the bottom of those differences. The memo (Attachment #1) lays it out pretty straight forward. The extra $130,000 from last session is not reflected on the green bar on the graph (Attachment #2) because that was contingent on federal funds dropping (meter 26:34). Before we could release that money, we had to have demonstration that federal funds dropped. We did not; in fact, it went up. The far right-hand bar shows the $130,000 because there is an emergency appropriation in the budget right now to remove that contingency for the current biennium. Further explanation followed (meter 27:29). They need the money; that is not the issue here. Another issue is that we do not have direct control over how dollars are spent. There were significant increases in expenses, particularly a series of raises provided above what state rates would have been, that led to a shortfall. In North Dakota and South Dakota under

Wildlife Services they are handled together. Further questions regarding how this works should be directed to Phil Mastrangelo. The fifth point on the memo deals with what has happened with the Sunflower Association. A letter from them is attached to the memo (p.7-8, Attachment #1). They have basically given up on working with Wildlife Services on blackbird control. Explanation of point 6 (p.2, Attachment #1) followed (meter 28:50). We [the Department of Agriculture] were not made aware of the additional request added in the Senate until after we had testified. At his request, Phil Mastrangelo's responses to an earlier version of our memo regarding these concerns are included in the handout (p. 3-5, Attachment #1), so there are a few wording changes. One correction worth nothing is on item 4 (p.4, Attachment #1) regarding South Dakota, the shortfall was $30,000 (meter 30:00). That figure is in the memo to Senator Bowman, but it is not in the first draft of the memo that went to Phil and his responses are based on that first draft. Regarding the chart (p.1, Attachment #2), the first page is designed to show all state funding, general funds, Game and Fish money is in green. The red is SB 2179, the blackbird bill. The language in that bill states that that money is to go through the Ag Commissioner's office and then to the research arm of Wildlife Services, which is a different arm than what Phil is in charge of. The last green bar, the total Game and Fish money, on that chart includes the $130,000 that is currently in the budget before you which would apply to this biennium, not next biennium (meter 31:56). Further specific explanation regarding the Game and Fish dollars on the chart followed (meter 32:42).

Representative Klein asked if the $130,000 that did not get used in '05-'07 is going to be shifted to '07-'09.

Roger Johnson explained that the reason that the $130,000 is in the last green bar on the chart is because it is not yet law. It was in the '05-'07 budget, but as a contingency appropriation. The contingency did not trigger, so under the law that applies to the current

biennium, it will not be spent. Under the proposed budget that is being looked at today, if you approve the section that provides for that money to be spent in this biennium, it would trigger. Clarification was requested from Legislative Council staff (meter 34:29).

Becky Keller from Legislative Council explained that it cannot be carried forward to the '07-'09 biennium if that clause is included (34:39).

Phil Mastrangelo, State Director of Wildlife Services, appeared to answer questions regarding the funding requests (meter 34:55). Reference to the memo and his responses was made (Attachment #1). The biggest issue here is poor communication with the Ag Department on this budget. Full responsibility is accepted. The request for this funding is valid. There are a lot of people who depend on this program and the services it provides to them.

Senator Bowman asked if Mr. Mastrangelo had a prepared budget as to how the dollars received from North Dakota and the Wildlife Service would be used for projects in North Dakota in the '07-'09 biennium. The purpose of the prepared budget is so that the committee can go back and look at the dollars they have allocated to make sure that the funds are going where they were intended to go (meter 36:18). It is imperative that the committee know how the money was spent. A prepared budget detailing the money received from the state and how it was spent up to the present was requested to be provided by Monday. That will answer a lot of questions for us.

Mr. Mastrangelo said that he would provide that.

Senator Krauter referred to a conference committee last session when Mr. Mastrangelo provided a document showing a decrease in federal dollars. The committee made a commitment to add funding based on that decrease. However, these charts (Attachment #1) show no decrease in federal dollars; in fact, there was a huge increase. There are two issues

here: showing numbers that went down and numbers showing that it went far above that. How do you respond to that?

Mr. Mastrangelo stated that he has not seen those statements that have been provided, but has a feeling he knows what they are. The difficulty in dealing with these federal dollars is being able to indicate how much is available to match with the state funds. Yes, there were significant increases in the federal budget; however, there were not increases in the amount of money that could be applied towards the _____ dollars (meter 38:27). Reference to the contingency issue was made (meter 38:34). There is not a clear way to show the Ag Department how that figure is derived. There were large increases in federal dollars, but not all of those federal dollars could be used (38:53).

Senator Krauter (meter 39:03) referred to the information given by Mr. Mastrangelo and asked about the significant drop in matching federal funds, almost a 50% reduction. It is hard to accept that the federal matching dollars would be dropped that much. If anything, the matching would be the same instead of going down by 50 percent.

Mr. Mastrangelo stated that that information is not specific enough to indicate how these funds are being spent for each object class, such as salaries. Those were generalities on how these dollars were spent for these various resources. It was not detailed enough. The information needs to be improved and that will be provided to the committee (meter 40:02). On paper it looks like there is a huge increase in federal dollars, but those funds are targeted for specific programs. The blackbird issue that has come up has been answered (meter 40:34).

Senator Krauter stated that on Monday he hoped to get to the bottom of this as far as what is to match, historically and what is in the next fiscal year.

Senator Bowman again stated the importance of Mr. Mastrangelo providing a budget for both the current biennium and the '07-'09 biennium which includes the amount of state dollars, matching dollars, and where the money will go so that the committee can follow this and get to the bottom of it.

Representative Wald referred to item 4 (Attachment #1) and the shortfall in South Dakota and asked if Mr. Mastrangelo has authority to move money from one state to another when it is money that is appropriated based on a contingency basis (meter 41:19).

Mr. Mastrangelo answered that the money identified in that item was federal dollars, not state dollars (meter 41:44).

Representative Wald stated that the appropriated dollars were federal dollars.

Mr. Mastrangelo (meter 42:01) stated that federal dollars were appropriated to us and I have a joint administrator responsibility to provide some federal dollars to maintain an office in South Dakota. That issue has been resolved. That program has been operating under some special contracts that help fund the position in South Dakota. That issue in item 4 has been resolved through a contract we had, so the $30,000 of federal funds are not going to South Dakota.

Representative Klein expressed concern over the situation (meter 42:40). Clarification regarding the South Dakota arrangement and program was requested.

Mr. Mastrangelo stated that in the mid-70's, a special arrangement was made that allowed South Dakota to operate its own Wildlife Services program, similar to the programs in other states, instead of a federal program. South Dakota is the only state in the union that operates its own Wildlife Services program. The federal government made an agreement with the state that they would provide federal funds for the state to operate its own program (meter 43:09).

Representative Klein asked if South Dakota receives the same amount of federal funds that North Dakota does, but they manage them, hire their own people, and control that system.

Mr. Mastrangelo stated that that is correct; however, there has been a change in this recent congressional allocation and those federal funds will no longer be available to South Dakota. Reference to the issue of earmarks and directives was made. Funds will no longer be able to be passed back to the state agency (44:04). It is a complicated issue, but it was a unique situation in South Dakota. Those funds are allocated from the Washington office to Mr. Mastrangelo. Mr. Mastrangelo signs an agreement and those funds to go the state. Mr. Mastrangelo stated that he has no control over how those funds are spent and is not able to assess any administrative costs of those funds. It goes straight to the state of South Dakota and they operate their own program. South Dakota is the only state that operates its own program independently.

Senator Krauter asked why money had to be added if there is a contract with South Dakota (meter 45:09).

Mr. Mastrangelo stated that the money that goes to South Dakota Game and Fish is a set amount. It goes straight to them. The money to operate the North Dakota program and to maintain the South Dakota office is not linked to the pass-through funds (meter 45:33). The $30,000 shortfall was not for the South Dakota Game and Fish and Parks money. It is a shortfall for the office that Mr. Mastrangelo maintains in Pierre. It is completely separate from the state agency money. The federal dollars that are appropriated to North Dakota have to be used to maintain the program here and the position in South Dakota (meter 46:16). There was a potential loss of $30,000 in the South Dakota office—separate from Game and Fish—that had to be made up. We have a year-long contract that is for a special project that makes up for that shortfall, so none of the $30,000 for North Dakota is going to maintain that office (meter 46:40).

Representative Gulleson commented on the letter from the Sunflower Association and stated that it was disturbing. They are essentially saying that they feel that the federal dollars they advocated for were not used at all for the intended purposes (meter 46:59). Rep. Gulleson asked Mr. Mastrangelo to respond to that.

Mr. Mastrangelo stated that about $300,000 in federal funds is spent for the Sunflower Association this past year. An equal amount of money will be spent this year. There is a lot of frustration with the sunflower industry. They are dealing with a very significant problem that is extremely difficult to resolve. In spite of what the letter said, the biggest program for blackbird damage is managing cattail habitat. $190,000 in federal funds was spent towards that program. There is specific money that is supposed to be used for blackbirds and that is used for blackbird control (meter 47:25).

Representative Gulleson asked for information showing what the money was used for. It has become a problem for the legislature because there is another bill asking for additional funding for blackbird control.

Senator Bowman stated that when Mr. Mastrangelo brings his current budget and his proposed budget and earmarks these dollars—where they are going to go and how they are going to be spent—some of this will be clarified. It is confusing. This is an issue that has to be resolved before we finish this budget. At the next meeting, the conference committee needs those two budgets and wants accountability for every dollar in there.

Representative Gulleson added that the budget reports need to indicate the number of FTEs for each biennium, the salary of those FTEs, and the history of salary increases for each biennium (meter 49:09).

Senator Krauter also requested that Mr. Mastrangelo bring the most recent audit (meter 49:28). State agencies are audited to make sure that state dollars are accounted for.

Mr. Mastrangelo stated that they do not have a federal audit. There is a divide of the regional office and the various accounts and that information could be provided (meter 49:39).

Senator Bowman commented that the budget is shaky until further information from Wildlife Services is provided. Some type of marketing equity between the House and the Senate version could be looked at. Further explanation regarding the labeling program, salary adjustments, EPA, and other budget issues was given (meter 50:28). Another thing to look at is giving money to the Department to use for marketing at their discretion. If they can match federal dollars in any way with any of that, that brings extra dollars in from their pool of money and we get another agency's flexibility. It has to be accountable and the committee has to know where the money goes. If we can come up with something like that, maybe we can get everything done with the exception of the Wildlife Service part of the budget.

The conference committee on SB 2009 was closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: 04-09-07

Recorder Job Number: 5848

Committee Clerk Signature	Alice Dieber

Minutes:

Chairman Bowman opened the Conference Committee hearing on SB 2009 regarding Ag. Dept on Monday, April 9, 2009. All conferees were present. They are Senators Fischer and Krauter; Representatives Klein, Wald, and Gulleson. Becky Keller from Legislative Council and Sheila Peterson from OMB were also present. He asked if Phil had the information requested regarding Wildlife Services.

Phil Mastrangelo, USDA Wildlife Services presented written testimony the Budget Proposal, 2007 – 2009 Biennium – Governor's Budget Proposal (1).

Chairman Bowman asked what his department does when they request extra money for a program. What is your procedure to request dollars from the state.

Phil What we do is look at what our program expenditures are, what our program level of service is, we look at what's available from the federal side of the ledger versus what's available from the state side of the ledger, look at our projected expenditures, see where we are short on either side of the ledger, then we try to get increases on both sides. Per our agreement with the state there are certain expenditures that we fill only with federal dollars like the benefits for our field specialists plus the purchase of vehicles. Per our agreement with the Ag Dept. on the state side of the ledger we pay the salaries, fuel costs, other supplies. Also on the federal side we pay for travel. We never let state dollars shift over to the federal side of the

ledger. However, we will use federal dollars as we need them to jump across to pay salaries and fuel costs. Federal dollars jump across the ledger but state dollars do not.

Chairman Bowman had questions regarding the substantial salary increase, up to 28%. When you set your budget and you ask Legislature for X amount of dollars for your programs and then you are allocated from the federal government, and as you stated a second ago you use those federal dollars for salary adjustments, when you did that did the state then have a decrease in the amount of money for the programs we thought we were funding.

Phil Yes we did, when we had federal dollars we jumped across that ledger to help pay for those salaries.

Representative Wald Are you under USDA or the Department of Interior? He was told under USDA.

Representative Klein You're going from 8 specialists to 10? What was the logic for this? He was told historically it is 10 field staff and one pilot. Currently we have 1 vacancy. Under the proposed budget it appears we will have to drop down to 8 specialists. (meter 06.51)

Representative Gulleson had questions regarding the budget.

Representative Wald asked why this is coming to us at this late date.

Phil stated it was his fault, that he did a poor job of salary projections and accepts the responsibility

Chairman Bowman How many dollars do you actually have to have from the general fund to do what you're suppose to do for Wildlife Services. And if you've given some of those funds into salaries what does that amount to so we can look at doing this budget and getting it out of here, knowingly if we pass it, $200,000 or $50,000 or whatever it takes to do what we asked you to do is going to be funded for that specific purpose. The second page of budget proposal was explained by Phil. (meter 9.57)

Representative Klein Correct me. Somewhere I don't seem to understand. On the first page you get $126,600 in salaries through the federal system, and then on the second page where you have 10 field specialists your only taking $76,353 dollars of federal money. I don't understand.

Phil That's just the decrease on the federal side of the ledger is what we're looking at our base, our flat side of the federal side of the ledger without any increases in the upcoming federal fiscal years, keeping in mind that this upcoming biennium spans three different federal fiscal years so when this budget trigger was put together it was based on our FY 06 federal level because we had not received our FY 07 allocation yet.

Chairman Bowman One other thing I think we need to know is whatever money we give you in this next biennium, what are you going to use it for? Because there's no budget in here that says X amount goes to coyotes, X amount goes to beavers, X amount goes for whatever, we don't have a clue. (meter 12.21)

Phil We will maintain the historic program which is 40% coyote work, 40% beaver work, and the other 20% scattered out on nuisance claims like raccoons. We have had that program in North Dakota for several years.

Chairman Bowman (meter 13.00) I am glad you just shared that with us because now we are starting to think about what we are appropriating money for. We need to see where these dollars are going to go. We need to see that where we appropriate the money is where the money is going. There will be some type of an audit, for your protection as well as for us. I hope when you see this audit in the budget, it won't come from us but there will be some feds that will be involved in this to get the information to us. It is nothing personal but we have to deal in numbers that are factual,.

Phil I certainly understand this and welcome any audit.

Senator Krauter I gave my notes to everybody from the last conference committee, and I don't know what numbers to plug into this anymore. More discussion followed regarding the budget sheets. (meter 15.22)

Phil stated we have multiple accounts in this program. We have blackbird funds, and that issue was raised on Friday concerning use of blackbird funds and we have some documentation that we'd like to provide to the committee, but we also have Wildlife disease funds and those funds are separate funds that we cannot pull money out of towards the coyote or beaver work. When we add up all our various accounts; our base account, cattail money, our blackbird money, our wildlife disease money, we have a large amount of funds but only so much of that is used for coyote and beaver work.

Senator Krauter I understand that. Mr. Chairman, I thought what we would get today a total accounting of all the state money, all the federal money, so we can get to that lower right hand corner of that spreadsheet and we can get back and see what our commitment is going to be and I don't see that. This one is just state dollars. When I look at this second sheet you gave us that says state and federal right now I don't believe that total because that total has to be over $2 million dollars. There are other programs here that I know we don't partake in but they're not included here.

Phil I did not include those and the reason I did not because they were not part of the match with the state dollars. I can certainly generate that and have it to the committee.

Chairman Bowman Make sure, and write this down, you have an accounting of every general fund dollar that you requested and for what programs those dollars are going to be used for and what federal dollars are applicable to those programs and your other federal dollars, a total of those dollars allocated and where they go. That will be the determining factor on how

we apply the dollars that you currently ask for based upon those facts so it better be true.

(meter 18.47)

Senator Krauter Who is your fiscal person? He was told the department has a budget analyst. Senator Krauter Can that budget analyst provide us with a cash flow statement from 05, 06, and 07?

Senator Bowman We've got to get the right $ amount. The audit will clear up all the rest of this. We'll make that request.

Representative Gulleson Those numbers really should match the total on this one graph we got that shows the federal and state wildlife services funding So the 3.7 and the 4.2 requested for 07-09 should match with the total breakdown.

Representative Klein For my information, directed to Mr. Johnson, I would like to see a copy of the agreement between the Department of Agriculture and Wildlife Services.

Chairman Bowman We need to wrap this up today but I am requesting we delay this a couple of days so Phil has time to put all this together.

Phil presented one more handout regarding the use of Blackbird funds (3).

Chairman Bowman The way this is laid out and there is money for the blackbird problem why are the producers so upset with the program? He was told it is a challenging program. We're dealing with large numbers of blackbirds and we can't control them. (meter 23.38)

Senator Krauter had questions on salary and benefits and the budget dollar amounts regarding these issues. Why is 96 not 115?

Phil explained the reasoning behind this. He shared about the fact it helped support the office in Pierre, SD and in the office with administrative expenses. We made that proposal in February 2006 and our blackbird work doesn't really take place until after July and it was just a proposal in the spring. There was no change in the number of individuals. (meter 24.43).

Chairman Bowman Does anyone else have any directives as to what you would like for information? One thing I would like to do at the next meeting, if we can, and that's agree on some numbers for the endangered species, what number we are going to put into this budget because there is no question we both agree it's important. There's a difference between the House and Senate version and we're going to have to come up with a number for that. The other would be market equity with our veterinarians, we both agreed to put money into that. We have to find a number we can both agree on for that. A couple of other smaller issues, like Pride of Dakota. We need to get a handle on whatever we do as to how it will affect the ERP fund. That's the bottom line to some of this. There is significant difference in both versions.

Representative Gulleson One of the things we do need to address early on is those dollars that have been moved into the ERP fund, that dollar amount that is part of the funding source for endangered species. We need to get our arms around those dollars. (meter 27.42)

Chairman Bowman asked for that information from Becky Keller.

Representative Klein introduced amendments concerning the meat inspector/meat grader Basically they are to bring half-time meat inspector/ half-time meat grader. He explained the rationale behind his proposed amendments. (meter 29.33)

Chairman Bowman recessed the Conference Committee Hearing on SB 2009.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: 04-13-07

Recorder Job Number: 5988

Committee Clerk Signature	Alice Delzer

Minutes:

Chairman Bowman opened the Conference Committee Hearing on SB 2009 on April 13, 2009. Roll call was taken with all conferees present. They are: Senators Fischer and Krauter; Representatives Klein, Wald, and Gulleson. Becky Keller, Leg. Council and Sandy Paulson, OMB were also present. He asked Phil Mastrangelo, if he had the information that the committee asked for regarding the budget. The question I would ask before we go any further in your budget for this particular coming biennium how much resources do you have to do the job that needs to be done with the beavers and the coyotes.

Phil Mastrangelo, USDA Wildlife Services presented several written handouts (1) PROJECTED FEDERAL FUNDS 2007-09 BIENNIUM; (2) NORTH DAKOTA WILDLIFE SERVICES ALL FEDERAL FUNDS – FY 02 – FY 06; (3) FY 06 COSTS PAID FROM FEDERAL FUNDS BY CATEGORY and explained document #3 regarding the base budget and the use of these funds. (meter 04.50)

His testimony included and are found on #2 Federal Base, Aviation Operations, Livestock Protection, Blackbird Mgt, Disease, ND AI Surveillance, Avian Influenza, and Revolving Account. He also addressed the Cost Share Program. (meter 11.32)

Chairman Bowman on the $381,162.00 for Blackbird Management are you going to use that money for this coming biennium for blackbirds? He was told yes. In previous testimony I

provided you with a proposed budget for blackbird management this year. Out of that $381,000.00, $200,000 we are going to try to use for Cattail management. Senator Bowman also asked if the Sunflower Growers Association aware that this is actually going to happen so that they feel some relief? He was told yes, that Phil provided them a copy of the National Sunflower Association budget also so they can see what our plans are.

Representative Wald are we to assume when you say projected federal funds for 07-09 that it matches with our biennium? Is your calendar year the same as ours? He was told it does not match yours. Our federal fiscal year runs from October to September so when we talk about the 07-09 biennium we are actually talking about 3 federal fiscal years, the last quarter of 07, all of 08, and the first 9 nine months of 09. It was noted that the last 3 months of this coming biennium would overlap into your federal monies. The first 3 months of the upcoming biennium are the last quarter of our federal fiscal year.

Senator Krauter the blue column says FY 2007, where is the column for 2008 and 2009?

Phil the 07 budget projection was based on our 06 funding level. We are several months in our fiscal year 07 and we haven't received our appropriation yet. So when we make projections towards the upcoming biennium the best that we can do was us our FY 06 funding levels. And it's important that I mention that because, again, the Avian Influenza money it shows a significant increase in federal dollars but the availability to those funds in the upcoming fiscal year are not going to be there. Further discussion followed regarding the projection of funds for the upcoming year. (meter 14.56)

Senator Krauter I guess what we need to do is get 2 years of biennium and we've only got 1 year so if I take that and double it for 24 months, $380,000 blackbird management does that mean there will be $760,000 for blackbird management in the biennium? Am I reading it right?

Phil if you take those funding levels and just double them that would be a good estimate of what we will have.

Representative Gulleson one of the issues is your request for $130,000 to make up for a short-fall that you predicted on the federal and I think that's one of the things I haven't been able to reconcile in all the numbers. Also I never did see the breakdown of those salary increases which we asked for, the percentage of the increases. Where is the short-fall?

Phil submitted written Handout (4) Salary Trends, FY02 – Fy07 for field personal. He presented another Handout ND Dept of Agriculture Budget (5). He stated one of the issues in our current biennium is the need for an emergency clause for about $130,000 to make up for the $141,000 decrease in our program funds. So in the current biennium we are projecting as of the end of March a $141,000 deficiency for the current biennium. A release of those $130,000 to the emergency clause would allow us to offset that deficit. We can make up any future deficit for the rest of the current biennium with the remaining funds in our FY 07 federal budget. $800,000 is available as in previous testimonies we talked about this the contingency language in or current agreement and in the past talked about the release of those funds. Without the release of those funds we will have that $141,000 plus deficit. (18.51)

Chairman Bowman we'll have to get this sorted out over the weekend. Because we can't get this settled right now.

Senator Krauter I just ask Becky to work with the Department and come up with a spreadsheet that gives us column that has state dollars, a column that has federal dollars and the total for Wildlife Services and in that give us some direction as far as what the Department thinks we need to make this work for the 07-09 biennium and if you want to put one column on for the history of the current biennium. We just need one sheet because we are getting so many we can't put it all together.

Chairman Bowman give us awhile before we schedule our next meeting. Phil, I thank you for all the information that you've given us. I am surprised after we had that one bill on blackbirds with all the money in this budget that we had a separate bill just to deal with blackbirds. This really shocks me. I had no idea when they came in and asked for help that the help was already there but for some reason it wasn't getting out to the people or to the Sunflower Growers because they sounded like they were in desperate need of something and it seems to me with the money in the budget for that there should have been a better working relationship there than what it was.

Representative Klein your blackbird program does it take it into account the new idea they have now of enticing them and poisoning them or you just scaring them with the cannon? He was told they do both. It was also asked if the poison program is new, and was told no.

Becky explained the amendments and proposed conference committee changes (meter 24.29)

Several other written testimonies were submitted to the committee. They are:

6. COOPERATIVE SERVICE AGREEMENT BETWEEN NDGFD AND NDDA IN CONJUCTION WITH WILDLIFE SERVICES (WS)

7. COOPERATIVE SERIVCE AGREEMENT REINBURSALBE BETWEEN NDDA AND WS.

8. WORK/FINANCIAL PLAN BETWEEN NDDA AND WS FY 06.

9. WORK/FINANCIAL PLAN BETWEEN NDDA AND WS FY 07.

10. 2007 Senate and House Changes and Proposed Conference Committee Changes.

The Conference Committee hearing closed on SB 2009.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: 04-16-07

Recorder Job Number: 6047

Committee Clerk Signature	Alice Delzer

Minutes:

Chairman Bowman opened the Conference Committee on SB 2009 at 10:30 am on April 16, 2007. Roll call was taken. All conferees were present: Senators Fischer and Krauter; Representatives Klein, Wald, and Gulleson. Becky Keller, Leg. Council and Sandy Paulson, OMB were also present. We passed out amendments at the last meeting there is a couple of things that I would like to discuss and get off the table right away. The one thing we all agreed on was the Endangered Species Program and the amount was 250,000. There is no disagreement that it is needed.

Senator Krauter I just want to make sure we understand that. The footnote differs from what it says in the dollar amount column. We had agreed to 1.5. That was confirmed by Becky. There was a show of hands that that was the figure we all agreed on. Senator Krauter had a question if the $50,000 is coming out of general fund, my question is, can someone tell me what the proposed ending balance is in the ERP fund.

Becky explained the ending balance for the ERP fund is not affected by that $50,000 from the general fund. If everything stays the way it is now we still will have an ending balance of $4,781.00 in the ERP fund. That does include a transfer. It is the same one that is in the book. (meter 03.12) This amendment does not affect the funding level for ERP. We include a $150,000 transfer from the general fund to ERP and then $50,000 transfer from NDSU

Extension Service and so the $50,000 that we put in for these amendments is going right into Ag's budget for that and it won't affect the ERP balance. Senator Krauter asked where the other $200,000 come from. He was told it comes out of the ERP fund and the only revenues that I know of for the ERP fund are other than transfers are the pesticide registration fees. The only thing now that will affect the ERP fund is what happens on SB 2323. She was informed they passed that out with no changes. That being said if these amendments go through the ending balance for the ERP fund will be $4,781.00 at the end of the 07-09 biennium.

Chairman Bowman we're all in favor of that raise your hands, so we got that done for 1 ½ FTE"s.

Representative Klein the one item we discussed is that the accounting be kept separate from the rest of the Ag Department.

Chairman Bowman there should be a notation in there to make sure we have a tracking on this because this is a new program and we need to track those dollars.

Becky asked if they want a separate line item or separate report. She was told separate report to the budget section.

Chairman Bowman another item we discussed is the House reduced the FTE for meat inspection program but we added one back and the one added back so it's clear for everyone it's half time inspector and half time grader. There is some federal funds that come back with the grader part of this. Those federal funds stay within the meat inspection program. They also have if they have the need to come before the Emergency Commission to ask for the other inspector. This is what the amendments do.

Senator Krauter had questions regarding this issue. Further discussion followed regarding giving that position right away rather than waiting to come before the Emergency Commission because there is indication there is growth occurring. There were further arguments as to if

they need that many meat inspectors. He was informed that the department is not being denied that meat inspector if it is really needed. (meter 11.02) Senator Krauter asked why tie the hands of the Emergency Commission if we expect this growth.

Senator Wald made comments concerning looking at the map and seeing where the need is and asked will we really double the meat processing in one biennium.(meter13.28)

Chairman Bowman we are not denying them the meat inspector if they need it. We will go on to the motor pool expenses. When we discussed this I said cut it in half instead of $50,000 cut it back to $25,000. Gasoline prices have gone up considerably, everyone who does any budgets with any motor pool expense at all has the same problem that all of our state budgets are going to have and that's the overall cost. I think the need for that extra $25,000 is there so I ask that we're going to take that in half and I'll open it for discussion.

Senator Krauter when the House gave the reduction it was all general fund dollars, it should have been special general and federal dollars that are used for motor pool. What's done here is really crippling the hands of the department. He made further comments regarding the ratio between federal funds and general funds. I think it needs to be restored around maybe $10,00 or $12,000 general funds.

Chairman Bowman only reducing that $25,000, that extra $25,000 of extra federal funds that's available. Honestly if you have $25,000 more than you had before and you can use that to match any funds you're that much ahead plus whatever funds you match. It's a considerable change from the way it came across to us.

Senator Krauter you're saying that federal and state dollars are 50/50. He was told no. Senator Krauter said that is what this does. Senator Bowman said they have the ability to take the $25,000 that's in this amendment and match it with whatever funds are available so that will put us that much further ahead then when it was a minus $50,000 in general funds.

Senator Krauter motor pool dollars are not a match, they're grant expenditures so you don't match them up with federal dollars. He was told then they are $25,000 ahead of what they were.

Representative Wald as I look at the executive recommendation under operating line item the governor's recommendation was 29.7% increase this biennium in operating so I'm assuming motor pool expenses are falling under operating expenses.

Representative Gulleson we're asking for reduction from the general fund. We're taking a significant cut in the general fund. What Senator Krauter is saying we are doing a disaportionate amount of the cuts from general fund in regards to the federal funds.

Senator Bowman Becky, how many dollars is in the fund with these amendments is over the governor's budget. He was told about $500,000 more than the executive budget. He said part of that comes from the Endangered Species. Comment was also made concerning the Dairy Coalition by Senator Krauter. The last item is the salary equity pool. The Senate was quite a bit higher than the House was. We tried to average the two out between the House and the Senate. The way it stands right now from the Senate version it came down $34,000 of general fund money, then you add back in the special funds that can be used for that and the total of that amount is also an increase from the House version. $24,689.00.

Representative Klein moved the amendments. Seconded by Senator Fischer. Discussion.

Senator Krauter had questions regarding the Dairy Coalition and Wild Life Services.(meter 22.00)

Senator Bowman stated Wildlife Services is the last one and after reading all the information that we were presented I think I am more confused now than what I was when I started. We were given a tremendous amount of information to try to absorb in a short amount of time and I still have a question mark in my mind concerning the raises that were given two years ago,

how much did that adversely affect the services that went out for the programs, because it was almost over 20% in that one year and my question is how much of that increase in salaries took away from the ability to do the programs. I think that is a just question because it was such a huge amount compared to the past history of those increases. Consequently of that they've come in and asked for more. (meter 24.00)

Representative Gulleson we need to add language requesting a copy of an audit of those funds. She was told that is in the agreement. When you're dealing with federal funds it's different than state funds. Senator Bowman agreed with her to put some language in there that over the summer we are going to pursue the bottom line to this budget so we know where we are at. Even another suggestion was to look at South Dakota's approach in dealing with this source between the Game and Fish and Wildlife Services and leave us out of this.

Representative Klein I would hopefully to add that wording to have the Game and Fish and Ag Commissioner look at South Dakota's project and see if we can't copy some of that.

Representative Wald you want an audit just on Wild Life Services. He was told yes.

Chairman Bowman said it has to be the money we pass through to them also because it's imperative that we know the amount of money that we gave them and what that money went for. So it will be state and federal funds.

Representative Gulleson all federal grants are subject to auditing. My estimate this program has to fall under that umbrella for an audit. If our auditors request copies of that they should be able to see what the federal portion would be.

Chairman Bowman could we get language to add to this amendment in requesting for an audit so that we know exactly where we are at with the money we've given them in the two last bienniums and the money that was allocated for the programs so that we can track these dollars. Because I never did see a budget. We did get information regarding the blackbirds. But

we do have a motion and second on the floor and we need to call the roll on that. Just before we're done we will review and take another motion on the amendments after they are all drafted.

Senator Krauter the emergency clause is for ALL Wildlife funding. I can't support that. Why are we doing that? He stated later his point is we tie the hands of the meat inspectors and leave the door wide open for Wildlife.

Representative Klein the reason behind that we wanted to shoot the coyotes before their young were born. Further discussion followed. (meter 29.27)

Further discussion followed regarding the emergency clause, questions regarding Section 16 and Ag in the Classroom, and the differences between the House and Senate regarding this bill. (meter 33.00)

Chairman Bowman closed the hearing on SB 2009.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: 04-17-07

Recorder Job Number: 6078

Committee Clerk Signature	

Minutes:

Senator Bowman called the conference committee to order on SB 2009 on 04-17-07, all were present.

Senator Bowman distributed amend 0218 and Becky Keller was asked to address the language in the amendment and when this was done have the amend for ag in classroom an issue with policy.

Becky Keller discussed the change for this amendment and the addition of a legislative council study.

Representative Wald asked if we added funds to that program.

Representative Klein where does it ask for a performance audit related to the cooperative agreement for the 03-05, 05-07 and 07-09 biennium's. I think we want an accounting of the funds more then a performance audit.

Senator Krauter stated he would like a perform audit because then we know the funds are being used and we can account for what they are used for.

Representative Wald indicated usually a performance audit it is about carrying out the mission of the agency. Are they performing according to our expectations? If we get into a fiscal audit then we get into all funds. I am not sure they would have time to get into a performance audit I think what you are looking for could be accomplished in a fiscal audit.

Senator Bowman can this be done with a committee.

Representative Wald indicated that whoever chairs after July 1 could be asked to do that type of audit. We could put it on the agenda for them.

Senator Krauter indicated he didn't have a problem with that but we have dealt with this for four sessions and I think we are to the point of getting our arms around it.

Senator Bowman indicated we all agreed with the basis of the amendment as far as the dollars. In reality there was some fairly good compromises made between the House and Senate version and with meat inspectors if there is a need for another one, there is language to make that possible. We agreed on the endangered species figure; the equity pool we cam up with and the pool of money for salary adjustments; the emergency clause is in and let's leave the audit out until the right language is in.

Representative Klein motioned to approve amend 0218, Senator Krauter seconded. There was discussion.

Senator Krauter indicated we had not talked about the funds eliminated the pass thru dollars the house put in and the pride of Dakota and they are not in these amendments.

Representative Wald indicated the house made these funds go to Ag commissioner and when we looked for money to fund the endangered species.

Representative Gulleson indicated she followed those dollars I did not see where we had to make that concession to make the numbers work. This is something we agreed on in the house and I think it is really important to keep pride of Dakota in there.

Senator Bowman what is in for the Pride of Dakota? The response was about $150,000.

Senator Krauter indicated what his handout does is allow for fees to be used in Pride of Dakota for themselves and not to the Ag Dept. If you are concerned as to the dollars this process of charging fees

and rolling them back to the program. We are not comfortable with what is happening and here we are increasing funding for wildlife services.

Becky Keller indicated the grand total for wildlife services is $1.130 million. Additional discussion followed on this topic.

Senator Bowman indicated bottom line is until we have an audit and see where this is at as to what we spend and were we are at. That is why the audit is imperative to get answer and which type of audit get don't know. Let's try to get these amend passed

Senator Krauter asked how much more do we spend on that. Additional discussion took place on this.

Senator Bowman this adds $30,000 more to pride of Dakota.

Representative Wald how much money is in pride of Dakota now? The house put money in pride of Dakota to pick up expenses when they travel out of state that is what $30,000 is. If we put additional in we are over the Governor's budget.

Representative Gulleson suggested allowing Pride of Dakota to keep the fees remove the $75,000 from the Wildlife Services. She supports Senator Krauter's amendment to restore the $30,000 to Pride of Dakota

Additional discussion took place on this concept.

Representative Gulleson then indicated she suggested removing $75,000 from the general fund for wildlife services and put $80,000 into Pride of Dakota.

Representative Kempenich brought two amendments down to address another issue on ag in the classroom which is a policy issue.

Representative Kempenich indicated amendment 0219 is one of the answers to ag in the classroom. It takes it back to the way it is today. Other then grant recipients would be sitting at the table with no vote. The ag in classroom council should consist of 16 members as well as who the designees would be.

Senator Bowman asked Representative Klein if he was stating you want the committee to consider both amendments.

Representative Klein moved to adopt both amendments 0219 last line and 0220 for consideration.

Senator Bowman indicated we have motion for 0218 and the possibility of further amending. A roll call vote was taken resulting in 2 no, 3 yes the motion did not pass.

Senator Krauter moved approval of his amendment, Representative Gulleson seconded to add $30,000 in general funds plus up to $80,000.

Becky Keller indicated the amendment will change century code take funds from the general fund. It will then result in a decrease in revenue of $50,000.

Representative Gulleson offered a suggestion to remove $80,000 from the general fund.

A roll call vote was taken resulting in a failed motion.

Representative Gulleson moved we reduce the increase on wildlife services funding from $450,000 of general funds to $370,000 in general funds. Senator Krauter seconded. A roll call vote was taken resulting in five yes votes. The motion passed.

Senator Bowman closed the hearing.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: 04-18-07

Recorder Job Number: 6101

Committee Clerk Signature	Alice Delzer

Minutes:

Chairman Bowman opened the Conference Committee Hearing on SB 2009 on April 18, 2007 regarding the Ag. Department. Roll call was taken with Senators Fischer and Krauter present/ Representatives Klein and Wald were present for roll call. Representative Gulleson came after roll call was taken. Becky Keller, Leg. Council and Sandy Paulson, OMB were both present. Senator Bowman stated we would look today at what happened yesterday and the last thing we will look at today will be the Pride of Dakota. Discussion followed regarding the amendments that were addressed on April 17th. He said we took $80,000 out of Wildlife services yesterday and that amendment passed. He stated the amendments submitted by Representative Kempenich needed to be addressed as there was confusion regarding them and their intent and he needs to present different amendments today to address this issue. My intention would be to address that after we address the amendments that we failed to pass yesterday because I thought we had an agreement on that at least on the basis of what we used for dollar figures (meter 2.36) The amendment that I offered yesterday adjusted the market pool dollars, adjusted the motor pool dollars, it provided money in emergency funding for Wildlife Services, it provided money for Endangered Species line item, and it provided for ½ time meat inspector and ½ time meat grader, it allowed the Department to request from the Emergency Commission if there was a need for an additional meat inspector, money would go

from NDSU Extension Service to be deposited in the ERP fund for Endangered Species, it would allow us to study if the Game and Fish and US Wildlife Services should go together like South Dakota does, it would allow the report of Endangered Species to the budget section, that's the dollars that we track, it calls for a performance audit between the Wildlife Services and the Department of Agriculture. I went up and talked to Gordy at the Auditor's Office and he said that the performance audit would be the right audit. They can act on that a lot faster and they can get whatever information that we need. That is the language in the amendment. I would honor a motion for amendments 70833.0218.

Representative Wald moved the amendments. Seconded by Representative Klein. A roll call vote was taken resulting in 4 yeas, 2 nays. Motion passed. (meter 05.14)

Chairman Bowman The next amendment I'd like to consider would be the amendment #78033.0219 that Representative Kempenich presented. He had it redrafted. Becky would you like to highlight the redrafts so we are all clear on the amendment and make sure that it is the language that fits into the bill.

Becky Keller I did not draft this amendment. She explained the changes to the committee. (meter 06.19)

Representative Gulleson Would the current Board have to resign effective the end of the biennium and then this new Council formation takes place. What would be the process when you've got to get rid of 5 people. She was told this bill becomes law August 1, 2007. There was further discussion regarding this matter. (meter 08.09)

Senator Krauter Can you tell me, this is a stand-alone agency now with no authority to do any administrative costs providing for this agency so we're going to have to, or how are they going to be able to operate. Because we appropriate money for Ag in the Class Room are they going to have to take out of grant money and it won't be going to Ag in the Class Room to pay for

their administrative costs. What this does it does not remove Section 19 in the bill which is the Legislative intent to make it a stand-along agency and if we do that we're going to be taking away from the dollars that go into classrooms. They're going to be calling people in to serve on an advisory committee. They're going to have an FTE to operate this because that's what the intention is in Section 19.(meter 09.42)

Becky This council has already been established. She said she doesn't have that copy. She was told it is in Senator Bowman's amendments .0218. What you would have to do in his amendments he would have to actually, if he wanted to, further amend his amendments to remove Section 18 and 19 from his amendments.

Representative Wald stated that was the motion I was about to make. I don't see that there is a fiscal impact in this.

Representative Wald moved to further amend .0218 and remove Section 18 and insert Amendment .0221 instead. Seconded by Representative Klein. Discussion followed.

Senator Krauter stated then Section 19 is in the bill with that motion and what that basically does what I just said so we're going to have a stand-alone agency for Ag in the classroom. The money is going to come directly from the appropriation to the Ag Commissioner to the Council and that Council then is going to have to administer the program. And at that point, those individuals are not volunteers, they volunteer some time but they're going to get compensated, who's going to organize the meetings, who going to order the grants. As I came down here I talked to Farm Bureau on the way down who had a problem with this issue and he asked if it is resolved and I said yes. (meter 11.41)

Chairman Bowman Sounds to me if you read the last item the Council shall provide for the election of the chairman from among it's members and shall establish it's rules of operation

and procedure. If they have the authority to do that then they have the authority to govern as an agency within an agency. (meter 12.04)

Representative Wald stated these amendments were drafted by an attorney.

Representative Gullison I think there's no opposition to adding those members ex-officio and making sure they have a voice at the table. We could simply realign the committee to make sure they were included without what you are doing in Section 19 you're basically removing support staff from Ag Commissioner's office from working and helping get out meeting notices and help provide overall direction. I'm not sure that's what we want to do. I don't think it's what the Council wants us to do.

Chairman Bowman I think it is what Representative Kempenich wants us to do or he wouldn't have drafted it the way he drafted it. It is here, it is a part of the bill and the amendments we passed and we have a motion and a second to pass the amendments. Lets call the roll on the Kempenich amendments .0221 and further amend according to Representative Wald's motion. **A roll call vote was taken resulting in 3 yeas, 3 nays. The motion failed.**

Senator Krauter moved the amendment .0219 that was offered by Representative Kempenich offered yesterday. To me this is the agreement that I think everyone brought to the table that said that those recipients were given to the table so they do have some vocal input. Seconded by Representative Gulleson. Discussion followed.

Representative Wald Do we have a list of the 16 who would leave? Further discussion followed. He also stated he was not confident enough to vote on this amendment unless I have a list inserted in the bill which organizations are represented in Ag in the Classroom.

Becky in .0219 this will keep the members as established by the Ag. Commissioner.

Representative Wald stated he wants Farm Bureau involved. (meter 17.48)

Senator Krauter The McClean County Farm Bureau President is on the advisory board.

Roger Johnson, Agriculture Commissioner I don't have the amendment version that you have in front of you that why I said very close. I know Farmer's Union and Farm Bureau are both on the Council. Always have been and always will be as long as I appoint. I think Farm Bureau was the one that was the issue. We solicit nominations from all of those entities. Sometimes you get them, sometimes you don't that is why I said very close.

Further discussion followed regarding this issue.

Senator Krauter We should just take the issue off the table.(meter 20.19) He was told by Chairman Bowman that there is a motion on the floor. Senator Krauter said perhaps Representatives Wald and Klein give us the background on this. He was told they don't have the complete background but there have been some problems in this area.

Chairman Bowman my instructions were to iron it out and bring an amendment forward that was going to solve the problem and the amendment was defeated so we haven't solved any problems, all we've done is created another problem.

Representative Gulleson said she is very interested in solving a problem, she just would like to know what it is.

Chairman Bowman said he will table this motion and we will have to have one more meeting and bring Representative Kempenich down to answer the questions so that everybody is aware of what the intent of those amendments were. Representative Wald offered to withdraw his motion.

Senator Krauter It was my motion. We can just hold the motion until our next meeting.

Chairman Bowman Let's hold that motion until next meeting. Let's move on. He read a report that he was given regarding Pride of Dakota. (meter 23.06)

Further discussion followed. (meter 24.38)

Chairman Bowman Half of what we took out of Wildlife Services put into Pride of Dakota. The only thing we'd have left after that is the Ag in the Classroom and we would be done with this Conference Committee. Would anybody honor that request or this is for discussion.

Representative Klein Let me get this straight. You would add that to the Pride of Dakota.

Chairman Bowman One-time funding of $40,000 to Pride of Dakota

Representative Klein moved that amendment. Seconded by Representative Wald.

Senator Fischer had questions concerning the amounts listed.

Becky On the bottom of the sheet where it says the House changed it to $30,000 that's been removed by his amendment that you just adopted. So then you still have your $150,000 from the executive budget, you'd still have your $100,000 from the Senate changes and then you would add 40,000. The $50,000 in fees is out right now. Senator Klein asked for the explanation again. $150,000 from executive budget would remain, $100,000 from Senate changes would remain, the House changes of $30,000 and $50,000 in other funds has been removed by the amendment we just adopted and now he's proposing adding $40,000 one time general fund. So you would have $290,000 in general funds and your $236,298 in other funds.

Senator Wald how much is the increase in this from the last biennium? He was told last biennium they had $150,000 from the general fund. This biennium you'll have the $100,000 plus the $40,000 so you're almost at a 100% increase.

Representative Klein When the Senate added $100,000 do you recall the rationale?

Senator Bowman I just don't remember the whole history in that. Was that in another bill? It was in another bill and we didn't have this budget then and we passed $100,000 of the requested amount not knowing the information we have now.

Representative Klein then I have a problem with adding another $40,000 if we've added $100,000. Both he and Senator Bowman thought the $100,000 came out with his amendments. He was told by Becky the $100,000 was a Senate change.

Representative Klein based on that information I would withdraw my motion to add another $40,000. Seconded by Representative Wald.

Senator Fischer asked about the $50,000 in fees and why it wouldn't go back into the program. Why was it taken out? If it's money that the people who belong to this pay in why wouldn't it be left in there to continue the programs going on? (meter 29.29)

Senator Klein we did change it and when we had to come up with funding for Endangered Species we put that back again. Further discussion followed regarding Pride of Dakota and fees from Holiday Showcase. Becky explained further the action that will happen regarding these monies with the amendments that were passed.

Chairman Bowman asked for detailed information from Legislative Council regarding Pride of Dakota Funding, what was done in both the House and Senate and the current version.

Representative Gulleson if we restore the language that allows Pride of Dakota to retain the dues I think we could all live with that.

Senator Krauter had comments regarding the $80,000 taken out of Wildlife fund. (meter 34.54)

Chairman Bowman asked if it could be a verbal amendment regarding the $50,000. The money that goes to the general fund be placed back to the Pride of Dakota fund It is footnote 2 on your memo. The Conference Committee closed on SB 2009.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2009

Senate Appropriations Committee

☑ Check here for Conference Committee

Hearing Date: 04-19-07

Recorder Job Number: 6153

Committee Clerk Signature	

Minutes:

Senator Bowman opened the hearing on SB 2009 with roll call and discussed what happened at yesterday's conference committee discussion.

Representative Kempenich discussed the proposed amendment indicating the advisory council was expanded over time and further discussed what brought this amendment forward. The commissioner promulgated the rules because the council needed formal structure. What he tried to do is establish the council by code rather then rule. At this point if the committee wants to adopt this it may be redundant at this time. Can we take up the issue of making the resigned counsel member an official ex-officio member of the council? Amendment 0219 and the other amendment 0223 (means 0221) would set up the council as a separate governing body. If they spend money they have to have a formal organization and then it isn't an advisory council anymore and we can do that next session.

Senator Bowman questioned the committee if they have questions on 0219.

Senator Krauter moved amendment 0219 dealing with ag in the classroom, Senator Fischer seconded. No discussion was held. A roll call vote was taken and the motion carried.

Senator Bowman discussed Pride of Dakota and the motion that was held until today after learning the exact amount of money involved.

Becky explained what was and what is in the fund. She indicated the Pride of Dakota funding in the executive budget was $150,000 general fund $236,298 of other funds for a total of $386,298. The senate added $100,000 for general fund, The house added $30,000 in general funds and then added a provision that would change century code to allow the Ag Commissioner to keep revenues from Pride of Dakota amounting to approximately $50,000. The conference committee amendments that were adopted yesterday removed the $30,000 and removed the provision allowing the commissioner to keep

that $50,000. Right now, the total funding is $250,000 general fund, $236,298 from other funds for a total of $486,298.

Senator Bowman stated that means this is $100,000 more then in the executive budget. Further discussion was held. He then indicated Senator Krauter's amendment was held until this discussion. We now can discuss that amendment.

Senator Krauter indicated the amendment allows the department to keep fees that Pride of Dakota receives for dues from its members amounting to $50,000. This would go back into the Pride of Dakota program.

Senator Bowman asked when Pride of Dakota fees first went to the general fund when was that an offset to get the program going. Does anyone know the history on that? --

Jeff Weiss, Ag Department, indicated these funds were used to go to the Pride of Dakota program and that was how the program was originally funded. Back when Governor Schafer was in office there was talk of getting all special funds designated to go to the general fund and these Pride of Dakota fees were caught up in that. That would have been the 1993 session.

Becky stated she didn't know the full history but indicated that currently this budget is designated by Century Code to have Pride of Dakota going to the general fund. The house passed an amendment that changed that to go the Commissioner's fund. They started being general funds in 1993 and now the House is changing that back to go to the Commissioner.

Senator Bowman indicated that before we vote on this to make it perfectly about whether the House took that back out.

Becky clarified the Conference Committee took it out of there.

Senator Bowman indicated it is now the way it was before the session started. The bottom line before we vote on the amendment, we are over $100,000 more then the original executive budget.

Representative Klein indicated that before they made that change, we were not aware of the $100,000 that was added to it. That is why we took $50,000 back. Shortly after that we were scratching for funds for the endangered species which we had to take from the general fund to put in the ERP fund. That is when we would take the $50,000 back.

Representative Gulleson indicated here committee never took the $50,000 back. In our committee in the house we felt originally that those dues should stay with the program so it passed out of the house that fees should stay with the program. That was our action by the House, we did not change that, your amendment changed that but not us.

Senator Bowman indicated that even with not changing this it is still ahead by $50,000, so indirectly you are still ahead by $50,000 for this particular program no matter how you look at it.

Representative Gulleson stated we need to enhance that program, it is successful. Across the state it has membership in nearly every county. We feel it would be a positive enhancement to keep the fees with the program and enhance economic development in ND. The bill that Senator Nething had, I think, would have added $500,000. So, we are at the place now where there has been an enhancement of $100,000 and we are asking with Senator Krauter's motion to allow them to keep the fees. We will be able to monitor it next session and see where it is at. I think it would be a very positive action for that program.

Representative Klein indicated he thinks since we added $100,000 to the Governor's budget he feel reluctant to add another $50,000.

Senator Bowman stated let's call a roll on adding the fees over and above the $100,000 which would amount to approximately $50,000 more to the Pride of Dakota line item.

A roll call vote was taken resulting in 4 no and 2 yes. The motion failed.

Senator Bowman stated that over the next two years we need to fester about this approach and perhaps next session we can get this Pride of Dakota dues funding back into the program. I see an advantage to that – I feel the extra $100,000 in there currently is an extra boost for them. Is there anything else we should discuss now? Everyone didn't get everything they wanted but everybody got more then they had before.

Representative Wald indicated that as of Monday this budget is 30.8 % increase which is more then most budgets.

Representative Gulleson indicated that in the future when individual bills are put in for programs, we have to resist putting them into another budget because this is where you end up where you put it on the back of the agency that it was their action that increased the budget and it was not it was our decision to fold it all in to one budget. I want to make that really clear.

Senator Bowman stated he would agree with exactly what she said. One of the problems I have when we do the budget like this and have money in a line item in the budget, it is not disclosed exactly how much money is in the line item because $4.3 million is inclusive to a lot of things -- Someone that brings in a bill that says we have to have money for this program. You can look and see operating line item but don't know what is in there. What would really speed this process up is that whenever additional money is requested and it is in a bill that should be inclusive in the designated bill. The recommendation that we pass should be added this for this and this reason. I don't think we would be

going through it this year like we have if that was inclusive. I think it would make it a lot easier for us to look at a budget and say there is this many dollars in the budget, they brought a good case, we'll add this much and be done with it. It is misleading to all of us to find money in a line item that is hidden in the budge and not know what is in there. You were right when we added the $250,000 for this program, that did increase that budget, but it is also something we thought was really important. I think we learned something from this. I think whoever is here to take our place will go back and review these minutes and hopefully someone will pick up on this on appropriating money. If there is already money in different bill that has passed, we should know about that and not have to wait until after the facts.

Senator Bowman asked if the Conference Committee is ready to take a final vote on what we have amended to SB 2009.

Senator Krauter asked that we have a final copy of this and then we can get it voted on tomorrow.

Senator Bowman asked Becky to review what has transpired.

Becky reviewed what had transpired to date on SB 2009 indicating:

Amendment 0218 changes include

Providing additional funds for salary equity bringing the total to $259,000;

Motor pool expenditures were reduced by $25,000;

Changed the funding source for wildlife services for $130,000 of that it used to be general fund now it will be game and fish;

Total in the wildlife services was reduced by $80,000;

Moved all wildlife services fund to the same line item and that will be the wildlife services line item;

Added the section to require performance audits of wildlife services funding;

We added a section requiring the commission to report manually to the budget section on the status of the endangered species program;

We added additional language to the Legislative Council Study to request they review the SD practices on predator control;

We then further amended 0218 to add agriculture in the classroom council. We will have Section 18 and 19 that relate to that and we are removing Section 19 which will be replaced with the amendment in 0219.

Representative Gulleson indicated we didn't ever talk about the dairy coalition is it the desire of this committee to leave that at the $75,000.

Senator Bowman indicated that was an increase over the previous version. It was increased from the Senate version to the House version and left at that.

Becky indicated the total for the dairy collation is $75,000.

Representative Wald indicated the proper motion would be for the House to recede from its amendments and further amend.

Representative Wald moved the motion and Representative Klein seconded. Discussion was held.

Senator Kauter indicated to Representative Wald, you made reference to 30% increase and requested a copy of the memo he discussed. He wanted to know about the final figure is.

A roll call vote was taken and the motion carried.

Senator Bowman adjourned the conference committee.

Prepared by the Legislative Council staff for
Senator Bowman
April 12, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1063-1067 of the Senate Journal and pages 1169-1173 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace "19-18-04" with "4-37-02"

Page 1, line 3, replace "pesticide registration" with "the agriculture in the classroom council"

Page 1, line 4, remove "fees", remove "and", and after "date" insert "; to provide for a legislative council study; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,209,097"

Page 1, line 24, replace "1,442,058" with "458,508"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "1,130,000"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "3,006,280"

Page 2, line 7, replace "1,604,602" with "1,746,439"

Page 2, line 8, replace "1,543,054" with "1,259,841"

Page 2, line 14, replace "6,980,440" with "6,992,614"

Page 2, line 15, replace "5,697,933" with "4,714,383"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 19, replace "200,000" with "1,130,000"

Page 2, line 20, replace "50,000" with "25,000"

Page 2, line 21, replace "17,157,300" with "17,015,924"

Page 2, line 22, replace "11,091,134" with "11,232,971"

Page 2, line 23, replace "6,066,166" with "5,782,953"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 4, replace "$889,684" with "$1,019,684"

Page 3, line 8, replace "$318,138" with "$259,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The North Dakota state university extension service shall provide $50,000 from the pesticide enforcement fund to the agriculture commissioner for deposit in the environment and rangeland protection fund for the endangered species program during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The general fund appropriation in Senate Bill No. 2338 includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 13. SPECIAL REVENUE - REPORT TO BUDGET SECTION. All revenues from inspection and grading services provided by state meat inspectors and graders shall be allocated to the state meat inspection program. The agriculture commissioner shall report annually to the budget section regarding the revenues and expenditures for the state meat inspection program.

SECTION 14. LEGISLATIVE COUNCIL STUDY - TRANSFER OF PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the transfer of predator control from the agriculture commissioner to the game and fish department."

Page 3, replace lines 19 through 31 with:

"**SECTION 16. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established.

1. The council consists of ~~sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee~~ the following members appointed by the official or the governing body of the entity named:

   a. One individual appointed by the superintendent of public instruction;

b. One individual appointed by the state board for career and technical education;

c. One individual appointed by the North Dakota farm bureau;

d. One individual appointed by the North Dakota farmers union;

e. One individual appointed by the North Dakota future farmers of America;

f. One individual appointed by the North Dakota ag coalition; and

g. One individual appointed by the North Dakota state university extension service.

2. In addition to the individuals listed in subsection 1, the council also includes the following members appointed by the official or the governing body of the entity named:

a. One individual appointed for a term of two years by the governor;

b. One individual appointed for a term of two years by the agriculture commissioner;

c. One teacher appointed for a term of two years by the superintendent of public instruction;

d. One teacher appointed for a term of two years by the state board for career and technical education;

e. One teacher appointed for a term of two years by the North Dakota farm bureau;

f. One teacher appointed for a term of two years by the North Dakota farmers union;

g. One teacher appointed for a term of two years by the North Dakota future farmers of America;

h. One teacher appointed for a term of two years by the North Dakota ag coalition; and

i. One teacher appointed for a term of two years by the North Dakota state university extension service.

3. Any member appointed under subsection 2 may serve no more than three consecutive terms.

4. The council shall provide for the election of a chairman from among its members and shall establish its rules of operation and procedure.

SECTION 17. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the agriculture commissioner advance any moneys appropriated in this Act for the agriculture in the classroom program directly to the agriculture in the classroom council established in section 4-37-02.

SECTION 18. EMERGENCY. The sum of $1,130,000 included in the wildlife services line item in section 3 of this Act is declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Office of Management and Budget						
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,0000	$0
Department of Agriculture						
Total all funds	$16,309,662	$17,157,300	($141,376)	$17,015,924	$16,829,686	$186,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($283,213)	$5,782,953	$5,764,773	$18,180
Bill Total						
Total all funds	$16,309,662	$17,157,300	$8,624	$17,165,924	$16,979,686	$186,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($133,213)	$5,932,953	$5,914,773	$18,180

Senate Bill No. 2009 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Transfer to the EARP fund			$150,000	$150,000	$150,000	
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO THE EARP FUND [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to the EARP fund	$150,000	$150,000
Total all funds	$150,000	$150,000
Less estimated income		
General fund	$150,000	$150,000
FTE	0.00	0.00

[1] This amendment provides a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	$6,662,302	$6,980,440	$12,174	$6,992,614	$6,799,926	$192,688
Operating expenses	5,518,433	5,697,933	(983,550)	4,714,383	5,650,833	(936,450)
Capital assets	5,000	5,000		5,000	5,000	
Grants	1,774,225	1,924,225	(75,000)	1,849,225	1,849,225	
Board of Animal Health	2,299,702	2,299,702		2,299,702	2,299,702	
Crop Harmonization Board	50,000	50,000	(25,000)	25,000	25,000	
Wildlife services		200,000	930,000	1,130,000	200,000	930,000
Total all funds	$16,309,662	$17,157,300	($141,376)	$17,015,924	$16,829,686	$186,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058

General fund	$5,430,717	$6,066,166	($283,213)	$5,782,953	$5,764,773	$18,180
FTE	67.00	67.00	0.50	67.50	66.00	1.50

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

	REDUCES SALARY EQUITY FUNDING 1	REDUCES FUNDING FOR MOTOR POOL EXPENSES 2	REDUCES FUNDING FOR DAIRY COALITION GRANT 3	REMOVES FUNDING FOR 1 MEAT INSPECTION FTE POSITION 4	ENDANGERED SPECIES PROGRAM 5	REDUCES FUNDING SUPPORT FROM THE EARP FUND 6
Salaries and wages	($59,138)			($83,688)	$155,000	
Operating expenses		($25,000)		(48,550)	95,000	($75,000)
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						(25,000)
Wildlife services						
Total all funds	($59,138)	($25,000)	($75,000)	($132,238)	$250,000	($100,000)
Less estimated income	(24,689)			(63,474)	200,000	(100,000)
General fund	($34,449)	($25,000)	($75,000)	($68,764)	$50,000	$0
FTE	0.00	0.00	0.00	(1.00)	1.50	0.00

	CHANGES FUNDING SOURCE FOR WILDLIFE SERVICES 7	MOVES ALL WILDLIFE SERVICES FUNDING TO SAME LINE ITEM	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			$12,174
Operating expenses		($930,000)	(983,550)
Capital assets			
Grants			(75,000)
Board of Animal Health			
Crop Harmonization Board			(25,000)
Wildlife services		930,000	930,000
Total all funds	$0	$0	($141,376)
Less estimated income	130,000		141,837
General fund	($130,000)	$0	($283,213)
FTE	0.00	0.00	0.50

1 This amendment reduces the salary equity funding added by the Senate from $318,138 to $259,000.

2 This amendment reduces funding for motor pool expenses by $25,000. The House reduced motor pool operating expenses by $50,000.

3 This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

4 This amendment removes funding for salary and operating funds for 1 FTE position included in the executive budget for the state meat inspection program. The House removed two FTE positions. The conference committee did not remove a position that is to be a half-time inspector and half-time grader.

5 This amendment provides funding of $200,000 from the environment and rangeland protection fund and $50,000 from the general fund for an endangered species program, including 1 FTE position and operating expenses.

6 This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmer's market ($50,000), the same as the House version.

7 This amendment changes the funding source from the general fund to the game and fish fund for wildlife services. The Senate provided $200,000 from the general fund for wildlife services.

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Provides an emergency for all wildlife services funding.

A section is added identifying one-time funding for the Agriculture Commissioner and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service to the Agriculture Commissioner for deposit in the environment and rangeland protection fund for the endangered species program.

A section is added to amend Section 4-37-02 of the North Dakota Century Code relating to the membership of the Agriculture in the Classroom Council.

A section is added providing legislative intent relating to the appropriation for agriculture in the classroom.

A section is added to provide legislative intent that all special fund revenues from inspection and grading services provided by the state meat inspectors and graders be allocated to the state meat inspection program and to provide for an annual report to the Budget Section regarding the state meat inspection program.

A section is added to provide for a Legislative Council study in the 2007-09 biennium relating to transferring predator control services from the Agriculture Commissioner to the Game and Fish Department.

Prepared by the Legislative Council staff for
Senator Bowman
April 16, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1063-1067 of the Senate Journal and pages 1169-1173 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace "19-18-04" with "4-37-02"

Page 1, line 3, replace "pesticide registration" with "the agriculture in the classroom council"

Page 1, line 4, remove "fees", remove "and", and after "date" insert "; to provide for a legislative council study; to provide for a performance audit; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,209,097"

Page 1, line 24, replace "1,442,058" with "458,508"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "1,130,000"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "3,006,280"

Page 2, line 7, replace "1,604,602" with "1,746,439"

Page 2, line 8, replace "1,543,054" with "1,259,841"

Page 2, line 14, replace "6,980,440" with "6,992,614"

Page 2, line 15, replace "5,697,933" with "4,714,383"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 19, replace "200,000" with "1,130,000"

Page 2, line 20, replace "50,000" with "25,000"

Page 2, line 21, replace "17,157,300" with "17,015,924"

Page 2, line 22, replace "11,091,134" with "11,232,971"

Page 2, line 23, replace "6,066,166" with "5,782,953"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 4, replace "$889,684" with "$1,019,684"

Page 3, line 8, replace "$318,138" with "$259,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The North Dakota state university extension service shall provide $50,000 from the pesticide enforcement fund to the agriculture commissioner for deposit in the environment and rangeland protection fund for the endangered species program during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The general fund appropriation in Senate Bill No. 2338 includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 13. SPECIAL REVENUE - REPORT TO BUDGET SECTION. All revenues from inspection and grading services provided by state meat inspectors and graders shall be allocated to the state meat inspection program. The agriculture commissioner shall report annually to the budget section regarding the revenues and expenditures for the state meat inspection program.

SECTION 14. ENDANGERED SPECIES PROGRAM - REPORT TO BUDGET SECTION. The agriculture commissioner shall report annually to the budget section regarding the status of the endangered species program.

SECTION 15. LEGISLATIVE COUNCIL STUDY - TRANSFER OF PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the transfer of predator control from the agriculture commissioner to the game and fish department. The study should include a review of the South Dakota predator control program.

SECTION 16. PERFORMANCE AUDIT - WILDLIFE SERVICES. The state auditor shall conduct a performance audit of the services provided pursuant to the cooperative agreement between the agriculture commissioner and the United States department of agriculture wildlife services during the biennium beginning July 1, 2007, and ending June 30, 2009. The performance audit shall include a review of all funding sources, including grants from the agriculture commissioner, game and fish funds, and federal funds, for the wildlife damage management program in North Dakota for the 2003-05, 2005-07, and 2007-09 bienniums. The results of the performance audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committees during the sixty-first legislative assembly."

Page 3, replace lines 19 through 31 with:

"**SECTION 18. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established.

1. The council consists of ~~sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee~~ the following members appointed by the official or the governing body of the entity named:

   a. One individual appointed by the superintendent of public instruction;

   b. One individual appointed by the state board for career and technical education;

   c. One individual appointed by the North Dakota farm bureau;

   d. One individual appointed by the North Dakota farmers union;

   e. One individual appointed by the North Dakota future farmers of America;

   f. One individual appointed by the North Dakota ag coalition; and

   g. One individual appointed by the North Dakota state university extension service.

2. In addition to the individuals listed in subsection 1, the council also includes the following members appointed by the official or the governing body of the entity named:

   a. One individual appointed for a term of two years by the governor;

   b. One individual appointed for a term of two years by the agriculture commissioner;

   c. One teacher appointed for a term of two years by the superintendent of public instruction;

   d. One teacher appointed for a term of two years by the state board for career and technical education;

   e. One teacher appointed for a term of two years by the North Dakota farm bureau;

   f. One teacher appointed for a term of two years by the North Dakota farmers union;

   g. One teacher appointed for a term of two years by the North Dakota future farmers of America;

   h. One teacher appointed for a term of two years by the North Dakota ag coalition; and

   i. One teacher appointed for a term of two years by the North Dakota state university extension service.

3. Any member appointed under subsection 2 may serve no more than three consecutive terms.

4. The council shall provide for the election of a chairman from among its members and shall establish its rules of operation and procedure.

SECTION 19. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the agriculture commissioner advance any moneys appropriated in this Act for the agriculture in the classroom program directly to the agriculture in the classroom council established in section 4-37-02.

SECTION 20. EMERGENCY. The sum of $130,000 included in the wildlife services line item in section 3 of this Act is declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Office of Management and Budget						
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,0000	$0
Department of Agriculture						
Total all funds	$16,309,662	$17,157,300	($141,376)	$17,015,924	$16,829,686	$186,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($283,213)	$5,782,953	$5,764,773	$18,180
Bill Total						
Total all funds	$16,309,662	$17,157,300	$8,624	$17,165,924	$16,979,686	$186,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($133,213)	$5,932,953	$5,914,773	$18,180

Senate Bill No. 2009 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Transfer to the EARP fund			$150,000	$150,000	$150,000	
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO THE EARP FUND [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to the EARP fund	$150,000	$150,000
Total all funds	$150,000	$150,000
Less estimated income		

General fund	$150,000	$150,000
FTE	0.00	0.00

1 This amendment provides a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	$6,662,302	$6,980,440	$12,174	$6,992,614	$6,799,926	$192,688
Operating expenses	5,518,433	5,697,933	(983,550)	4,714,383	5,650,833	(936,450)
Capital assets	5,000	5,000		5,000	5,000	
Grants	1,774,225	1,924,225	(75,000)	1,849,225	1,849,225	
Board of Animal Health	2,299,702	2,299,702		2,299,702	2,299,702	
Crop Harmonization Board	50,000	50,000	(25,000)	25,000	25,000	
Wildlife services		200,000	930,000	1,130,000	200,000	930,000
Total all funds	$16,309,662	$17,157,300	($141,376)	$17,015,924	$16,829,686	$186,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($283,213)	$5,782,953	$5,764,773	$18,180
FTE	67.00	67.00	0.50	67.50	66.00	1.50

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

	REDUCES SALARY EQUITY FUNDING 1	REDUCES FUNDING FOR MOTOR POOL EXPENSES 2	REDUCES FUNDING FOR DAIRY COALITION GRANT 3	REMOVES FUNDING FOR 1 MEAT INSPECTION FTE POSITION 4	ENDANGERED SPECIES PROGRAM 5	REDUCES FUNDING SUPPORT FROM THE EARP FUND 6
Salaries and wages	($59,138)			($83,688)	$155,000	
Operating expenses		($25,000)		(48,550)	95,000	($75,000)
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						(25,000)
Wildlife services						
Total all funds	($59,138)	($25,000)	($75,000)	($132,238)	$250,000	($100,000)
Less estimated income	(24,689)			(63,474)	200,000	(100,000)
General fund	($34,449)	($25,000)	($75,000)	($68,764)	$50,000	$0
FTE	0.00	0.00	0.00	(1.00)	1.50	0.00

	CHANGES FUNDING SOURCE FOR WILDLIFE SERVICES 7	MOVES ALL WILDLIFE SERVICES FUNDING TO SAME LINE ITEM	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			$12,174
Operating expenses		($930,000)	(983,550)
Capital assets			
Grants			(75,000)
Board of Animal Health			
Crop Harmonization Board			(25,000)
Wildlife services		930,000	930,000
Total all funds	$0	$0	($141,376)
Less estimated income	130,000		141,837
General fund	($130,000)	$0	($283,213)
FTE	0.00	0.00	0.50

1 This amendment reduces the salary equity funding added by the Senate from $318,138 to $259,000.

2 This amendment reduces funding for motor pool expenses by $25,000. The House reduced motor pool operating expenses by $50,000.

3 This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

4 This amendment removes funding for salary and operating funds for 1 FTE position included in the executive budget for the state meat inspection program. The House removed two FTE positions. The conference committee did not remove a position that is to be a half-time inspector and half-time grader.

5 This amendment provides funding of $200,000 from the environment and rangeland protection fund and $50,000 from the general fund for an endangered species program, including 1.5 FTE position and operating expenses.

6 This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmer's market ($50,000), the same as the House version.

7 This amendment changes the funding source from the general fund to the game and fish fund for wildlife services. The Senate provided $200,000 from the general fund for wildlife services.

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Provides an emergency for $130,000 of wildlife services funding included in Section 3.

A section is added identifying one-time funding for the Agriculture Commissioner and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service to the Agriculture Commissioner for deposit in the environment and rangeland protection fund for the endangered species program.

A section is added to amend Section 4-37-02 of the North Dakota Century Code relating to the membership of the Agriculture in the Classroom Council.

A section is added providing legislative intent relating to the appropriation for agriculture in the classroom.

A section is added to provide legislative intent that all special fund revenues from inspection and grading services provided by the state meat inspectors and graders be allocated to the state meat inspection program and to provide for an annual report to the Budget Section regarding the state meat inspection program.

A section is added to provide for a Legislative Council study in the 2007-09 biennium relating to transferring predator control services from the Agriculture Commissioner to the Game and Fish Department.

A section is added requiring the commissioner to report annually to the Budget Section on the status of the endangered species program.

A section is added requiring a performance audit of all funding sources related to the cooperative agreement between Wildlife Services and the Agriculture Commissioner.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 2009 (, as (re)engrossed): Date: 4/18

attendance & one vote on amendment .0218

Your Conference Committee Sen Approp.

For the Senate:	4/18	Vote		For the House:	4/18	Vote	
Bowman	✓	yes		Rep Klein	✓	yes	
Fischer	✓	yes		Wald	✓	yes	
Krauter	✓	no		Gulleson		no	

.0218 recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____ and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

amend/recede just before 5:44.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____
HOUSE CARRIER: _____ **SENATE CARRIER:** _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Wald motion passed.
SECONDED BY: Klein
VOTE COUNT: 4 **YES** 2 **NO** ___ **ABSENT**

Revised 4/22/05

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 2009 (, as (re)engrossed): Date: 4/18/07

Your Conference Committee _____

For the Senate:			Vote To Face	For the House:			Vote To Face	4/19	0219	
Born	Yes		Y	Klein	yes		Y	✓	Y	N
Fischer	NO		Y	Wald	yes		Y	✓	N	N
Krauter	NO		Y	Sullen	NO		Y	✓	Y	Y

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____ and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

Amendment Kemp 78033.0221

DATE: _____
HOUSE CARRIER: _____ **SENATE CARRIER:** _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Wald motion failed -
SECONDED BY: Klein
VOTE COUNT: ___ **YES** ___ **NO** ___ **ABSENT**

to further amend as follows

Revised 4/22/05

78033.0219
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
April 17, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1063-1067 of the Senate Journal and pages 1169-1173 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace "19-18-04" with "4-37-02"

Page 1, line 3, replace "pesticide registration" with "the agriculture in the classroom council"

Page 1, line 4, remove "fees"

Page 3, replace lines 19 through 31 with:

"**SECTION 10. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established. The council consists of sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee. Agriculture in the classroom grant recipients shall be nonvoting members of the council."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 2009 (, as (re)engrossed): Date: 4/17

Your Conference Committee _____

For the Senate:	Fail 0218	Fail House	Rejected		For the House:			
Sen Bowman	✓	N	✓		Rep Klein	✓	N	✓
Sen Fischer					Wald	✓	N	✓
Krauter	N	✓	✓	Pass	Gulleson	N	✓	✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____ and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____
HOUSE CARRIER: _____ **SENATE CARRIER:** _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____
SECONDED BY: _____
VOTE COUNT: ____ **YES** ____ **NO** ___ **ABSENT**

Revised 4/22/05

78033.0223
Title.

Prepared by the Legislative Council staff for
Senator Bowman
April 19, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1063-1067 of the Senate Journal and pages 1169-1173 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace "19-18-04" with "4-37-02"

Page 1, line 3, replace "pesticide registration" with "the agriculture in the classroom council"

Page 1, line 4, remove "fees", remove "and", and after "date" insert "; to provide for a legislative council study; to provide for a performance audit; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,209,097"

Page 1, line 24, replace "1,442,058" with "458,508"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "1,050,000"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "2,926,280"

Page 2, line 7, replace "1,604,602" with "1,746,439"

Page 2, line 8, replace "1,543,054" with "1,179,841"

Page 2, line 14, replace "6,980,440" with "6,992,614"

Page 2, line 15, replace "5,697,933" with "4,714,383"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 19, replace "200,000" with "1,050,000"

Page 2, line 20, replace "50,000" with "25,000"

Page 2, line 21, replace "17,157,300" with "16,935,924"

Page 2, line 22, replace "11,091,134" with "11,232,971"

Page 2, line 23, replace "6,066,166" with "5,702,953"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 4, replace "$889,684" with "$1,019,684"

Page 3, line 8, replace "$318,138" with "$259,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The North Dakota state university extension service shall provide $50,000 from the pesticide enforcement fund to the agriculture commissioner for deposit in the environment and rangeland protection fund for the endangered species program during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The general fund appropriation in Senate Bill No. 2338 includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 13. SPECIAL REVENUE - REPORT TO BUDGET SECTION. All revenues from inspection and grading services provided by state meat inspectors and graders shall be allocated to the state meat inspection program. The agriculture commissioner shall report annually to the budget section regarding the revenues and expenditures for the state meat inspection program.

SECTION 14. ENDANGERED SPECIES PROGRAM - REPORT TO BUDGET SECTION. The agriculture commissioner shall report annually to the budget section regarding the status of the endangered species program.

SECTION 15. LEGISLATIVE COUNCIL STUDY - TRANSFER OF PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the transfer of predator control from the agriculture commissioner to the game and fish department. The study should include a review of the South Dakota predator control program.

SECTION 16. PERFORMANCE AUDIT - WILDLIFE SERVICES. The state auditor shall conduct a performance audit of the services provided pursuant to the cooperative agreement between the agriculture commissioner and the United States department of agriculture wildlife services during the biennium beginning July 1, 2007, and ending June 30, 2009. The performance audit shall include a review of all funding sources, including grants from the agriculture commissioner, game and fish funds, and federal funds, for the wildlife damage management program in North Dakota for the 2003-05, 2005-07, and 2007-09 bienniums. The results of the performance audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committees during the sixty-first legislative assembly."

Page 3, replace lines 19 through 31 with:

"**SECTION 18. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established. The council consists of sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee. Agriculture in the classroom grant recipients shall be nonvoting members of the council."

SECTION 19. EMERGENCY. The sum of $130,000 included in the wildlife services line item in section 3 of this Act is declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Office of Management and Budget						
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
Department of Agriculture						
Total all funds	$16,309,662	$17,157,300	($221,376)	$16,935,924	$16,829,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($363,213)	$5,702,953	$5,764,773	($61,820)
Bill Total						
Total all funds	$16,309,662	$17,157,300	($71,376)	$17,085,924	$16,979,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($213,213)	$5,852,953	$5,914,773	($61,820)

Senate Bill No. 2009 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Transfer to the EARP fund			$150,000	$150,000	$150,000	
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO THE EARP FUND [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to the EARP fund	$150,000	$150,000
Total all funds	$150,000	$150,000
Less estimated income		
General fund	$150,000	$150,000

FTE	0.00	0.00	

1 This amendment provides a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	$6,662,302	$6,980,440	$12,174	$6,992,614	$6,799,926	$192,688
Operating expenses	5,518,433	5,697,933	(983,550)	4,714,383	5,650,833	(936,450)
Capital assets	5,000	5,000		5,000	5,000	
Grants	1,774,225	1,924,225	(75,000)	1,849,225	1,849,225	
Board of Animal Health	2,299,702	2,299,702		2,299,702	2,299,702	
Crop Harmonization Board	50,000	50,000	(25,000)	25,000	25,000	
Wildlife Services		200,000	850,000	1,050,000	200,000	850,000
Total all funds	$16,309,662	$17,157,300	($221,376)	$16,935,924	$16,829,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($363,213)	$5,702,953	$5,764,773	($61,820)
FTE	67.00	67.00	0.50	67.50	66.00	1.50

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

	REDUCES SALARY EQUITY FUNDING 1	REDUCES FUNDING FOR MOTOR POOL EXPENSES 2	REDUCES FUNDING FOR DAIRY COALITION GRANT 3	REMOVES FUNDING FOR 1 MEAT INSPECTION FTE POSITION 4	ENDANGERED SPECIES PROGRAM 5	REDUCES FUNDING SUPPORT FROM THE EARP FUND 6
Salaries and wages	($59,138)			($83,688)	$155,000	
Operating expenses		($25,000)		(48,550)	95,000	($75,000)
Capital assets						
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						(25,000)
Wildlife Services						
Total all funds	($59,138)	($25,000)	($75,000)	($132,238)	$250,000	($100,000)
Less estimated income	(24,689)			(63,474)	200,000	(100,000)
General fund	($34,449)	($25,000)	($75,000)	($68,764)	$50,000	$0
FTE	0.00	0.00	0.00	(1.00)	1.50	0.00

	CHANGES FUNDING SOURCE FOR WILDLIFE SERVICES 7	MOVES WILDLIFE SERVICES FUNDING FROM OPERATING LINE TO WILDLIFE SERVICES LINE 8	REMOVES WILDLIFE SERVICES FROM OPERATING LINE 9	REDUCES FUNDING FOR WILDLIFE SERVICES 10	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages					$12,174
Operating expenses			($930,000)		(983,550)
Capital assets					
Grants					(75,000)
Board of Animal Health					
Crop Harmonization Board					(25,000)
Wildlife Services		$930,000		($80,000)	850,000
Total all funds	$0	$930,000	($930,000)	($80,000)	($221,376)
Less estimated income	$130,000	680,000	(680,000)		141,837
General fund	($130,000)	$250,000	($250,000)	($80,000)	($363,213)
FTE	0.00	0.00	0.00	0.00	0.50

1 This amendment reduces the salary equity funding added by the Senate from $318,138 to $259,000.

2 This amendment reduces funding for motor pool expenses by $25,000. The House reduced motor pool operating expenses by $50,000.

3 This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

4 This amendment removes funding for salary and operating funds for 1 FTE position included in the executive budget for the state meat inspection program. The House removed 2 FTE positions. The conference committee did not remove a position that is to be a half-time inspector and half-time grader.

5 This amendment provides funding of $200,000 from the environment and rangeland protection fund and $50,000 from the general fund for an endangered species program, including 1.5 FTE positions and operating expenses.

6 This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmer's market ($50,000), the same as the House version.

[7] This amendment changes the funding source from the general fund to the game and fish fund for Wildlife Services for a total of $240,000 from the general fund and $810,000 from the game and fish fund.

[8] This amendment moves the funding for Wildlife Services from the operating line item to the Wildlife Services line item.

[9] This amendment removes funding for Wildlife Services from the operating line item.

[10] This amendment reduces general fund support for Wildlife Services by $80,000, to $240,000.

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Provides an emergency of $130,000 for Wildlife Services funding.

A section is added identifying one-time funding for the Agriculture Commissioner and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service to the environment and rangeland protection fund.

A section is added to amend Section 4-37-02 of the North Dakota Century Code relating to the membership of the Agriculture in the Classroom Council.

A section is added to provide legislative intent that all special fund revenues from inspection and grading services provided by the state meat inspectors and graders be allocated to the state meat inspection program and to provide for an annual report to the Budget Section regarding the state meat inspection program.

A section is added to provide for a Legislative Council study in the 2007-09 biennium relating to transferring predator control services from the Agriculture Commissioner to the Game and Fish Department.

A section is added requiring the commissioner to report annually to the Budget Section on the status of the endangered species program.

A section is added requiring a performance audit of all funding sources related to the cooperative agreement between Wildlife Services and the Agriculture Commissioner.

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Prepared by the Legislative Council staff for
Senator Bowman
April 19, 2007

4-19-07
1 of 5

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1063-1067 of the Senate Journal and pages 1169-1173 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace "19-18-04" with "4-37-02"

Page 1, line 3, replace "pesticide registration" with "to the agriculture in the classroom council"

Page 1, line 4, remove "fees" and replace "and to provide an effective date" with "to provide for a legislative council study; to provide for a performance audit; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,209,097"

Page 1, line 24, replace "1,442,058" with "458,508"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "1,050,000"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "2,926,280"

Page 2, line 7, replace "1,604,602" with "1,746,439"

Page 2, line 8, replace "1,543,054" with "1,179,841"

Page 2, line 14, replace "6,980,440" with "6,992,614"

Page 2, line 15, replace "5,697,933" with "4,714,383"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 19, replace "200,000" with "1,050,000"

Page 2, line 20, replace "50,000" with "25,000"

Page 2, line 21, replace "17,157,300" with "16,935,924"

Page 2, line 22, replace "11,091,134" with "11,232,971"

Page 2, line 23, replace "6,066,166" with "5,702,953"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 4, replace "$889,684" with "$1,019,684"

Page 3, line 8, replace "$318,138" with "$259,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The North Dakota state university extension service shall provide $50,000 from the pesticide enforcement fund to the agriculture commissioner for deposit in the environment and rangeland protection fund for the endangered species program during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The general fund appropriation in Senate Bill No. 2338 includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 13. SPECIAL REVENUE - REPORT TO BUDGET SECTION. All revenues from inspection and grading services provided by state meat inspectors and graders must be allocated to the state meat inspection program. The agriculture commissioner shall report annually to the budget section regarding the revenues and expenditures for the state meat inspection program.

SECTION 14. ENDANGERED SPECIES PROGRAM - REPORT TO BUDGET SECTION. The agriculture commissioner shall report annually to the budget section regarding the status of the endangered species program.

SECTION 15. LEGISLATIVE COUNCIL STUDY - TRANSFER OF PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the transfer of predator control from the agriculture commissioner to the game and fish department. The study should include a review of the South Dakota predator control program. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 16. PERFORMANCE AUDIT - WILDLIFE SERVICES. The state auditor shall conduct a performance audit of the services provided pursuant to the cooperative agreement between the agriculture commissioner and the United States department of agriculture wildlife services during the biennium beginning July 1, 2007, and ending June 30, 2009. The performance audit must include a review of all funding sources, including grants from the agriculture commissioner, game and fish funds, and federal funds, for the wildlife damage management program in North Dakota for the 2003-05, 2005-07, and 2007-09 bienniums. The results of the performance audit must

be presented to the legislative audit and fiscal review committee and filed with the appropriations committees during the sixty-first legislative assembly."

Page 3, replace lines 19 through 31 with:

"**SECTION 18. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established. The council consists of sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee. Agriculture in the classroom grant recipients are nonvoting members of the council.

SECTION 19. EMERGENCY. The sum of $130,000 included in the wildlife services line item in section 3 of this Act is declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Office of Management and Budget						
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
Department of Agriculture						
Total all funds	$16,309,662	$17,157,300	($221,376)	$16,935,924	$16,829,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($363,213)	$5,702,953	$5,764,773	($61,820)
Bill Total						
Total all funds	$16,309,662	$17,157,300	($71,376)	$17,085,924	$16,979,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($213,213)	$5,852,953	$5,914,773	($61,820)

Senate Bill No. 2009 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Transfer to the EARP fund			$150,000	$150,000	$150,000	
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO THE EARP FUND [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to the EARP fund	$150,000	$150,000
Total all funds	$150,000	$150,000
Less estimated income		
General fund	$150,000	$150,000
FTE	0.00	0.00

[1] This amendment provides a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	$6,662,302	$6,980,440	$12,174	$6,992,614	$6,799,926	$192,688
Operating expenses	5,518,433	5,697,933	(983,550)	4,714,383	5,650,833	(936,450)
Capital assets	5,000	5,000		5,000	5,000	
Grants	1,774,225	1,924,225	(75,000)	1,849,225	1,849,225	
Board of Animal Health	2,299,702	2,299,702		2,299,702	2,299,702	
Crop Harmonization Board	50,000	50,000	(25,000)	25,000	25,000	
Wildlife Services		200,000	850,000	1,050,000	200,000	850,000
Total all funds	$16,309,662	$17,157,300	($221,376)	$16,935,924	$16,829,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($363,213)	$5,702,953	$5,764,773	($61,820)
FTE	67.00	67.00	0.50	67.50	66.00	1.50

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

	REDUCES SALARY EQUITY FUNDING [1]	REDUCES FUNDING FOR MOTOR POOL EXPENSES [2]	REDUCES FUNDING FOR DAIRY COALITION GRANT [3]	REMOVES FUNDING FOR 1 MEAT INSPECTION FTE POSITION [4]	ENDANGERED SPECIES PROGRAM [5]	REDUCES FUNDING SUPPORT FROM THE EARP FUND [6]
Salaries and wages	($59,138)			($83,688)	$155,000	
Operating expenses		($25,000)		(48,550)	95,000	($75,000)
Capital assets						
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						(25,000)
Wildlife Services						
Total all funds	($59,138)	($25,000)	($75,000)	($132,238)	$250,000	($100,000)
Less estimated income	(24,689)			(63,474)	200,000	(100,000)
General fund	($34,449)	($25,000)	($75,000)	($68,764)	$50,000	$0
FTE	0.00	0.00	0.00	(1.00)	1.50	0.00

	CHANGES FUNDING SOURCE FOR WILDLIFE SERVICES [7]	MOVES WILDLIFE SERVICES FUNDING FROM OPERATING LINE TO WILDLIFE SERVICES LINE [8]	REMOVES WILDLIFE SERVICES FROM OPERATING LINE [9]	REDUCES FUNDING FOR WILDLIFE SERVICES [10]	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages					$12,174
Operating expenses			($930,000)		(983,550)
Capital assets					
Grants					(75,000)
Board of Animal Health					
Crop Harmonization Board					(25,000)
Wildlife Services		$930,000		($80,000)	850,000
Total all funds	$0	$930,000	($930,000)	($80,000)	($221,376)
Less estimated income	$130,000	680,000	(680,000)		141,837
General fund	($130,000)	$250,000	($250,000)	($80,000)	($363,213)
FTE	0.00	0.00	0.00	0.00	0.50

[1] This amendment reduces the salary equity funding added by the Senate from $318,138 to $259,000.

[2] This amendment reduces funding for motor pool expenses by $25,000. The House reduced motor pool operating expenses by $50,000.

[3] This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

[4] This amendment removes funding for salary and operating funds for 1 FTE position included in the executive budget for the state meat inspection program. The House removed 2 FTE positions. The conference committee did not remove a position that is to be a half-time inspector and half-time grader.

[5] This amendment provides funding of $200,000 from the environment and rangeland protection fund and $50,000 from the general fund for an endangered species program, including 1.5 FTE positions and operating expenses.

[6] This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmer's market ($50,000), the same as the House version.

[7] This amendment changes the funding source from the general fund to the game and fish fund for Wildlife Services for a total of $240,000 from the general fund and $810,000 from the game and fish fund.

[8] This amendment moves the funding for Wildlife Services from the operating line item to the Wildlife Services line item.

[9] This amendment removes funding for Wildlife Services from the operating line item.

[10] This amendment reduces general fund support for Wildlife Services by $80,000, to $240,000.

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Provides an emergency of $130,000 for Wildlife Services funding.

A section is added identifying one-time funding for the Agriculture Commissioner and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service to the environment and rangeland protection fund.

A section is added to amend Section 4-37-02 of the North Dakota Century Code relating to the membership of the Agriculture in the Classroom Council.

A section is added to provide legislative intent that all special fund revenues from inspection and grading services provided by the state meat inspectors and graders be allocated to the state meat inspection program and to provide for an annual report to the Budget Section regarding the state meat inspection program.

A section is added to provide for a Legislative Council study in the 2007-09 biennium relating to transferring predator control services from the Agriculture Commissioner to the Game and Fish Department.

A section is added requiring the commissioner to report annually to the Budget Section on the status of the endangered species program.

A section is added requiring a performance audit of all funding sources related to the cooperative agreement between Wildlife Services and the Agriculture Commissioner.

REPORT OF CONFERENCE COMMITTEE

SB 2009, as engrossed: Your conference committee (Sens. Bowman, Fischer, Krauter and Reps. Klein, Wald, Gulleson) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1063-1067, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 1063-1067 of the Senate Journal and pages 1169-1173 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace "19-18-04" with "4-37-02"

Page 1, line 3, replace "pesticide registration" with "to the agriculture in the classroom council"

Page 1, line 4, remove "fees" and replace "and to provide an effective date" with "to provide for a legislative council study; to provide for a performance audit; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 23, replace "1,196,923" with "1,209,097"

Page 1, line 24, replace "1,442,058" with "458,508"

Page 2, line 1, replace "150,000" with "75,000"

Page 2, line 4, replace "200,000" with "<u>1,050,000</u>"

Page 2, remove line 5

Page 2, line 6, replace "3,147,656" with "2,926,280"

Page 2, line 7, replace "<u>1,604,602</u>" with "<u>1,746,439</u>"

Page 2, line 8, replace "1,543,054" with "1,179,841"

Page 2, line 14, replace "6,980,440" with "6,992,614"

Page 2, line 15, replace "5,697,933" with "4,714,383"

Page 2, line 17, replace "1,924,225" with "1,849,225"

Page 2, line 19, replace "200,000" with "1,050,000"

Page 2, line 20, replace "<u>50,000</u>" with "<u>25,000</u>"

Page 2, line 21, replace "17,157,300" with "16,935,924"

Page 2, line 22, replace "<u>11,091,134</u>" with "<u>11,232,971</u>"

Page 2, line 23, replace "6,066,166" with "5,702,953"

Page 2, line 26, replace "$3,042,109" with "$3,142,109"

Page 3, line 4, replace "$889,684" with "$1,019,684"

Page 3, line 8, replace "$318,138" with "$259,000"

Page 3, after line 10, insert:

"**SECTION 8. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer $150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The North Dakota state university extension service shall provide $50,000 from the pesticide enforcement fund to the agriculture commissioner for deposit in the environment and rangeland protection fund for the endangered species program during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009."

Page 3, after line 12, insert:

"**SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The general fund appropriation in Senate Bill No. 2338 includes $90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base	$90,836

SECTION 13. SPECIAL REVENUE - REPORT TO BUDGET SECTION. All revenues from inspection and grading services provided by state meat inspectors and graders must be allocated to the state meat inspection program. The agriculture commissioner shall report annually to the budget section regarding the revenues and expenditures for the state meat inspection program.

SECTION 14. ENDANGERED SPECIES PROGRAM - REPORT TO BUDGET SECTION. The agriculture commissioner shall report annually to the budget section regarding the status of the endangered species program.

SECTION 15. LEGISLATIVE COUNCIL STUDY - TRANSFER OF PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the transfer of predator control from the agriculture commissioner to the game and fish department. The study should include a review of the South Dakota predator control program. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 16. PERFORMANCE AUDIT - WILDLIFE SERVICES. The state auditor shall conduct a performance audit of the services provided pursuant to the cooperative agreement between the agriculture commissioner and the United States department of agriculture wildlife services during the biennium beginning July 1, 2007, and ending June 30, 2009. The performance audit must include a review of all funding sources, including grants from the agriculture commissioner, game and fish funds, and federal funds, for the wildlife damage management program in North Dakota for the 2003-05, 2005-07, and 2007-09 bienniums. The results of the performance audit must

be presented to the legislative audit and fiscal review committee and filed with the appropriations committees during the sixty-first legislative assembly."

Page 3, replace lines 19 through 31 with:

"**SECTION 18. AMENDMENT.** Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established. The council consists of sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee. Agriculture in the classroom grant recipients are nonvoting members of the council.

SECTION 19. EMERGENCY. The sum of $130,000 included in the wildlife services line item in section 3 of this Act is declared to be an emergency measure."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 19

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Office of Management and Budget						
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
Department of Agriculture						
Total all funds	$16,309,662	$17,157,300	($221,376)	$16,935,924	$16,829,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($363,213)	$5,702,953	$5,764,773	($61,820)
Bill Total						
Total all funds	$16,309,662	$17,157,300	($71,376)	$17,085,924	$16,979,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($213,213)	$5,852,953	$5,914,773	($61,820)

Senate Bill No. 2009 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Transfer to the EARP fund			$150,000	$150,000	$150,000	
Total all funds	$0	$0	$150,000	$150,000	$150,000	$0
Less estimated income						
General fund	$0	$0	$150,000	$150,000	$150,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO THE EARP FUND [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to the EARP fund	$150,000	$150,000
Total all funds	$150,000	$150,000
Less estimated income		
General fund	$150,000	$150,000
FTE	0.00	0.00

[1] This amendment provides a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	$6,662,302	$6,980,440	$12,174	$6,992,614	$6,799,926	$192,688
Operating expenses	5,518,433	5,697,933	(983,550)	4,714,383	5,650,833	(936,450)
Capital assets	5,000	5,000		5,000	5,000	
Grants	1,774,225	1,924,225	(75,000)	1,849,225	1,849,225	
Board of Animal Health	2,299,702	2,299,702		2,299,702	2,299,702	
Crop Harmonization Board	50,000	50,000	(25,000)	25,000	25,000	
Wildlife Services		200,000	850,000	1,050,000	200,000	850,000
Total all funds	$16,309,662	$17,157,300	($221,376)	$16,935,924	$16,829,686	$106,238
Less estimated income	10,878,945	11,091,134	141,837	11,232,971	11,064,913	168,058
General fund	$5,430,717	$6,066,166	($363,213)	$5,702,953	$5,764,773	($61,820)
FTE	67.00	67.00	0.50	67.50	66.00	1.50

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

	REDUCES SALARY EQUITY FUNDING [1]	REDUCES FUNDING FOR MOTOR POOL EXPENSES [2]	REDUCES FUNDING FOR DAIRY COALITION GRANT [3]	REMOVES FUNDING FOR 1 MEAT INSPECTION FTE POSITION [4]	ENDANGERED SPECIES PROGRAM [5]	REDUCES FUNDING SUPPORT FROM THE EARP FUND [6]
Salaries and wages	($59,138)			($83,688)	$155,000	
Operating expenses		($25,000)		(48,550)	95,000	($75,000)
Capital assets						
Grants			($75,000)			
Board of Animal Health						
Crop Harmonization Board						(25,000)
Wildlife Services						
Total all funds	($59,138)	($25,000)	($75,000)	($132,238)	$250,000	($100,000)
Less estimated income	(24,689)			(63,474)	200,000	(100,000)
General fund	($34,449)	($25,000)	($75,000)	($68,764)	$50,000	$0
FTE	0.00	0.00	0.00	(1.00)	1.50	0.00

	CHANGES FUNDING SOURCE FOR WILDLIFE SERVICES [7]	MOVES WILDLIFE SERVICES FUNDING FROM OPERATING LINE TO WILDLIFE SERVICES LINE [8]	REMOVES WILDLIFE SERVICES FROM OPERATING LINE [9]	REDUCES FUNDING FOR WILDLIFE SERVICES [10]	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages					$12,174
Operating expenses			($930,000)		(983,550)
Capital assets					
Grants					(75,000)
Board of Animal Health					
Crop Harmonization Board					(25,000)
Wildlife Services		$930,000		($80,000)	850,000
Total all funds	$0	$930,000	($930,000)	($80,000)	($221,376)

Less estimated income	$130,000	680,000	(680,000)	_____	141,837
General fund	($130,000)	$250,000	($250,000)	($80,000)	($363,213)
FTE	0.00	0.00	0.00	0.00	0.50

1 This amendment reduces the salary equity funding added by the Senate from $318,138 to $259,000.

2 This amendment reduces funding for motor pool expenses by $25,000. The House reduced motor pool operating expenses by $50,000.

3 This amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

4 This amendment removes funding for salary and operating funds for 1 FTE position included in the executive budget for the state meat inspection program. The House removed 2 FTE positions. The conference committee did not remove a position that is to be a half-time inspector and half-time grader.

5 This amendment provides funding of $200,000 from the environment and rangeland protection fund and $50,000 from the general fund for an endangered species program, including 1.5 FTE positions and operating expenses.

6 This amendment reduces funding from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmer's market ($50,000), the same as the House version.

7 This amendment changes the funding source from the general fund to the game and fish fund for Wildlife Services for a total of $240,000 from the general fund and $810,000 from the game and fish fund.

8 This amendment moves the funding for Wildlife Services from the operating line item to the Wildlife Services line item.

9 This amendment removes funding for Wildlife Services from the operating line item.

10 This amendment reduces general fund support for Wildlife Services by $80,000, to $240,000.

Adds a section of legislative intent allowing the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium.

Provides an emergency of $130,000 for Wildlife Services funding.

A section is added identifying one-time funding for the Agriculture Commissioner and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

A section is added providing for a transfer of $50,000 from the North Dakota State University Extension Service to the environment and rangeland protection fund.

A section is added to amend Section 4-37-02 of the North Dakota Century Code relating to the membership of the Agriculture in the Classroom Council.

A section is added to provide legislative intent that all special fund revenues from inspection and grading services provided by the state meat inspectors and graders be allocated to the state meat inspection program and to provide for an annual report to the Budget Section regarding the state meat inspection program.

A section is added to provide for a Legislative Council study in the 2007-09 biennium relating to transferring predator control services from the Agriculture Commissioner to the Game and Fish Department.

A section is added requiring the commissioner to report annually to the Budget Section on the status of the endangered species program.

A section is added requiring a performance audit of all funding sources related to the cooperative agreement between Wildlife Services and the Agriculture Commissioner.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

SB 2009

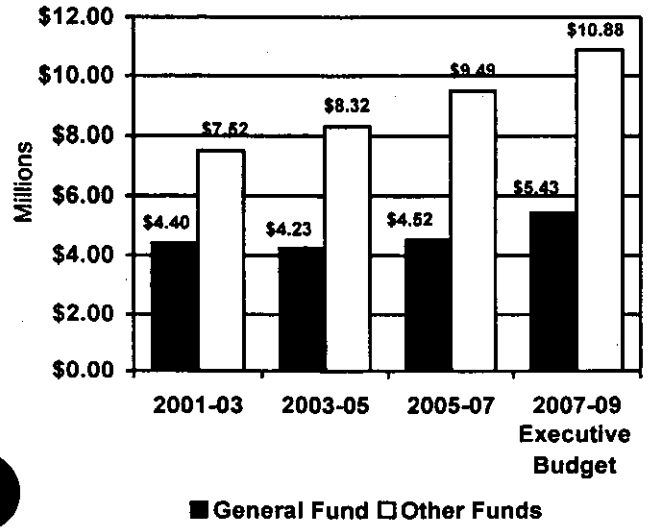
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 21, 2007

Department 602 - Agriculture Commissioner
Senate Bill No. 2009

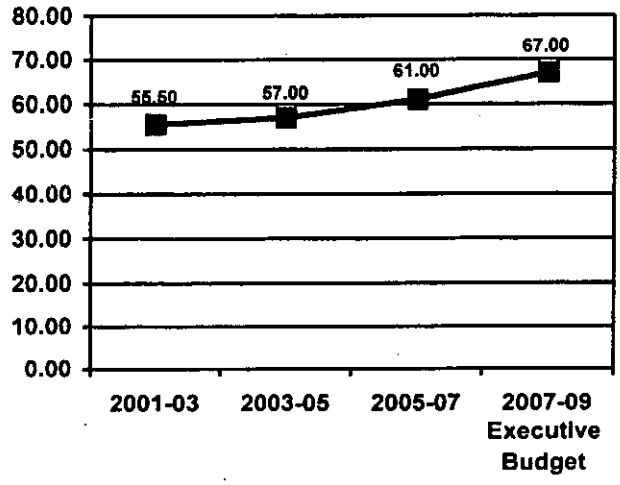
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	67.00	$5,430,717	$10,878,945	$16,309,662
2005-07 Legislative Appropriations	61.00 [1]	4,523,112	9,486,532	14,009,644
Increase (Decrease)	6.00	$907,605	$1,392,413	$2,300,018

[1]The number of FTE positions for the 2005-07 biennium has not been adjusted to reflect the additional FTE position authorized by Emergency Commission action during the 2005-07 biennium.

Agency Funding



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides funding for additional salary and operating funds and 5 new FTE positions for the state meat inspection program. **The Senate added $318,138 for salary equity adjustments.**	$353,306	$326,122	$679,428
2. Increases funding for operating expenses for motor pool and information technology rate increases	$92,832	$142,204	$235,306
3. Increases operating expenses for marketing. **The Senate added $179,500 for Pride of Dakota and marketing.**	$30	$324,568	$324,598
4. Increases operating expenses for dairy		$300,000	$300,000
5. Provides funding for 1 new FTE veterinarian position for the State Board of Animal Health	$119,459	$55,347	$174,806

Other Sections in Bill

Section 6 of Senate Bill No. 2009 provides $889,684 from the game and fish operating fund for various Department of Agriculture programs for the 2007-09 biennium.

Section 7 of Senate Bill No. 2009 provides for a transfer of $200,000 from the environment and rangeland protection fund to the minor use pesticide fund.

Continuing Appropriations

Turkey fund - NDCC Chapter 4-13.1 - Commodity checkoff for market development for turkeys and turkey products.

Honey promotion fund - NDCC Chapter 4-12.1 - Commodity checkoff for market development for honey.

Minor use pesticide fund - NDCC Sections 4-35-06.2 and 4-35-06.3 - For studies, investigations, and evaluations regarding registration and use of pesticides.

Major Related Legislation

Senate Bill No. 2099 - This bill amends subsection 3 of North Dakota Century Code (NDCC) Section 4-41-02 to provide that fees collected relating to the application for growing or processing industrial hemp are appropriated to the Department of Agriculture, rather than the Attorney General, to be used to enforce Chapter 4-41.

Senate Bill No. 2107 - This bill amends NDCC Section 4-33-12 to provide for deposit in the department's operating fund a portion of the fees collected relating to domestic and export inspection and certification equal to the amount that the United States Department of Agriculture assesses the department for federal plant export certificates issued by the commissioner.

Senate Bill No. 2114 - This bill amends NDCC Section 36-01-08 to provide that fees collected for brucellosis tags, identification tags, and health books are to be deposited in the Department of Agriculture's operating fund and appropriated on a continuing basis to the State Board of Animal Health to enforce Chapter 36-01.

Senate Bill No. 2179 - This bill provides an appropriation of $159,000 from other funds to the department to mitigate crop damage by blackbirds.

Senate Bill No. 2323 - This bill provides an appropriation of $325,000 from other funds to the department for establishing an endangered species program.

Senate Bill No. 2335 - This bill provides an appropriation of $131,000 from other funds to the department for expanding organic food production and processing.

Senate Bill No. 2338 - This bill provides an appropriation of $114,000 from the general fund to the Board of Animal Health for the development and maintenance of an animal tracking data base.

ATTACH:1

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Funding Summary

	Executive Budget	Senate Changes	Senate Version
Department of Agriculture			
Salaries and wages	$6,662,302	$318,138	$6,980,440
Operating expenses	5,518,433	179,500	5,697,933
Capital assets	5,000		5,000
Grants	1,774,225	150,000	1,924,225
Board of animal health	2,299,702		2,299,702
Crop harmonization board	50,000		50,000
Wildlife services		200,000	200,000
Total all funds	$16,309,662	$847,638	$17,157,300
Less estimated income	10,878,945	212,189	11,091,134
General fund	$5,430,717	$635,449	$6,066,166
FTE	67.00	0.00	67.00
Bill Total			
Total all funds	$16,309,662	$847,638	$17,157,300
Less estimated income	10,878,945	212,189	11,091,134
General fund	$5,430,717	$635,449	$6,066,166
FTE	67.00	0.00	67.00

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	$6,662,302	$318,138	$6,980,440
Operating expenses	5,518,433	179,500	5,697,933
Capital assets	5,000		5,000
Grants	1,774,225	150,000	1,924,225
Board of animal health	2,299,702		2,299,702
Crop harmonization board	50,000		50,000
Wildlife services		200,000	200,000
Total all funds	$16,309,662	$847,638	$17,157,300
Less estimated income	10,878,945	212,189	11,091,134
General fund	$5,430,717	$635,449	$6,066,166
FTE	67.00	0.00	67.00

Department No. 602 - Department of Agriculture - Detail of Senate Changes

	Provides Funding for Salary Market Equity Adjustments[1]	Provides Funding for Pride of Dakota and Marketing[2]	Provides Funding for Dairy Coalition Grants[3]	Provides Funding for Wildlife Services[4]	Total Senate Changes
Salaries and wages	$318,138				$318,138
Operating expenses		179,500			179,500
Capital assets					
Grants			150,000		150,000
Board of animal health					
Crop harmonization board					
Wildlife services				200,000	200,000
Total all funds	$318,138	$179,500	$150,000	$200,000	$847,638
Less estimated income	132,689	79,500	0	0	212,189
General fund	$185,449	$100,000	$150,000	$200,000	$635,449
FTE	0.00	0.00	0.00	0.00	0.00

[1] This amendment provides $318,138 for salary equity adjustments which must be based on market.

[2] This amendment provides $179,500 for Pride of Dakota and marketing.

[3] This amendment provides funding for a grant to the North Dakota Dairy Coalition for developing and expanding the dairy industry.

[4] This amendment provides $200,000 from the general fund for wildlife services.

Conf Com 4/18/07

04/05/07

T[illegible]ENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Funding Summary

	Executive Budget	Senate Version	House Changes	House Version
Office of Management and Budget				
Transfer to the EARP Fund			$150,000	$150,000
Total all funds	$0	$0	$150,000	$150,000
Less estimated income	0	0	0	0
General fund	$0	$0	$150,000	$150,000
FTE	0.00	0.00	0.00	0.00
Department of Agriculture				
Salaries and wages	$6,662,302	$6,980,440	($180,514)	$6,799,926
Operating expenses	5,518,433	5,697,933	(47,100)	5,650,833
Capital assets	5,000	5,000		5,000
Grants	1,774,225	1,924,225	(75,000)	1,849,225
Board of animal health	2,299,702	2,299,702		2,299,702
Crop harmonization board	50,000	50,000	(25,000)	25,000
Wildlife services		200,000		200,000
Total all funds	$16,309,662	$17,157,300	($327,614)	$16,829,686
Less estimated income	10,878,945	11,091,134	(26,221)	11,064,913
General fund	$5,430,717	$6,066,166	($301,393)	$5,764,773
FTE	67.00	67.00	(1.00)	66.00
Bill Total				
Total all funds	$16,309,662	$17,157,300	($177,614)	$16,979,686
Less estimated income	10,878,945	11,091,134	(26,221)	11,064,913
General fund	$5,430,717	$6,066,166	($151,393)	$5,914,773
FTE	67.00	67.00	(1.00)	66.00

Senate Bill No. 2009 - Office of Management and Budget - House Action

	Executive Budget	Senate Version	House Changes	House Version
Transfer to the EARP Fund			$150,000	$150,000
Total all funds	$0	$0	$150,000	$150,000
Less estimated income	0	0	0	0
General fund	$0	$0	$150,000	$150,000
FTE	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of House Changes

	Transfer to the EARP Fund[1]	Total House Changes
Transfer to the EARP Fund	$150,000	$150,000
Total all funds	$150,000	$150,000
Less estimated income	0	0
General fund	$150,000	$150,000
FTE	0.00	0.00

This amendment provides a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	$6,662,302	$318,138	$6,980,440
Operating expenses	5,518,433	179,500	5,697,933
Capital assets	5,000		5,000
Grants	1,774,225	150,000	1,924,225
Board of animal health	2,299,702		2,299,702
Crop harmonization board	50,000		50,000
Wildlife services		200,000	200,000
Total all funds	$16,309,662	$847,638	$17,157,300
Less estimated income	10,878,945	212,189	11,091,134
General fund	$5,430,717	$635,449	$6,066,166
FTE	67.00	0.00	67.00

Department No. 602 - Department of Agriculture - Detail of Senate Changes

	Provides Funding for Salary Market Equity Adjustments[1]	Provides Funding for Pride of Dakota and Marketing[2]	Provides Funding for Dairy Coalition Grants[3]	Provides Funding for Wildlife Services[4]	Total Senate Changes
Salaries and wages	$318,138				$318,138
Operating expenses		179,500			179,500
Capital assets					
Grants			150,000		150,000
Board of animal health					
Crop harmonization board					
Wildlife services				200,000	200,000
Total all funds	$318,138	$179,500	$150,000	$200,000	$847,638
Less estimated income	132,689	79,500	0	0	212,189
General fund	$185,449	$100,000	$150,000	$200,000	$635,449
FTE	0.00	0.00	0.00	0.00	0.00

[1] This amendment provides $318,138 for salary equity adjustments which must be based on market.

[2] This amendment provides $179,500 for Pride of Dakota and marketing.

[3] This amendment provides funding for a grant to the North Dakota Dairy Coalition for developing and expanding the dairy industry.

[4] This amendment provides $200,000 from the general fund for wildlife services.

ate Bill No. 2009 - Department of Agriculture - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	$6,662,302	$6,980,440	($180,514)	$6,799,926
Operating expenses	5,518,433	5,697,933	(47,100)	5,650,833
Capital assets	5,000	5,000		5,000
Grants	1,774,225	1,924,225	(75,000)	1,849,225
Board of animal health	2,299,702	2,299,702		2,299,702
Crop harmonization board	50,000	50,000	(25,000)	25,000
Wildlife services		200,000		200,000
Total all funds	$16,309,662	$17,157,300	($327,614)	$16,829,686
Less estimated income	10,878,945	11,091,134	(26,221)	11,064,913
General fund	$5,430,717	$6,066,166	($301,393)	$5,764,773
FTE	67.00	67.00	(1.00)	66.00

Department No. 602 - Department of Agriculture - Detail of House Changes

	Reduces Salary Equity Funding[1]	Reduces Funding for Motor Pool Expenses[2]	Reduces Funding for Dairy Coalition Grant[3]	Removes Funding for 2 Meat Inspection FTE Positions[4]	Adds Funding for Pride of Dakota Revenue and Trade Shows[5]	Endangered Species Program[6]
Salaries and wages	($118,138)			($167,376)		$105,000
Operating expenses		(50,000)		(97,100)	80,000	95,000
Capital assets						
Grants			(75,000)			
Board of animal health						
Crop harmonization board						
Wildlife services						
Total all funds	($118,138)	($50,000)	($75,000)	($264,476)	$80,000	$200,000
Less estimated income	(49,273)	0	0	(126,948)	50,000	200,000
General fund	($68,865)	($50,000)	($75,000)	($137,528)	$30,000	$0
FTE	0.00	0.00	0.00	(2.00)	0.00	1.00

	Reduces Funding Support from the EARP Fund[7]	Total House Changes
Salaries and wages		($180,514)
Operating expenses	(75,000)	(47,100)
Capital assets		
Grants		(75,000)
Board of animal health		
Crop harmonization board	(25,000)	(25,000)
Wildlife services		
Total all funds	($100,000)	($327,614)
Less estimated income	(100,000)	(26,221)
General fund	$0	($301,393)
FTE	0.00	(1.00)

[1] This amendment reduces the salary equity funding added by the Senate from $318,138 to $200,000.

[2] is amendment reduces funding for motor pool expenses.

[3] his amendment reduces the grant to the North Dakota Dairy Coalition added by the Senate from $150,000 to $75,000.

①

NORTH DAKOTA

DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

BUDGET PRESENTATION

FOR THE

2007-2009 BIENNIUM

January 19, 2007

NORTH DAKOTA SENATE

COMMITTEE ON APPROPRIATIONS

THE HON. RAYMOND HOLMBERG, CHAIRMAN

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The Department's Vision . . .

To provide North Dakota agriculture with the services and leadership necessary to make North Dakota the trusted provider of the highest quality food in the world with prosperous family farms, thriving rural communities and world class stewardship of resources.

The Department's Mission . . .

The North Dakota Department of Agriculture fosters the long-term well-being of North Dakota by promoting a healthy economic, environmental and social climate for agriculture and the rural community through leadership, advocacy, education, regulation and other services. To carry out its mandate, the Department of Agriculture is committed to the following responsibilities:

- Serving as an advocate for family farmers and for the rural community.
- Providing services that ensure safe, high-quality and marketable agricultural products.
- Developing and expanding markets for agricultural products.
- Reducing the risk of financial loss to agricultural producers and to buyers and sellers of agricultural commodities.
- Ensuring compliance with the law through understandable regulations, information, education and even-handed enforcement.
- Ensuring human safety and protecting the environment through proper use of pesticides.
- Providing services to reduce agricultural losses from noxious weeds, animal depredation, insects and diseases.
- Ensuring the quality and availability of pesticides, fertilizers, veterinary medicines and animal feeds through testing and registration.
- Protecting and improving the health, welfare, quality and marketability of livestock and other domestic animals.
- Gathering and disseminating information concerning agriculture to the general public.
- Providing fair and timely dispute resolution services to agricultural producers, creditors and others.

INTRODUCTION

ROGER JOHNSON
COMMISSIONER

The importance of agriculture in North Dakota's economy and society cannot be overstated. Agriculture and agriculture-related business employ nearly one-fourth of North Dakota's workforce and account for the largest portion of our state's economic base. Agriculture generated nearly $5 billion in cash receipts in 2005.

North Dakota leads the nation in the production of durum and spring wheat, barley, oil and confectionary sunflowers, pinto beans, dry edible beans, flaxseed, canola, navy beans, dry edible peas and oats. The state is also a major producer of soybeans, sugarbeets, rye, lentils and honey. North Dakota farmers, ranchers, agriculture distributors and processors are respected across the nation and around the world as the producers of some of the highest quality food products in the world (see Attachment 1).

This high level of quality production is all the more remarkable in light of the adverse weather conditions, including drought, flooding, late spring frosts and early harvest freezes, during the past two years. These conditions have reduced yields, prevented planting and harvests and caused widespread crop diseases.

In both 2005 and 2006, the U.S. Department of Agriculture designated the entire state of North Dakota as a primary natural disaster area due to losses caused by the combined effects of freeze damage, late spring snow storms, flooding, high temperatures, torrential rainfall, hail, high winds and severe summer drought.

Although statewide per acre average yields of all crops were reduced from 2005, some producers had good crops in 2006. Cropping patterns continued to shift as well. The statewide corn and soybean production was a record high due to record acres planted to these crops in the state.

Yhe North Dakota Department of Agriculture (NDDA) provides leadership, resources and services "to make North Dakota the trusted provider of the highest quality food in the world with prosperous family farms, thriving rural communities and world-class stewardship of resources."

NDDA is working to expand the state's livestock industry through a new value-added livestock initiative in cooperation with the North Dakota State University Extension Service, the North Dakota Dairy Coalition, North Dakota Feeder Council, the Cloverdale Alliance and other livestock groups. Livestock processing is the focus of the expanding State Meat Inspection Program. A goal of the Cloverdale Alliance, to grow North Dakota hog production by 50,000 pigs, will be reached in mid 2007.

NDDA is leading an effort to coordinate development of the state's abundant renewable energy resources and potential, including wind power, ethanol, biodiesel and biomass. NDDA is an active member of the North Dakota Renewable Energy Partnership and also served on North Dakota's first ever Biomass Energy Task Force to develop an action plan to develop and commercial-

ize biomass production and utilization in the state. In addition, NDDA participates in several regional efforts, including a newly-formed North Central Bioeconomy Consortium, to capitalize on regional opportunities for energy development.

NDDA is working with federal and other state authorities in protecting the state and its citizens from terrorism. In cooperation with USDA and the Centers for Disease Control and Prevention, a staff veterinarian and 21 practicing veterinarians form a state response team prepared for potential situations.

NDDA is working to harmonize pesticide use, regulations, and enforcement across international borders and to make a wider range of pesticides available for North Dakota producers. The first Canadian-registered pesticide legally imported into the U.S. crossed the border in late December 2006.

NDDA is disposing of unusable pesticides –almost 2 million pounds since 1992 – through Project Safe Send.

NDDA is developing new markets for North Dakota products, especially in the Far East and the Caribbean.

NDDA is using the Internet to help Pride of Dakota companies market North Dakota products directly to domestic and international customers.

NDDA is helping businesses and individuals obtain federal funding through such programs as the Market Access Program (MAP) and the Federal–State Marketing Improvement Program (FSMIP).

NDDA is educating a new generation about farming, ranching and the industry of agriculture through Agriculture in the Classroom.

NDDA is working with local weed boards, partners and landowners to control the spread of noxious weeds. Millions of flea beetles have been collected and distributed to control leafy spurge throughout the state. The Canada thistle stem-mining weevil was released on a trial basis to determine its effectiveness in controlling one of the state's most damaging weeds.

NDDA is providing confidential negotiation and mediation services to producers with financial problems and assisting with loan restructuring and applications.

The three program areas of the North Dakota Department of Agriculture – Executive Services, Livestock Services, and Plant Industries – are committed to providing assistance and services to agricultural producers and the people of the State of North Dakota.

Agriculture Commissioner

In addition to overseeing the programs and activities of the North Dakota Department of Agriculture (NDDA), the Agriculture Commissioner serves on numerous boards and commissions, including:

- North Dakota Industrial Commission
- North Dakota Water Commission
- Board of Tax Equalization
- Ag Products Utilization Commission
- N.D. Dairy Promotion Commission
- N.D. Barley Council
- N.D. Seed Commission
- N.D. Pesticide Control Board
- N.D. Edible Bean Council
- Interstate Compact on Pest Control
- N.D. Oilseed Council
- N.D. Soil Conservation Committee
- N.D. Agriculture in the Classroom Council
- N.D. Potato Council
- N.D. Seed Arbitration Board
- N.D. Disaster Emergency Board
- USDA Food and Agriculture Council
- State Board of Agricultural Research & Education
- N.D. Disaster Emergency Board
- USDA Food and Agriculture Council
- State Board of Agricultural Research & Education

Agriculture Commissioner Roger Johnson has chaired the Rural Development & Financial Security Policy Committee of the National Association of State Departments of Agriculture (NASDA) since 2001. The committee leads the development of farm policy recommendations to Congress by the agriculture commissioners. secretaries and directors of the 50 states.

As the current president-elect of NASDA, Commissioner Johnson plays a key role in pushing for NASDA's plan in Washington, as Congress debates the next farm bill. He will lead the national organization in 2007-08.

Significant budget issues

Employee Compensation: The governor's compensation package with the four and four with full health insurance and a $10 million market equity pool is a good starting point, but the Legislature should consider more. NDDA compared its salaries to the "typical or median" salaries with those for similar jobs in either the city or region, whichever was most appropriate. The analysis showed that 16 NDDA employees in six job categories are significantly underpaid relative to the market. As a result, NDDA asked the Governor for an additional $318,139 for the agency to become competitive and retain our employees. The request was based upon making up only half the difference between current salary levels and the market. NDDA also analyzed the impact of the $10 million market equity pool on the agency's market equity needs and found that of those 16 employees, only 10 will be eligible for market equity adjustments. More than a one-third of the agency's critical needs will go unaddressed.

ITD and Motor Pool Rate Increases: The Governor's budget makes across-the-board operating adjustments in these two major categories. Telephone rates are projected to increase 28 percent. ITD charges include charges of $19,224 for People Soft and $3,384 for Liquid Office, costs which NDDA is already paying but which were not built into the current budget. In addition, the broad array of IT costs is expected to increase on an average rate of 8 percent. NDDA uses vehicles of three main types: Group 2, Group 9 and Group 13. If one compares the proposed rates for these groups for the 2007-09 biennium to the rates in effect when the 2005-07 budget was built, the rates are up 48, 96 and 44 percent respectively. The agency impact by funding source is as follows:

General funds	-	$92,832
Federal Funds	-	$86,384
Special Funds	-	$55,820

Executive Services

Pride of Dakota Conference Accounts: The Governor's budget contains $214,568 of special fund appropriation which puts Pride of Dakota projects, such as Holiday Showcase, "on budget" rather than using conference accounts. No net budgetary impact.

Ag Mediation Increased Demand: The Governor's budget projects a 30 percent increase in demand for services in the 2007-09 biennium.

Ag in the Classroom: The Governor's budget recommends $100,000 for Ag in the Classroom from the EARP Fund.

Livestock Services

Meat Inspection Deficiency Appropriation: The Governor's budget provides $114,000 of general funds for FFY2006 and FFY2007 shortfalls in meat inspection funds. NDDA testimony on behalf of the deficiency appropriation SB2023 requested $58,130. We ask that the balance ($55,870) be added to the meat inspection request for 2007-09.

Meat Inspection Expansion: The Governor's budget continues funding for one meat inspection FTE approved by the State Emergency Commission during the 2005-07 biennium and also provides funds for an additional four meat inspection staff.

Board of Animal Health: Due to increased workload caused by many issues associated with animal diseases and non-traditional livestock, the governor's budget provides state funds for a new veterinarian FTE.

Wildlife Services: The 2005 Legislature provided up to $130,000 of Game and Fish funds, contingent upon federal funds decreasing. Although federal funds available for dealing with coyotes, beaver and other species covered have declined significantly, overall funding levels did not trigger the contingency. With steeply escalating travel costs and increased salary costs, Wildlife Services will make major reductions in services yet in the current biennium without some action to make the $130,000 available through an emergency clause. Further, even if the $130,000 were made available early, because these operating costs and salary cost will not decrease in the next biennium, we are recommending that you consider replacing the $130,000 with general funds in the 2007-09 budget.

Plant Industries

Noxious Weed funding: The noxious weed grant line provides a total of $1,714,225 for noxious weed

programs. This amount is equivalent to the amount appropriated last biennium.

Pesticide Registration Fee: The Governor's budget removes the sunset on the $50 fee for pesticide registrations, allowing full continued funding for Ag in the Classroom and the Minor Use Fund.

Minor Use Fund: The Governor's budget transfers $200,000 to the Minor Use Fund.

Other legislation of interest

Agency bills

- SB2114 allows the Board of Animal Health to collect and spend funds from tags and health certificates under a continuing appropriation. This adds about $30,000 to the Board's operating budget.
- SB2107 allows NDDA to increase fees for phytosanitary certificates if USDA levies a new charge. There is no budget or revenue impact from this bill.

Industry bills

- SB2199 provides $532,000 to expand Pride of Dakota programs for member companies.
- SB2283 provides $358,000 for development of new farmers markets and enhancment of existing markets.
- SB2323 takes $50 per product from the general fund to be deposited into the EARP Fund and appropriates $325,000 for two positions and lab fees for the Endangered Species program.

No bill numbers available for:

- The Organic Advisory Board will seek legislation providing $221,000 for development of organic programs.
- The State Animal ID Committee will seek legislation providing $114,000 for devellopment of a database for health tracking purposes.
- The National Sunflower Association will seek legislation providing about $160,000 for blackbird depredation research.

Use of contract employees

The Legislative Council has asked the North Dakota Department of Agriculture (NDDA) to provide details of contract employees with the agency.

NDDA uses contract employees for two purposes:

First, NDDA's livestock program has a cooperative agreement with USDA, whereby USDA provides 100 percent funding of three contractors to gather market information at North Dakota livestock markets. USDA selects the contractors, but NDDA executes and administers the contracts. This biennium, NDDA spent $31,403 through December, 2006.

Second, NDDA uses Command Center, a local temporary employee service, to fill certain staffing needs. This biennium, NDDA spent $23,553 through December, 2006. The vast majority of the funds were used to provide the Board of Animal Health with data entry support related to three federal animal disease grants.

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

Agriculture Commissioner
Roger Johnson

Deputy Commissioner
Jeff Weispfenning

Assistant to the Commissioner
Joanne Beckman

Executive Services
Jeff Knudson, Program Manager

- Agricultural Mediation Service
  - Tom Silbernagel, Coordinator
  - Negotiators
    - Don Kuhn
    - Larry Smith
    - Tony Wixo
  - Betty Nelson, Administrative Officer
  - Policy Analyst - Vacant
  - Non-FTEs (9)
- Marketing Services
  - Charles Fleming, Coordinator
  - Specialists
    - Sara Wagner
    - Stephanie Fox
- Policy & Communications
  - Patrice Lahlum, Coordinator
  - Ted Quanrud, Public Information Specialist
- Administrative Secretary
  - Bonnie Sundby

- Fiscal Management
  - Lynette Baumiller, Account Budget Specialist
  - Jet Collins, Administrative Officer
  - Joanie Sanda, Account Technician
- Information Technology
  - Roberta Tjaden, Computer & Network Specialist

Livestock Services
Wayne Carlson, Program Manager

- State Board of Animal Health
  - Dr. Susan Keller, State Veterinarian
  - Dr. Beth Carlson, Deputy State Veterinarian
  - Dr. Deidre Qual, Assistant State Veterinarian
  - Dr. James Clement, Animal ID Coordinator
  - Becki Bass, Animal ID Technician
  - Tammy Celley, Administrative Assistant
  - Kerri Kraft, Office Assistant
- Livestock Development
  - Bobbi Talmadge, Coordinator
- Dairy/Poultry
  - John Ringsrud, Milk Surveillance Officer
  - Inspectors
    - Orville Payne
    - Tracey Walth
    - Gary Molstad
  - Jason Wirtz, Livestock Pollution Prevention Specialist
  - Becky Gietzen, Administrative Assistant
- State Meat Inspection Program
  - Dr. Andrea Grondahl, Director
  - Vawnita Best, Senior Inspector
  - David Slack, Compliance Officer
  - Inspectors
    - Kelly Ellenberg
    - Heather Andersen
    - Lexy Inghram
    - Cami Metzger
    - Shawn Steffen
    - Cody Kreft
- Wildlife Services
  - Phil Mastrangelo, State Director

Plant Industries
Ken Junkert, Program Manager

- Feed & Fertilizer Registration
  - Garry Wagner, Coordinator
- Pesticide Enforcement
  - Jerry Thompson, Coordinator
  - Rochelle Olson, Enforcement Specialist
  - Inspectors
    - Kevin Demers
    - Dave Harsche
    - Doug Johnston
    - Ken MacDonald
    - Joel Owen
    - Vacant
- Pesticide Registration
  - Jim Gray, Coordinator
- Plant Protection
  - David Nelson, State Entomologist
  - Specialists
    - Carrie Larson
    - Dr. Denise Olson
- Noxious Weeds
  - Specialists
    - Ken Eraas
    - Rachel Seifert-Spilde
- Apiary/Project Safe Send/Waterbank Program
  - Judy Carlson, Coordinator/Apiary Director
- Administrative Officer
  - Cindy Wooldridge
- Administrative Assistant
  - Elaine Sayler

1-03-07

EXECUTIVE SERVICES

JEFF KNUDSON
PROGRAM MANAGER

Executive Services includes the policy and communication section, marketing services, agricultural mediation service, agriculture in the classroom program, fiscal management, information services and reception service in the North Dakota Department of Agriculture (NDDA).

Policy and Communications

Policy and Communications provides research and analysis of public issues for the agriculture commissioner, department staff and the public.

Policy and Communications organizes and disseminates public information about the department and North Dakota agriculture through news releases, newsletters, pamphlets and other publications.

Policy and Communications coordinates the North Dakota Renewable Energy Partnership that develops recommendations for the future of four renewable energy sectors – biodiesel, biomass, ethanol, and wind. NDDA co-sponsored the 2003, 2004 and 2005 Renewable Energy Summits that led to the formation of the North Dakota Renewable Energy Partnership.

Marketing Services

Marketing Services provides education, promotion and market enhancement programs to increase sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic and local markets.

As an active member of the Food Export Association of the Midwest USA (formerly the Mid-America International Agri-Trade Council), NDDA can secure additional staff support to help North Dakota food and agri-business companies with export promotion, including expense reimbursement to companies entering foreign markets. The association also helps companies at overseas trade shows through Food Show Plus, which offers such services as language translation of materials, an interpreter during the show and scheduled meetings with buyers. Other association programs include a Global Export Marketing Service (GEMS) that provides companies with export and import sales information, and Essentials on Line, a 10-module, computer-based educational program designed for companies interested in food exporting.

Marketing Services has developed a database of agriculture exporters or potential exporters in the state and is currently visiting those companies to offer technical and financial assistance to them. A quarterly, electronic newsletter is sent to update companies on exporting activities.

NDDA continues to focus on Cuba for sales of agricultural products. More than $32 million of North Dakota agricultural products have been sold to Cuba since trade began in 2002.

NDDA has aggressively pursued the development of farmers markets throughout the state. Three years ago there were only 10 organized farmers markets in

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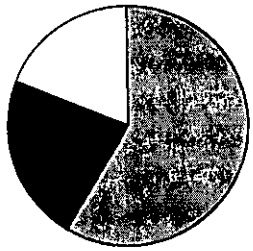


General	$2,185,772
Federal	$849,284
Special	$721,520
Total	**$3,756,576**

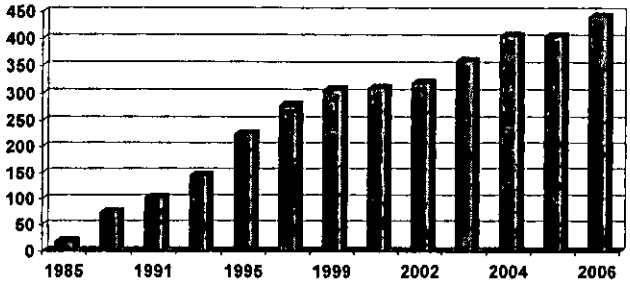
the state. Today there are 41. NDDA helped establish the North Dakota Farmers Market and Growers Association, a statewide organization working to grow this new industry.

The agriculture commissioner serves on many state commodity councils. Marketing Services works closely with these groups to promote their products.

Pride of Dakota is a major focus of Marketing Services. Created by former Commissioner of Agriculture Kent Jones in 1985, this program provides North Dakota companies with a recognizable state "brand" and provides opportunities for joint marketing efforts by the member companies.

Pride of Dakota membership has grown to an all-time high of 431 companies with no active recruitment by the department (see Attachment 2). A new web site – prideofdakota.com – is online, offering an Internet presence for all Pride of Dakota companies. Pride of Dakota Holiday Showcases are held in the four largest cities each year. More than 22,000 people, a record number, attended the shows in 2006.

Pride of Dakota Membership



Agriculture in the Classroom

Agriculture in the Classroom fosters a greater awareness by elementary and secondary school students of the importance of agriculture through development of educational materials and training of teachers. Activities include in-service training, for-credit classes, teacher tours, and classroom publications.

The 2005 Legislature mandated that Ag in the Classroom programs be conducted by independent contractors. NDDA contracted the North Dakota Geographic Alliance, North Dakota State University Ag Communications, the North Dakota Farm Bureau Foundation and the North Dakota FFA Foundation to conduct these programs.

In 2006, 92 teachers attended Project Food, Land, and People training and 38 teachers attended North Dakota Agriculture Tours for Teachers. The Ag in the Classroom Mini-Grant Program reached more than 6,000 students and adults. Three issues of the AgMag were distributed to more than 6,000 students in 2006. (see Attachment 3).

The 2005 Legislature appropriated $100,000 for Agriculture in the Classroom. The governor's proposed 2007-2009 budget provides the same amount.

Agricultural Mediation

The North Dakota Agricultural Mediation Service (AMS) offers negotiation and mediation services to resolve differences among creditors, farmers and others (see Attachment 4).

The six-member North Dakota Credit Review Board (CRB) establishes AMS operating policies. The governor and attorney general each appoint a farmer and a lender, and the agriculture commissioner appoints two farmers to the board. Current members are Marilyn Aarsvold, Blanchard; Elwood "Woody" Barth, Solen; Paul Burtman, Wildrose; Russ Erickson, Grand Forks; David Rustebakke, Grand Forks, and George Wald, Dickinson.

Mediation is a voluntary process for farmers and private creditors, but it is mandatory with the Farm Service Agency (FSA) and Farm Credit Services (FCS) and is requested as a matter of policy by the Bank of North Dakota on delinquent loans. Most USDA agencies also offer mediation of adverse determinations as a part of their appeal process. Mediation is less costly and faster than formal appeals and litigation. It produces greater levels of satisfaction for participants and allows the parties to deal with the entire problem. In farm credit cases that are otherwise headed to foreclosure, agreements are reached most of the time.

Mediators are trained as impartial third parties who serve as intermediaries, outside the courtroom, between farmers and others to resolve disputes prior to formal appeals.

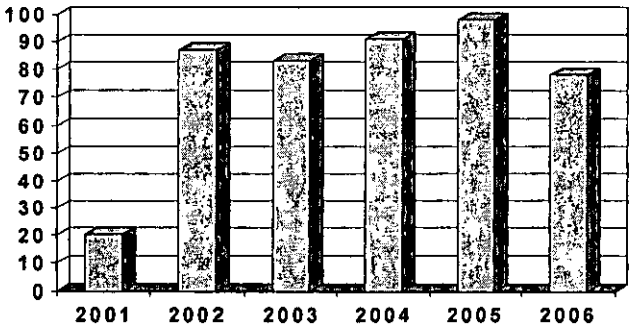
Negotiators help farmers and ranchers with financial problems, loan restructuring and loan applications. Negotiators help farmers prepare information for mediation of USDA non-credit adverse determina-

tions and other disputes. Negotiators also assist beginning farmers with farm operating and finance plans and beginning farmer loan applications. During the past two fiscal years, 339 producers, including 18 beginning farmers, requested AMS services.

AMS agreement rates, an important measure of mediation effectiveness, were 91 percent and 78 percent respectively for fiscal 2005 and 2006. Successful mediation outcomes are those in which financial problems are resolved and/or adverse determinations are reversed or modified, or in which the producer accepts the determination and foregoes further administrative appeals and/or litigation.

The demand for AMS services largely depends on federal farm policy, crop production conditions, federal disaster assistance and livestock/commodity prices. The recent drought has increased demand for mediation services. New client requests for the last five months of 2006 are more than twice the number received for the same period in 2005. If federal disaster aid is not received, it is reasonable to assume requests will continue to increase.

AMS Agreement Rates



AMS networks with public, private and non-profit entities to provide services to farmers and their families. Presentations by service providers such as North Dakota Mental Health (211 line), North Dakota Vocational Rehabilitation, Job Service and others are scheduled as time permits. In 2006 AMS entered into a working agreement with ND Vocational Rehabilitation to provide services to their farm clients.

Periodic educational seminars for AMS staff include farm credit and farm program training, as well as certified mediation training from the University of North Dakota Conflict Resolution Center.

State mediation programs, such as AMS, are recognized for saving significant taxpayer dollars in the federal budget. A 2001 national Farm Service Agency News article states: *Mediation at $400 to $750 per case, offers significant savings over national level administrative hearings, which cost around $3,500 per case. The cost comparison between the two has remained almost constant and is still true as this report is written.*

Bipartisan support in Congress for extending the sunset of USDA's Mediation Grants Program is seen as a strong endorsement of state mediation programs as a cost saving means of dispute resolution. (The program was extended through fiscal year 2010 by P.L. 109-17, enacted June 29, 2005.)

Organic Certification

The USDA national organic program distributed approximately $55,000 to NDDA for distribution to organic producers for partial reimbursement of their certification costs during the 2005-07 biennium. No state funds were involved.

Executive Services Budget Comparisons

	2005-2007	2007-2009
Salaries	$2,377,896	$2,451,465
Operating	935,442	1,305,111
TOTAL	$3,313,338	$3,756,576
FTEs	19	19.5

LIVESTOCK SERVICES

WAYNE CARLSON
PROGRAM MANAGER

Livestock Services includes Livestock Licensing, Dairy/Poultry, the State Board of Animal Health, the State Meat and Poultry Inspection Program and Wildlife Services. The main focus of the program area is regulating North Dakota's livestock industry.

Livestock Licensing

The livestock industry is one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.72 million cattle, 104,000 sheep and 157,000 hogs with cash receipts of approximately $989 million.

The Livestock Licensing section protects this industry by licensing livestock dealers and auction markets. Approximately 160 dealers and 16 auction markets are granted licenses after posting bond, filing financial statements and passing tests of financial responsibility. Field investigations are routinely carried out to monitor financial conditions of dealers and auction markets and to discover unlicensed dealers.

Dairy

The Dairy Section protects and promotes North Dakota's dairy and poultry industries by helping them comply with statutes and regulations.

Three dairy inspectors visit the state's 300 dairy farms, inspecting each farm for sanitation of equipment, facilities, proper usage and storage of drugs, and water purity.

The state's four dairy processing plants and three milk transfer stations are inspected four or more times annually. Distribution facilities, milk bulk trucks and samplers/haulers are also inspected.

A fourth inspector conducts the survey (auditing) work of the Interstate Milk Shippers program (Grade A). This involves 38 milk producer groups, four plants, and five transfer/receiving stations. The same individual inspects manufacturing grade plants and transfer stations under a continuing contractual agreement with the U.S. Food and Drug Administration.

Efforts to ensure a milk supply free of chemical/drug residues continue to occupy a large amount of time and resources of the dairy section. The field staff conducted 140 inspections of non-traditional livestock for the state veterinarian's office this year as well as 100 feed inspections looking for use of banned feeds (BSE) under a grant from FDA. The inspectors have also conducted pesticide registration surveillance in their areas.

NDDA is in the sixth year of the voluntary Livestock Pollution Prevention Program (formerly the Dairy Pollution Prevention Program), funded through EPA 319 funds, to help livestock producers install manure containment systems. This program has provided cost-share funding assistance to 38 produc-

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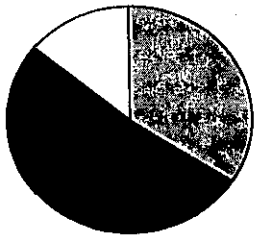


General	$2,684,917
Federal	$3,309,387
Special	$910,321
Total	**$6,904,625**

ers for full waste containment systems, water diversions and waste utilization plans. The program has also assisted 238 dairy producers with nutrient management, project planning, regulatory explanation and manure containment advice. Since the program's inception, $951,030 has been spent. EPA has committed an additional $1,789,278 to the program through 2009.

Dairy section personnel carry out all poultry division responsibilities. North Dakota currently has 12 licensed commercial egg producers that are inspected once a year. All in-state and out-of-state hatcheries are licensed and bonded.

State Veterinarian

The State Board of Animal Health (BOAH) establishes policy for the State Veterinarian's office. Current members are Nathan Boehm, Mandan, president; Paula Swenson, Walcott, secretary; Jeff Dahl, Gackle; Ron Fraase, Buffalo; Francis "Buck" Maher, Menoken; Dr. Dick Roth, Fargo; Dr. William Tidball, Beach, and Dr. Kenneth Throlson, New Rockford.

The BOAH is charged with all matters relating to the health and welfare of domestic animals and nontraditional livestock, not specifically assigned by statute to another entity. The BOAH also determines and employs the most efficient and practical means for the prevention, suppression, control, and eradication of dangerous, contagious diseases of domestic animals and nontraditional livestock. The BOAH must also prevent the escape and release of animals injurious to or competitive with agriculture, horticulture, forestry, wild animals and other natural resources.

The State Board of Animal Health and the North Dakota Game and Fish Department have a memorandum of understanding (MOU), which allows the BOAH to regulate non-traditional livestock. Game and Fish provided $150,000 during the 2005-07 biennium for these activities.

Voluntary disease control programs provide recognition of and certification for helping producers eliminate diseases from their herds. The board oversees a voluntary Johne's Disease Herd Status Program for the state. A mandatory statewide surveillance program for chronic wasting disease (CWD) has been in effect in North Dakota for nine years. A scrapie cooperative agreement assists sheep producers in North Dakota with the costs of genotyping to determine the susceptibility of their animals to scrapie.

Free trade agreements and the ever increasing, international movement of people, animals and animal products have greatly increased the risk of the introduction of foreign animals diseases into the U.S. and into North Dakota. Consequently, the potential for disease outbreaks has increased. The BOAH participates in a voluntary premises registration and animal identification program. Involvement is critical to ensuring that the program meets the needs of animal health officials charged with tracing animals in disease investigations. Traceouts from tuberculosis-positive herds in Minnesota illustrated that need in 2006.

An emergency response plan to survey and respond to foreign animal and emerging diseases, natural disasters and bioterrorist events has been implemented. A mobile, emergency laboratory and cattle handling equipment are ready for use. The BOAH hired an emergency response coordinator to oversee the plan and to administer the Veterinary Private Practitioner Portal (PPP), a Web-based system for veterinarians to report information regarding disease investigations and complaints of inhumane treatment of animals.

In this biennium, funding was received from several sources, including:

- A Centers for Disease Control and Prevention grant through the North Dakota Health Department for bioterrorism preparedness;
- A USDA-APHIS grant for Foreign Animal Disease surveillance and preparedness, and,
- A Swine Health grant which allows us to monitor for garbage feeding of swine in North Dakota.

Avian influenza also become an urgent issue to USDA-APHIS in 2005 and 2006, resulting in the need to identify locations of commercial and non-commercial birds and to conduct on-site surveillance for highly pathogenic avian influenza throughout North Dakota. The uncertainty of long term

funding of cooperative agreements is always an unknown and makes it difficult to keep veterinarians and support personnel.

Some of the federal funding is used every year for improving surveillance for diseases in the state and purchasing equipment to improve readiness if an emergency should occur. To date, 21 veterinary practitioners participate in the North Dakota Veterinary Reserve Corps. They are continually being trained to assist in emergency situations.

Meat and Poultry Inspection

The State Meat and Poultry Inspection Program was established within the North Dakota Department of Agriculture in 2000. Processors that are recognized as "official state establishments," may wholesale products throughout the state. They may also buy and slaughter local livestock or slaughter livestock for local producers and offer these products for sale. Selling directly to consumers helps processors and producers capture more of the consumer dollar (see Attchment 5).

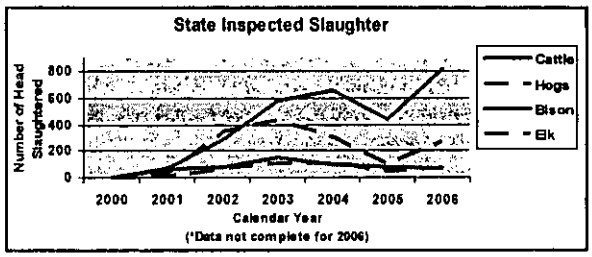
Although the state laws and regulations closely resemble those of the federal program (Food Safety and Inspection Service-FSIS), the state programs offer certain advantages. State programs can deal with small businesses more effectively and efficiently than the large federal system. A state program can offer more technical support and guidance and handle disputes on a state and local level.

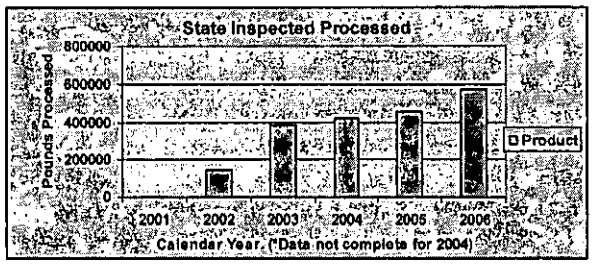
As part of the cooperative agreement with NDDA, FSIS provides up to a 50 percent match for all inspection activity expenditures, excluding inspection of any non-amenable species, such as bison or elk.

The program is administered by the director and a half-time administrative assistant located in Bismarck. A senior inspector/supervisor oversees the field operations of six field inspectors, who currently inspect 14 official state establishments, monitoring slaughter and/or processing activities on a daily or weekly basis. Inspectors also review the state's 96 custom-exempt plants at least four times per year. Custom exempt plants are 'exempt' from the inspection of the actual slaughter and processing activities but must meet sanitation and facility requirements. Another field inspection position, located in Fargo, is the program's compliance officer. Compliance activities include random reviews of businesses selling meat products, enforcing labeling requirements, investigating violations of state or federal meat inspection regulations and handling consumer complaints.

In addition to inspection duties, the program staff offers education and consultation to plant personnel while reviewing facilities. The supervisor and director conduct regular oversight reviews to ensure consistent inspections throughout the state.

The amount of livestock slaughtered and meat processed under state inspection demonstrates the growth and benefits of the state meat inspection program and is shown in the following charts:





During the first year of state meat inspection (2001), there were a total of 181 animals slaughtered. This has increased to 1,219 animals in 2006.

There were 5,238 pounds of meat processed under state inspection during the first year of state meat inspection (2001). This increased to 573,455 pounds in 2006.

NDDA has asked for 5 additional FTE's. The increased number of FTE's is needed to cover the additional workload created by expanded processing in existing plants and the increase in the number of plants that have expressed desire to come under state inspection. See Attachment 5 for a map of existing and anticipated plants.

Wildlife Services

North Dakota Wildlife Services (WS) provides management of wildlife in situations that impact livestock producers, farmers, homeowners, airports, and public land managers. WS operates a cooperatively funded program with federally allocated funds supplemented by funding provided by two state agencies, the North Dakota Department of Agriculture and the Game and Fish Department, and other sources such as producer groups, municipalities and individuals.

In 2006, Wildlife Services responded to 550 occurrences of livestock-predator conflict. The agency documented $155,000 in livestock losses to predators with a control program in place. Research shows that without such a program, the economic impact of coyote predation would be 3-5 times higher. ("Economics of predation management in relation to agriculture, wildlife and human health and safety" in Human Wildlife Conflicts: Economic Considerations, 2002).

Wildlife Services responded to 390 incidents of beaver damage to trees, roadways and crops, resulting in losses of $430,000. Explosives were used to remove 50 beaver dams. Every dollar spent on explosives saved property owners more than $6 on the cost of using heavy machinery to remove the dams.

Wildlife Services responded to 245 occurrences of goose damage. Frightening devices, electric fencing and information were provided to landowners. Depredation permits were issued to 92 landowners.

In 2006, WS and the North Dakota Game and Fish Department participated in a national avian influenza surveillance program. WS also helped the North Dakota Department of Health with its annual West Nile Virus surveillance program and the Game and Fish Department with chronic wasting disease surveillance.

Wildlife Services documented 75 occurrences of wildlife conflicts with or impacts on human health. More than half the incidents dealt with skunks.

In 2006, Wildlife Services responded to more than 300 wildlife conflicts in residential areas, involving damage to buildings, trees, lawns and gardens. Wildlife typically responsible for these problems include beaver, geese, rabbits, raccoons and squirrels.

WS assisted civilian airports in Bismarck, Devils Lake, Dickinson, Fargo, Grand Forks, Jamestown, Minot and Williston, as well as the Minot and Grand Forks Air Force bases, with potentially hazardous situations involving wildlife, most often deer, geese and gulls.

Information Transfer - Wildlife Services continued its extensive educational program to help North Dakotans with their specific wildlife conflicts. More than 900 personal consultations were provided. Equipment, such as live traps and propane cannons, were loaned free of charge.

The legislature inserted contingency language into the Agriculture budget for additional monies to be appropriated to Wildlife Services, if federal funding declined. Wildlife Services was not able to access these funds because the language used to trigger these funds was incorrectly written.

With steeply escalating travel costs and increased salary costs, Wildlife Services is currently running significantly over budget and will make major reductions in services in the current biennium and in the 2007-09 biennium without some action to make the $130,000 available through an emergency clause.

Livestock Services Budget Comparisons

	2005-2007	2007-2009
Salaries	$1,417,347	$2,056,094
Operating	1,806,779	2,548,829
Board of Animal Health	2,036,027	2,299,702
Wildlife Services Contingency	130,000	
Totals	$5,390,153	$6,904,625
FTEs	22.4	28.5

PLANT INDUSTRIES

KEN JUNKERT
PROGRAM MANAGER

Crop production is the main focus of the Plant Industries Program Area, which is comprised of the Pesticide, Plant Protection, Noxious Weeds and Apiary sections.

Pesticide

Federal funds provide up to 85 percent of the pesticide section activities. It is anticipated that a reduction in federal funds for the pesticide program may require additional state funds to continue the pesticide program, or will require the department to limit certain program activities, such as the endangered species protection program, the groundwater protection program and the worker protection program.

Harmonization

The pesticide section has been very active in pesticide harmonization efforts. North Dakota Department of Agriculture representatives have participated in NAFTA Technical Working Group meetings and have actively worked with the EPA and Congressional staff to advance federal legislation that would allow importation of Canadian pesticides.

The section provided pesticide harmonization expertise in numerous meetings, including grower meetings, conferences with the NAFTA Technical Working Group and through participation on the NAFTA Technical Working Group Subcommittee on Pesticide Harmonization - NAFTA Labels. NDDA staff have also testified before Congress on pesticide and harmonization issues.

The section provides administrative services for the Crop Product Protection Harmonization and Registration Board, created during the 57th Legislature. The board also was given oversight of the Minor Use Fund which cost-shares with commodity groups and North Dakota State University for research projects on minor crops or minor uses on major crops. This biennium, the board has allocated approximately $200,000 from this fund toward four projects.

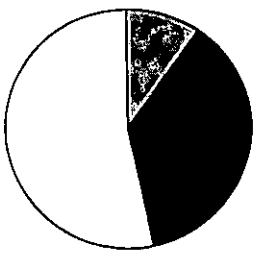
Pesticides

The pesticide section enforces state and federal laws regarding the registration and use of pesticides, as mandated by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), while acting as an advocate for farmers and ranchers who depend on agricultural chemicals.

The section continues the development of initiatives mandated by the U.S. Environmental Protection Agency. These include the Endangered Species Protection Program (ESPP), the Groundwater Protection Strategy for Pesticides and the Worker Protection Program.

The goal of the ESPP is to minimize the impact of pesticide use on the threatened and endangered species found in North Dakota. NDDA contracted the Bemidji State University Center for Environmental, Earth and Space Studies to

2007-2009
Governor's Budget
Funding Sources



General	$560,028
Federal	$2,059,031
Special	$3,029,402
Total	**$5,648,461**

conduct exposure and risk assessments of more than 80 pesticides that can potentially impact threatened and endangered species.

The groundwater program is used to identify sensitive areas where pesticide contamination could occur. This program provides a web-based resource for production agriculture.

The worker protection program provides education to ensure the safety of pesticide handlers and farm workers.

Approximately 10,100 pesticides, ranging from household/residential products to industrial and agricultural products are registered in the state.

The section completed its project to digitally record all labels and material safety data sheets for all pesticides registered in North Dakota. The public now has access to more than 20,000 documents via a searchable pesticide registration database. This database receives more than 300 "hits" daily and is visited by more than 1,000 people monthly.

The section prepares FIFRA Section 18 exemption requests to the Environmental Protection Agency for pesticides to address emergency weed, disease and insect outbreaks. In 2005 and 2006, NDDA obtained 18 and 16 Section 18 exemptions, respectively. Crops affected by these exemptions included wheat, barley, safflower, flax, dry beans, sugarbeets, mustard, lentils, beehives, buckwheat and canola. NDDA also issued 16 Section 24(c) Special Local Needs registrations during FY06, enabling farmers to better manage local and regional pest problems.

Project Safe Send

The section administers Project Safe Send that helps farmers and others to dispose of unusable and old pesticides. Project Safe Send has collected almost 2 million pounds of hazardous and unusable chemicals from more than 5,399 participants since its inception in 1992 (see Attachment 6).

Registration

The section enforces the provisions of the North Dakota Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch. 19-14), and Fertilizer and Soil Conditioner Law (Ch. 19-20.1). These laws require registration, review and sampling of animal feeds and soil amendment products to insure they meet label claims.

Registrations Issued

	2003-05	2005-06
Pet Foods	3,413	4,114
Commercial Feeds	5,155	32,527
Livestock Medicines	1,233	1,344
Various Fertilizers	1,561	2,139

Licenses Issued

	2003-05	2005-06
Anhydrous Ammonia	350	341
Fertilizer Distributors	350	477
Feed Manufacturers	289	307
Feed Dealers	257	238

Samples collected

	2003-05	2005-06
Seed Samples	1,000	820
Fertilizer Samples		550

The section is also responsible for enforcing the state's anhydrous ammonia inspection program.

Plant Protection

The plant protection section issues phytosanitary export certificates and various other certificates required by importing countries or states to facilitate export of North Dakota agricultural commodities.

Export Certification Program

	2004	2005	2006
Federal Phytosanitary Export Certificates	1,398	1,417	1,694
Growers Licensed State phytosanitary certificates (corn, cereal grains, peas)	754	787	996
Totals	2,152	2,204	2,690

The section also inspects and certifies nurseries to prevent the spread of plant pests and to facilitate export of nursery stock.

The section attempts to anticipate exotic threats as well as pests that could compromise our ability to

Nursery Program

	2003	2004	2005	2006
Growers Licensed	40	40	41	40
Dealers Licensed	148	148	162	162

export and then develops survey and response plans. Surveys are conducted under a cooperative agreement with USDA-APHIS. Some surveys are conducted in cooperation with NDSU, North Dakota Forest Service, and North Dakota State Seed Department.

Pest Surveys Conducted

Pest/Disease	Crop Affected
Karnal Bunt	Wheat
Dwarf Bunt	Wheat
Flag Smut	Wheat
Nematodes	
Golden & Potato Cyst	Potatoes
Colombia Root Knot	Potatoes
Soybean Cyst	Soybeans
Cereal Leaf Beetle	Small Grains
Gypsy Moth	Trees
Emerald Ash Borer	Trees
Sudden Oak Death	Oak Trees
Soybean Rust	Soybeans
Japanese beetle	Nursery Stock

Noxious Weeds

The noxious weed section coordinates and facilitates integrated noxious and new invasive weed management programs. The section works closely with county and city weed boards and administers several programs. NDDA transferred or will transfer more than $1,660,550 to county weed boards for weed control during the 2005-2007 biennium. Approximately 9,300 landowners have participated in the Landowners Assistance Program (LAP) since the summer of 2000.

Biological control is an integral part of the leafy spurge control programs across the state. Weed officers actively organize collections and distributions of spurge-eating insects to landowners.

Bio-control agents for Canada thistle are presently being monitored for effectiveness.

NDDA, the U.S. Plant and Animal Health Inspection service and county weed officials cooperated in the introduction of bio-control agents for field bindweed in 2006.

In an attempt to monitor the spread of noxious and new invasive weeds, Global Positioning System (GPS) units were supplied to county and city weed boards that wanted to participate. The weed boards supply the weed location data and receive a map in return (see Attachments 7 & 8).

The State Weed Management Plan was developed to better utilize fiscal and labor resources and to encourage working relationships among county, state and federal weed managers. Six cooperative weed management groups are now working in designated, major water drainage areas.

New invasive weeds are a constant threat to North Dakota. Houndstongue, a non-native poisonous plant has been found in half the state's counties in the past two years. Yellow toadflax continues to spread slowly, due to the unavailability of herbicides or biological measures.

An ongoing survey by county weed officials to find potentially harmful weeds helped discover a small infestation of orange hawkweed that was readily eradicated in 2006. Early detection and rapid response is the basis for dealing with new and invasive weeds.

Waterbank

A cooperative effort of several state and federal agencies, the state Waterbank Program gives landowners financial incentives to preserve wetlands. The program is very popular with landowners because it provides short-term leases that compensate them for the loss of agricultural acreage enrolled in the program.

No funds were allocated to NDDA for this program for the 2005-2007 biennium. There were no new funds included in the governor's 2007-09 budget.

Apiary

The apiary section is responsible for the following services to the beekeeping industry:

- Annual licensing of beekeepers.
- Registration of bee yards.
- Inspection for diseases and parasites.

Approximately one-third of North Dakota bees overwinter in Texas where migratory movement inspections are required. Beehives are inspected on request. Department personnel respond to complaints by landowners, commercial pesticide applicators and the public, regarding placement of bee yards. The apiary section also works with the pesticide section to ensure proper use of pesticides in beehives.

Plant Industries Budget Comparisons

	2005-2007	2007-2009
Salaries	$ 1,988,274	$2,154,743
Operating	1,513,654	1,664,493
Capital assets	5,000	5,000
Grants	1,774,225	1,774,225
Crop Harmonization	25,000	50,000
	$5,306,153	$5,648,461
FTEs	19.6	19.0

Budget Funding Sources Comparison

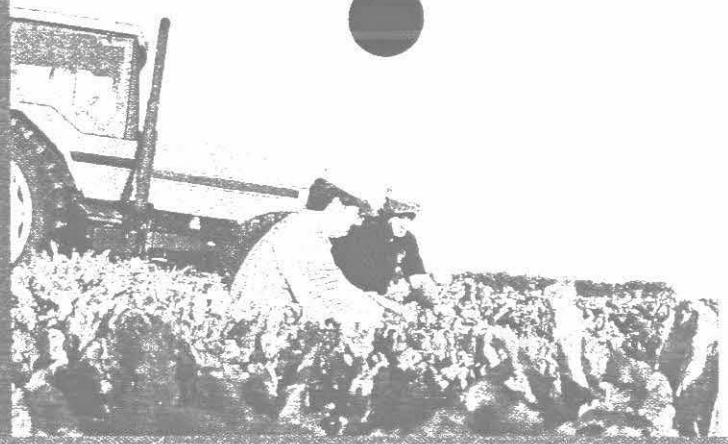
	2005-2007	2007-2009 Governor's Budget
General funds	$4,523,112	$5,430,717
Special funds	4,507,636	4,661,243
Federal funds	4,978,896	6,217,702
Total	**$14,009,644**	**$16,309,662**

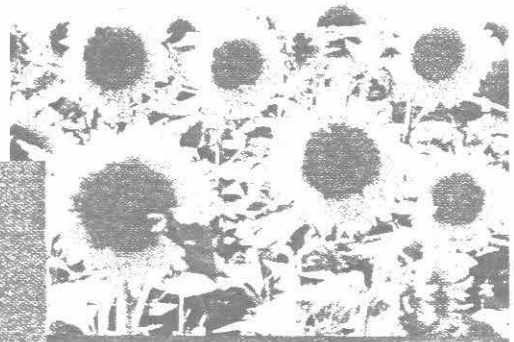
This budget presentation was designed to help members of the North Dakota Legislature determine spending priorities for the 2007-2009 biennium. I believe that the work of the North Dakota Department of Agriculture is vital to our state's most important industry. Although the department is one of the smallest of its kind in the United States, its personnel administer and deliver a wide variety of programs and services for the benefit of the state's 30,000 family farmers and ranchers and all of our citizens.

My staff and I welcome the interest and questions of the Legislature and all North Dakota citizens, regarding the work of the North Dakota Department of Agriculture.

Sincerely,

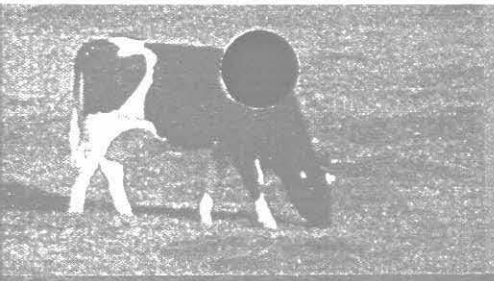
Roger Johnson
Agriculture Commissioner



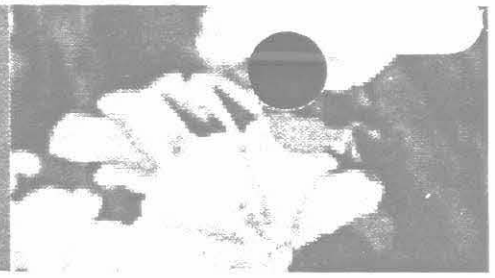


North Dakota Agriculture 2006

Fiber



North Dakota Agriculture 2006



North Dakota's Top Agricultural Commodities

Commodity	Percentage of Total Cash Receipts
Wheat	21.4
Cattle and Calves	15.6
Soybeans	11.6
Barley	5.4
Corn	5.2
Sugarbeets	4.4
Sunflower	4.4
Canola	3.2
Dry Edible Beans	3.0
Potatoes	2.6
Dairy Products	1.5
Hay	1.5
Other Crops	1.4
Flaxseed	1.3
Honey	0.9
Hogs & Pigs	0.7
Other Livestock	0.6
Oats	0.2
Sheep and Lambs	0.2
Turkeys	0.2

North Dakota leads the nation in the production of the following commodities:

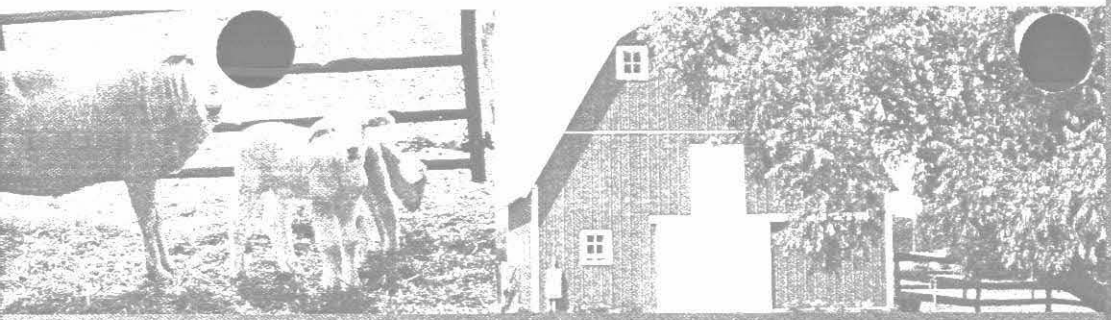
2005	Percent of the U.S.
First	
Flaxseed	92%
Canola	92%
Dry Edible Peas	70%
Durum Wheat	68%
Pinto Beans	50%
Oil Sunflower	45%
Spring Wheat	44%
All Sunflower	44%
Non-Oil Sunflower	39%
Lentils	38%
Navy Beans	34%
All Dry Edible Beans	32%
Barley	27%
Honey	19%
Oats	12%
Second	
All Wheat	14%
Third	
Sugarbeets	17%

North Dakota's Top 5 Agricultural Exports in Millions

1. Wheat and products	$750
2. Soybeans and products	$326
3. Other [illegible]	$318
4. Feed [illegible]ains and products	$142
5. Vegetables and preparations	$129

Where Does Your Food Dollar Go?

Off Farm	
Repairs	1.5¢
Other Costs	2¢
Interest	2.5¢
Energy	3.5¢
Rent	[illegible]¢
Transportation	4¢



Agriculture is the Leading Industry in North Dakota

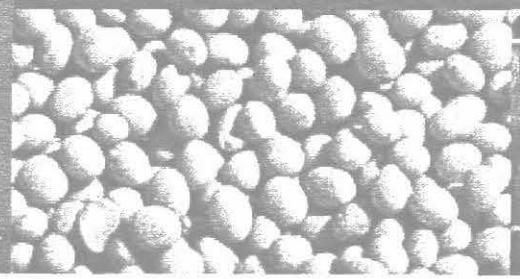
- North Dakota production agriculture generated more than $4.1 billion in cash receipts in 2004 (including government payments).
- Production agriculture is the largest sector of North Dakota's economy, making up 25% of the economic base.
- Nearly 24% of North Dakota workers are farmers and ranchers or are employed in farm-related jobs.
- Value-added ag processing and farm input manufacturing generates $1.7 billion in business activity per year.
- North Dakota consumers only spend 10% of their income on food consumed at home; compared to 21% in Germany, 51% in India, and 33% in Mexico.
- North Dakota farms provide food and habitat for 75% of the state's wildlife.
- North Dakota has 30,300 farms and ranches. The average size of a North Dakota farm is 1,300 acres.
- 39.4 million acres - nearly 90% of North Dakota's land area - is in farms and ranches.
- North Dakota ranks first in the nation in the organic production of oilseeds, oats, buckwheat, other specialty grains, flax and sunflowers.

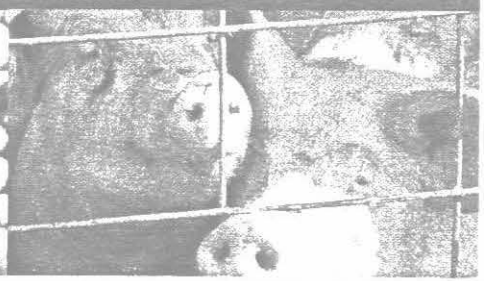
Business Taxes & Depreciation	7¢
Profits and Advertising	[illegible]
Packaging	[illegible]
Labor	39¢
<u>On Farm</u>	
Farmers and Ranchers	20¢

Did you Know?

North Dakota farmers and ranchers annually produce enough:

- Wheat for 14.3 billion loaves of bread
- Soybeans to make 230 billion crayons
- Potatoes for 155 million servings of french fries
- Durum for 13.7 billion servings of spaghetti
- Sunflowers to fill 706 million bags of sunflower seeds
- Beef for 113 million hamburgers
- Wool for 500,130 sweaters
- Milk for 1.1 billion glasses
- Pork for 53 million pork chops
- Corn to produce 417 million gallons of ethanol
- Canola to fill the ND State Capitol tower more than 20 times





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North Dakota Department of Agriculture

CO-OPERATION LEGISLATION EDUCATION

AGRICULTURE COUNTS

North Dakota Farm Bureau
Bringing ag home

Handout #1

SB 2009
February 23, 2007

NORTH DAKOTA
DEPARTMENT OF AGRICULTURE
ROGER JOHNSON, COMMISSIONER

with the exception of these pages some testimony given to House

BUDGET PRESENTATION

FOR THE

2007-2009 BIENNIUM

February 23, 2007

NORTH DAKOTA HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE - Education and Environment Division

THE HON. FRANK WALD, CHAIRMAN

Significant budget issues

Employee Compensation: Using Job Service data, NDDA compared its salaries to the "typical or median" salaries with those for similar jobs. The analysis showed that 16 NDDA employees in six job categories are significantly underpaid relative to the market. NDDA also analyzed the impact of the $10 million market equity pool on the agency's market equity needs and found that of those 16 employees, only 10 will be eligible for market equity adjustments. More than a one-third of the agency's critical needs will go unaddressed, unless some action is taken. The Senate version provides an additional $318,139 for the agency to become competitive and retain its employees. The request was based upon making up only half the difference between current salary levels and the market.

ITD and Motor Pool Rate Increases: The Senate version makes across-the-board operating adjustments in these two major categories. Telephone rates are projected to increase 28 percent. ITD charges include charges of $19,224 for People Soft and $3,384 for Liquid Office, costs which NDDA is already paying but which were not built into the current budget. In addition, the broad array of IT costs is expected to increase on an average rate of 8 percent. NDDA uses vehicles of three main types: Group 2, Group 9 and Group 13. If one compares the proposed rates for these groups for the 2007-09 biennium to the rates in effect when the 2005-07 budget was built, the rates are up 48, 96 and 44 percent respectively. The agency impact by funding source is as follows:

General funds	-	$92,832
Federal Funds	-	$86,384
Special Funds	-	$55,820

Executive Services

Pride of Dakota Conference Accounts: The Senate version contains $214,568 of special fund appropriation which puts Pride of Dakota projects, such as Holiday Showcase, "on budget" rather than using conference accounts. No net budgetary impact.

Ag Mediation Increased Demand: The Senate version projects a 30 percent increase in demand for services in the 2007-09 biennium.

Ag in the Classroom: The Senate version recommends $100,000 for Ag in the Classroom from the EARP Fund.

Pride of Dakota: The Senate version added $100,000 of general funds for the Pride of Dakota program. The funds will be used to conduct marketing seminars, provide trade show sponsorships and promote the logo.

The Department asks the House to consider an additional $291,000 for the program – $91,000 for an additional FTE and $200,000 for operating funds. The additional personnel and funds would provide individual marketing assistance to move companies from "hobby" status to the next level and to offer cost-share to companies that require more sophisticated marketing services than the agency can provide.

Funding for Pride of Dakota has been the same since 1991, when there were 141 member companies, Today, there are 431. NDDA cannot provide requested services without additional resources.

Pride of Dakota is a success story; with additional resources, it can be an even greater one (see Attachment 2).

Farmers' Markets: The Senate version provided an additional $79,500 of special funds for farmers' markets. These funds will be used for a school garden project, a mini-grant program for local farmers' markets, publication of a growers' guide and a series of educational seminars.

Livestock Services

Meat Inspection Expansion: The Senate version continues funding for one meat inspection FTE approved by the State Emergency Commission during the 2005-07 biennium and also provides funds for an additional four meat inspection staff.

Board of Animal Health: Due to increased workload caused by many issues associated with animal diseases and non-traditional livestock, the Senate version provides state funds for a new veterinarian FTE.

Wildlife Services: The Senate version added $200,000 of general funds, because of increased travel and salary costs and flat federal funding, Wildlife Services will make major reductions in services without these state funds.

Plant Industries

Noxious Weed funding: The noxious weed grant line provides a total of $1,714,225 for noxious weed programs. This amount is equivalent to the amount appropriated last biennium.

Pesticide Registration Fee: The Senate version removes the sunset on the $50 fee for pesticide registrations, allowing full continued funding for Ag in the Classroom and the Minor Use Fund.

Minor Use Fund: The Senate version transfers $200,000 to the Minor Use Fund from EARP.

Other legislation of interest

Agency bills

- SB 2114 allows the Board of Animal Health to collect and spend funds from tags and health certificates under a continuing appropriation. This adds about $30,000 to the Board's operating budget.
- SB 2023 provides $58,870 for 2005-07 to cover funding shortfalls in the State Meat and Poultry Inspection Program due to federal funding difficulties.

Industry bills

- SB 2323 takes $50 per product from the general fund to be deposited into the EARP Fund and appropriates $325,000 for two positions and lab fees for the Endangered Species program.
- SB 2335 provides $131,000 for development of organic programs.
- SB 2338 provides $114,000 for development of a database for health tracking purposes.
- SB 2179 provides about $79,500 for blackbird depredation research.
- SB 2017 provides $130,000 of Game and Fish funds for Wildlife Services with an emergency clause for the current biennium.

Use of contract employees

The Legislative Council has asked the North Dakota Department of Agriculture (NDDA) to provide details of contract employees with the agency.

NDDA uses contract employees for two purposes:

First, NDDA's livestock program has a cooperative agreement with USDA, whereby USDA provides 100 percent funding of three contractors to gather market information at North Dakota livestock markets. USDA selects the contractors, but NDDA executes and administers the contracts. This biennium, NDDA spent $31,403 through December, 2006, for this program.

Second, NDDA uses Command Center, a local temporary employee service, to fill certain staffing needs. This biennium, NDDA spent $23,553 through December, 2006 for this program. The vast majority of the funds were used to provide the State Board of Animal Health with data entry support related to three federal animal disease grants.

EXECUTIVE SERVICES

JEFF KNUDSON
PROGRAM MANAGER

Executive Services includes the policy and communication section, marketing services, agricultural mediation service, agriculture in the classroom program, information services and reception service in the North Dakota Department of Agriculture (NDDA).

Policy and Communications

Policy and Communications provides research and analysis of public issues for the agriculture commissioner, department staff and the public.

Policy and Communications organizes and disseminates public information about NDDA and North Dakota agriculture through news releases, newsletters, pamphlets and other publications.

Policy and Communications coordinates the North Dakota Renewable Energy Partnership that develops recommendations for the future of four renewable energy sectors – biodiesel, biomass, ethanol, and wind. NDDA co-sponsored the 2003, 2004 and 2005 Renewable Energy Summits that led to the formation of the North Dakota Renewable Energy Partnership.

Marketing Services

Marketing Services provides education, promotion and market enhancement programs to increase sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic and local markets.

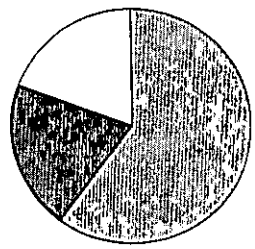
As an active member of the Food Export Association of the Midwest USA (formerly the Mid-America International Agri-Trade Council), NDDA can secure additional staff support to help North Dakota food and agri-business companies with export promotion, including expense reimbursement to companies entering foreign markets. The association also helps companies at overseas trade shows through Food Show Plus, which offers such services as language translation of materials, an interpreter during the show and scheduled meetings with buyers. Other association programs include a Global Export Marketing Service (GEMS) that provides companies with export and import sales information, and Essentials on Line, a 10-module, computer-based educational program designed for companies interested in food exporting.

Marketing Services has developed a database of agriculture exporters or potential exporters in the state and is currently visiting those companies to offer technical and financial assistance to them. A quarterly, electronic newsletter is sent to update companies on exporting activities.

NDDA continues to focus on Cuba for sales of agricultural products. More than $32 million of North Dakota agricultural products have been sold to Cuba since trade began in 2002.

NDDA has aggressively pursued the development of farmers' markets throughout the state. Three years ago there were only 10 organized farmers' markets in the

2007-2009 Senate Budget Version Funding Sources



General	$2,447,369
Federal	$849,284
Special	$801,020
Total	**$4,097,673**

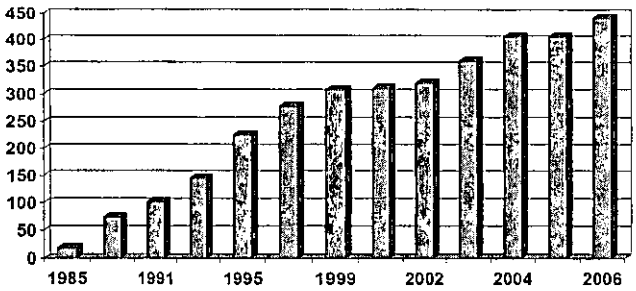
state. Today there are 41. NDDA helped establish the North Dakota Farmers' Market and Growers Association, a statewide organization working to grow this new industry.

The agriculture commissioner serves on many state commodity councils. Marketing Services works closely with these groups to promote their products.

Pride of Dakota is a major focus of Marketing Services. Created by former Commissioner of Agriculture Kent Jones in 1985, this program provides North Dakota companies with a recognizable state "brand" and provides opportunities for joint marketing efforts by the member companies.

Pride of Dakota membership has grown to an all-time high of 431 companies with no active recruitment by the department (see Attachment 3). A new web site – prideofdakota.com – is online, offering an Internet presence for all Pride of Dakota companies. Pride of Dakota Holiday Showcases are held in the four largest cities each year. More than 22,000 people, a record number, attended the shows in 2006.

Pride of Dakota Membership



Agriculture in the Classroom

Agriculture in the Classroom fosters a greater awareness by elementary and secondary school students of the importance of agriculture through development of educational materials and training of teachers. Activities include in-service training, for-credit classes, teacher tours, and classroom publications.

The 2005 Legislature mandated that Ag in the Classroom programs be conducted by independent contractors. NDDA contracted the North Dakota Geographic Alliance, North Dakota State University Ag Communications, the North Dakota Farm Bureau Foundation and the North Dakota FFA Foundation to conduct these programs.

In 2006, 92 teachers attended Project Food, Land, and People training and 38 teachers attended North Dakota Agriculture Tours for Teachers. The Ag in the Classroom Mini-Grant Program reached more than 6,000 students and adults. Three issues of the AgMag were distributed to more than 6,000 students in 2006. (see Attachment 4).

The 2005 Legislature appropriated $100,000 for Agriculture in the Classroom. The governor's proposed 2007-2009 budget provides the same amount.

Agricultural Mediation

The North Dakota Agricultural Mediation Service (AMS) offers negotiation and mediation services to resolve differences among creditors, farmers and others (see Attachment 5).

The six-member North Dakota Credit Review Board (CRB) establishes AMS operating policies. The governor and attorney general each appoint a farmer and a lender, and the agriculture commissioner appoints two farmers to the board. Current members are Marilyn Aarsvold, Blanchard; Elwood "Woody" Barth, Solen; Paul Burtman, Wildrose; Russ Erickson, Grand Forks; David Rustebakke, Grand Forks, and George Wald, Dickinson.

Mediation is a voluntary process for farmers and private creditors, but it is mandatory with the Farm Service Agency (FSA) and Farm Credit Services (FCS) and is requested as a matter of policy by the Bank of North Dakota on delinquent loans. Most USDA agencies also offer mediation of adverse determinations as a part of their appeal process. Mediation is less costly and faster than formal appeals and litigation. It produces greater levels of satisfaction for participants and allows the parties to deal with the entire problem. In farm credit cases that are otherwise headed to foreclosure, agreements are reached most of the time.

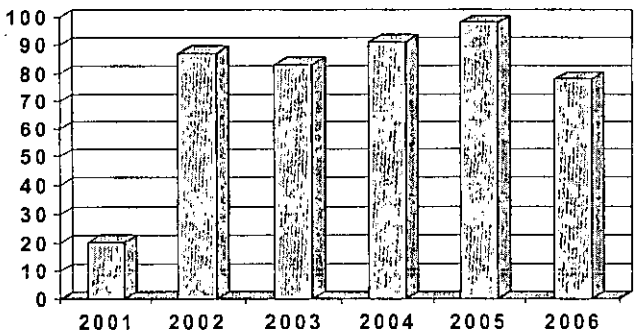
Mediators are trained as impartial third parties who serve as intermediaries, outside the courtroom, between farmers and others to resolve disputes prior to formal appeals.

Negotiators help farmers and ranchers with financial problems, loan restructuring and loan applications. Negotiators help farmers prepare information for mediation of USDA non-credit adverse determina-

tions and other disputes. Negotiators also assist beginning farmers with farm operating and finance plans and beginning farmer loan applications. During the past two fiscal years, 339 producers, including 18 beginning farmers, requested AMS services.

AMS agreement rates, an important measure of mediation effectiveness, were 91 percent and 78 percent respectively for fiscal years 2005 and 2006. Successful mediation outcomes are those in which financial problems are resolved and/or adverse determinations are reversed or modified, or in which the producer accepts the determination and foregoes further administrative appeals and/or litigation.

AMS Agreement Rates



The demand for AMS services largely depends on federal farm policy, crop production conditions, federal disaster assistance and livestock/commodity prices. The recent drought has increased demand for mediation services. New client requests for the last five months of 2006 are more than twice the number received for the same period in 2005. If federal disaster aid is not received, it is reasonable to assume requests will continue to increase.

AMS networks with public, private and non-profit entities to provide services to farmers and their families. Presentations by service providers such as North Dakota Mental Health (211 line), North Dakota Vocational Rehabilitation, Job Service and others are scheduled as time permits. In 2006 AMS entered into a working agreement with ND Vocational Rehabilitation to provide services to their farm clients.

Periodic educational seminars for AMS staff include farm credit and farm program training, as well as certified mediation training from the University of North Dakota Conflict Resolution Center.

State mediation programs, such as AMS, are recognized for saving significant taxpayer dollars in the federal budget. A 2001 national Farm Service Agency News article states: *Mediation at $400 to $750 per case, offers significant savings over national level administrative hearings, which cost around $3,500 per case. The cost comparison between the two has remained almost constant and is still true as this report is written.*

Bipartisan support in Congress for extending the sunset of USDA's Mediation Grants Program is seen as a strong endorsement of state mediation programs as a cost saving means of dispute resolution. (The program was extended through fiscal year 2010 by P.L. 109-17, enacted June 29, 2005.)

Organic Certification

The USDA national organic program distributed approximately $55,000 to NDDA for distribution to organic producers for partial reimbursement of their certification costs during the 2005-07 biennium. No state funds were involved.

Executive Services Budget Comparisons

	2005-2007	Senate Version
Salaries	$2,377,896	$2,613,062
Operating	935,442	1,484,611
TOTAL	$3,313,338	$4,097,673
FTEs	19	19.5

LIVESTOCK SERVICES

WAYNE CARLSON
PROGRAM MANAGER

Livestock Services includes Livestock Licensing, Dairy/Poultry, the State Board of Animal Health, the State Meat and Poultry Inspection Program and Wildlife Services. The main focus of the program area is regulating North Dakota's livestock industry.

Livestock Licensing

The livestock industry is one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.72 million cattle, 104,000 sheep and 157,000 hogs with cash receipts of approximately $989 million.

The Livestock Licensing section protects this industry by licensing livestock dealers and auction markets. Approximately 160 dealers and 16 auction markets are granted licenses after posting bond, filing financial statements and passing tests of financial responsibility. Field investigations are routinely carried out to monitor financial conditions of dealers and auction markets and to discover unlicensed dealers.

Dairy

The Dairy Section protects and promotes North Dakota's dairy and poultry industries by helping them comply with statutes and regulations.

Three dairy inspectors visit the state's 300 dairy farms, inspecting each farm for sanitation of equipment, facilities, proper usage and storage of drugs, and water purity.

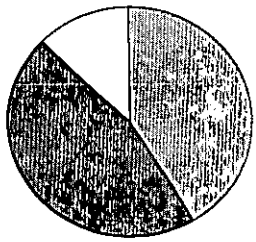
The state's four dairy processing plants and three milk transfer stations are inspected four or more times annually. Distribution facilities, milk bulk trucks and samplers/haulers are also inspected.

A fourth inspector conducts the survey (auditing) work of the Interstate Milk Shippers program (Grade A). This involves 38 milk producer groups, four plants, and five transfer/receiving stations. The same individual inspects manufacturing grade plants and transfer stations under a continuing contractual agreement with the U.S. Food and Drug Administration.

Efforts to ensure a milk supply free of chemical/drug residues continue to occupy a large amount of time and resources of the dairy section. The field staff conducted 140 inspections of non-traditional livestock for the state veterinarian's office this year as well as 100 feed inspections looking for use of banned feeds (BSE) under a grant from FDA. The inspectors have also conducted pesticide registration surveillance in their areas.

NDDA is in the sixth year of the voluntary Livestock Pollution Prevention Program (formerly the Dairy Pollution Prevention Program), funded through EPA 319 funds, to help livestock producers install manure containment systems. This program has provided cost-share funding assistance to 38 produc-

2007-2009 Senate Budget Version Funding Sources



General	$3,058,769
Federal	$3,411,256
Special	$933,437
Total	**$7,403,462**

ers for full waste containment systems, water diversions and waste utilization plans. The program has also assisted 238 dairy producers with nutrient management, project planning, regulatory explanation and manure containment advice. Since the program's inception, $951,030 has been spent. EPA has committed an additional $1,789,278 to the program through 2009.

Dairy section personnel carry out all poultry division responsibilities. North Dakota currently has 12 licensed commercial egg producers that are inspected once a year. All in-state and out-of-state hatcheries are licensed and bonded.

State Veterinarian

The State Board of Animal Health (BOAH) establishes policy for the State Veterinarian's office. Current members are Nathan Boehm, Mandan, president; Paula Swenson, Walcott, secretary; Jeff Dahl, Gackle; Ron Fraase, Buffalo; Francis "Buck" Maher, Menoken; Dr. Dick Roth, Fargo; Shawn Schafer, Turtle Lake; Dr. William Tidball, Beach, and Dr. Kenneth Throlson, New Rockford.

The BOAH is charged with all matters relating to the health and welfare of domestic animals and nontraditional livestock, not specifically assigned by statute to another entity. The BOAH also determines and employs the most efficient and practical means for the prevention, suppression, control, and eradication of dangerous, contagious diseases of domestic animals and nontraditional livestock. The BOAH must also prevent the escape and release of animals injurious to or competitive with agriculture, horticulture, forestry, wild animals and other natural resources.

The State Board of Animal Health and the North Dakota Game and Fish Department have a memorandum of understanding (MOU), which allows the BOAH to regulate non-traditional livestock. Game and Fish provided $150,000 during the 2005-07 biennium for these activities.

Voluntary disease control programs provide recognition of and certification for helping producers eliminate diseases from their herds. The board oversees a voluntary Johne's Disease Herd Status Program for the state. A mandatory statewide surveillance program for chronic wasting disease (CWD) has been in effect in North Dakota for nine years. A scrapie cooperative agreement assists sheep producers in North Dakota with the costs of genotyping to determine the susceptibility of their animals to scrapie.

Free trade agreements and the ever increasing, international movement of people, animals and animal products have greatly increased the risk of the introduction of foreign animals diseases into the U.S. and into North Dakota. Consequently, the potential for disease outbreaks has increased. The BOAH participates in a voluntary premises registration and animal identification program. Involvement is critical to ensuring that the program meets the needs of animal health officials charged with tracing animals in disease investigations. Traceouts from tuberculosis-positive herds in Minnesota illustrated that need in 2006.

An emergency response plan to survey and respond to foreign animal and emerging diseases, natural disasters and bioterrorist events has been implemented. A mobile, emergency laboratory and cattle handling equipment are ready for use. The BOAH hired an emergency response coordinator to oversee the plan and to administer the Veterinary Private Practitioner Portal (PPP), a Web-based system for veterinarians to report information regarding disease investigations and complaints of inhumane treatment of animals.

In this biennium, funding was received from several sources, including:

- A Centers for Disease Control and Prevention grant through the North Dakota Health Department for bioterrorism preparedness;
- A USDA-APHIS grant for Foreign Animal Disease surveillance and preparedness, and,
- A Swine Health grant which allows us to monitor for garbage feeding of swine in North Dakota.

Avian influenza also became an urgent issue to USDA-APHIS in 2005 and 2006, resulting in the need to identify locations of commercial and non-commercial birds and to conduct on-site surveillance for highly pathogenic avian influenza throughout North Dakota. The uncertainty of long term

funding of cooperative agreements is always an unknown and makes it difficult to keep veterinarians and support personnel.

Some of the federal funding is used every year for improving surveillance for diseases in the state and purchasing equipment to improve readiness if an emergency should occur. To date, 21 veterinary practitioners participate in the North Dakota Veterinary Reserve Corps. They are continually being trained to assist in emergency situations.

Meat and Poultry Inspection

The State Meat and Poultry Inspection Program was established within the North Dakota Department of Agriculture in 2000. Processors that are recognized as "official state establishments," may wholesale products throughout the state. They may also buy and slaughter local livestock or slaughter livestock for local producers and offer these products for sale. Selling directly to consumers helps processors and producers capture more of the consumer dollar (see Attchment 6).

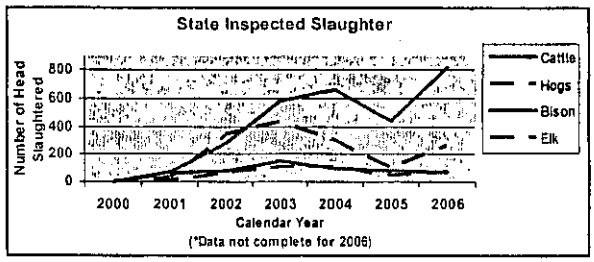
Although the state laws and regulations closely resemble those of the federal program (Food Safety and Inspection Service-FSIS), the state programs offer certain advantages. State programs can deal with small businesses more effectively and efficiently than the large federal system. A state program can offer more technical support and guidance and handle disputes on a state and local level.

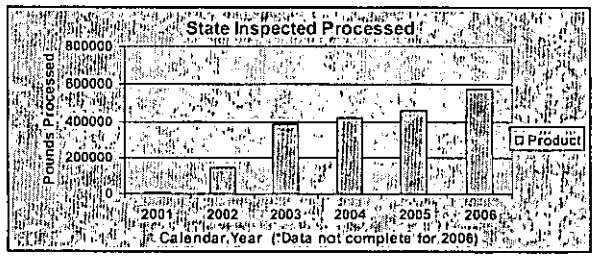
As part of the cooperative agreement with NDDA, FSIS provides up to a 50 percent match for all inspection activity expenditures, excluding inspection of any non-amenable species, such as bison or elk.

The program is administered by the director and a half-time administrative assistant located in Bismarck. A senior inspector/supervisor oversees the field operations of six field inspectors, who currently inspect 14 official state establishments, monitoring slaughter and/or processing activities on a daily or weekly basis. Inspectors also review the state's 96 custom-exempt plants at least four times per year. Custom exempt plants are 'exempt' from the inspection of the actual slaughter and processing activities but must meet sanitation and facility requirements. Another field inspection position, located in Fargo, is the program's compliance officer. Compliance activities include random reviews of businesses selling meat products, enforcing labeling requirements, investigating violations of state or federal meat inspection regulations and handling consumer complaints.

In addition to inspection duties, the program staff offers education and consultation to plant personnel while reviewing facilities. The supervisor and director conduct regular oversight reviews to ensure consistent inspections throughout the state.

The amount of livestock slaughtered and meat processed under state inspection demonstrates the growth and benefits of the state meat inspection program and is shown in the following charts:





During the first year of state meat inspection (2001), there were a total of 181 animals slaughtered. This has increased to 1,219 animals in 2006.

There were 5,238 pounds of meat processed under state inspection during the first year of state meat inspection (2001). This increased to 573,455 pounds in 2006.

NDDA has asked for 5 additional FTE's. The increased number of FTE's is needed to cover the additional workload created by expanded processing in existing plants and the increase in the number of plants that have expressed desire to come under state inspection. (See Attachment 6 for a map of existing and anticipated plants.)

Wildlife Services

North Dakota Wildlife Services (WS) provides management of wildlife in situations that impact livestock producers, farmers, homeowners, airports, and public land managers. WS operates a cooperatively funded program with federally allocated funds supplemented by funding provided by two state agencies, the North Dakota Department of Agriculture and the Game and Fish Department, and other sources such as producer groups, municipalities and individuals.

In 2006, Wildlife Services responded to 550 occurrences of livestock-predator conflict. The agency documented $155,000 in livestock losses to predators with a control program in place. Research shows that without such a program, the economic impact of coyote predation would be 3-5 times higher. ("Economics of predation management in relation to agriculture, wildlife and human health and safety" in Human Wildlife Conflicts: Economic Considerations, 2002).

Wildlife Services responded to 390 incidents of beaver damage to trees, roadways and crops, resulting in losses of $430,000. Explosives were used to remove 50 beaver dams. Every dollar spent on explosives saved property owners more than $6 on the cost of using heavy machinery to remove the dams.

Wildlife Services responded to 245 occurrences of goose damage. Frightening devices, electric fencing and information were provided to landowners. Depredation permits were issued to 92 landowners.

In 2006, WS and the North Dakota Game and Fish Department participated in a national avian influenza surveillance program. WS also helped the North Dakota Department of Health with its annual West Nile Virus surveillance program and the Game and Fish Department with chronic wasting disease surveillance.

Wildlife Services documented 75 occurrences of wildlife conflicts with impacts on human health. More than half the incidents dealt with skunks.

In 2006, Wildlife Services responded to more than 300 wildlife conflicts in residential areas, involving damage to buildings, trees, lawns and gardens. Wildlife typically responsible for these problems include beaver, geese, rabbits, raccoons and squirrels.

WS assisted civilian airports in Bismarck, Devils Lake, Dickinson, Fargo, Grand Forks, Jamestown, Minot and Williston, as well as the Minot and Grand Forks Air Force bases, with potentially hazardous situations involving wildlife, most often deer, geese and gulls.

Information Transfer - Wildlife Services continued its extensive educational program to help North Dakotans with their specific wildlife conflicts. More than 900 personal consultations were provided. Equipment, such as live traps and propane cannons, were loaned free of charge.

The Legislature inserted contingency language into the Agriculture budget for additional monies to be appropriated to Wildlife Services, if federal funding declined. Wildlife Services was not able to access these funds because the language used to trigger these funds was incorrectly written.

With steeply escalating travel costs and increased salary costs, Wildlife Services is currently running significantly over budget and will make major reductions in services in the current biennium and in the 2007-09 biennium without some action to make the $130,000 available through an emergency clause. SB 2017 currently contains this funding.

Livestock Services Budget Comparisons

	2005-2007	Senate Version
Salaries	$1,417,347	$2,204,931
Operating	1,806,779	2,548,829
Board of Animal Health	2,036,027	2,299,702
Wildlife Services	130,000	200,000
Grants		150,000
Totals	$5,390,153	$7,403,462
FTEs	22.4	28.5

PLANT INDUSTRIES

KEN JUNKERT
PROGRAM MANAGER

Crop production is the main focus of the Plant Industries Program Area, which is comprised of the Pesticide, Plant Protection, Noxious Weeds and Apiary sections.

Pesticide

Federal funds provide up to 85 percent of the pesticide section activities. It is anticipated that a reduction in federal funds for the pesticide program may require additional state funds to continue the pesticide program, or it will require the department to limit certain program activities, such as the endangered species protection program, the groundwater protection program and the worker protection program.

Harmonization

The pesticide section has been very active in pesticide harmonization efforts. North Dakota Department of Agriculture representatives have participated in NAFTA Technical Working Group meetings and have actively worked with the EPA and Congressional staff to advance federal legislation that would allow importation of Canadian pesticides.

The section provided pesticide harmonization expertise in numerous meetings, including grower meetings, conferences with the NAFTA Technical Working Group and through participation on the NAFTA Technical Working Group Subcommittee on Pesticide Harmonization - NAFTA Labels. NDDA staff have also testified before Congress on pesticide and harmonization issues.

The section provides administrative services for the Crop Product Protection Harmonization and Registration Board, created during the 57th Legislature. The board also was given oversight of the Minor Use Fund which cost-shares with commodity groups and North Dakota State University for research projects on minor crops or minor uses on major crops. This biennium, the Board has allocated approximately $200,000 from this fund toward four projects.

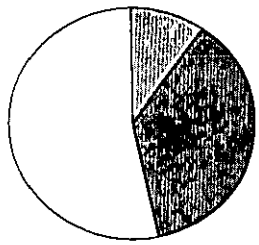
Pesticides

The pesticide section enforces state and federal laws regarding the registration and use of pesticides, as mandated by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), while acting as an advocate for farmers and ranchers who depend on agricultural chemicals.

The section continues the development of initiatives mandated by the U.S. Environmental Protection Agency. These include the Endangered Species Protection Program (ESPP), the Groundwater Protection Strategy for Pesticides and the Worker Protection Program.

The goal of the ESPP is to minimize the impact of pesticide use on the threatened and endangered species found in North Dakota. NDDA contracted the Bemidji State University Center for Environmental, Earth and Space Studies to

2007-2009 Senate Budget Version Funding Sources



General	$560,028
Federal	$2,065,580
Special	$3,030,557
Total	**$5,656,165**

conduct exposure and risk assessments of more than 80 pesticides that can potentially impact threatened and endangered species.

The groundwater program is used to identify sensitive areas where pesticide contamination could occur. This program provides a web-based resource for production agriculture.

The worker protection program provides education to ensure the safety of pesticide handlers and farm workers.

Approximately 10,100 pesticides, ranging from household/residential products to industrial and agricultural products are registered in the state.

The section completed its project to digitally record all labels and material safety data sheets for all pesticides registered in North Dakota. The public now has access to more than 20,000 documents via a searchable pesticide registration database. This database receives more than 300 "hits" daily.

The section prepares FIFRA Section 18 exemption requests to the Environmental Protection Agency for pesticides to address emergency weed, disease and insect outbreaks. In 2005 and 2006, NDDA obtained 18 and 16 Section 18 exemptions, respectively. Crops affected by these exemptions included wheat, barley, safflower, flax, dry beans, sugarbeets, mustard, lentils, beehives, buckwheat and canola. NDDA also issued 16 Section 24(c) Special Local Needs registrations during FY06, enabling farmers to better manage local and regional pest problems.

Project Safe Send

The section administers Project Safe Send that helps farmers and others to dispose of unusable and old pesticides. Project Safe Send has collected almost 2 million pounds of hazardous and unusable chemicals from 5,399 participants since its inception in 1992 (see Attachment 7).

Registration

The section enforces the provisions of the North Dakota Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch. 19-14), and Fertilizer and Soil Conditioner Law (Ch. 19-20.1). These laws require registration, review and sampling of animal feeds and soil amendment products to insure they meet label claims.

Registrations Issued

	2003-05	2005-06
Pet Foods	3,413	4,114
Commercial Feeds	5,155	32,527
Livestock Medicines	1,233	1,344
Various Fertilizers	1,561	2,139

Licenses Issued

	2003-05	2005-06
Anhydrous Ammonia	350	341
Fertilizer Distributors	350	477
Feed Manufacturers	289	307
Feed Dealers	257	238

Samples collected

	2003-05	2005-06
Seed Samples	1,000	820
Fertilizer Samples	470	550

The section is also responsible for enforcing the state's anhydrous ammonia inspection program.

Plant Protection

The plant protection section issues phytosanitary export certificates and various other certificates required by importing countries or states to facilitate export of North Dakota agricultural commodities.

Export Certification Program

	2004	2005	2006
Federal Phytosanitary Export Certificates	1,398	1,417	1,694
Growers Licensed State phytosanitary certificates (corn, cereal grains, peas)	754	787	996
Totals	2,152	2,204	2,690

The section also inspects and certifies nurseries to prevent the spread of plant pests and to facilitate export of nursery stock.

The section attempts to anticipate exotic threats as well as pests that could compromise our ability to

Nursery Program

	2003	2004	2005	2006
Growers Licensed	40	40	41	40
Dealers Licensed	148	148	162	162

export and then develops survey and response plans. Surveys are conducted under a cooperative agreement with USDA-APHIS. Some surveys are conducted in cooperation with NDSU, North Dakota Forest Service, and North Dakota State Seed Department.

Pest Surveys Conducted

Pest/Disease	Crop Affected
Karnal bunt	Wheat
Dwarf bunt	Wheat
Flag smut	Wheat
Nematodes	
Golden & Potato cyst	Potatoes
Columbia root knot	Potatoes
Soybean cyst	Soybeans
Cereal leaf beetle	Small Grains
Gypsy moth	Trees
Emerald ash borer	Trees
Sudden Oak Death	Oak Trees
Soybean rust	Soybeans
Japanese beetle	Nursery Stock

Noxious Weeds

The noxious weed section coordinates and facilitates integrated noxious and new invasive weed management programs. The section works closely with county and city weed boards and administers several programs. NDDA transferred or will transfer more than $1,660,550 to county weed boards for weed control during the 2005-2007 biennium. Approximately 9,300 landowners have participated in the Landowners Assistance Program (LAP) since the summer of 2000.

Biological control is an integral part of the leafy spurge control programs across the state. Weed officers actively organize collections and distributions of spurge-eating insects to landowners.

Bio-control agents for Canada thistle are presently being monitored for effectiveness.

NDDA, the U.S. Plant and Animal Health Inspection service and county weed officials cooperated in the introduction of bio-control agents for field bindweed in 2006.

In an attempt to monitor the spread of noxious and new invasive weeds, Global Positioning System (GPS) units were supplied to county and city weed boards that wanted to participate. The weed boards supply the weed location data and receive a map in return (see Attachment 8).

The State Weed Management Plan was developed to better utilize fiscal and labor resources and to encourage working relationships among county, state and federal weed managers. Six cooperative weed management groups are now working in designated, major water drainage areas.

New invasive weeds are a constant threat to North Dakota. Houndstongue, a non-native poisonous plant has been found in half the state's counties in the past two years. Yellow toadflax continues to spread slowly, due to the unavailability of herbicides or biological measures.

An ongoing survey by county weed officials to find potentially harmful weeds helped discover a small infestation of orange hawkweed that was readily eradicated in 2006. Early detection and rapid response is the basis for dealing with new and invasive weeds.

Waterbank

A cooperative effort of several state and federal agencies, the state Waterbank Program gives landowners financial incentives to preserve wetlands. The program is very popular with landowners because it provides short-term leases that compensate them for the loss of agricultural acreage enrolled in the program.

No funds were allocated to NDDA for this program for the 2005-2007 biennium. There were no new funds included in the governor's 2007-09 budget.

Apiary

The apiary section is responsible for the following services to the beekeeping industry:

- Annual licensing of beekeepers.
- Registration of bee yards.
- Inspection for diseases and parasites.

Approximately one-third of North Dakota bees overwinter in Texas where migratory movement inspections are required. Beehives are inspected on request. Department personnel respond to complaints by landowners, commercial pesticide applicators and the public, regarding placement of bee yards. The apiary section also works with the pesticide section to ensure proper use of pesticides in beehives.

Plant Industries Budget Comparisons

	2005-2007	Senate Version
Salaries	$ 1,988,274	$2,162,447
Operating	1,513,654	1,664,493
Capital assets	5,000	5,000
Grants	1,774,225	1,774,225
Crop Harmonization	25,000	50,000
	$5,306,153	$5,656,165
FTEs	19.6	19.0

SUMMARY

Budget Funding Sources Comparison

	2005-2007	2007-2009 Senate Version
General funds	$4,523,112	$6,066,166
Federal funds	4,978,898	6,326,120
Special funds	4,507,636	4,765,014
Total	**$14,009,644**	**$17,157,300**

This budget presentation was designed to help members of the North Dakota Legislature determine spending priorities for the 2007-2009 biennium. I believe that the work of the North Dakota Department of Agriculture is vital to our state's most important industry. Although the department is one of the smallest of its kind in the United States, its personnel administer and deliver a wide variety of programs and services for the benefit of the state's 30,000 family farmers and ranchers and all of our citizens.

My staff and I welcome the interest and questions of the Legislature and all North Dakota citizens, regarding the work of the North Dakota Department of Agriculture.

Sincerely,

Roger Johnson
Agriculture Commissioner

Prepared by the North Dakota Legislative Council
staff for Senator Bowman
April 2007

SUMMARY OF CONFERENCE COMMITTEE CHANGES FOR ENGROSSED SENATE BILL NO. 2009

The following changes were adopted by the conference committee for Engrossed Senate Bill No. 2009 (Agriculture Commissioner appropriation bill):

- Reduce the salary equity funding provided by the Senate by $59,138, from $318,138 to $259,000. The House version provided $200,000 for salary equity.
- Reduce funding for motor pool expenses by $25,000. The House had reduced motor pool expenses by $50,000.
- Reduce the grant to the North Dakota Dairy Coalition added by the Senate by $75,000, from $150,000 to $75,000, the same as the House.
- Remove funding of $132,238 for salary and operating expenses for 1 FTE position for the meat inspection program. The House had removed two FTE positions. The conference committee did not remove a position that is to be a half-time grader and half-time inspector.
- Provide 1.5 FTE positions and funding of $200,000 from the environment and rangeland protection fund and $50,000 from the general fund for the endangered species program. The House provided 1 FTE position and $200,000 from the environment and rangeland protection fund.
- Reduce funding by $100,000 from the environment and rangeland protection fund for SafeSend ($25,000), crop harmonization ($25,000), and farmer's market ($50,000), the same as the House.
- Remove $80,000 of general fund support for Wildlife Services and change the funding source for Wildlife Services of $130,000 from the general fund, to $130,000 from the game and fish fund, for a total of $240,000 from the general fund and $810,000 from the game and fish fund.
- Move all funding for Wildlife Services from the operating line item to the Wildlife Services line item.
- Add a section to provide legislative intent to allow the department to request from the Emergency Commission additional FTE positions for the meat inspection program if demands increase during the 2007-09 biennium, the same as the House.
- Provide an emergency clause for $130,000 for Wildlife Services, the House had provided an emergency clause for all Wildlife Services funding.
- Include a section identifying one-time funding for the Agriculture Commissioner and provide for a report to the 61st Legislative Assembly regarding the agency's use of the one-time funding, the same as the House.
- Add a section to provide for a transfer of $150,000 from the general fund and $50,000 from the NDSU Extension Service for the environment and rangeland protection fund.
- Add a section to amend North Dakota Century Code Section 4-37-02 relating to membership of the Agriculture in the Classroom Council to allow grant recipients to be nonvoting members.
- Add a section to provide legislative intent that all special fund revenues from the inspection and grading services provided by the state meat inspectors and graders be allocated to the state meat inspection program and provide for an annual report to the Budget Section regarding the state meat inspection program.
- Add a section to request a Legislative Council study, during the 2007-08 interim, relating to transferring predator control services from the Agriculture Commissioner to the Game and Fish Department.
- Add a section to require the commissioner to report annually to the Budget Section on the status of the endangered species program.
- Add a section to require a performance audit by the State Auditor's office of all funding sources related to the cooperative agreement between the Agriculture Commissioner and Wildlife Services.

79694

Prepared by the North Dakota Legislative Council staff

April 2007

2007 Senate Bill No. 2009 - Senate and House Changes and Proposed Conference Committee Changes (78033.0216)

Agriculture Commissioner	FTE	General Fund	Estimated Income	Total	Line Item Total	Salaries/ Wages	Operating	Capital Assets	Grants	Board of Animal Health	Wildlife Services Contingency	Wildlife Services	Crop Harmonization Board
Executive budget recommendation	67.00	$5,430,717	$10,878,945	$16,309,662	$16,309,662	$6,662,302	$5,518,433	$5,000	$1,774,225	$2,299,702	$0	$0	$50,000
Senate Changes:													
Farmer's Market													
Adds funding - Source of funding is the EARP fund			$79,500	$79,500	$79,500		$79,500						
Pride of Dakota													
Adds funding for Pride of Dakota		$100,000		100,000	100,000		100,000						
Wildlife Services													
Provides general fund support for wildlife services		200,000		200,000	200,000							$200,000	
North Dakota Dairy Coalition													
Adds funding for grant		150,000		150,000	150,000				$150,000				
Salary Equity													
Adds funding for salary equity based on market		185,449	132,689	318,138	318,138	$318,138							
Total Senate Changes	0.00	$635,449	$212,189	$847,638	$847,638	$318,138	$179,500	$0	$150,000	$0	$0	$200,000	$0
Senate Version	67.00	$6,066,166	$11,091,134	$17,157,300	$17,157,300	$6,980,440	$5,697,933	$5,000	$1,924,225	$2,299,702	$0	$200,000	$50,000
Section 1 amounts		$4,523,112	$9,486,532	$14,009,644	$14,009,644	$5,783,517	$4,255,875	$5,000	$1,774,225	$2,036,027	$130,000	$0	$25,000
Section 2 amounts		$1,543,054	$1,604,602	$3,147,656	$3,147,656	$1,196,923	$1,442,058	$0	$150,000	$263,675	($130,000)	$200,000	$25,000
Other Changes													
Intent section regarding salary equity being based on market													
House Changes:													
Senate Version	67.00	$6,066,166	$11,091,134	$17,157,300	$17,157,300	$6,980,440	$5,697,933	$5,000	$1,924,225	$2,299,702	$0	$200,000	$50,000
Pride of Dakota													
Adds funding for trade shows		$30,000		$30,000	$30,000		$30,000						
Pride of Dakota revenue deposited in operating fund			$50,000	50,000	50,000		50,000						
Motor Pool													
Reduces funding for motor pool expenses		(50,000)		(50,000)	(50,000)		(50,000)						
Crop Harmonization													
Reduces funding from EARP fund for Crop Harmonization Board			(25,000)	(25,000)	(25,000)								($25,000)
Farmer's Market													
Reduces funding from EARP fund			(50,000)	(50,000)	(50,000)		(50,000)						
Project SafeSend													
Reduces funding from EARP fund			(25,000)	(25,000)	(25,000)		(25,000)						
North Dakota Dairy Coalition Grant													
Reduces funding for the dairy coalition grant		(75,000)		(75,000)	(75,000)				($75,000)				
Meat Inspection													
Removes funding for two FTE meat inspectors and operating	(2.00)	(137,528)	(126,948)	(264,476)	(264,476)	($167,376)	(97,100)						
Endangered Species Program													
Adds funding for program - Funding source is EARP fund	1.00		200,000	200,000	200,000	105,000	95,000						

	FTE	General Fund	Estimated Income	Total	Line Item Total	Salaries Wages	Operating	Capital Assets	Grants	Board of Animal Health	Wildlife Services Contingency	Wildlife Services	Crop Harmonization Board
Salary Equity													
Reduces salary equity funding to $200,000		(68,865)	(49,273)	(118,138)	(118,138)	(118,138)							
Total House Changes	(1.00)	($301,393)	($26,221)	($327,614)	($327,614)	($180,514)	($47,100)	$0	($75,000)	$0	$0	$0	($25,000)
House Version	66.00	$5,764,773	$11,064,913	$16,829,686	$16,829,686	$6,799,926	$5,650,833	$5,000	$1,849,225	$2,299,702	$0	$200,000	$25,000
Section 1 amounts		$4,523,112	$9,486,532	$14,009,644	$14,009,644	$5,783,517	$4,255,875	$5,000	$1,774,225	$2,036,027	$130,000	$0	$25,000
Section 2 amounts		$1,241,661	$1,578,381	$2,820,042	$2,820,042	$1,016,409	$1,394,958	$0	$75,000	$263,675	($130,000)	$200,000	$0

Other House Changes:

- Provides $130,000 for wildlife services from the game and fish fund for the 2005-07 biennium.
- Provides emergency for all wildlife funding.
- Intent to allow department to request additional FTE meat inspectors from the Emergency Commission if sufficient need arises.
- Amends North Dakota Century Code Section 4-01-19 to allow revenue from Pride of Dakota to be deposited in commissioner's operating fund rather than general fund.
- Provides for a transfer of $150,000 from the general fund to the EARP fund.
- Provides for a transfer of $50,000 from the NDSU Extension Service to the EARP fund.
- Amends North Dakota Century Code Section 4-37-02 relating to membership of Ag in the Classroom Council.
- Intent relating to appropriation for ag in the classroom.

	FTE	General Fund	Estimated Income	Total	Line Item Total	Salaries/ Wages	Operating	Capital Assets	Grants	Board of Animal Health	Wildlife Services Contingency	Wildlife Services	Crop Harmonization Board
Proposed Conference Committee Changes:[1]													
Senate Version	67.00	$6,066,166	$11,091,134	$17,157,300	$17,157,300	$6,980,440	$5,697,933	$5,000	$1,924,225	$2,299,702	$0	$200,000	$50,000
Wildlife Services													
Changes funding source from general fund to game and fish fund		($130,000)	$130,000										
Moves all wildlife services funding from the operating line item to the wildlife services line item							($930,000)					$930,000	
Motor Pool													
Reduces funding for motor pool expenses		(25,000)		($25,000)	($25,000)		(25,000)						
Crop Harmonization													
Reduces funding from EARP fund for Crop Harmonization Board			(25,000)	(25,000)	(25,000)								($25,000)
Farmer's Market													
Reduces funding from EARP fund			(50,000)	(50,000)	(50,000)		(50,000)						
Project SafeSend													
Reduces funding from the EARP fund			(25,000)	(25,000)	(25,000)		(25,000)						
North Dakota Dairy Coalition Grant													
Reduces funding for the dairy coalition grant		(75,000)		(75,000)	(75,000)				($75,000)				
Meat Inspection													
Removes funding for one FTE meat inspector and operating	(1.00)	(68,764)	(63,474)	(132,238)	(132,238)	($83,688)	(48,550)						
Endangered Species Program													
Adds funding for program - Other funding source is EARP fund	1.50	50,000	200,000	250,000	250,000	155,000	95,000						
Salary Equity													
Reduces salary equity funding to $259,000		(34,449)	(24,689)	(59,138)	(59,138)	(59,138)							
Total Conference Committee Changes	0.50	($283,213)	$141,837	($141,376)	($141,376)	$12,174	($983,550)	$0	($75,000)	$0	$0	$930,000	($25,000)
Proposed Conference Committee Version	67.50	$5,782,953	$11,232,971	$17,015,924	$17,015,924	$6,992,614	$4,714,383	$5,000	$1,849,225	$2,299,702	$0	$1,130,000	$25,000
Section 1 amounts		$4,523,112	$9,486,532	$14,009,644	$14,009,644	$5,783,517	$4,255,875	$5,000	$1,774,225	$2,036,027	$130,000	$0	$25,000
Section 2 amounts		$1,259,841	$1,746,439	$3,006,280	$3,006,280	$1,209,097	$458,508	$0	$75,000	$263,675	($130,000)	$1,130,000	$0

[1]Reflects changes proposed in amendment No. 78033.0216

Other Proposed Conference Committee Changes:

- Provides for a Legislative Council study on transferring predator control from the Agriculture Commissioner to the Game and Fish Department.
- Provides for a Budget Section report on revenues and expenditures of state meat inspection program.
- Does not include House provision for Pride of Dakota revenue being deposited in commissioner's operating fund.
- Does not include emergency appropriation of $130,000 for wildlife services for the 2005-07 biennium.

SECTION XX. AMENDMENT. Section 4-01-19 of the North Dakota Century Code is amended and reenacted as follows:

4-01-19. Marketing bureau. The agriculture commissioner of this state shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the ~~general fund in the state treasury~~ agriculture commissioner's operating fund."

Amendment to SB2009

Dept. 602 - Department of Agriculture - Detail of Conference Changes

	ADDS FUNDING FOR PRIDE OF DAKOTA REVENUE AND TRADE SHOWS
Salaries and wages	
Operating expenses	$80,000
Capital assets	
Grants	
Board of Animal Health	
Crop Harmonization Board	
Wildlife services	
Total all funds	$80,000
Less estimated income	50,000
General fund	$30,000
	0.00

Projected Federal Funds for 2007-2009 Biennium

FY 2006 Federal Expenditures

Federal Base	$624,360
Aviation Operations	$89,800
Livestock Protection	$20,000
Blackbird Mgt.	$381,162
Disease	$90,487
ND AI Surveillance	$236,500
Sub-Total	$1,442,309
Revolving Account	$28,483
Total	**$1,470,792**

FY 2007 Projected Federal Budget

Federal Base	$624,360
Aviation Operations	$89,800
Livestock Protection	$20,000
Blackbird Mgt.	$381,162
Disease	$90,487
ND AI Surveillance	$236,500
Sub-Total	$1,442,309
Revolving Account	$9,227
Total	**$1,451,536**

FY06 Expenditures ($1,470,792) + FY07 Projected Budget ($1,451,536) = $2,922,328

Cost Share

Federal Base (Field)	$235,550
Aviation Operations	$89,800
Livestock Protection	$20,000
Revolving Account	$28,483
Sub-Total	**$373,833**

Non-Cost Share

Federal Base (Office)	$388,810
Blackbird	$381,162
Disease	$326,987
Sub-Total	**$1,096,959**

Total (Cost Share & Non-Cost Share) $1,470,792

Cost Share

Federal Base (Field)	$242,865
Aviation Operations	$89,800
Livestock Protection	$20,000
Revolving Account	$9,227
Sub-Total	**$361,892**

Non-Cost Share

Federal Base (Office)	$381,495
Blackbird	$381,162
Disease	$326,987
Sub-Total	**$1,089,644**

Total (Cost Share & Non-Cost Share) $1,451,536

FY-07

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

PROJECTED FEDERAL BASE BUDGET $ 624,360.00

WS Service Operation		Office Staff
Salaries	FTE	$ 265,828.11
State Director	0.76	
District Supervisor	1.0	
Budget Analyst	1.0	
MIS Data Tech	0.59	
Secretary	1.0	
Total staff years	4.35	
Benefits		$ 85,767.00
Travel		$ 3,207.72
Supplies		$ 15,692.47
TOTAL OFFICE EXPENSE		**$ 370,495.30**

Federal Expenditures for Cost-Share Program

Field Salaries	$ 38.16
Field Benefits	$ 153,857.14
Field Travel	$ 3,883.13
Field Supplies	$ 14,144.66
TOTAL FIELD EXPENSE	**$ 171,923.09**

TOTAL OFFICE/FIELD EXPENSE $ 542,418.39

PROJECTED BALANCE $81,941.61

$11,000 To FY 07 Federal Budget
$20,000 Defray 05-07 State Deficit
$50,942 To 07-09 State Budget

FY-07

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

PROJECTED AVIATION OPERATIONS		**$**	**89,800.00**
WS Service Operation			Office Staff
Salaries	FTE	$	36,936.57
State Director	0.03		
Gunner	1.0		
Total staff years	1.03		
Benefits		$	16,335.19
Travel		$	103.31
Supplies		$	2,639.77
TOTAL OFFICE EXPENSE		**$**	**56,014.84**
Federal Expenditures for Cost-Share Program			
Field Salaries	FTE	$	10,825.60
Pilot	0.15		
Total staff years	0.15		
Field Benefits		$	3,644.48
Field Travel			
Field Supplies		$	396.00
Flying Contract		$	10,000.00
TOTAL FIELD EXPENSE		**$**	**24,866.08**
TOTAL OFFICE/FIELD EXPENSE		**$**	**80,880.92**
PROJECTED BALANCE		**$**	**8,919.08**

FY-07

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

PROJECTED LIVESTOCK PROTECTION			**$ 20,000.00**
WS Service Operation			Office Staff
Salaries	FTE	$	-
		$	-
Benefits			
Travel			
Supplies			
TOTAL OFFICE EXPENSE		$	-
Federal Expenditures for Cost-Share Program			
Field Salaries	FTE	$	16,687.20
Specialist	0.38		
Total staff years	0.38		
Field Benefits		$	3,312.80
Field Travel		$	-
Field Supplies-Fuel		$	-
TOTAL FIELD EXPENSE		$	20,000.00
TOTAL OFFICE/FIELD EXPENSE		**$**	**20,000.00**
PROJECTED BALANCE			**$0**

FY-07

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

REVOLVING ACCOUNT		**$**	**9,226.50**
WS Service Operation			Office Staff
Salaries	FTE	$	-
Benefits		$	-
Travel		$	
Supplies		$	-
TOTAL OFFICE EXPENSE		**$**	**-**
Federal Expenditures for Cost-Share Program			
Field Salaries		$	4,895.88
Field Benefits		$	1,020.24
Field Travel		$	908.44
Field Supplies		$	2,401.94
TOTAL FIELD EXPENSE		**$**	**9,226.50**
TOTAL OFFICE/FIELD EXPENSE		**$**	**9,226.50**

FY-07

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

PROJECTED BLACKBIRD MANAGEMENT $381,162.00

WS Service Operation		Office Staff
Salaries	FTE	$ 35,119.05
State Director	0.11	
Supervisor	0.3	
District Supervisor	0.11	
Gunner	0.02	
Total staff years	0.51	
Benefits		$ 11,010.65
Travel		$ 434.48
Supplies		$ 6,044.42
Cattail Spraying		$ -
Lure Plots		$ -
TOTAL OFFICE EXPENSE		**$ 52,608.60**

Federal Expenditures for Field Staff

Field Salaries	
Field Benefits	
Field Travel	
Field Supplies	$ -
TOTAL FIELD EXPENSE	**$ -**

TOTAL OFFICE/FIELD EXPENSE	**$ 52,608.60**
PROJECTED BALANCE	**$328,553.40**

FY-07

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

PROJECTED DISEASE SURVEILLANCE		**$ 90,487.00**
WS Service Operation		Office Staff
Salaries	FTE	$ 55,981.44
State Director	0.07	
Disease Biologist	1.0	
Total staff years	1.07	
Benefits		$ 17,493.14
Travel		$ 3,745.77
Supplies		$ 1,399.07
TOTAL OFFICE EXPENSE		**$ 78,619.42**
Federal Expenditures for Field Staff		
Field Salaries		$ -
Field Benefits		$ -
Field Travel		
Field Supplies		
TOTAL FIELD EXPENSE		**$ -**
TOTAL OFFICE/FIELD EXPENSE		**$ 78,619.42**
PROJECTED BALANCE		**$11,867.58**

FY-07

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

PROJECTED ND AVIAN INFLUENZA **$ 236,500.00**

WS Service Operation			Office Staff
Salaries	FTE	$	
Benefits		$	
Travel		$	
Supplies		$	
Equipment		$	
Grant to ND Game & Fish		$	
TOTAL OFFICE EXPENSE		**$**	**-**
Federal Expenditures for Field Staff			
Field Salaries	FTE	$	
Field Benefits		$	
Field Travel		$	
Field Supplies		$	
TOTAL FIELD EXPENSE		**$**	**-**
TOTAL OFFICE/FIELD EXPENSE		**$**	**-**
PROJECTED BALANCE		**$236,500.00**	

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Projected Federal Funds for 2007-2009 Biennium

FY 2006 Federal Expenditures

Federal Base	$624,360
Aviation Operations	$89,800
Livestock Protection	$20,000
Blackbird Mgt.	$381,162
Disease	$90,487
ND AI Surveillance	$236,500
Sub-Total	$1,442,309
Revolving Account	$28,483
Total	**$1,470,792**

FY 2007 Projected Federal Budget

Federal Base	$624,360
Aviation Operations	$89,800
Livestock Protection	$20,000
Blackbird Mgt.	$381,162
Disease	$90,487
ND AI Surveillance	$236,500
Sub-Total	$1,442,309
Revolving Account	$9,227
Total	**$1,451,536**

FY06 Expenditures ($1,470,792) + FY07 Projected Budget ($1,451,536) = $2,922,328

Cost Share

Federal Base (Field)	$235,550
Aviation Operations	$89,800
Livestock Protection	$20,000
Revolving Account	$28,483
Sub-Total	**$373,833**

Non-Cost Share

Federal Base (Office)	$388,810
Blackbird	$381,162
Disease	$326,987
Sub-Total	**$1,096,959**

Total (Cost Share & Non-Cost Share) $1,470,792

Cost Share

Federal Base (Field)	$242,865
Aviation Operations	$89,800
Livestock Protection	$20,000
Revolving Account	$9,227
Sub-Total	**$361,892**

Non-Cost Share

Federal Base (Office)	$381,495
Blackbird	$381,162
Disease	$326,987
Sub-Total	**$1,089,644**

Total (Cost Share & Non-Cost Share) $1,451,536

Cont
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FY-06

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

FEDERAL BASE BUDGET			**$ 624,360.00**
WS Service Operation			Office Staff
Salaries	FTE	$	259,085.42
State Director	0.76		
District Supervisor	1.0		
Budget Analyst	0.91		
MIS Data Tech	0.54		
Secretary	0.89		
Total staff years	4.1		
Benefits		$	82,934.65
Travel		$	9,154.81
Supplies		$	37,634.74
TOTAL OFFICE EXPENSE		**$**	**388,809.62**
Federal Expenditures for Cost-Share Program			
Field Salaries	FTE	$	39,429.29
Pilot	0.1		
Specialists	0.73		
	0.83		
Field Benefits		$	163,949.35
Field Travel		$	14,725.53
Field Supplies		$	17,446.21
TOTAL FIELD EXPENSE		**$**	**235,550.38**
TOTAL OFFICE/FIELD EXPENSE			**$ 624,360.00**

FY-06

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

AVIATION OPERATIONS			**$ 89,800.00**
WS Service Operation			Office Staff
Salaries	FTE	$	37,730.92
State Director	0.03		
Gunner	1.0		
Total staff years	1.03		
Benefits		$	14,926.81
Travel		$	2,158.86
Supplies		$	2,186.24
TOTAL OFFICE EXPENSE		**$**	**57,002.83**
Federal Expenditures for Cost-Share Program			
Field Salaries	FTE	$	10,825.60
Pilot	0.15		
Total staff years	0.15		
Field Benefits		$	3,644.48
Field Travel		$	108.23
Field Supplies		$	8,496.36
Flying Contract		$	9,722.50
TOTAL FIELD EXPENSE		**$**	**32,797.17**
TOTAL OFFICE/FIELD EXPENSE		**$**	**89,800.00**

FY-06

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

LIVESTOCK PROTECTION			**$ 20,000.00**
WS Service Operation			Office Staff
Salaries	FTE	$	-
		$	-
Benefits			
Travel			
Supplies			
TOTAL OFFICE EXPENSE		$	-
Federal Expenditures for Cost-Share Program			
Field Salaries		$	-
Field Benefits		$	-
Field Travel		$	-
Field Supplies-Fuel		$	20,000.00
TOTAL FIELD EXPENSE		$	20,000.00
TOTAL OFFICE/FIELD EXPENSE		**$**	**20,000.00**

FY-06

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

REVOLVING ACCOUNT			**$ 28,483.19**
WS Service Operation			Office Staff
Salaries	FTE	$	-
Total staff years	0		
Benefits		$	-
Travel		$	
Supplies		$	
TOTAL OFFICE EXPENSE		**$**	**-**
Federal Expenditures for Cost-Share Program			
Salaries		$	14,906.11
Benefits		$	653.82
Travel		$	333.05
Supplies		$	12,590.21
TOTAL FIELD EXPENSE		**$**	**28,483.19**

TOTAL OFFICE/FIELD EXPENSE $ 28,483.19

FY-06

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

BLACKBIRD MANAGEMENT			**$ 381,162.00**
WS Service Operation			Office Staff
Salaries	FTE	$	62,749.60
State Director	0.01		
Supervisor	1.0		
Total staff years	1.01		
Benefits		$	19,433.83
Travel		$	2,315.61
Supplies		$	28,937.88
Cattail Spraying		$	183,403.27
Lure Plots		$	68,420.00
TOTAL OFFICE EXPENSE		**$**	**365,260.19**
Federal Expenditures for Field Staff			
Field Salaries	FTE	$	13,602.49
Pilot	0.01		
Specialist	0.37		
Total staff years	0.38		
Field Benefits		$	226.30
Field Travel		$	2,073.02
Field Supplies		$	-
TOTAL FIELD EXPENSE		**$**	**15,901.81**
TOTAL OFFICE/FIELD EXPENSE		**$**	**381,162.00**

FY-06

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

DISEASE SURVEILLANCE			**$ 90,487.00**
WS Service Operation			Office Staff
Salaries	FTE	$	59,574.84
State Director	0.08		
Disease Biologist	1.0		
Budget Analyst	0.09		
Secretary	0.11		
Total staff years	1.28		
Benefits		$	18,570.76
Travel		$	1,829.47
Supplies		$	8,490.77
TOTAL OFFICE EXPENSE		**$**	**88,465.84**
Federal Expenditures for Field Staff			
Field Salaries	FTE	$	1,391.20
Specialist	0.04		
Total staff years	0.04		
Field Benefits		$	629.96
Field Travel			
Field Supplies			
TOTAL FIELD EXPENSE		**$**	**2,021.16**
TOTAL OFFICE/FIELD EXPENSE		**$**	**90,487.00**

FY-06

COSTS PAID FROM FEDERAL FUNDS BY CATEGORY

NORTH DAKOTA AVIAN INFLUENZA		$ 236,500.00
WS Service Operation		Office Staff
Salaries	FTE	$ 43,442.71
Biological Science Tech	0.42	
Biological Science Tech	0.4	
Biological Science Tech	0.06	
Biological Science Tech	0.06	
Total staff years	0.92	
Benefits		$ 3,313.44
Travel		$ 12,923.21
Supplies		$ 20,735.51
Equipment		$ 35,342.14
Grant to ND Game & Fish		$ 100,000.00
TOTAL OFFICE EXPENSE		**$ 215,757.01**
Federal Expenditures for Field Staff		
Field Salaries	FTE	$ 2,600.67
Specialist	0.06	
Total staff years	0.06	
Field Benefits		$ 750.95
Field Travel		
Field Supplies		
TOTAL FIELD EXPENSE		**$ 3,351.62**
TOTAL OFFICE/FIELD EXPENSE		**$ 219,108.63**

Northern Pulse Growers Association

(10)

Same testimony given to the House

Testimony of Eric Bartsch
Northern Pulse Growers Association
House Bill 2009
Senate Appropriations
Harvest Room
January 19, 2007

Chairman Holmberg, members of the Senate Appropriations committee, for the record my name is Eric Bartsch and I am the Executive Director of the Northern Pulse Growers Association. The Northern Pulse Growers Association represents the pea, lentil and chickpea growers and processors throughout North Dakota and Montana. I am here in support of SB 2009 and I am here to comment specifically on the marketing, pesticide division and plant industries portion of the North Dakota Department of Agriculture budget.

The marketing department has been very beneficial to North Dakota dry pea, lentil and chickpea producers and exporters. The North Dakota Department of Agriculture has been instrumental in developing trade relations with Cuba. Commissioner Johnson has led several important missions of not only pulse crop exporters but also other commodities to Cuba to increase our trade. As a result of the efforts of the Agriculture Department, Cuba has become one of the major markets for North Dakota peas. In addition to Cuba the North Dakota Department of Agriculture has been working with our industry in developing a feed pea market in Mexico. The ND Department of Agriculture hosted a trade team of Mexican feed buyers and participated in a mission to Mexico that allowed our industry to build relationships and educate potential buyers of North Dakota feed peas. The work by the marketing department in countries like Cuba and Mexico has had a major impact on the North Dakota pulse crop industry and our ability to effectively market our crop.

In addition to the marketing department, the plant industries division of the Agriculture Department has been a major benefit to North Dakota pulse crop producers. The Northern Pulse Growers Association and several North Dakota processors/exporters work with the North Dakota Department of Agriculture on issuing phytosanitary certificates and export certification, which is critical in exporting North Dakota pulse crops. North Dakota has been increasing market opportunities in countries such as China and India, which have present phytosanitary restrictions that have been major obstacles for North Dakota to overcome to have a market presence. The North Dakota Agriculture Department was instrumental in assisting our industry in working with agencies such as APHIS to provide the needed information to help our industry access India and China markets.

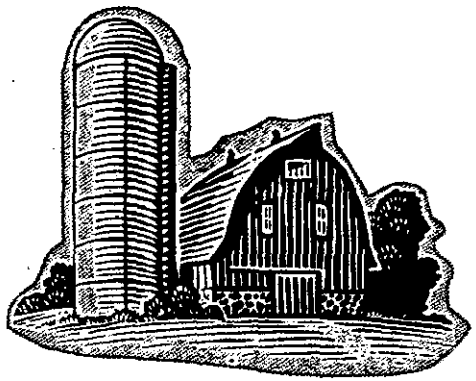
1710 Burnt Boat Drive Bismarck, ND 58503 PH: 701-222-0128 Fax: 701-222-6340
info@northernpulse.com www.northernpulse.com

Lastly, the pesticide programs within the Agriculture Department are instrumental for North Dakota to enhance pesticide availability and provide safe, high quality food. The North Dakota Department of Agriculture has been instrumental in working with the producers on issues such as pesticide registrations and NAFTA harmonization. The impact of the pesticide programs has been significant to the growth of the pulse industry. In addition to pesticide registration the ND Department of Agriculture has been beneficial in ensuring North Dakota can provide a safe food supply. A pesticide inspection program that is fully funded is key to this States ability to assure our customers and maintain our integrity as a safe and quality food supplier.

Chairman Holmberg and committee members, I urge you to support the North Dakota Department of Agriculture budget in SB 2009. I would be happy to answer any questions you may have.

Steps Towards Success

1. Request mediation by contacting the Agricultural Mediation Service.
2. Prepare yourself and set goals you want to achieve.
3. Come to mediation with a willingness to participate.
4. Bridge the conflict and reach common ground.
5. Develop and implement an agreement to resolve issues in dispute.



To request mediation or to learn more about the program, please contact us at:

Toll free in North Dakota: 800-642-4752
Phone: 701-328-4158
Fax: 701-328-4567
Web: www.agdepartment.com
Email: ndda@nd.gov

Roger Johnson
Commissioner of Agriculture
North Dakota Department of Agriculture
Agricultural Mediation Service
600 East Boulevard Avenue, Dept. 602
Bismarck, ND 58505-0020

North Dakota Department of Agriculture

Ag Mediation

North Dakota Agricultural Mediation Service

What is Mediation?

Mediation is a voluntary, confidential process in which a neutral mediator guides parties, who are involved in a dispute, through a thorough discussion of the issues and helps them identify and carefully consider possible resolutions.

Mediators do not make any decisions about who is right or wrong, and they have no authority to require anyone to do anything. The parties themselves are responsible for devising a resolution to their dispute and for following through with it.

Agricultural Mediation Services (AMS) annually provides mediation and negotiation services, counseling and other assistance to several hundred farmers on a broad range of subjects, including:

- Finances
- Beginning farmer loan applications
- Farm planning
- Farm production practices
- Seed disputes
- Disputes with federal and state agencies

Why Mediate?

- Avoid litigation
- Resolve issues
- Communicate your real needs
- Save time and money
- Bridge conflict and reach common ground
- Disputes can have negative impacts on both the parties and the community as a whole
- Mediation can help alleviate these problems by creating a bridge that connects parties and strengthens communities

Confidentiality

The mediation process allows the parties to speak openly about the issues in a confidential manner. North Dakota law provides, with some limitations, that mediations are confidential and privileged.

If I Choose to Mediate, What is My Role?

Your role is to:

- Prepare for mediation by exploring all options for resolutions
- Negotiate in good faith

Who May Participate?

Farmers, farm families, individuals or businesses who want to discuss possible options for resolving farm related issues.

What is Negotiation?

Negotiation is a less formal and often longer process than mediation. The negotiator acts as a representative of the farmer or ranchers. They help farmers and ranchers prepare financial statements, cash flow projections, loan applications and other paperwork. Negotiators will also meet with farm creditors and/or other government agencies to help farmers with financial management and other issues.

Is There Any Cost?

If you have never worked with an AMS negotiator, the first ten hours of negotiation assistance are free of charge. After that, a modest hourly fee is assessed. Mediation fees are charged to farmers, major creditors and other parties for time spent "at the table." A waiver of fees may be granted to those who are unable to pay.

Handout #2 SB 2009

February 23, 2007

Pride of Dakota

Pride of Dakota
north dakota originals

Consumer Survey Results
January 2007

Survey conducted by
the University of North Dakota Bureau of Governmental Affairs
on behalf of the
North Dakota Department of Agriculture

January 2007

Last spring, the North Dakota Department of Agriculture commissioned a survey to determine consumer awareness of the Pride of Dakota program and logo and consumer preferences in shopping and purchasing. The study also assessed consumers' opinions of promotion impact on purchasing decisions.

The University of North Dakota Bureau of Governmental Affairs conducted the survey in May 2006. Results of the survey will help create a future vision for a bigger and better Pride of Dakota program.

Sincerely,

Roger Johnson
Agriculture Commissioner

Survey Results

- Of the 599 respondents, 79 percent reported they have heard of Pride of Dakota. Television, logos on products, word of mouth, newspapers and radio ranked as the top five communication methods that raised program awareness in the last year.

- Consumers who heard of Pride of Dakota (total of 470) were asked if they have seen the logo. A majority of consumers reported seeing the Pride of Dakota logo (90 percent). 47 percent of the respondents said it would be very useful to have a logo identifying North Dakota products while shopping.

- Consumers responded very positively when asked if they were more likely to purchase a product if they knew it was produced in North Dakota (79 percent said they would).

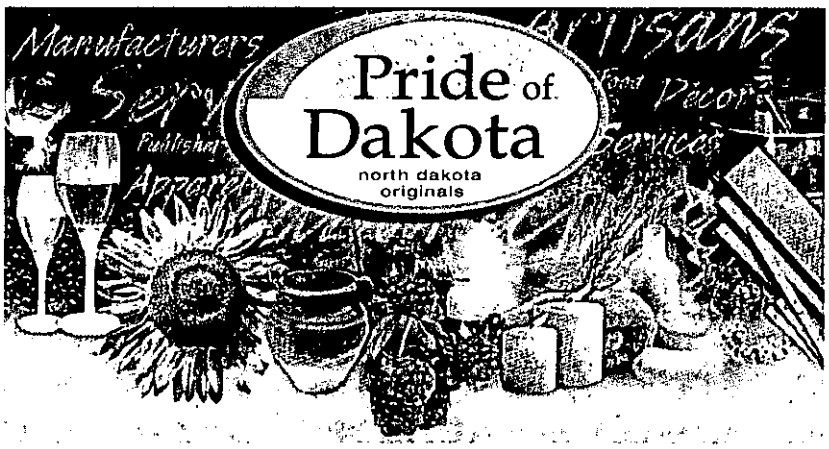
- 88 percent of respondents have purchased a Pride of Dakota product.

- 52 percent of respondents are willing to pay 1 to 10 percent more for products produced in North Dakota. 14 percent of the respondents would pay 11 to 20 percent more and four percent are willing to pay more than 20 percent.

- 85 percent of respondents would shop at a particular store, event or website that features Pride of Dakota products. 89 percent find it useful to have stores, event displays or websites that clearly identify North Dakota products.

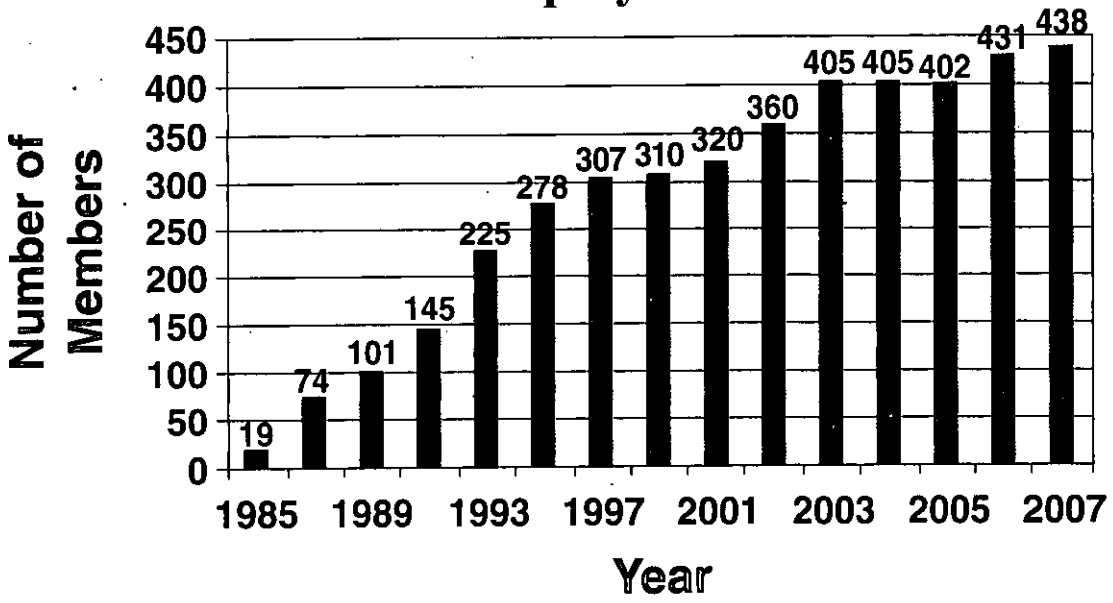
- 18 percent of respondents said that promotional advertisements often influence decisions regarding products purchased. The majority of respondents, 52 percent, said that promotional advertisements sometimes influence their purchasing decisions.

- 78 percent of respondents think it is important to promote Pride of Dakota products within North Dakota, and 65 percent think it is very important to promote Pride of Dakota outside the state.



www.prideofdakota.com

Membership by Selected Year



Membership by General Category

Category	Number
Food & Beverages	150
Artisans & Gifts	146
Personal Care Products	23
Publishers	24
Manufacturers	48
Services	28
Associate Members/Non-profit	19
Total	**438**

Membership by Fee Level

Fee level	Number of companies
$ 50.00	383
$100.00	21
$150.00	7
$200.00	7
$250.00	20

Handout #14

SB 2009
February 23, 2007

Testimony of Allan Tellmann
February 23, 2007
House Appropriations Subcommittee

Chairman Wald and members of the subcommittee, my name is Allan Tellmann. I am the chair of the North Dakota Milk Producers Association and a director serving on the North Dakota Dairy Coalition.

I am here in support of the funding for the North Dakota Dairy Coalition in SB2009. The Coalition is a non-profit, tax exempt corporation operated by dairy farmers with a mission to increase the dairy cow numbers in the state. This is accomplished by working with local producers who wish to expand their operation and with producers from other states who are being displaced by urban sprawl.

Producers are concerned about increasing our state's cow numbers in the interest of their own survival. Our state has decreased from 100,000 to 33,000 cows during the past twenty years. At the current level we are beginning to lose processors, veterinarians, milk haulers and equipment dealers. The closing of the Winger Cheese Plant in Towner and the Odney processing plant in Bismarck are examples of this. The primary reasons for the decline are the age of our dairy producers and the cost of modernizing facilities to become more profitable. Many older producers who owned smaller facilities have chosen to retire.

It's estimated that one dairy cow contributes $5,000 to the local economy. So, a 100 head operation spends about $500,000 per year locally by hiring employees and buying feeds, supplies and services. Dairy production spurs rural economies more than any other type of agricultural sector.

To-date, the Coalition's efforts helped four out-of-state producers move here and one local producer expand which resulted in an addition of about 2,500 cows. We are also in contact with eight operators from other states who are very interested in moving here. These operations range from 100 to 5,000 head.

North Dakota offers affordable land and feed which makes it an attractive opportunity to out-of-state producers. Another reason it's attractive is the vast availability of by-products from processing plants. Our recent growth in ethanol production makes it even more important to grow our cow numbers.

The Coalition has been funded during the past two and one-half years by producers, commodity organizations, industry representatives, the rural electric cooperatives and grant funding through the Agricultural Products Utilization Commission. This initial funding was intended to launch the program and prove its effectiveness.

The cost is $300,000 to maintain the program for two years. These funds are used to hire a full-time person to spearhead this effort and for marketing costs. We have developed

promotional materials, attended trade shows, created a website and have hosted dairy socials to give city people a chance to see how a modern operation works. We provide the human connection for the producer looking to expand or relocate. We identify available property and connect them with lenders, feed suppliers and equipment dealers. We provide a hosted tour to acquaint them with our state. Our services complement those provided by the Department of Agriculture and the Commerce Department. In addition to the listed costs, the North Dakota Association of Rural Electric Cooperatives provides an in-kind contribution in the form of office space, support staff, and accounting services.

SB2009 gets us one-half of the way there and we appreciate the senators help on this issue. To fully fund this effort, we are asking your consideration to appropriate $300,000 for this important work. I have handed out a progress report and a letter from various commodity groups, businesses and organizations, such as Great River Energy, the Renewable Energy Partnership and Kadrmas, Lee and Jackson.

The Coalition is necessary if North Dakota wants to remain a player in the dairy industry. The recruitment of dairy operations that are being displaced in areas experiencing urban sprawl is competitive. We need to be proactive if we want to locate some of those producers here.

Thank you for your consideration.

February 5, 2007

Senator Bill Bowman and members of the subcommittee:

We most appreciate this opportunity to submit an amendment to provide $300,000 in funding for the operation of the North Dakota Dairy Coalition during the 07-09 biennium. We, the undersigned, feel this is one of the most important issues you will undertake this legislative session.

The North Dakota Dairy Coalition has invested nearly an equal amount of funding over the past three years to retain and expand North Dakota's dairy industry. We estimate that we've grown North Dakota's dairy herd by about 2,500 cows over the past two years. However, we are now at a crucial stage in our effort. Our current funding from the state and industry partners will be exhausted by July of this year. That means all the goodwill and equity we've built in promoting North Dakota as a dairy state will be lost, just about the time significant growth in the industry could be secured in conjunction with the explosive growth that's about to take place in ethanol and biofuels production.

We respectfully ask that a commitment be made to funding the Dairy Coalition effort prior to the end of the session.

Thank you in advance for your consideration and support of this important economic development work.

Sincerely,

Jeff Zueger, general manager
Blue Flint Ethanol

Steve Edwardson, executive director
North Dakota Barley Council

Allan Tellman, Chairman
North Dakota Milk Producers Association

Al Christianson, North Dakota business services representative
Great River Energy

Don Frye
Mayor of the City of Carrington and
economic development consultant for North Dakota, Ottertail Power Company

Harvey Hoff, chairman
North Dakota Dairy Coalition

Barry Coleman, executive director
Northern Canola Growers

Gary Hoffman, executive director
North Dakota Dairy Coalition

Dennis Hill, general manager
North Dakota Association of Rural Electric Cooperatives

Jared Hagert, President
North Dakota Soybean Growers Association

Jay Nissen, President
North Dakota Corn Growers Association

Randy Schneider, President
North Dakota Ethanol Producers Association
Board member of U.S. Bio-Energy-Hankinson

Niles Hushka, CEO
KLJ Solutions

Mike Clemens, President
North Dakota Renewable Energy Partnership

Keith Pagel, CEO
Cass Clay Creamery

NORTH DAKOTA DAIRY COALITION
Progress Report

1. **Organized and incorporated May 2004**

2. **New producers and expansions**
   - New owner at 5-Star dairy near Milnor. 1600 cows milking (Rick Milner). The Coalition conducted tours at this dairy for Vermont, Washington, ND and SD producers. We made the initial contact with Rick Milner about this dairy and connected him with AgStar, the owner of the property.

   - New owner at 490 cow dairy near Garrison. California family moved in June. (Bob and Jennifer Bertelsen) We listed this dairy on our website, set up a tour for this CA family and spent several days with this family showing them ND. We set up a meeting with local lenders, feed dealers, and other community leaders to facilitate the deal. We initiated an effort to raise funds to offset the costs of moving the cows from California to North Dakota.

   - Worked with New Salem producer who expanded from 125 cows to 550 cows. We prepared an APUC application for the producer and helped him find a credible business planner. We also served as a liaison to other ND loan programs. This expansion resulted in three sons and their families staying in Morton County as partners in this operation.

   - Wisconsin producer moved to a farm near Kensal, ND. (100 cow dairy-Joy and Blaine Mehlhoff) This family learned about dairy opportunities on our website and our presence at World Dairy Expo in Madison, WI.

   - Pennsylvania producer is in the process of purchasing a farm in Emmons County. (75-100 cow dairy) This family also learned about our dairy development efforts though an ad we ran in a national publication and our website. We set up a ND tour and spent several days showing them dairy facilities in Emmons and McIntosh counties.

Total new cows in North Dakota = 2,500.
Annual milk sales/cow = $2,500 X 2,500 cows = $6,250,000 in annual milk sales

3. **Other accomplishments**
   - Laid the ground work and build awareness for dairy growth in North Dakota and developed promotional materials. Set up and hosted 22 tours for dairy producers who are considering ND as a relocation site. Of those, four producers have moved here and eighteen are still considering our state.

   - Identified available dairies and sites for dairy development. Have visited 20 farms and land owners who have property for dairy development.

   - Identified and met with 20 communities that want dairies/animal agriculture. They include Ellendale, Jamestown, Carrington, Cando, Langdon, (Hwy 281 corridor) Fairmount, Ashley, Wishek, Linton, Hazelton, Denbigh, Mohall,

Williston, Dickinson, Bottineau, Underwood, Washburn, Garrison, Minot and Williston area. Held informational meetings in most of these areas.

- Developed a website: www.nddairy.com

- Attended national dairy shows to promote North Dakota as a good state for dairy production: World Dairy Expo in Madison, Wisconsin and World Ag Expo in Tulare, California. Have attended these shows for the last three years. Have 650 contacts at WDE and 500 contacts at WAE. We've run an ads in National dairy publications.

- Organized tours for dairy producers from Washington, Vermont, California, Wisconsin, Minnesota, Ohio, Pennsylvania, Holland, Canada, and Oregon who are interested in locating in ND.

- Dairy producers from Connecticut, New York, Ohio, Pennsylvania, and Denmark have expressed an interest and may visit in the future

- Have identified potential investors for large dairies or processing facilities. Link investors to producers.

4. Future

- We are currently working with three different producers/investor groups who have identified ND as a place to dairy. They are considering locating near an ethanol plant or near a bio-diesel plant to take advantage of the by-products. These are 5,000 to 10,000 cow operations that would use anaerobic digesters to generate electricity which will be used for the dairy and sold into the grid. The potential start up cost for each of these projects could run from 50 to 70 million dollars. We are also working with a group that is looking at doing a 5 to 10,000 head dairy heifer feedlot.

- Identifying in-state and U.S. dairy processors who might be willing to build a processing plant in the state.

- Working with Great River Energy and local communities to bring large dairy production units to ethanol production areas (Underwood and Spiritwood). These production units would use ethanol by-products and produce electricity through a methane digester to feed the ethanol plant. (cannot disclose parties at this time)

5. Budget

Annual Dairy Coalition budget is 147,500.00. The North Dakota Association of Rural Electric Cooperatives provides office space, support staff, accounting services and numerous other services free of charge. This equates to a $22,250 contribution.

Renewable energy and cows are a natural fit. A 5000 cow dairy can generate enough electricity to run 1000 homes. This is base power. It's consistent 365 days per year/24 hours per day.

2

Myers' meats & specialties

2452B - 70th Ave. NW · Parshall, ND 58770-9663 · 701/743-4451 · 800/635-3759

Testimony in support of SB 2009
(North Dakota State Meat Inspection Program)
Calvin Myers, Parshall, North Dakota
19 January 2007

My name is Calvin Myers, president of Myers' Meats & Specialties, Inc. My family and I run a small meat processing plant south of Parshall in northwestern North Dakota, which my father began in 1965 as a supplement to the family farm. Through many changes, we have continued and are always looking for opportunities to expand our markets.

The North Dakota Meat Inspection Program has become extremely important to small producers like us and we to urge you to support the budget requests for this program.

Today's ND consumer (and national consumer for that matter) has become more concerned about food safety and where their meat is coming from. Source verified, natural, and organic are all buzz words in the meat business. What this all means is that after decades of being overrun by competition from big out of state packers, small shops like ours have really made a comeback in their retail sales the last ten years. Customers seem to have more confidence in the local butcher down the street than the product that was produced by "Big Packer XYZ".

Ultimately, we are keeping more dollars in ND, as the rancher is feeding the animal with local feed, the butcher is buying ND livestock, and the consumer is eating the ND food product. Furthermore, the butcher is not buying out of state "boxed meat" from the "Big Packer." This is true growth for ND.

I am a member of the ND Meat Processors Association. At our 2006 annual meeting, there was much discussion concerning plants being unable to get the inspection coverage necessary to meet the business demands and some businesses holding back marketing of their products because they knew they would be unable to access more inspection hours. Specifically, one plant in Southeastern ND currently has three days inspection and I am told they are still holding back market development for some products because of the inability to obtain more inspection days. Also a central ND plant was seeking more slaughter days last summer and was granted that because of the emergency funds that were allocated by the Ag Dept.

Ranchers, processors and government all have an interest in producing a reliable, clean and trusted product for consumers in the most efficient way possible. In a way, we have made a committment, a promise, to keep our food supply safe and affordable. We're ready to do our part and we ask that you do yours by providing not only adequate funding to sustain the current ND Meat Inspection Program, but funding for the anticipated growth in this budding North Dakota industry.

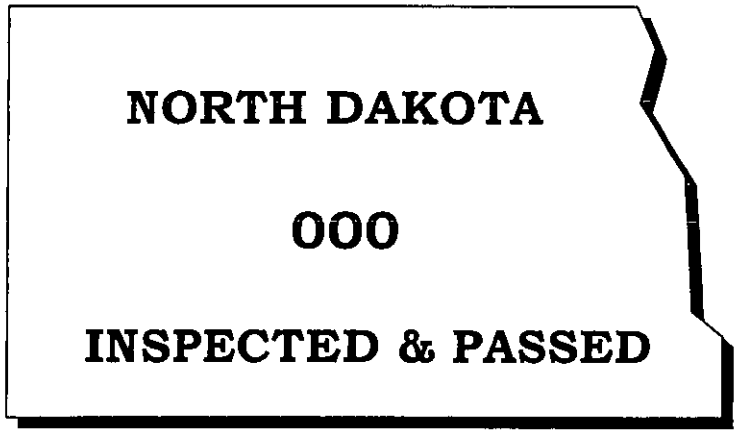
Thank you and I would like to answer any questions that you may have.

Handout #6

SB 2009
February 23, 2007

NORTH

DAKOTA



STATE MEAT

&

POULTRY

INSPECTION PROGRAM

The State Meat Inspection Program was enacted by the 1999 Legislature to increase the opportunities for meat processors and livestock producers in the state of North Dakota. Prior to this enactment, federal inspection, or Food Safety and Inspection Service (FSIS), a division of USDA, regulated all meat processors in the state. The Federal Meat Inspection Act (FMIA) grants authority to an appropriate State agency to develop and administer a State meat inspection program. The program must have laws, regulations and procedures that are "at least equal to" the FMIA. Once a state is approved of by FSIS, they will receive federal funds of up to 50% of the total cost of the program. North Dakota gained approval from FSIS on October 19, 2000, and became the 26th state to have a program. In June, 2005, North Dakota gained approval to also provide state inspection service for poultry and became the State Meat *and Poultry* Inspection Program (SMPIP).

State programs are desirable to the industry and state government alike because they can focus on regulating small and medium-sized businesses. State inspection personnel are generally more accessible and more flexible than the USDA. The state programs also provide more practical information and technical assistance. North Dakota's program is designed to make it easier for the state's meat producers to sell their homegrown beef, pork and or other livestock directly to consumers in state.

The mission of the SMPIP is to provide consumers with a wholesome, unadulterated product that is properly labeled and safe. The Meat Inspection division's function is to ensure that meat and meat products slaughtered, processed and/or stored in North Dakota meet state and federal requirements. This function is accomplished through product and site inspections, registering, product labeling and laboratory testing done in cooperation with other state and federal agencies. Our staff consists of a director/veterinarian and a half-time administrative assistant, both located in Bismarck, a senior inspector in Dickinson, one compliance officer/field inspector in Fargo and six additional field inspectors located in Cooperstown, Jamestown, Langdon, Streeter, Dickinson and Grenora.

The Meat Inspection division of the North Dakota Department of Agriculture (NDDA) currently regulates 110 slaughter and/or processing plants that are located throughout North Dakota. Fourteen of these plants are classified as "State Inspected" or "Official State Establishments". These are plants where livestock is slaughtered and/or processed under regulated inspection. To maintain 'equal to' requirements of USDA, the SMPIP is obligated to perform continuous inspection on inspected slaughter days (performing antemortem and postmortem examination on each animal) and be physically present at least once daily at plants on inspected processing days.

An inspector will perform duties at each establishment anywhere from two hours one day a week to 8 hours five days a week, depending on the amount of work the plant does. The final product carries the state mark of inspection, which is a stamp in the shape of North Dakota and reads, "North Dakota Inspected and Passed" along with the establishment number. The mark allows a meat processing business to wholesale their products to various retailers within the state, greatly expanding their market.

Official State Establishments are similar to "federally inspected" plants in regards to the facility requirements and how the plants operate. Most of the federal laws governing meat inspection were actually adopted by the state to help facilitate the "equal to federal" requirement. State programs are regularly monitored and audited by the federal government to ensure the program is continuing to maintain the requirements set forth in the FMIA.

The remainder of the plants (96) regulated by the meat inspection program are classified as Custom Exempt establishments and are inspected two to four times per year for sanitation and facility requirements. Requirements for custom plants must also be enforced by the state program in order to maintain "equal to" requirements.

A "Custom Operation" is one in which a person or entity offers slaughter and/or processing services to the public for a fee. The animal to be slaughtered or the meat to be processed belongs to the customer, not the establishment. After the services are rendered, all of the products derived from the custom operations must be returned to the owner of the animal.

Custom exempt plants may also carry retail exempt products for sale to the public. The owner/operator of the plant buys "boxed meat" from a federally or state inspected plant and further processes it for retail sale. Since the additional processing is not done under regulated inspection, the products may only be sold at the retail counter within the plant. Most grocery stores and/or meat markets in North Dakota operate under this retail exemption. The boxed meat is normally purchased from large packing plants, which is the most economical, and are not products from locally raised livestock.

While the laws and regulations of a state or federal program are very similar, there are many benefits in operating a state program. State programs are organized in a way that allows them to deal with small businesses more effectively and efficiently than can a large federal system such as USDA, which now caters almost exclusively to large processors. One major advantage of a state program is the ease of access for plants to obtain the "Grant of Inspection" status that allows them to expand their market base through wholesaling. Throughout the process of gaining a grant, a state program will offer much more technical support and guidance, making what could be a complicated process much easier. Any disputes are handled at the state and local level and elected state officials have a say in how the small business person is regulated.

Another tremendous benefit of state programs is in providing non-traditional livestock producers and processors more equal marketing opportunities. USDA classifies bison and elk as non-amenable, meaning these species or their products are not subject to the FMIA. Because they need not be inspected to be sold, these species are considered "voluntary" and any person slaughtering or processing these animals must pay an hourly fee. Although inspection is not required at the federal level, most states (including North Dakota) do require inspection. This means non-traditional producers/processors without a state program face an unfair marketing advantage. The SMPIP does not charge for the

slaughter or processing of non-traditional livestock and therefore allows these individuals to once again compete in the market with cattle and hog growers or processors.

The SMPIP has grown significantly since it's onset in 2000. In October of 2000, the NDDA assumed all regulatory responsibility for custom exempt plants in the state and provided information to all meat processors on how to become an official state establishment. Two plants met the requirements and obtained grants of inspection by January of 2001. These plants were Barton Meats in Carrington and Siouxland Buffalo in Grand Forks. Barton Meats was newly built in 2000 to meet federal facility requirements. With the advent of the state program they decided to come under state inspection because it suited their needs better. Siouxland Buffalo had operated for many years slaughtering and processing buffalo on their own because at the time inspection was not required for buffalo. However, in 1997 the Department of Health passed a law that required all wild game or non-traditional meat to be inspected in order to be sold. The plant was unable to afford USDA's hourly fees and had to cease their processing activities until the state program's inception.

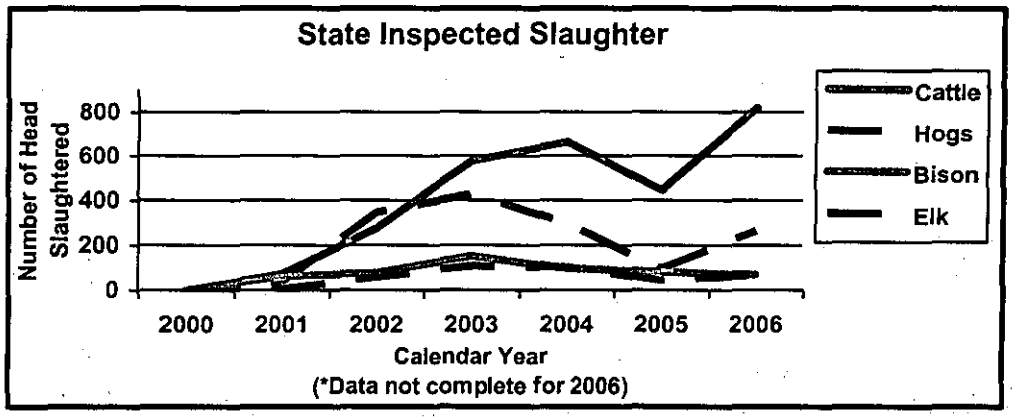
Since January of 2001, the program has issued an additional twelve grants of inspection to the following recipients;

➢ Hickory Hut, Langdon	October 31, 2001
➢ Edgeley Meat Processing Plant, Edgeley	November 1, 2001
➢ Garrison Custom Meats, Garrison	March 21, 2002
➢ Butcher Block, Oakes	March 27, 2002
➢ Wildrose Grocery, Wildrose	June 6, 2002
➢ The Wurst Shop, Dickinson	June 19, 2002
➢ Devore Custom Meats, Steele	March 8, 2004
➢ L & M Meats, Grand Forks	May 20, 2004
➢ Bridgemart Meats, Wyndmere	June 6, 2005
➢ Erickson Meat Market, Bowman	October 24, 2005
➢ Maple Valley Locker, Enderlin	March 27, 2006
➢ Reister Meats, Streeter	May 18, 2006

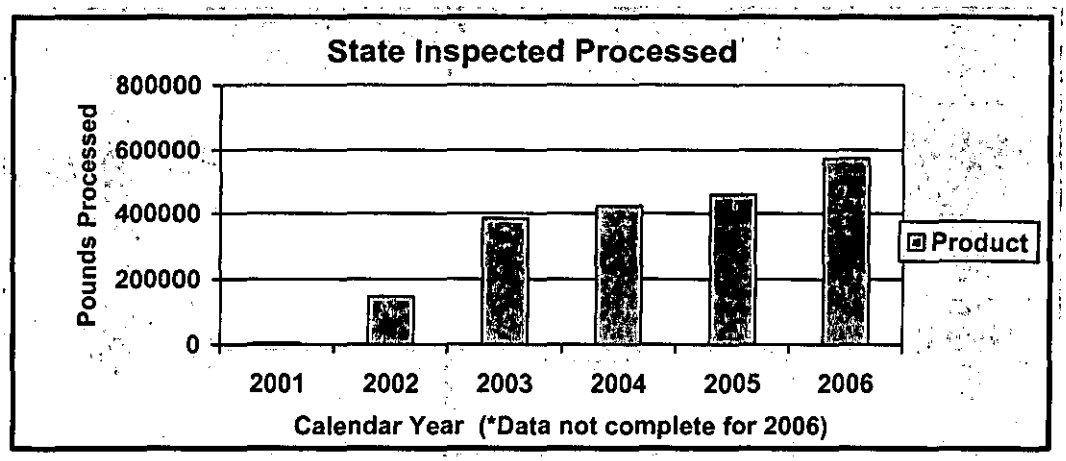
These plants have personally experienced the benefits of a state meat inspection program by being able to greatly expand their once limited market. Many livestock producers are also benefiting because they now have more outlets. They can either sell livestock to the plants or develop their own brand name and market their products directly to the consumers. The SMPIP is a great tool to boost the state's economy, especially in rural areas where most of the plants are located, because it makes it easier for small livestock

producers and processors to sell directly to the consumer and capture more of the consumer dollar.

The amount of livestock slaughtered and meat processed under state inspection demonstrates the growth and benefits of the state meat inspection program and is shown in the following charts;

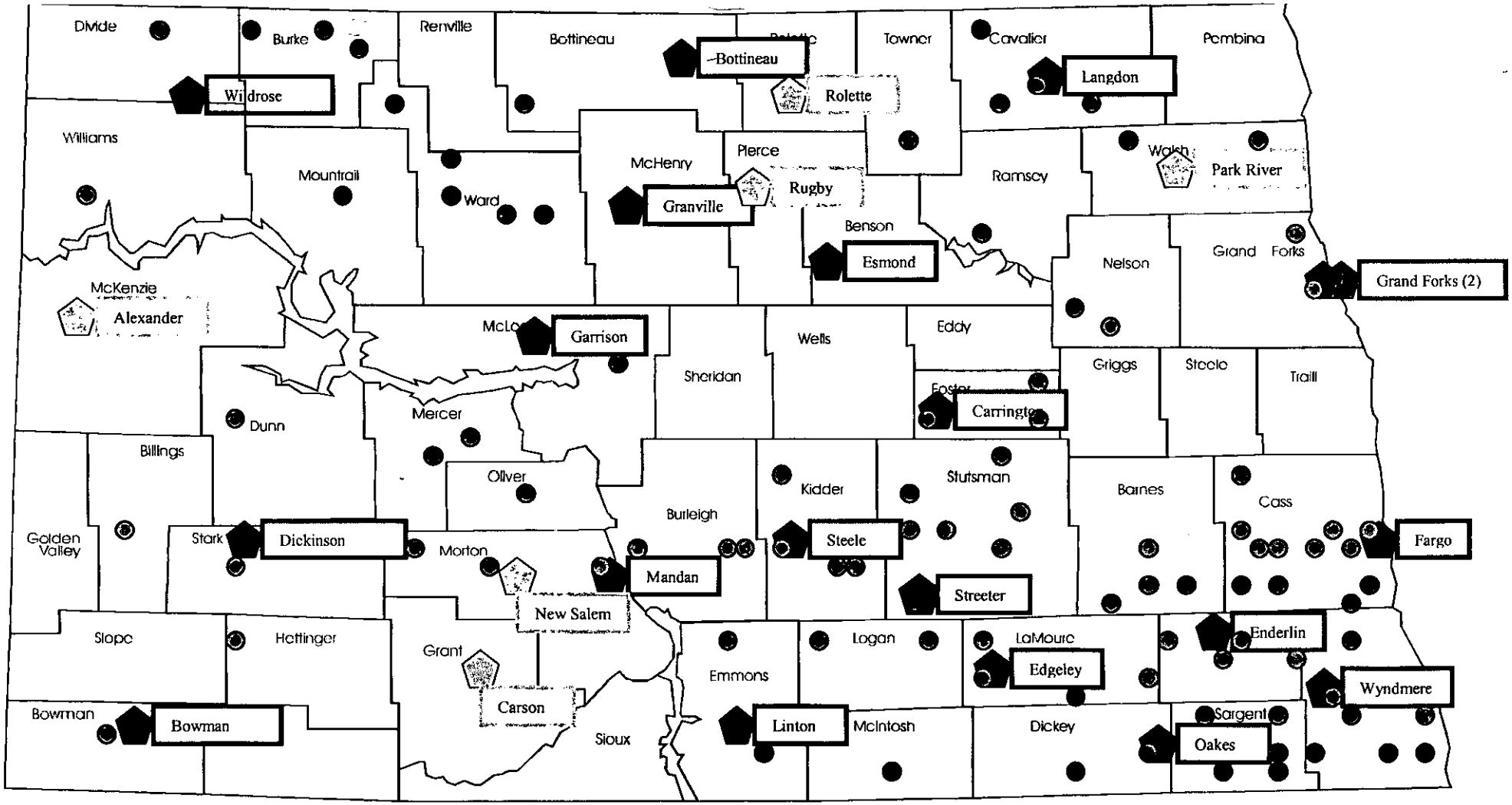


During the first year of state meat inspection (2001), there were a total of 181 animals slaughtered. This has increased to 1219 animals in 2006.



There were 5,238 pounds of meat processing under state inspection during the first year of state meat inspection (2001). This increased to 573,455 pounds in 2006.

NORTH DAKOTA OFFICIAL STATE SLAUGHTER AND PROCESSING ESTABLISHMENTS



● Current Official Establishment

● Existing custom plants that intend to pursue state-inspection

● Location of Outlets of State Inspected Products

⬠ Plants that are newly constructed or plan to be constructed and become state-inspected

Attachment C

(2)

North Dakota AG COALITION

P.O. Box 2599
Bismarck, ND 58502
(701) 355-4458
FAX (701) 223-4645

MEMBERS

AmeriFlax
Milk Producers Association of North Dakota, Inc.
Minn-Dak Farmers Co-op
North Dakota Ag Aviation Association
North Dakota Ag Consultants
North Dakota Agricultural Association
North Dakota Agri-Women
North Dakota Association of Soil Conservation Districts
North Dakota Association of Agricultural Educators
North Dakota Barley Council
North Dakota Beef Commission
North Dakota Corn Growers Association
North Dakota Corn Utilization Council
North Dakota Crop Improvement and Seed Association
North Dakota Department of Agriculture
North Dakota Dry Bean Council
North Dakota Elk Growers
North Dakota Farm Bureau
North Dakota Farm Credit Council
North Dakota Grain Dealers Association
North Dakota Grain Growers Association
North Dakota Lamb and Wool Producers
North Dakota Oilseed Council
North Dakota Pork Producers
North Dakota Soybean Growers Association
North Dakota State Seed Commission
North Dakota Wheat Commission
Northern Canola Growers Association
Northern Plains Potato Growers Association
Northern Pulse Growers Association
Red River Valley Sugarbeet Growers

Testimony of Deana Wiese

North Dakota Ag Coalition

Senate Bill 2009

January 19, 2007

Chairman Holmberg and members of the Senate Appropriations Committee:

My name is Deana Wiese, and I am here today as the administrator of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of continued funding for Project Safe Send, which is included in SB 2009.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for 20 years. Today, we represent 30 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, these members seek to enhance the business climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on only a limited number of issues brought to us by our members that have significant impact on North Dakota's agriculture industry. Project Safe Send is one of these as it benefits producers, pesticide dealers and applicators statewide and across commodities.

The North Dakota Department of Agriculture, through Project Safe Send, provides a great service that allows the easy, safe and inexpensive disposal of dangerous and unusable pesticides and pesticide containers for North Dakota agricultural interests.

We appreciate your past support of Project Safe Send and would encourage your continued support of funding for the program.

#6

Re: North Dakota Ag Department Operational Budget.

Ivan Williams
N.D. Agricultural Assn.
BayerCropscience Field Rep.
Mandan, ND

I represent the Ag. Chemical Retailers, Ag. Chemical Manufacturers and Ag Industry Professionals through the Ag. Assn.

We support the N.D. Ag Departments funding requests. We believe the Departments efforts and direction holds true to furthering great agriculture in North Dakota. It is a fine line between regulation or enforcement and stimulation of an industry. Over the last few legislative sessions, the Ag. Dept. budget has been heavily scrutinize and rightfully so, as that is your job. But we might be stifling the department's performance.

I am concerned with the balance of federal funding and state share as it pertains to registration, regulation and enforcement of federal pesticide rules. Nothing is changing faster than Agriculture. As this industry changes and demands more from our Ag. Dept. must take control. It is a question of who do we want in control. At the present time, our regulation and enforcement division of the Ag. Dept. is over 90% funded by Federal funds from the EPA. Not only are we underfunded but it is our understanding we are short personnel and operational funds. At anytime they can call our hand and take over regulation and enforcement. Where they have done this in the past, it was disastrous for the states involved. In the 20+ years that I've been in North Dakota, we have been pretty proud of local control and independence. Stick with that here as well.

Please consider the Ag. Dept's requests as an investment in North Dakota's Ag. Future.

Also as Commissioner Johnson has said, things are changing. Issues to be addressed will be Federal enforcement of the Endangered Species Act and how much land will it take out of production.

Handout #15

SB 2009
February 23, 2007

North Dakota AG COALITION

P.O. Box 2599
Bismarck, ND 58502
(701) 355-4458
FAX (701) 223-4645

MEMBERS

AmeriFlax
Milk Producers Association of North Dakota, Inc.
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North Dakota Dry Bean Council
North Dakota Elk Growers
North Dakota Farm Bureau
North Dakota Farm Credit Council
North Dakota Grain Dealers Association
North Dakota Grain Growers Association
North Dakota Lamb and Wool Producers
North Dakota Oilseed Council
North Dakota Pork Producers
North Dakota Soybean Growers Association
North Dakota State Seed Commission
North Dakota Wheat Commission
Northern Canola Growers Association
Northern Plains Potato Growers Association
Northern Pulse Growers Association
Red River Valley Sugarbeet Growers

Testimony of Kent Albers

North Dakota Ag Coalition

Senate Bill 2009

February 23, 2007

Chairman Wald and members of the Education and Environment Division of the House Appropriations Committee:

I am Kent Albers. I farm and ranch near Center and serve as the chairman of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of continued funding for Project Safe Send, which is included in SB 2009.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for 20 years. Today, we represent 30 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, these members seek to enhance the business climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on only a limited number of issues brought to us by our members that have significant impact on North Dakota's agriculture industry. Project Safe Send is one of these as it benefits producers, pesticide dealers and applicators statewide and across commodities.

The North Dakota Department of Agriculture, through Project Safe Send, provides a great service that allows the easy, safe and inexpensive disposal of dangerous and unusable pesticides and pesticide containers for North Dakota agricultural interests.

We appreciate your past support of Project Safe Send and encourage your continued support of funding for the program.

(4)

Same testimony to the House

Senate Bill 2009
Friday, January 19, 2007
Senate Appropriations Committee
Harvest Room

Senator Holmberg and members of the committee, my name is Nathan Boehm and I am a dairy farmer from Mandan and the chairman and dairy representative to the State Board of Animal Health.

I am here today to testify in support of adding a third general funded veterinarian to the Board of Animal Health staff.

As a board member for the past 7 ½ years I have been a part of passing rules that in the back of my mind, I know we might have trouble enforcing or following up on. One such action is the waiver of non-calf hood vaccinates for Brucellosis. We have them quarantined for three years, and they can only be sold for slaughter during that time. It is very hard for our state veterinarians to check on these cattle to make sure they are still there and that the waiver has been followed due to time constraints and workload.

We have had the use of several veterinarians in the past several years who are working on federal grant money for programs such as Johne's, Scrapie and NAIS (National Animal Identification System). They help out when we need to get some of these things done. In this war time budget we know that some of the grants will be cut and some already have. Without funding, these "grant money vets" will not be at our disposal and we will end up back where we were with the added workload of the federal programs being taken care of by our state veterinarians. I believe these programs are great programs. I have used the Johne's program for 6 years to clean up my herd and other producers are utilizing them to better their herds and flocks.

Hiring a third veterinarian will allow us to keep these programs going and allow us to get other things done. This will allow the producers to stay on the right track if the programs remain operational when the grant money runs out. I have heard people say that the federal government starts a program and then quits funding it and we have to pick it up. This may be true, but I look at it as if they paid for it for the first several years and we are able to start a solid program with their money, then let's use what they give us and continue without having the initial start up cost. They are also willing to assume responsibility for a program if the state will not continue it. I believe hiring another full time veterinarian would allow us to keep control of these programs and take some of the workload off of our current state veterinarians.

We have a billion dollar plus industry in animal agriculture in North Dakota. This has a significant economic multiplier impact on our state. Our state vets are not only responsible for animal diseases but zoonotic diseases as well. Please don't hold back the regulatory efforts of our state vets by withholding the manpower they need to do their job.

Thank-you. Are there any questions?

(2009) possible

NORTH DAKOTA DEPARTMENT OF AGRICULTURE BUDGET

2005-2007 STATE BIENNIUM

		EXPENDED 7/1/05 to 3/31/2007		PLANNED 4/1/07 to 6/30/2007		TOTAL COSTS 7/1/05 TO 6/30/2007
Salaries	$	683,923.39	$	125,154.00	$	809,077.39
Vehicle Fuel & Costs	$	105,269.48	$	5,415.07	$	110,684.55
Aircraft Fuel & Cost	$	18,285.57	$	826.37	$	19,111.94
Supplies	$	2,522.92	$	280.03	$	2,802.95
	$	810,001.36	$	131,675.47	$	941,676.83

SUMMARY

STATE ALLOCATION	**$**	**800,000.00**
EXPENSES	**$**	**941,676.83**
	$	**(141,676.83)**

Budget Proposal, 2007 - 2009 Biennium - Governor's Budget Proposal

Reduced Staff of 8 Specialists & 1 Pilot

SUMMARY OF PROJECTED EXPENDITURES	STATE	FEDERAL	TOTAL
SALARY	$724,857	$126,600	$851,457
BENEFITS		$279,826	$279,826
FUEL-VEHICLE	$100,000		$100,000
FUEL-AIRCRAFT	$40,000		$40,000
TRAVEL		$53,437	$53,437
SUPPLIES	$65,143		$65,143
VEHICLE		$48,000	$48,000
TOTAL	$930,000	$507,863	$1,437,863

Available Funding	$930,000	Available Funding:	
		Benefits :	$279,826
		Other:	$228,037
		Total:	$507,863

Budget Proposal 2007 - 2009 Biennium

10 Field Specialist/1 Pilot

SUMMARY OF PROJECTED EXPENDITURES	STATE	FEDERAL	TOTAL
SALARY	$909,229	$76,353	$985,582
BENEFITS		$314,346	$314,346
FUEL-VEHICLE	$125,000		$125,000
FUEL-AIRCRAFT	$40,000		$40,000
TRAVEL		$45,000	$45,000
SUPPLIES	$100,000		$100,000
VEHICLE		$72,000	$72,000
TOTAL	$1,174,229	$507,699	$1,681,928

Available Funding	$930,000	Available Funding:	
		Benefits :	$314,346
		Other:	$193,353
		Total:	$507,699
Deficit	**($244,229)**		

Expenditure of Funds per Cooperative Agreement Between the USDA/Wildlife Services and the North Dakota Department of Agriculture

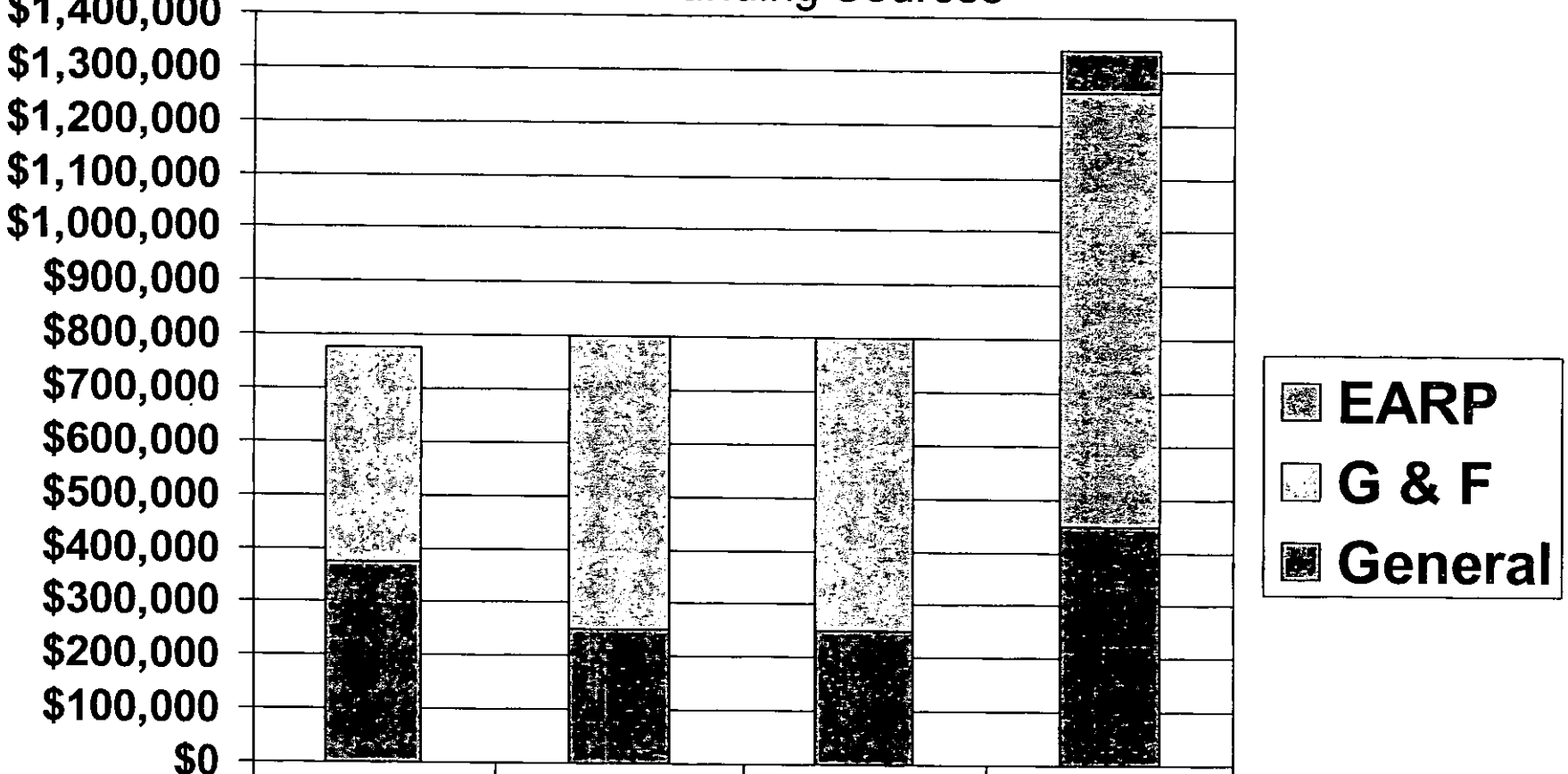
Expenditure	State	Federal
Salaries	√	√√
Benefits		√
Fuel	√	√√
Travel		√
Supplies	√	√√
Vehicles		√

√ per agreement language
√√ in addition to agreement language

2

Wildlife Services

State Funding Sources

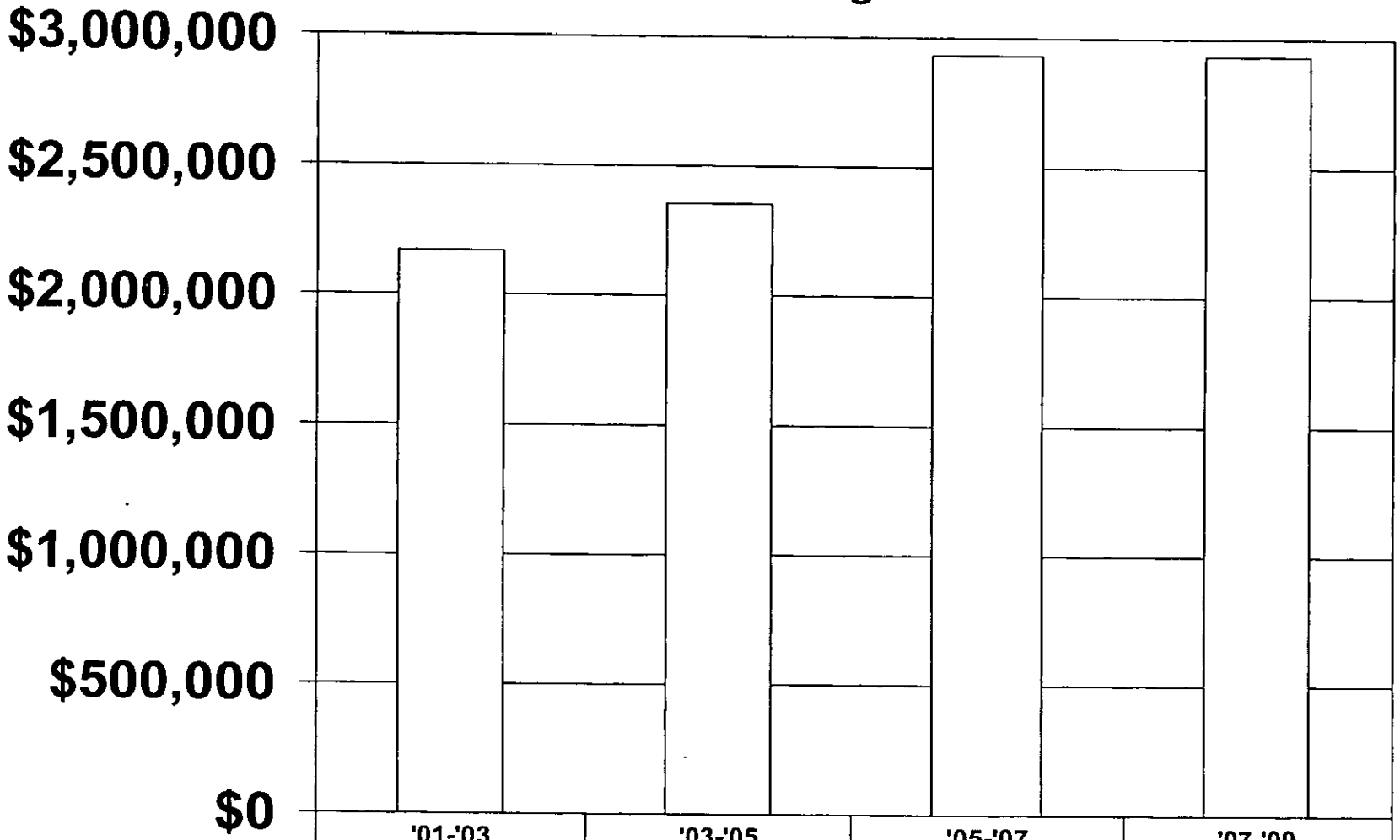


	'01-'03	'03-'05	'05-'07	'07-'09
EARP				79,500
G & F	400,000	550,000	550,000	810,000
General	375,707	250,000	250,000	450,000
Total	775,707	800,000	800,000	1,339,500

Long Cons
1/6/07
(2)

Wildlife Services

Federal Funding

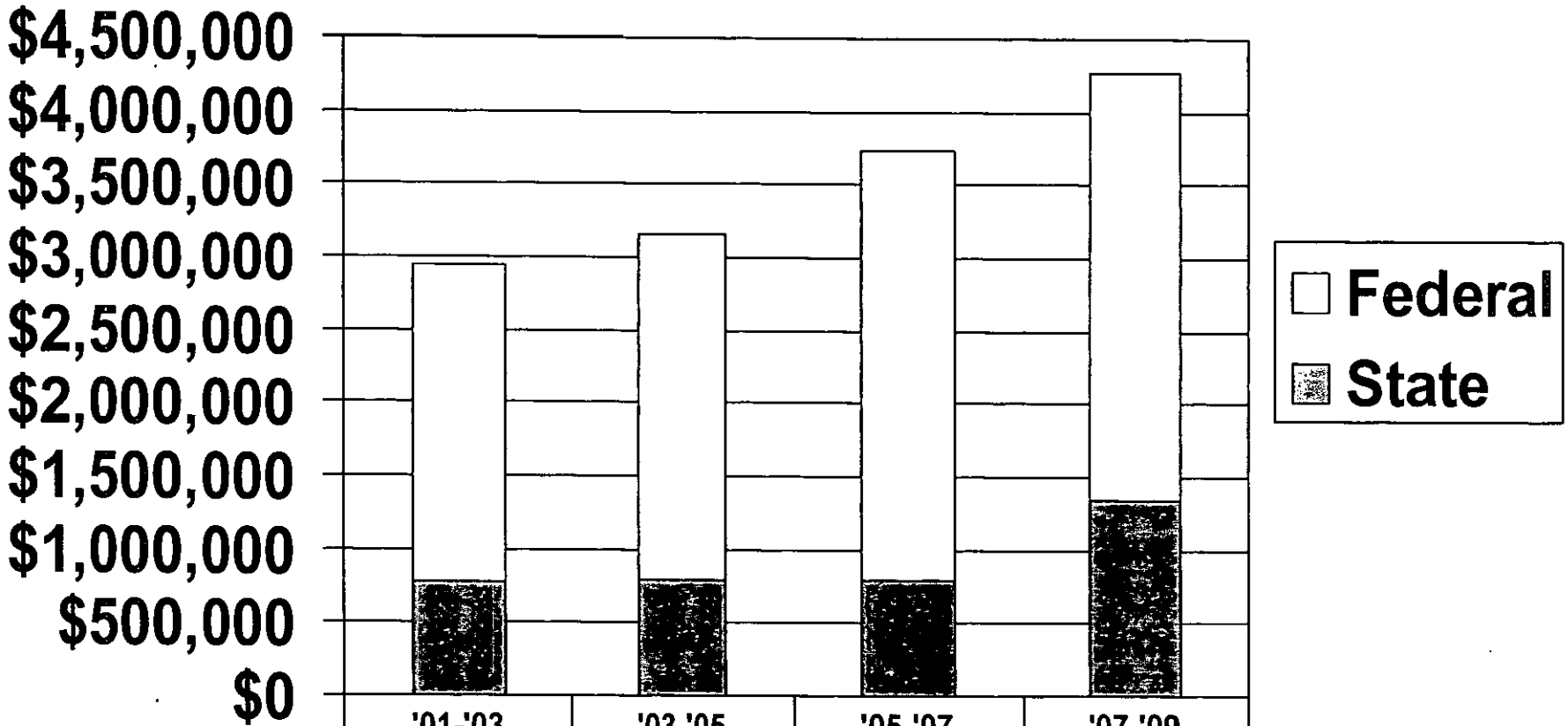


	'01-'03	'03-'05	'05-'07	'07-'09
Federal	2,170,858	2,356,261	2,930,740	2,930,740 *

*Assumes level federal funding in '07-'09

2

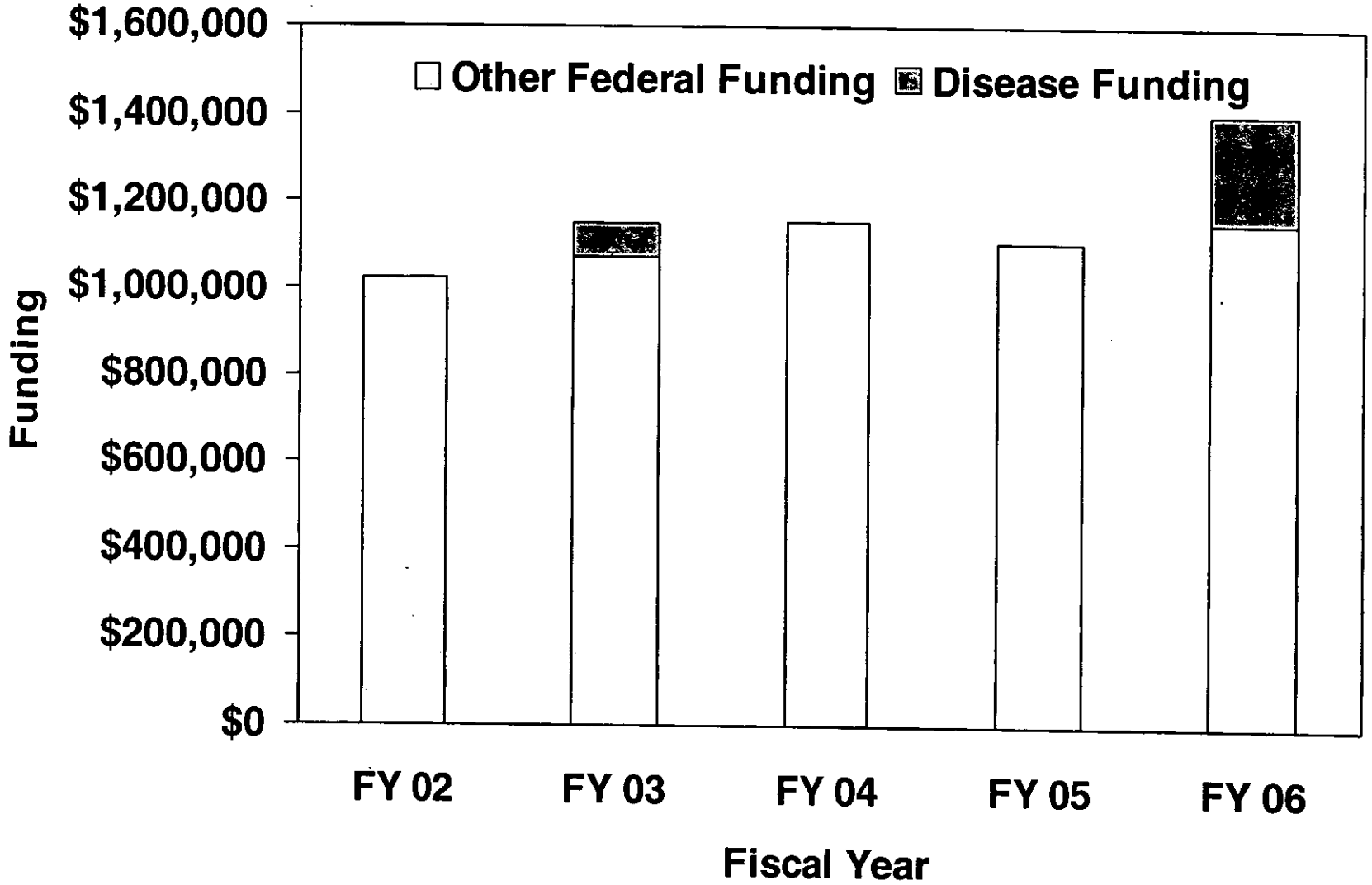
Wildlife Services Funding



	'01-'03	'03-'05	'05-'07	'07-'09
Federal	2,170,858	2,356,261	2,930,740	2,930,740
State	775,707	800,000	800,000	1,339,500 *
Total	2,946,565	3,156,261	3,730,740	4,270,240

* Assumes level federal funding in '07-'09

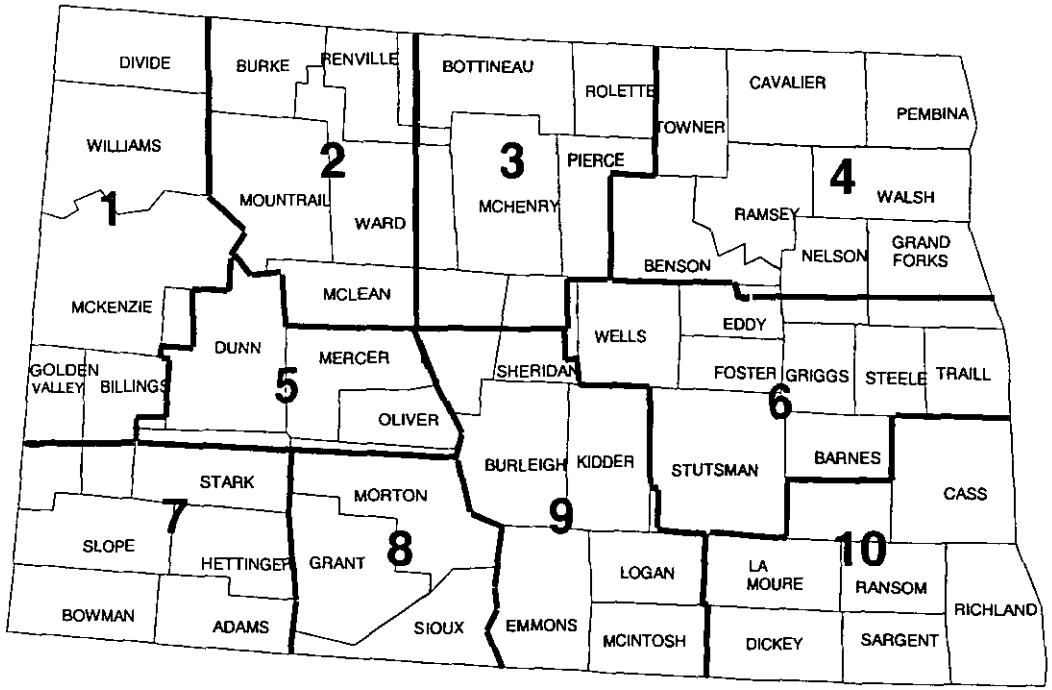
North Dakota Wildlife Services
All Federal Funds FY 02 - FY 06



Conf Comm 4/13/07

Senate approved increase for the 2007-2009 biennium:

- Would help restore service to the historic level of 10 field specialists.
- Would cover associated costs for full field staff.

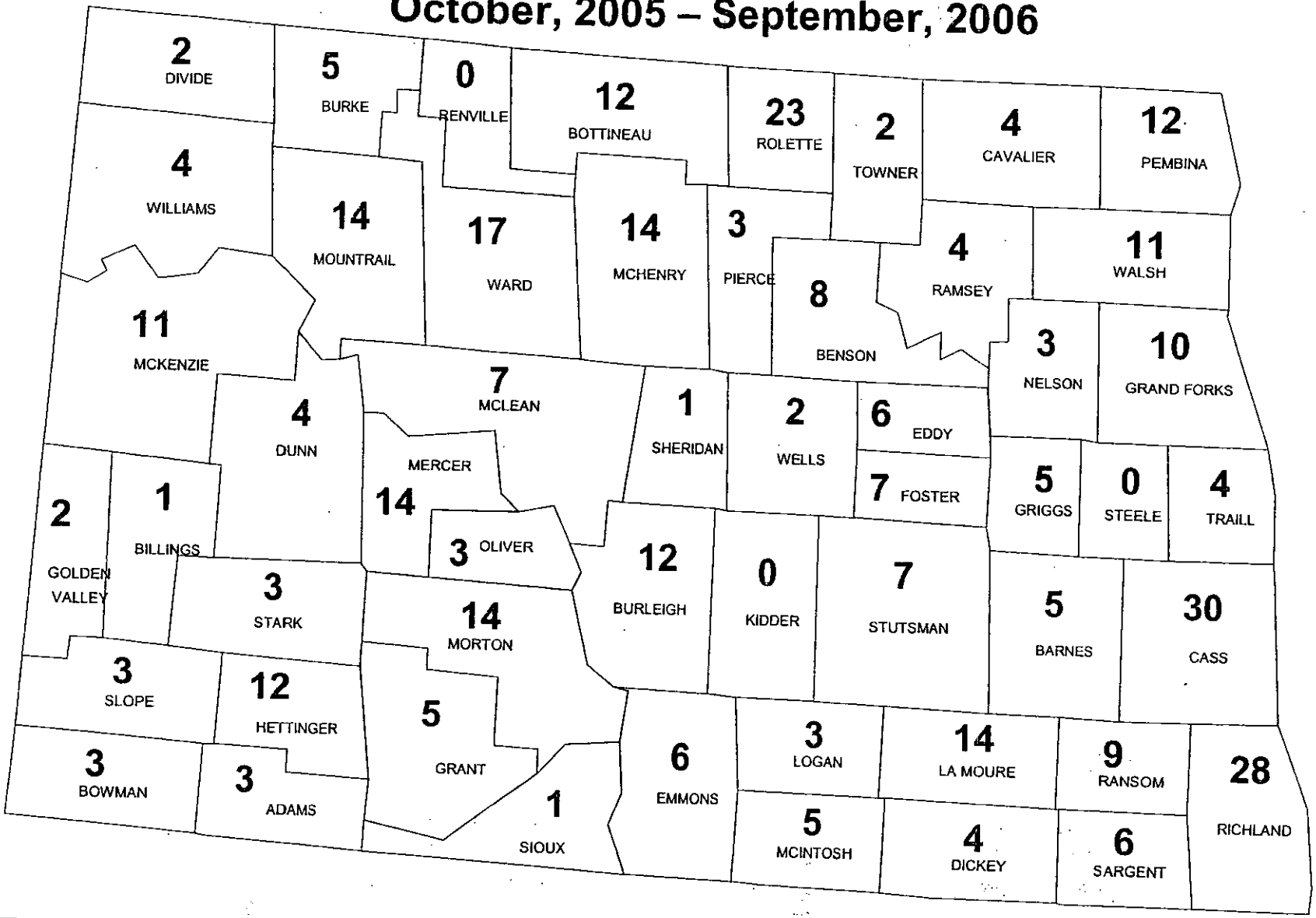


Historic Wildlife Specialist Districts - 10

Currently 9 Wildlife Specialists

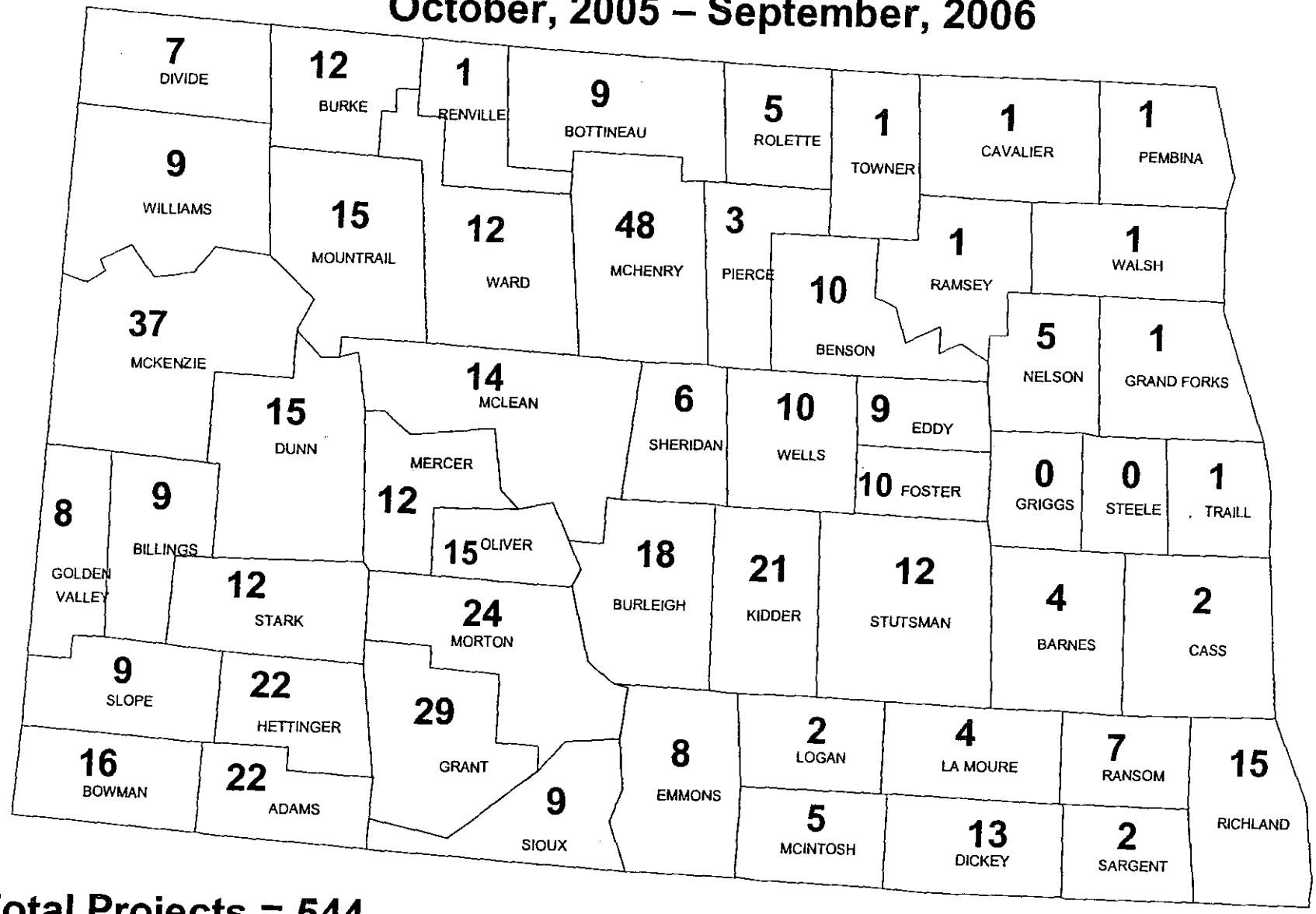
(District 4 in the Northeast - Vacant)

Beaver Damage Management Projects by County: October, 2005 – September, 2006



Total Projects = 389

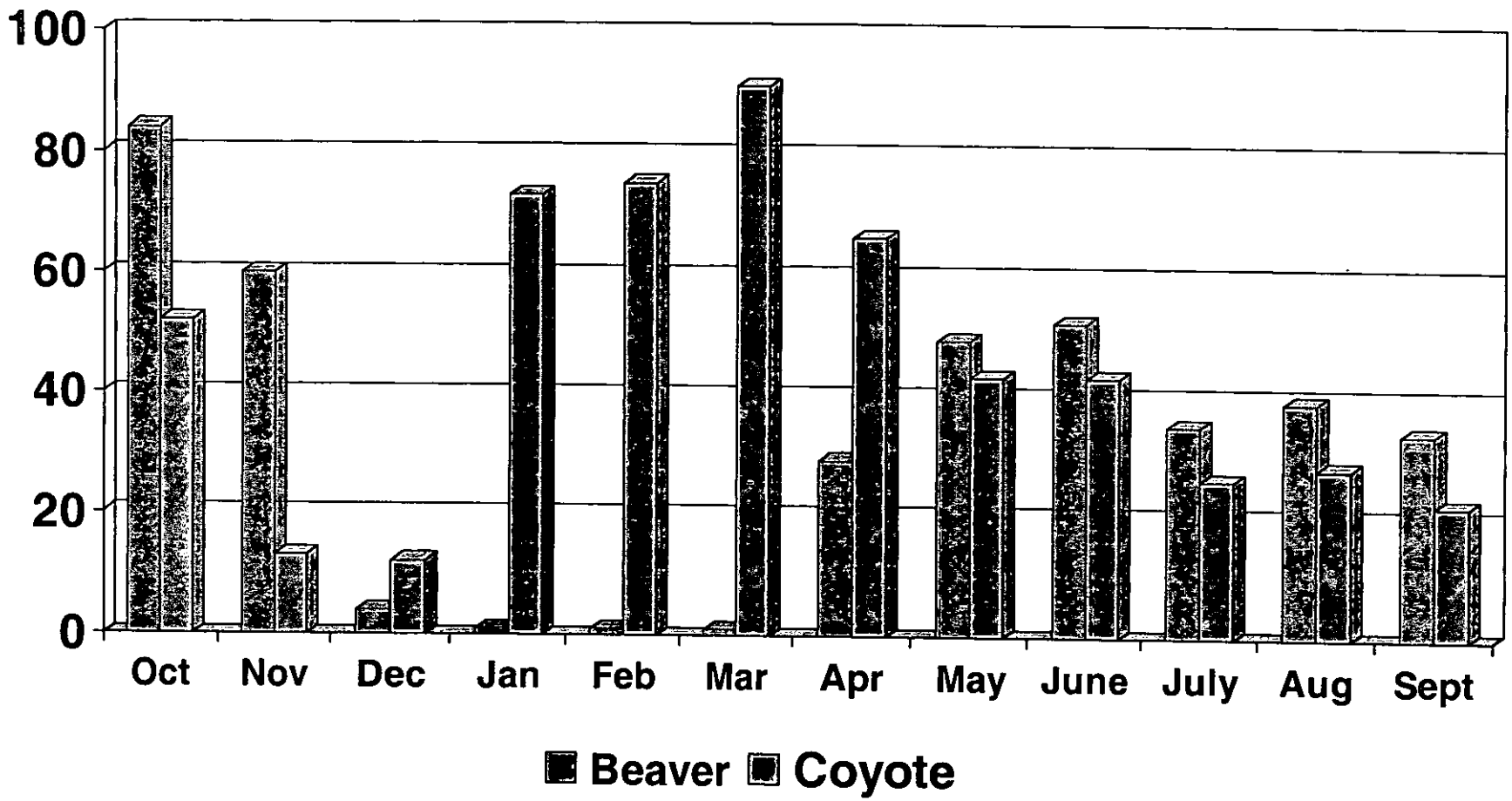
Coyote Damage Management Projects by County: October, 2005 – September, 2006



Total Projects = 544

Beaver and Coyote Damage Management: New Projects by Month

October, 2005 – September, 2006



Total Beaver Projects = 389 Total Coyote Projects = 544

North Dakota Wildlife Services

United States Department of Agriculture
Animal and Plant Health Inspection Service

Cost-Share Program Highlights Report - 2006

Applying Expertise to Wildlife Challenges

Protecting Livestock from Predators—In 2006, Wildlife Services responded to 544 occurrences of predator conflicts with livestock. Agency personnel documented $154,000 in livestock losses to predators with a control program in place. Scientific research shows that in the absence of a livestock protection program, the economic impacts resulting from coyote predation on livestock would have been 3-5 times higher.

Beaver Damage Management- Wildlife Services responded to 389 incidents of beaver damage to trees, roadways, and crops which resulted in losses totaling $427,000. Certified explosive specialists used binary explosives to remove 49 beaver dams in order to restore normal water flow in streams and creeks. Explosives are a cost-efficient means for removing beaver dams.

Human Health and Safety- Wildlife Services documented 75 occurrences of wildlife conflicts to human health. Over half of the incidents dealt with conflicts between skunks and humans or their domestic pests.

Personal Property Conflicts- Wildlife conflicts in residential areas increase each year. These conflicts range from animals damaging buildings, trees, lawns, and gardens. Wildlife typically responsible for these problems include beaver, geese, rabbits, raccoons, skunks, and squirrels. In 2006, Wildlife Services responded to over 300 incidents.

Information Transfer - Wildlife Services continued its extensive educational program to help North Dakotans with their specific wildlife conflicts. Over 900 personal consultations were provided for individuals throughout the state. Also, equipment such as live traps were loaned free of charge so that individuals could solve their specific problems. Wildlife Services provided instruction on the safe, effective, and humane use of all equipment which was loaned.

North Dakota Wildlife Services

United States Department of Agriculture
Animal and Plant Health Inspection Service

Federal Assistance Highlights Report - 2006

Applying Expertise to Wildlife Challenges

Protecting Crops—Blackbirds are responsible for millions of dollars in losses annually to sunflower and grain crops in the upper Great Plains. In 2006, Wildlife Services identified 5,800 acres of cattail wetlands as blackbird roost habitat. These areas were treated with an aquatic herbicide to make them less attractive to the blackbirds while improving habitat for waterfowl and other wildlife. Assistance was provided to 90 landowners in 22 counties. Propane cannons and pyrotechnic frightening devices were also loaned and distributed to farmers.

In response to increased occurrences of Canada goose damage to crops, the North Dakota Game and Fish Department continued a program which allowed landowners with chronic goose damage to legally remove geese and destroy nests under the authority of depredation permits. Wildlife Services, working in cooperation with the North Dakota Game and Fish and the U.S. Fish and Wildlife Service, responded to 245 occurrences of goose damage. Frightening devices, electric fencing, and information on habitat management we provided to landowners. Depredation permits were also issued to 92 landowners.

Wildlife Disease Surveillance - In 2006, Wildlife Services and the North Dakota Game and Fish Department participated in a national avian influenza surveillance program. This project was initiated to determine if highly pathogenic avian influenza was present in wild birds.

Wildlife Services also helped the North Dakota Department of Health with its annual West Nile Virus surveillance program. Assistance was also provided to the North Dakota Game and Fish Department with chronic wasting disease surveillance.

Protecting Air Travelers - Wildlife Services assisted civilian airports in Bismarck, Devils Lake, Dickinson, Fargo, Grand Forks, Jamestown, Minot, and Williston with a variety of potentially hazardous situations involving wildlife. Help was also provided to Minot and Grand Forks Air Force bases. Deer, geese, and gulls are the species which pose the greatest hazards to aviation safety.

Salary Trends, FY02 - FY07

	FY-02 Salary	FY-03 Salary	FY-04 Salary	FY-05 Salary	FY-06 Salary	FY-07 Salary
Wildlife Specialist	$ 30,040.00	$ 31,226.00	$ 33,731.00	$ 37,565.00	$ 38,627.00	$ 40,519.00
Wildlife Specialist	$ 26,060.00	$ 28,388.00	$ 30,754.00	$ 34,149.00	$ 36,287.00	$ 38,135.00
Wildlife Specialist	$ 36,668.00	$ 37,805.00	$ 38,694.00	$ 40,980.00	$ -	$ -
Wildlife Specialist	$ 36,668.00	$ 37,805.00	$ 38,694.00	$ 42,118.00	$ 43,308.00	$ 44,094.00
Wildlife Specialist	$ 35,723.00	$ 36,830.00	$ 38,694.00	$ 42,118.00	$ 43,308.00	$ 44,094.00
Wildlife Specialist	$ -	$ -	$ -	$ -	$ 28,349.00	$ 28,349.00
Wildlife Specialist	$ 28,149.00	$ 29,334.00	$ 31,746.00	$ 36,426.00	$ 37,457.00	$ 39,327.00
Wildlife Specialist	$ 33,828.00	$ 35,011.00	$ 36,709.00	$ 40,980.00	$ 42,138.00	$ 42,902.00
Wildlife Specialist	$ 30,040.00	$ 31,226.00	$ 33,731.00	$ 37,565.00	$ 38,627.00	$ 40,519.00
Wildlife Specialist	$ 36,668.00	$ 37,805.00	$ 38,694.00	$ 42,118.00	$ 43,308.00	$ -
Wildlife Specialist	$ -	$ -	$ -	$ 40,980.00	$ 42,138.00	$ -
Wildlife Specialist	$ 33,828.00	$ 35,011.00	$ 36,709.00	$ 40,980.00	$ 42,138.00	$ 42,902.00
Pilot	$ 57,893.00	$ 62,110.00	$ 64,530.00	$ 68,651.00	$ 72,671.00	$ 73,989.00
Total	**$ 385,565.00**	**$ 402,551.00**	**$ 422,686.00**	**$ 504,630.00**	**$ 508,356.00**	**$ 434,830.00**

Federal Funds Contributed to Salaries, FY02-FY06

FY02	$67,363
FY03	$85,622
FY04	$64,471
FY05	$71,622
FY06	$53,661
FY07	$17,000 (to date)

FY06-07

6

COOPERATIVE SERVICE AGREEMENT
between
NORTH DAKOTA GAME AND FISH DEPARTMENT (NDGFD)

And

NORTH DAKOTA DEPARTMENT OF ARICULTURE (NDDA)
In conjunction with
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES (WS)

Article 1

The purpose of this Agreement is to cooperate in wildlife damage management projects to reduce domestic livestock losses, to protect man-made and natural resources, and human health and safety.

Article 2

Authority exists under the Animal Damage Control Act of March 2, 1931, (7 U.S.C. 426-426b and 426c, as amended) for the Secretary of Agriculture to cooperate with States, individuals, and public and private agencies, organizations, and institutions to control wildlife.

Article 3

NDGFD, NDDA, and WS mutually agree that, as cooperating parties, they will carry out program activities in accordance with the work and financial plans developed for this Agreement and the Cooperative Service Agreement between the North Dakota Department of Agriculture and Wildlife Services

Article 4

NDGFD Agrees:

A. To provide $550,000 to North Dakota Department of Agriculture to reimburse WS for equipment, repairs, fuel and oil, hanger rent and other field operating costs, including personnel salaries, vehicle and travel expenses between **July 1, 2005 and June 30, 2007** as spelled out in the cooperative Agreement between the North Dakota Department of Agriculture and the USDA Wildlife Services and defined in

Article 5 of this agreement.

B. To designate to WS their authorized representative who will serve as a contact under this Agreement.

C. To meet annually or more often if mutually agreed to discuss work activities associated with this cooperative agreement.

D. To provide an additional $65,000 to NDDA for WS if federal funding for the cooperative wildlife damage management program during FY06 is less than $400,000. If federal funding for the cooperative wildlife damage management program during FY07 is less than $400,000 an additional $65,000 will be made available by the Game and Fish Department.

Article 5

WS Agrees:

A. To provide supervision, aircraft, pilots, personnel, equipment, supplies, and other support material necessary to perform wildlife damage management activities in accordance with Federal and State aerial hunting laws, regulations, and policies. WS activities will mitigate damage caused by wildlife, which are under the management authority of NDGFD. These include predators, beaver, muskrat, waterfowl, and other furbearer and game species.

B. To provide NDGFD an annual report or more frequent if requested, of WS operational activity, including hours flown and number of each species taken, by control method and district, if requested, and any other pertinent information that may be requested.

C. That WS shall confer frequently with NDGFD on details of Cooperative Wildlife Damage Management Projects, and at the request of Game and Fish, WS personnel may assist Game and Fish personnel as agreed upon with Deer Depredation projects.

Article 6

NDDA agrees:

A. To act as a fiscal agent for the state in regards to moneys, appropriated for Wildlife Services.

B. To reimburse WS for services rendered under this cooperative agreement and the Cooperative Service Agreement between NDDA and WS.

C. To designate an authorized representative who will serve as a contact under this Agreement.

D. To meet annually or more often if mutually agreed to discuss work activities associated with this cooperative agreement

Article 7

All WS aerial hunting activities will be conducted in accordance with applicable federal, state, and local laws.

Article 8

Nothing in this Agreement shall prevent any other State, organization, or individual from entering into separate Agreements with WS for the purpose of controlling damaging wildlife.

Article 9

Pursuant to Section 22, Title 41, United States Code, no member of or delegate to Congress shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.

Article 10

WS shall hold the NDGFD harmless from any liability arising from the negligent act or omission of a Government officer or employee acting within the scope of his or her employment to the extent compensation is available pursuant to the Federal Tort Claims Act (FTCA), 28 USC 2671 et. seq., except to the extent that aforesaid liability arises from the negligent act or omissions of the NDGFD, its employees, agents, or subcontractor(s). Such relief shall be provided pursuant to the procedure set forth in the FTCA.

Article 11

This Agreement shall become effective upon date of final signature and shall continue through **June 30, 2007**, and is subject to renewal by mutual agreement of both parties. Further, this Agreement may be amended at any time by mutual agreement of the parties, in writing. The Agreement may be terminated by either party upon 60 days written notice to the other party. Further, that in the event NDGFD does not, for any reason, provide the amount of funds agreed upon, WS is relieved of obligation to continue any operations under this agreement.

NORTH DAKOTA GAME AND FISH DEPARTMENT

For Roger Rostad — 9-13-05

Game & Fish Director, Dean C. Hildebrand — Date

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

Roger Johnson — August 30, 2005

Roger Johnson, Agriculture Commissioner — Date

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL & PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES

9-8-05

State Director, Phil Mastrangelo — Date

8

Agreement No: 05-73-38-2113-RA
Account Code: 573-7338-601

7-1-05 to 6-30-07

COOPERATIVE SERVICE AGREEMENT
REIMBURSABLE
between
NORTH DAKOTA DEPARTMENT OF AGRICULTURE (Cooperator)
and
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES (WS)

ARTICLE 1 – PURPOSE

The purpose of this agreement is to reimburse WS for conducting a wildlife damage management program which mitigates wildlife conflicts to agriculture, natural resources, property, and human health and safety.

ARTICLE 2 – AUTHORITY

Authority exists under the Act of March 2, 1931 (46 Stat. 1469; 7 USC 426-426b) as amended, and under the Rural Development, Agriculture, and Related Agencies Appropriations Act of 1988, (Public Law 100-202, 7 U.S.C. 426c) for APHIS-WS, acting under the Secretary of Agriculture, to conduct a program of wildlife services with respect to injurious animal species and to cooperate and enter into agreements with States, local jurisdictions, individuals, public and private agencies, organizations, and institutions in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs for zoonotic diseases.

ARTICLE 3 - MUTUAL RESPONSIBILITIES

The Cooperator and WS agree:

a. To confer and design a plan to implement wildlife damage management activities in North Dakota.
b. An annual Work/Financial Plan developed by the Cooperator and WS is incorporated into this Agreement by reference. The agreement period for the first annual Work/Financial Plan is July 1, 2005 through June 30, 2006. The Cooperator and WS must agree to, and sign a new Work/ Financial Plan for the second year of the 2005-2007 state biennium, the period of July 1, 2006 through June 30, 2007.
c. When either of the Cooperating parties address the media or incorporate information into reports and/or publications, both Cooperating parties must agree to have their identities disclosed when receiving due credit related to the activities covered by this agreement.

ARTICLE 4 - COOPERATOR RESPONSIBILITIES

The Cooperator agrees:

a. To designate Wayne Carlson, Program Manager – Livestock Industries, (600 E. Boulevard Ave. Dept 602, Bismarck, ND, 58505-0020; 701-328-4761) as the authorized representative who shall be responsible for collaboratively administering the activities conducted in this Agreement;
b. To reimburse APHIS-WS for costs, not to exceed the approved amount specified in the Work and Financial Plan. If costs are projected to exceed the amount reflected in the Financial Plan, the Work and Financial Plan shall be formally revised and signed by both parties before services resulting in additional costs are performed. The Cooperator agrees to pay all costs of service

submitted via an invoice within 30 days of the date of the submitted invoice or invoices as submitted by WS. Late payments are subject to interest, penalties, and administrative charges and costs as set forth under the Debt Collection Improvement Act of 1996. If the Cooperator is delinquent in paying the full amount of the due service costs submitted by WS, and/or is delinquent in paying the due late payments, and/or is delinquent in paying the interest, penalties, and/or administrative costs on any delinquent due service costs, WS will immediately cease to provide the respective service associated with the submitted service costs. WS will not reinstate or provide the respective service until all due service costs, and/or due late payments, and/or due interest, penalty, and/or administrative costs are first paid in full.

c. Provide a Tax Identification Number or Social Security Number in compliance with the Debt Collection Improvement Act of 1996.
d. As a condition of this Agreement, the Cooperator ensures and certifies that it is not currently debarred or suspended and is free of delinquent Federal debt.

ARTICLE 5 – WS RESPONSIBILITIES

WS agrees:

a. To designate State Director Phil Mastrangelo (2110 Miriam Circle, Bismarck, ND 58501; 701-250-4405) as the authorized representative who shall be responsible for collaboratively administering the activities conducted in this Agreement;
b. The performance of wildlife damage management activities by WS under this agreement is contingent upon a determination by WS that such actions are in compliance with the National Environmental Policy Act, Endangered Species Act, and any other applicable environmental statutes. WS will not make a final decision to conduct requested wildlife damage management actions until it has made the determination of such compliance;
c. To provide qualified personnel and other resources necessary to implement wildlife damage management activities in accordance with the Work and Financial Plan;
d. To notify the Cooperator, if costs are projected to exceed the amounts estimated and agreed upon in the Financial Plan. WS will cease providing goods or services until a revision to the Work and Financial Plan, as appropriate, have been agreed to and signed by both parties to this Agreement.
e. To bill the Cooperator for costs incurred in performing surveillance activities as authorized in the approved annual Work and Financial Plan as may be amended;
f. Authorized auditing representatives of the Cooperator shall be accorded reasonable opportunity to inspect the accounts and records of WS pertaining to such claims for reimbursement to the extent permitted by Federal laws and regulations.

ARTICLE 6 – APPROPRIATION CONTINGENCY

For costs borne by WS, this Agreement is contingent upon the passage of the Agriculture, Rural Development, and Related Agencies Appropriation Act for the current fiscal year from which expenditures may be legally met and shall not obligate WS upon failure of Congress to so appropriate. This Agreement also may be reduced or terminated if Congress provides APHIS funds only for a finite period under a Continuing Resolution.

ARTICLE 7 - ASSURANCES

Nothing in this agreement shall prevent any other State, agency, organization or individual from entering into separate agreements with WS or the Cooperator for the purpose of managing human/wildlife conflicts.

ARTICLE 8 – CONGRESSIONAL RESTRICTIONS

Pursuant to Section 22, Title 41, United States Code, no member of or delegate to Congress acting in an official capacity shall be admitted to any share or part of this agreement or to any benefit to arise thereof.

ARTICLE 9 – APPLICABLE LAW AND REGULATIONS

All activities will be conducted in accordance with applicable Federal, State, and local laws and regulations.

ARTICLE 10 – AGREEMENT EFFECTIVE DATE

This Agreement shall become effective July 1, 2005 and shall continue for the period of 2 years. This Agreement may be amended or extended at any time by mutual agreement of the parties in writing. It may be terminated by either party upon 60 days notice in writing to the other party. Further, in the event the Cooperator does not for any reason reimburse expended funds, WS is relieved of the obligation to continue any operations under this Agreement.

NORTH DAKOTA DEPARTMENT OF AGRICULTURE
Bismarck, ND
Tax Identification Number: 45-0309764

Roger Johnson, Commissioner for — July 22, 2005
Date

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES
Tax Identification Number: 41-0696271

State Director, State Name — 7-29-05
Date

ACTING Director, Western Region — 8/9/05
Date

Agreement No: 05-73-38-2113-RA
Account Code: 573-7338-601

FY06

WORK/FINANCIAL PLAN

Between

NORTH DAKOTA DEPARTMENT OF AGRICULTURE
And
U.S. DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES

COOPERATOR ADDRESS	North Dakota Department of Agriculture 600 E. Boulevard Ave. Dept. 602 Bismarck, ND 58505-0020
COOPERATIVE CONTACT	Roger Johnson, Commissioner Phone: 701-328-4754 Fax: 701-328-4567
AGREEMENT NUMBER	05-73-38-2113-RA
ACCOUNTING CODE NUMBER	573-7338-601
LOCATION	Throughout North Dakota
AGREEMENT PERIOD	July 1, 2005 – June 30, 2006

This Work/Financial Plan is developed pursuant to a cooperative agreement between the North Dakota Department of Agriculture (Cooperator) and the United State Department of Agriculture, Animal and Plant Health Inspection Service, Wildlife Services, hereinafter referred to as WS. It outlines the project objectives, project benefits, plan of action, reporting requirements, stipulations and restrictions, and the costs estimates for the management of human/wildlife conflicts in North Dakota.

I. Objectives and Need for Assistance

Specific goals are to: design and implement an integrated wildlife damage management program in North Dakota to mitigate wildlife conflicts and associated economic impacts to agriculture, natural resources, property, and human health and safety. Work activities will be directed to the management of wildlife conflicts caused by furbearers, waterfowl, and other state-managed species. Wildlife damage management activities may include the use of all legal and authorized equipment, including EPA-registered pesticides.

II. Benefits Expected

A professionally managed wildlife damage management program will help alleviate the economic impacts associated with human/wildlife conflicts to agriculture and natural resources; will protect human health and safety; and public and privately-owned property.

III. Plan of Action

The Cooperator agrees to reimburse WS for salaries of 10 Wildlife Specialists and 1 pilot (or as many personnel as dictated by funding levels and need), plus miscellaneous expenses for the repair of equipment and expendable supplies needed in performing official duties. The Cooperator will pay the costs of vehicle and aircraft operations. In the event personnel vehicles are used, the current state mileage rate will apply if paid with Cooperator funds. WS agrees to utilize federally appropriated funds to pay for federal retirement, insurance, and health care programs for 10 Wildlife Specialists and 1 Pilot, or as many personnel as dictated by funding levels and need. WS agrees to supply and replace as needed vehicles

used in the operation of the wildlife damage management programs. The disposition of furs, skins, and specimens taken during official work activities can be used by WS to fund its program activities as stated in Section 4-01-17.3 of the North Dakota Century Code. WS will submit an invoice of all reimbursable items as agreed upon in this financial plan. WS will maintain all original bills or invoices for 3 years or until the Cooperator's records have been audited. All invoices will be billed quarterly or as mutually agreed upon.

Nothing in this Work/Financial Plan shall preclude WS from entering into other agreements to assist other entities to manage human/wildlife conflicts.

IV. Reports

All WS activities will be documented through the WS management information system and necessary reports will be provided to the Cooperator. WS will provide a report of the total federal funds available for FY 2006 and will also provide the amount of the FY06 federal funds available for the cooperative wildlife damage management program for North Dakota.

V. Stipulations and Restrictions

All operations will have the joint concurrence of WS and the Cooperator, and shall be under the direct supervision of WS. WS will conduct program activities in accordance with its established operating policies and all applicable state and federal laws and regulations. An agreement for Control of Animal Damage on Private Property (ADC Form 12A) will be executed between WS and the landowner, lessee, or administrator before any work is conducted. Only WS employees and WS Volunteer Program participants will conduct wildlife damage management activities.

The Cooperator has appropriated $800,000 for the 2005-2007 state biennium, with another $65,000 available on the contingency that federal funding for the cooperative wildlife damage management program during FY06 is less than $400,000. If federal funding for the cooperative wildlife damage management program during FY07 is less than $400,000, an additional $65,000 will be made available by the Cooperator. The table in Article VI reflects estimated expenditures of Cooperator funding during the agreement period of July 1, 2005 through June 30, 2006.

VI. Cost Estimates for Services

The Cooperator will reimburse WS for expenses incurred. Such costs include, but are not limited to: salaries, vehicle and aircraft use/maintenance, and supplies/equipment. An estimated itemization of expenses is listed below; however funds may be redistributed between itemized categories at the discretion of WS, if required. Any equipment and supplies purchased under the terms of this agreement will remain the property of WS.

Object Category	State Appropriation	Contingency Appropriation
Salaries	$320,000	$35,000
Vehicle fuel and Maintenance	$60,000	$17,000
Aircraft fuel and Maintenance	$12,000	$8,000
Miscellaneous expendable supplies	$8,000	$5,000
Total	**$400,000**	$65,000

NOTE: In accordance with the Debt Collection Improvement Act (DCIA) of 1996, bills issued by WS are due and payable within 30 days of receipt. The DCIA requires that all debts older than 120 days be

forwarded to debt collection centers or commercial collection agencies for more aggressive action. Debtors have the option to verify, challenge and compromise claims, and have access to administrative appeals procedures which are both reasonable and protect the interests of the United States.

NORTH DAKOTA DEPARTMENT OF AGRICULTURE
Bismarck, ND
Tax Identification Number: 45-0309764

Roger Johnson, Commissioner — July 22, 2005
Date

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES
Bismarck, ND
Tax Identification Number: 41-0696271

Phil Mastrangelo, State Director, North Dakota — 7-29-05
Date

ACTING Director, Western Region — 8/9/05
Date

Agreement No: 06-73-38-2113-RA
Account Code: 673-7338-601

9

FY07

WORK/FINANCIAL PLAN

Between

NORTH DAKOTA DEPARTMENT OF AGRICULTURE
And
U.S. DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES

COOPERATOR ADDRESS	North Dakota Department of Agriculture 600 E. Boulevard Ave. Dept. 602 Bismarck, ND 58505-0020
COOPERATIVE CONTACT	Roger Johnson, Commissioner Phone: 701-328-4754 Fax: 701-328-4567
AGREEMENT NUMBER	06-73-38-2113-RA
ACCOUNTING CODE NUMBER	673-7338-601
LOCATION	Throughout North Dakota
AGREEMENT PERIOD	July 1, 2006 – June 30, 2007

This Work/Financial Plan is developed pursuant to a cooperative agreement between the North Dakota Department of Agriculture (Cooperator) and the United State Department of Agriculture, Animal and Plant Health Inspection Service, Wildlife Services, hereinafter referred to as WS. It outlines the project objectives, project benefits, plan of action, reporting requirements, stipulations and restrictions, and the costs estimates for the management of human/wildlife conflicts in North Dakota.

I. Objectives and Need for Assistance

Specific goals are to: design and implement an integrated wildlife damage management program in North Dakota to mitigate wildlife conflicts and associated economic impacts to agriculture, natural resources, property, and human health and safety. Work activities will be directed to the management of wildlife conflicts caused by furbearers, waterfowl, and other state-managed species. Wildlife damage management activities may include the use of all legal and authorized equipment, including EPA-registered pesticides.

II. Benefits Expected

A professionally managed wildlife damage management program will help alleviate the economic impacts associated with human/wildlife conflicts to agriculture and natural resources; will protect human health and safety; and public and privately-owned property.

III. Plan of Action

The Cooperator agrees to reimburse WS for salaries of 10 Wildlife Specialists and 1 pilot (or as many personnel as dictated by funding levels and need), plus miscellaneous expenses for the repair of equipment and expendable supplies needed in performing official duties. The Cooperator will pay the costs of vehicle and aircraft operations. In the event personnel vehicles are used, the current state mileage rate will apply if paid with Cooperator funds. WS agrees to utilize federally appropriated funds to pay for federal retirement, insurance, and health care programs for 10 Wildlife Specialists and 1 Pilot, or as many personnel as dictated by funding levels and need. WS agrees to supply and replace as needed vehicles

used in the operation of the wildlife damage management programs. The disposition of furs, skins, and specimens taken during official work activities can be used by WS to fund its program activities as stated in Section 4-01-17.3 of the North Dakota Century Code. WS will submit an invoice of all reimbursable items as agreed upon in this financial plan. WS will maintain all original bills or invoices for 3 years or until the Cooperator's records have been audited. All invoices will be billed quarterly or as mutually agreed upon.

Nothing in this Work/Financial Plan shall preclude WS from entering into other agreements to assist other entities to manage human/wildlife conflicts.

IV. Reports

All WS activities will be documented through the WS management information system and necessary reports will be provided to the Cooperator. WS will provide a report of the total federal funds available for FFY07, including federal funds available for the cooperative wildlife damage management program for North Dakota.

V. Stipulations and Restrictions

All operations will have the joint concurrence of WS and the Cooperator, and shall be under the direct supervision of WS. WS will conduct program activities in accordance with its established operating policies and all applicable state and federal laws and regulations. An agreement for Control of Animal Damage on Private Property (ADC Form 12A) will be executed between WS and the landowner, lessee, or administrator before any work is conducted. Only WS employees and WS Volunteer Program participants will conduct wildlife damage management activities.

The Cooperator has appropriated $800,000 for the 2005-2007 state biennium, with another $65,000 available on the contingency that federal funding for the cooperative wildlife damage management program during FFY07 is less than $400,000. The table in Article VI reflects estimated expenditures of Cooperator funding during the agreement period of July 1, 2006 through June 30, 2007.

VI. Cost Estimates for Services

The Cooperator will reimburse WS for expenses incurred. Such costs include, but are not limited to: salaries, vehicle and aircraft use/maintenance, and supplies/equipment. An estimated itemization of expenses is listed below; however funds may be redistributed between itemized categories at the discretion of WS, if required. Any equipment and supplies purchased under the terms of this agreement will remain the property of WS.

Object Category	State Appropriation	Contingency Appropriation
Salaries	$323,000	$40,000
Vehicle fuel and Maintenance	$60,000	$22,000
Aircraft fuel and Maintenance	$15,000	$3,000
Miscellaneous expendable supplies	$2,000	-
Total	**$400,000**	**$65,000**

NOTE: In accordance with the Debt Collection Improvement Act (DCIA) of 1996, bills issued by WS are due and payable within 30 days of receipt. The DCIA requires that all debts older than 120 days be forwarded to debt collection centers or commercial collection agencies for more aggressive action. Debtors have the option to verify, challenge and compromise claims, and have access to administrative

appeals procedures which are both reasonable and protect the interests of the United States.

NORTH DAKOTA DEPARTMENT OF AGRICULTURE
Bismarck, ND
Tax Identification Number: 45-0309764

Roger Johnson, Commissioner

April 26, 2006
Date

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES
Bismarck, ND
Tax Identification Number: 41-0696271

Phil Mastrangelo, State Director, North Dakota

5-1-06
Date

Director, Western Region

5/19/06
Date

79710

Prepared by the North Dakota Legislative Council
staff for Senator Bowman
April 2007

Bee Re
Conf Com 4/18/07

WILDLIFE SERVICES AND PRIDE OF DAKOTA FUNDING AS OF APRIL 17, 2007

The table below provides information on the funding sources included in Senate Bill No. 2009 (Agriculture Commissioner appropriation bill) for the 2007-09 biennium for the wildlife services program reflecting conference committee action on April 17, 2007:

Wildlife Services			
	General Fund	Other Funds	Total
Executive budget	$250,000	$680,000[1]	$930,000
Senate increases (decreases)	200,000		200,000
House increases (decreases)[2]			
Proposed conference committee increases (decreases)	(80,000)		(80,000)
Total	$370,000	$680,000	$1,050,000

[1]The other funds source is the game and fish fund.

[2]The House provided an emergency declaration of $130,000 from the game and fish fund for the 2005-07 biennium.

The table below provides information on the funding sources included in Senate Bill No. 2009 (Agriculture Commissioner appropriation bill) for the 2007-09 biennium for Pride of Dakota reflecting Senate and House changes:

Pride of Dakota			
	General Fund	Other Funds	Total
Executive budget	$150,000	$236,298[1]	$386,298
Senate changes	100,000		100,000
House changes	30,000	50,000[2]	80,000
Total	$280,000	$286,298	$566,298

[1]This amount reflects revenue generated from and spent on holiday showcases.

[2]This amount reflects revenue generated from Pride of Dakota. The House amended North Dakota Century Code Section 4-01-19 to allow money received from Pride of Dakota to be deposited in the commissioner's operating fund rather than the general fund resulting in a decrease in general fund revenues of $50,000.

(8)

Mr. Chairman and Committee Members:

My name is Ginny Brockel, and my husband and I farm and ranch 4000 acres 40 miles north of Steele. We live in a hill range abundant with wildlife which I thoroughly enjoy.

We are in the process of increasing our cattle herd from 150 head of commercial beef cattle to 400 head. We also have 130 ewes and 10 bucks along with horses, etc..

Last spring we sheared 175 ewes and 10 bucks. We lambed approximately 250 lambs in May. During the summer we culled 10 ewes. In July we also started taking a better look at sheep numbers and pasture and noticed we were short approximately 25 ewes and 50 plus lambs. In August we weaned lambs and only had 140 lambs.

I had called on the assistance of our USDA Wildlife Service to help us with our coyote population. We have been over blessed with them. The coyotes are not afraid of our dogs or people. They sit right in our yards. They came into my lamb barn and killed 4 lambs and tore up 5 others just for fun, as they left the carcasses of the dead.

To keep my ranching operation running I am not able to take time to set traps or even go out and hunt these coyotes. The Wildlife Services men/women are in the business because it is their gift and desire. My desire is cattle, sheep and farming and providing safety for my children. I am not skilled in using a gun and it is required to decrease our over abundance of coyotes in our area.

I ask that you increase the funding allotment to the USDA Wildlife Services so they can use their skills to help my family stay in business. Without them I will need to sell out of the sheep business and possible the cattle, as they will look for the next available meal.

Thank you!

Ginny Brockel

Ginny Brockel

Mr. Chairman and Committee Members:

My name is Sherry Norbeck and I am a homeowner living just outside Bismarck, along Apple Creek. I live about 4 miles from town and part of the reason that I bought the home I did was because I love nature and wildlife. On occasion I've had problems with beavers but until last year I was able to scare them off or deter them myself. I tried everything I could think of with some help from a friend who had some personal experience with them. We were not able to get rid of them. One day I realized that my trees had taken a heavy blow to the tune of about 25% or more loss. Several of them were fairly large trees which will take a long time to replace. I decided it was time to do something about it. I hate to kill animals unless there is absolutely no way around which at this point I felt there wasn't.

I was referred by a personal friend to the ND Game and Fish Dept which in turn referred me to the USDA Wildlife Service. A young man by the name of Dean came out and set traps for me and came to visit them every 2 days, and he has come out even on week-ends if he felt it necessary. Within a week he had trapped 2 adults and a 2 year old., and he felt there might still be one more there. We didn't get any more at that time. A short time later I noticed more activity and so he came again, set more traps and got one more young beaver. He has visited again since then but everything has been OK. I felt I have learned a lot from him and he has helped me with feral cats also since then, and supplying me with a live trap so I didn't have to go and buy one. I know that I can call and ask a question or whatever and he will be happy to help me however he can. I have only positive things to say about the people in this office and their organization's function.

In closing I would just like to say that the USDA Wildlife Service program has been a great help to me and that I hope that they can continue to be supported at their current level of service.

Thank you!!

Sherry Norbeck

Handout #12

SB 2009
February 23, 2007

Dear Representative Wald and members of the Education and Environmental Division of the House Appropriations Committee:

My name is Ginny Brockel, and my husband and I farm and ranch 4000 acres 40 miles north of Steele, ND. We live in a range of hills abundant with wildlife which I thoroughly enjoy. We are in the process of increasing our cattle herd from 150 head of commercial beef cattle to 400 head. We also have 130 ewes and 10 bucks along with horses, etc.

Last spring we sheared 175 ewes and 10 bucks. We lambed approximately 250 lambs in May. During the summer we culled 10 ewes. In July we also started taking a better look at sheep numbers and pasture and noticed we were short approximately 25 ewes and 50 plus lambs.

I had called on the assistance of our USDA Wildlife Service Program to help us with our coyote problem. We have been over blessed with coyotes. The coyotes are not afraid of our dogs or people. They sit right in our yards. They came into my lamb barn and killed 4 lambs and tore up 5 others just for fun, and they left the carcasses. Since January 1, 2005 Wildlife Services has removed 105 coyotes from mine and my father's property. Removing these animals has not only benefited our livestock operation, but our neighbors as well. Many of these coyotes were taken during months when private predator hunters are not interested in hunting coyotes because of the low value of the fur.

To keep my ranching operation running I am not able to take time to set traps or even go out and hunt these coyotes. The Wildlife Services men/women are in the business because it is their gift and desire. My desire is cattle, sheep and farming and providing safety for my children. I am not skilled in using a gun and it is required to decrease our over abundance of coyotes in our area.

I ask that you increase the funding allotment to $ 250,000 for the USDA Wildlife Services Program so they can use their skills to help my family stay in business. Without them I will need to sell out of the sheep business and possible the cattle, as they will look for the next available meal.

Thank you!

Ginny Brockel

Conf com 4/6/07 (1)

Roger Johnson
Agriculture Commissioner
www.agdepartment.com

Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020
Equal Opportunity in Employment and Services

To: Senator Bill Bowman, chair
From: Roger Johnson
Date: April 5, 2007

We appreciated the ability to discuss our concerns about the Wildlife Services budget with you this afternoon. The 2007 Legislature has added signficant funding to SB2009 in response to budget shortfalls in the Wildlife Services budget. I have attached graphs which illustrate historic and proposed funding levels. As you know, we have identified the following issues of concern regarding the budget for Wildlife Services budget since last legislative session:

1. Wildlife Services provided inaccurate information to the 2005 conference committee on HB1009, suggesting a significant drop in federal funds. As a result, the conferees added a $130,000 contingent appropriation.

2. Wildlife Services spent state money in the 2005-07 biennium as if the $130,000 was a certain appropriation. When the FFY2006 federal appropriation became known, Wildlife Services was unable to demonstrate to me or to OMB that their federal funding had dropped. In fact, the federal appropriation increased significantly, and the state contingent funds were not triggered.

3. Wildlife Services has provided significant, recent raises to the field staff, the salaries for which they are reimbursed by the state. These raises range from 14% to 28% with an average increase of 18.5% since October, 2003. This has caused budget shortfalls, despite significant increases in federal funding.

4. The North Dakota and South Dakota Wildlife Services office operate under one administrator. A recent shortfall of approximately $30,000 in South Dakota operations resulted in the transfer of federal funds from North Dakota to cover the shortage, which aggravated the shortfall of state funds in North Dakota.

5. The National Sunflower Association has long supported a federal earmark of funds for blackbird depredation, which in FFY2007 is $381,000. The National Sunflower Association will not seek such funding in the future because they feel that blackbird money has been used for other purposes. In fact they secured a $79,500 state appropriation to do what Wildlife Services refuses to do for them. (See attached letter.)

6. Wildlife Services did not describe a "need" for $330,000 additional state funds and another $130,000 with an emergency for the 2007-09 biennium during the budget preparation process. Wildlife Services requested an additional $130,000 of Game and Fish funds in the base budget and another $70,000 of general funds as an enhancement. Because Wildlife Services was unable to demonstrate a need, the Governor declined to fund the $70,000 enhancement in his recommended budget.

7. I first learned of the proposed greater need for funding on January 24, 2007 (five days after the Senate Appropriations Committee budget hearing), in an email forwarded to my deputy, Jeff Weispfenning by North Dakota Game and Fish. The email included an attached letter from the Devils Lake Joint Water Resources Board which states:

> "The Devils Lake Basin Joint Board also requests your support of the emergency funding for the same agency, in the amount of $130,000 for the current biennium of 2005-2007. Due to a technicality in the 05-07 appropriations bill these funds have not been made available.
>
> In addition to the above two items you are also urged to support the appropriation of an additional $250,000 for USDA/Wildlife Services for the 2007-2009 biennium. These funds will allow the current staff of ten field specialists and one pilot in ND. If these funds are not provided, the program will lose three of the ten positions which will drastically reduce the control services in ND."

These are difficult issues for us to raise with you. However, we feel that you need to have this information in order to make accurate judgements about our budget. We would be happy to discuss this with you.

Four charts
Sunflower letter
Water board letter

Weispfenning, Jeff K.

From: P.Mastrangelo@aphis.usda.gov
Sent: Friday, April 06, 2007 7:06 AM
To: Johnson, L. Roger; Carlson, Wayne R.; Weispfenning, Jeff K.
Subject: Fw:

Phil Mastrangelo
State Director
USDA/APHIS/Wildlife Services
2110 Miriam Circle, Suite A
Bismarck, ND 58501-2502
Phone: 701-250-4405
Fax: 701-250-4408
p.mastrangelo@aphis.usda.gov

----- Forwarded by P Mastrangelo/ND/APHIS/USDA on 04/06/2007 07:05 AM -----

P Mastrangelo/ND/APHIS/USDA

04/05/2007 06:14 PM

To "Weispfenning, Jeff K." <jweispfe@nd.gov>
cc
Subject Re: Link

Jeff,

Two weeks ago I asked to meet with you to provide explanations for many of the issues raised in the letter to Senator Bowman. I fully understand the frustration you, Roger, and Wayne have had with me this legislative session. I'm guilty of poor strategic fiscal management, I'm guilty of the inability to clearly explain our budget to you. However, I'm not guilty of managing a small work force which provides excellent service to many North Dakotans throughout the state. This program is valued by many people and organizations which is clearly evident each legislative session. Every federal and state dollar directed to the cost-share program has been used to maintain the level of service that people who request our assistance expect.

I've commented on the points raised in the letter to Senator Bowman. My fiscal management skills have been poor, but not my intentions of trying to maintain this important program. I have not provided clear explanations but I have also not lied to anyone. This letter will likely lead to the end of the cost-share program, it cannot operate it at the current level of funding. A lot of people who rely upon our program are going to be affected and I accept full responsibility for that. I hope that the funding proposed by the Senate and House for this program can be maintained.

I'm willing to accept appropriate disciplinary action from my agency for my poor performance with fiscal management. Please try to salvage this program. it is far too important to lose.

1. Wildlife Services provided inaccurate information to the 2005 conference committee on HB1009, suggesting a significant drop in federal funds. As a result, the conferees added a $130,000 contingent appropriation. As I've tried to explain on numerous occasions, the amount of funds for the cost share program did not reach the $400,000 level. The $130,000 was needed to maintain the historic level of program service provided by 10 field specialists, a pilot, and aircraft. Yesterday we completed our monthly status of funds which shows a projected deficit of $141,676 in our state fund account. That is

the deficit without the $130,000 of contingency funding. I first explained this projected deficit to you and Wayne back in June 2006; that is when we began discussions about the need for the release of the contingency funds. Are you saying the $130,000 of contingency funding is needed? The projected deficit says different.

2. Wildlife Services spent state money in the 2005-07 biennium as if the $130,000 was a certain appropriation. When the FFY2006 federal appropriation became known, Wildlife Services was unable to demonstrate to the me or to OMB that their federal funding had dropped. In fact, the federal appropriation increased significantly, and the state contingent funds were not triggered. Yes, we had a significant increase in federal funds, primarily for avian influenza surveillance. However, as I've explained, none of those funds could be used for the cost-share program and I could not charge administrative overhead to those accounts. The most important issue though is the amount of funds available for the cost-share program do not exceed $400,000 which is the trigger for the contingency funds. I have a cooperative agreement, signed by Roger, that specifically states that the contingency funds would be released if the federal funding levels were not reached. The language in the agreements is clear, and as I explained to you several times, I felt I was in a no-lose situation, either there would be enough federal funds to not trigger the release of the contingency funds; if not the contingency funds would be available. Keep in mind that I didn't even know what my FY07 federal allocation was until 6 months into the fiscal year. If I had waited for resolution of the contingency fund issues we would have denied a lot of service to a lot of individuals. I did what I felt the your agency and the legislature had intended; maintain the historic level of program service. I agree that what hasn't been clear is the amount of federal funds available for the cost-share program. I accept full responsibility for that fact; however, my recent status of fund analysis clearly indicates that those funds are needed.

3. Wildlife Services has provided significant, recent raises to the field staff, the salaries for which they are reimbursed by the state. These raises range from 14% to 28% with an average increase of 18.5% since October, 2003. This has caused budget shortfalls, despite significant increases in federal funding. Yes, there have been increase in salaries and I tried to cover those increases with federal funds, but circumstances did not allow it. In FY07 I had planned to spend $20,000 of federal funds toward the salaries of field staff, instead all that money had to be used to offset fuel increases. Again, yes there were increases in federal funds but most of that was for programs not related to the cost-share program.

4. The North Dakota and South Dakota Wildlife Services office operate under one administrator. A recent shortfall in South Dakota operations resulted in the transfer of federal funds from North Dakota to cover the shortage, which aggravated the shortfall of state funds in North Dakota. This issue has been recently resolved as a result of a special project initiated in South Dakota. If I could have met with you two weeks ago when I requested this would have been explained to you. I could have also explained to you that even with this recent development the federal funds for the cost-share program are still below $400,000.

5. The National Sunflower Association has long supported a federal earmark of funds for blackbird depredation, which in FFY2007 is $381,000. The National Sunflower Association will not seek such funding in the future because they feel that blackbird money has been used for other purposes. In fact they secured a $79,500 state appropriation to do what Wildlife Services refuses to do for them. (See attached letter.) The NSA has taken this issue of misuse of federal funds up to the APHIS Administrator level and to the Congressional level. The allocations are false, if they had been true I would have received disciplinary action. The issue has been explained to the NSA by the Wildlife Service's hierarchy, yet the NSA didn't like what they were told.

Why didn't we discuss these allegations before now?

6. Wildlife Services did not describe a "need" for $330,000 additional state funds and another $130,000 with an emergency for the 2007-09 biennium during the budget preparation process. Wildlife Services requested an additional $130,000 of Game and Fish funds in the base budget and another $70,000 of general funds as an enhancement. Because Wildlife Services was unable to demonstrate a need, the Governor declined to fund the $70,000 enhancement in his recommended budget. The need for these

funds is certainly there, again, I take full responsibility for my inability to provide accurate information to you.

7. I first learned of a greater need for funding on January 24, 2007 (five days after the Senate Appropriations Committee budget hearing), in an email forwarded to my deputy, Jeff Weispfenning by North Dakota Game and Fish. The email included an attached letter from the Devils Lake Joint Water Resources Board which states:

"The Devils Lake Basin Joint Board also requests your support of the emergency funding for the same agency, in the amount of $130,000 for the current biennium of 2005-2007. Due to a technicality in the 05-07 appropriations bill these funds have not been made available.

In addition to the above two items you are also urged to support the appropriation of an additional $250,000 for USDA/Wildlife Services for the 2007-2009 biennium. These funds will allow the current staff of ten field specialists and one pilot in ND. If these funds are not provided, the program will lose three of the ten positions which will drastically reduce the control services in ND."

Again, the need for these funds is valid.

Phil Mastrangelo
State Director
USDA/APHIS/Wildlife Services
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Phone: 701-250-4405
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"Weispfenning, Jeff K." <jweispfe@nd.gov>

04/05/2007 04:38 PM

To <P.Mastrangelo@aphis.usda.gov>
cc "Johnson, L. Roger" <rojohnso@nd.gov>, "Carlson, Wayne R." <wcarlson@nd.gov>
Subject

Phil,

We have been asked to provide the attached memo to Senator Bowman at tomorrow's conference committee meeting. Please review this, in case we have failed to mention any critical details.

jeffw

Jeff Weispfenning
Deputy Commissioner
North Dakota Department of Agriculture
600 East Boulevard
Bismarck, ND 58505

701.328.4758

National Sunflower ASSOCIATION

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January 5, 2007

William Clay
Deputy Administrator
USDA APHIS WS
Room 1624
14th & Independence, SW
Washington, DC 20250

Dear Mr. Clay:

The board members and staff of the National Sunflower Association (NSA) have been busy attending farmer meetings throughout the region as we get ready for planting our crops in 2007. The great news that Frito Lay has switched all of their major potato chip brands to NuSun® sunflower oil (only oil on the label) in the US and Canada is creating a great deal of 'buzz' in the country side. Sunflower prices are very firm and North Dakota State University crop analysis shows that sunflower is one of the most profitable crops to produce. The unfortunate fact, however, is that many producers cannot risk the impact of blackbirds destroying all or a portion of their crop. This is at a time when acreage needs to increase by 600,000 to meet this new and existing demand. The biggest single issue standing in the way of this need is the threat of blackbird damage.

You well know the history of sunflower/blackbird damage and the NSA efforts to provide significant financial resources to USDA APHIS Wildlife Services (WS) over the last two decades. We are all aware that the majority of these dollars have been siphoned away into overhead and other programs. In the meantime, the problem of blackbird damage goes on unabated.

The board and staff of the NSA have come to the point of looking at USDA APHIS WS operations division as a nemesis as opposed to a partner. The National Wildlife Research Center's (NWRC) Great Plains Field Station is a noted exception and we find a great deal of partnership with the Center. Our plan is go forward without the operations arm of WS. We can no longer wait for personnel or attitude changes at WS offices while growers suffer as much as $100,000 in individual losses. Here are some action plans:

1. We are supporting the NWRC request to the ND Minor Use Pesticide Fund to test DRC 1339 baiting on gravel roads. There is optimism that this will be funded.
2. The NSA research committee will review a proposal by the NWRC to evaluate bait trays (your idea) attached to decoy traps. It is very likely that this will be funded.
3. The NSA has asked key ND legislators to introduce new legislation to fund a program we are calling 'Boots on the Ground' to assist the NWRC in with the "gravel road bait test"

study, assist in distribution of cannons, assist with the "bait tray/decoy trap" research and provide overall assistance to producers experiencing major bird damage. This request for legislative funding would direct existing WS/ND specialists in blackbird damage areas of ND to participate in this program and would provide some funding to cover travel expenses. The appropriation, if successful, would be directed to the ND Agriculture Commissioner who would then contract with NWRC for services. The legislation will be introduced soon but we cannot anticipate success or failure at this point.

4. We will continue to work with Congress to direct the remaining earmarked blackbird dollars in the federal appropriations to the NWRC. Given the discussion on earmarks in this Congress, we do not know if or when this will be successful.

This is a very sad chapter in the history of the NSA. We have prided ourselves in working with very diverse groups. Wildlife Services operations is the only exception of failure. Again, let me point out our long history of working with WS, which includes the establishment of an operations program in the State of Kansas.

The situation in the ND/SD WS office has apparently become more negative. For example, you directed Phil Mastrangelo to report to the NSA on a monthly basis. We have yet to hear from him. The blackbird biologist position in ND/SD is now vacant and might be used to support a position in Pierre SD. If that is the case, we would assume this individual would administer the cattail program. Administering this program from that location sounds highly inefficient. Ryan Wimberly reported to us that in 2006 only 47 cattail acres were controlled in SD while 8,291 acres were sprayed in ND. Of those ND acres, the vast majority were controlled in the NE part of the state...a long distance from Pierre. We do not think a full-time person is needed in the blackbird position and we hope (out of common courtesy) to be consulted. We await consultation of WS plans concerning this position. We are concerned that this may be the death kneel of this important project.

If you see any alternatives to our planned approach we continue to be ready to listen. But we will need to see very positive action resulting in 'trust' and 'confidence' and 'true partnership'. We would need to see a 'can do' attitude as opposed to the present 'can't do' attitude. We would need to see open consultation on the monies now available by the resignation of the blackbird biologist. We would need to see plans that would efficiently implement the cattail management program and the distribution of cannons. We would need to see a willing attitude to direct the existing ND specialists in blackbird damage areas to participate fully in the 'Boots on the Ground' concept.

Should you wish to contact me, my cell number is 701-391-9745.

Sincerely,

Tim DeKrey, President
National Sunflower Association

Cc: ND and SD Congressional Offices,
ND and SD Governor's Offices
ND and SD Departments of Agriculture
Dale Thorenson

USDA

United States
Department of
Agriculture

Animal and
Plant Health
Inspection
Service

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Subject: Allegations of Misuse of Blackbird Funds

Date: April 7, 2007

To: Senator Bowman and Members of Conference Committee

During my April 6, 2007 testimony to the Conference Committee, questions about my reported misuse of federal funds directed for blackbird damage management were raised. As I explained in my testimony, dialog regarding those allegations was established between Mr. Bill Clay, Deputy Administrator of USDA/APHIS/Wildlife Services and Senator Dorgan's office. Attached is a fax (dated February 28, 2006) which was sent to Senator Dorgan by Mr. Clay. The attached document contains summaries of how the blackbird funds were utilized in North Dakota and South Dakota. The allegations of misuse were never investigated and the attached document is the last correspondence between USDA/APHIS/Wildlife Services and Senator Dorgan's office on this matter.

The correspondence sent to Senator Dorgan included a proposed budget for the FY06 use of the blackbird funds. Below I've provided a comparison of the proposed budget, developed in February 2006, to the actual expenditures of the $381,162 for the management of blackbird damage to sunflower crops.

Expenditures	Proposed (February, 2006)	Actual
Salaries/Benefits	$115,000	$96,010
Operating Costs (travel, equipment, etc.)	$35,000	$35,786
Cattail Management	$156,162	$180,946
Lure Crops	$75,000	$68,420
Total	$381,162	$381,162

Below is the FY07 proposed budget for the management of blackbird damage to sunflowers:

Salaries/Benefits (permanent & temp. staff)	$101,000
Travel, equipment, etc.	$25,000
Cattail management	$200,000
Lure plot	$35,000
Vehicle	$20,000
Total	**$381,000**

Phil Mastrangelo
State Director

TO: Jeremy Bratt/Maynard Friesz
Senator Dorgan's Office

FAX: (202) 224-1193

FROM: Bill Clay, APHIS/Wildlife Services

Dear Jeremy/Maynard,

I am providing the chart which identifies our summary of expenses in North Dakota for our blackbird expenses from FY 2004 to FY 2006. I'm sorry for the delay in getting this back to you. As the footnote indicates, figures shown for FY 06 are estimates as it is not known how many landowners will sign up for the cattail management program or request to be involved in the lure crop pilot program until the end of the fiscal year. It is our desire to continue to work with the North Dakota Department of Agriculture and the National Sunflower Association to increase the awareness of these two programs.

If you have any questions regarding this chart, please give me a call. My telephone number is (202) 720-2054.

Bill

Bill Clay
Wildlife Services

PAGE 03/03 USDA APHIS WS 02/28/2006 10:15 2026900053

APHIS Blackbird Damage Management
Summary of Expenditures

Fiscal Year	Appropriated Funds to Blackbird Work (post rescissions)	Total Net Funding to Blackbird Work	Funds to Salaries	Funds to Overhead (operating costs to ND/SD)	Funds to Cattail Control	Funds to Research (lure plots, etc.)	Total Expenditures
FY 2004	$240,000 [1] $459,000 [2]	$612,963	$298,576	$79,787	$113,600	$121,000	$612,963
FY 2005	$360,000 [1] $98,000 [2]	$363,225	$108,196	$28,332	$110,697	$116,000	$363,225
FY 2006 [3]	$377,000 [1] $97,000 [2]	$381,162	$115,000	$35,000	$156,162	$75,000 [4]	$381,162

[1] This is the amount of funding that Congress has earmarked for blackbird damage management in North Dakota and South Dakota.

[2] This is additional funding that APHIS, Wildlife Services, uses to support this effort, and will continue to do so as long as a need is identified and funding is available.

[3] FY 2006 appropriated and net funding amounts are actual. Expenditures are only estimates for the specific categories and are subject to change throughout the year as program needs may change.

[4] FY 2006 research funds are projected to be used for lure plots only. No other research projects have been identified for FY 2006.

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TESTIMONY FOR SB 2009
By
MERLIN LEITHOLD, LOBBYIST # 284

Good Morning Chairman Holmberg, members of the Senate Appropriations Committee.

My name is Merlin Leithold. I am the south central area director with the ND Weed Control Association. I am also the weed officer from Grant County.

I am before you today to urge your support for SB 2009, specifically the noxious weed section in the bill.

Noxious weeds continue to evolve in our state. Leafy Spurge was first identified in our State, in 1919. In the 1930's, Canada thistle was found primarily in eastern North Dakota. Today, not only do we have Leafy Spurge and Canada thistle state wide, we have other weeds, some which are on our state noxious weed list, and some which could very well be on that list.

We have made great strides in the control of Leafy Spurge. With the numerous chemicals that we can use, along with numerous bio-control agents, there has definitely been a reduction in the density and acres of Leafy Spurge. Bio-control of Canada thistle is just at the very beginning. Hopefully, we can come back to you in the future, and talk of the great successes we had with Canada thistle bio-control.

There are approximately 25 other weeds that counties have identified, mapped or sprayed. We will continue to fight noxious weeds in North Dakota. We thank you for all your past support, and ask for your continued support to help us fight the war on weeds. Thank-you.

Handout #11 SB 2009

NORTH DAKOTA WEED CONTROL ASSOCIATION

724 5th Street February 23, 2007

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TESTIMONY FOR SB 2009
By
MERLIN LEITHOLD, LOBBYIST # 284
HOUSE APPROPIATIONS COMMITTEE
FEBRUARY 23RD, 2007

Good Morning Chairman Wald, members of the House Appropriations Sub-Committee.

My name is Merlin Leithold. I am the south central area director with the ND Weed Control Association, I serve as their lobbyist, and I am also the weed officer in Grant County. I am before you today to urge your support for SB 2009, specifically the noxious weed section in this bill.

Noxious weeds continue to evolve in our state. Leafy Spurge was first identified in our State, in 1919, in the Fargo area. In the 1930's, Canada thistle was found primarily in eastern North Dakota. Today, not only do we have Leafy Spurge and Canada thistle state wide, we have other weeds, some which are on our state noxious weed list, and some which could very well be on that list.

We have made great strides in the control of Leafy Spurge. With the numerous chemicals that we can now use, along with numerous bio-control agents, there has definitely been a reduction in the density and acres of Leafy Spurge. Bio-control of Canada thistle was introduced on a statewide effort just a couple of years ago. So we are at the very beginning of that exciting program. Hopefully, we can come back to you in the future, and talk of the great successes we had with Canada thistle bio-control.

There are approximately 25 other weeds that counties have identified, mapped or sprayed. We will continue to fight noxious weeds in North Dakota. We thank you for all your past support, and ask for your continued support to help us fight the war on weeds. Thank-you.

3

Dept. of Agriculture Budget

Testimony in FAVOR of optional funds for Ag in the Classroom

Beth Bakke Stenehjem, Executive Director of the ND FFA Foundation

701-224-8390 (work) 701-471-5004 (cell)

January 19, 2007

Good morning, Chairman Holmberg and members of the Senate Appropriations committee. My name is Beth Bakke Stenehjem, and I am the Executive Director of the ND FFA Foundation. I am here to support the Ag in the Classroom Program and to ask for your consideration to grant optional funds for their programming.

One of the successful programs the Ag in the Classroom supports is the Mini-grant program. This program was designed to put funds in the hands of teachers, 4-H leaders, FFA advisors, and others to help them teach young people about agriculture.

The mini-grant program has been quite successful. In 2006 there were 57 applicants; 33 of those applying received funding. It is estimated that these projects reached over 6,000 students and adults. That is a good return when you consider that just $7500 was awarded. I have enclosed a synopsis of the reports from these projects.

The Ag in the Classroom Council needs your financial support to continue to teach young people in the state about the importance of agriculture.

As students become farther and farther removed from rural life, these funds become more and more necessary.

Thank you for your consideration.

Handout # 9

SB 2007
February 23, 2007

2006 Ag in the Classroom Mini-Grant Report

Total students and adults impacted = over 5,000

Academy for Children Elementary (Fargo) – Funded at $150 to be used for botany curriculum. (55 students) The study of botany began in early September with an introduction on how to care for plants and a study of apples. In October, the focus was shifted to trees. Funds from this grant program were used to purchase easy reader books on trees. Also during October, the students learned about pumpkins and were able to pick a pumpkin and bake pumpkin seeds and pumpkin muffins. In November students learned about rain forests and conservation.

Academy for Children Preschool/Kindergarten (Fargo) – Funded at $150 to be used for botany activities. (25 students) Students in grades three through six participated in a unit teaching and reviewing the parts of the plant including the root, lead, and flower parts, Children studied the names and functions of plants and play systems and used botany materials purchased with grant funds as the major curriculum for the unit.

Adams County Extension Service (Hettinger) – Funded at $150 for teaching supplies and display. (143 students and adults) The Farm Safety Day Camp 2006 was held in Hettinger, N.D. at the Adams County Fairgrounds on May 5, 2006. The eight safety sessions included food safety, animal safety, chemical safety, fire safety, water safety, electrical safety, ATV safety, and PTO/grain bin safety. The ND Ag in the Classroom Mini-Grant was used to build a safety display called the "Wheel of Mis-Fortune," safety brochures and activity book covers purchased through Farm Safety 4 Just Kids and Glo-Germ used in chemical safety demonstrations.

Bottineau FFA (Bottineau) – Funded at $125 for educational supplies. (96 students). FFA members conducted a "Food for American" program in the elementary grades for first and second graders. They discussed the "Exploding Cheeseburger" and explained to students where all of the ingredients came from and how they were processed. Each student was presented with a "Really Big Coloring Book" that was purchased with grant funds.

Burlington/Des Lacs Elementary School (Burlington) – Funded at $150 towards an incubator. (359 students) Students in 4th grade incubated 3 dozen chicken eggs. Activities included data collection, an art project combined with science on eggs parts, demonstration on types of chickens and how to care for them provided by a guest poultry raiser, and information on consumption of eggs and chicken in North Dakota. The intent of the unit was to involve students in a hands-on approach that laid the foundation for understanding subjects as diverse as nutrition and the circulatory system, while teaching measurement and the collection and analysis of data. The project involved hatching eggs, examining embryos, and observing a beating heart. All elementary classes had access to the chickens and eggs.

Center Public School (Center) – Funded at $200 towards curriculum. (240 students) The grant funds were used to enhance the program implemented by the local FFA chapter who worked with teaching students about agriculture in North Dakota. Funds were also used with the local 4-H club to plant flowers which they will care for at an exhibit at the county fair. Another activity was an educational unit on chickens.

Dakota Science Center (Grand Forks) – Funded at $315 for Ag in the Classroom supplies. (53 students)

Fairmount Public School (Fairmount) – Funded at $375 to be used for botany materials. (53 students) The funds were used to purchase botany curriculum and two grow labs: one for the kindergarten teacher and one for the high school science teacher. The goal is to teach each of the groups of students about plants and their role in our lives through agriculture and its various components. This project will be expanded in the spring to create flower beds on the school grounds.

Ft. Berthold Extension Service (New Town) – Funded at $250 to be used botany supplies. (20 students) With changeover in staff and administration, this project is still in the works. They plan to use the funding for a six-week gardening and nutrition curriculum.

Grant County PTO (Carson) – Funded at $250 for curriculum and supplies. (140 students and adults) The Grant County PTO developed and purchased materials for a K-8 teaching unit about honeybees, honeybee farms and the importance of honeybees and pollination in agriculture. Teaching materials were purchases and used at the two school districts. Students also visited the Heart River Honey Farm in September where they learned the process of extracting the honey from the frames until it came out and went into big shipping barrels. The students were able to see and touch the equipment and tools necessary to fun a honey farm. Farm owner, Kevin Jensen, discussed the agricultural importance of honey bees and answers questions. Students were also allowed to make wax candles.

Granville High School FFA (Granville) – Funded at $500 for gardening supplies. (32 students) Students used funds from the Ag in the Classroom grant; the State Dept. of Agriculture; DPI; the State Department of Health, Career and Technical Education to take part in the Green and Growing Initiative. Students plowed and worked up a garden. They planted the garden in late April and fenced it, tilled it, weeded it, and harvested the vegetables. The produce was marketed three ways including the sale of fresh produce to community members, the ND State Fair, and the remainder through the school's hot lunch program.

Hazen High School (Hazen) – Funded at $120 for activity books. Forty-six high school agriculture/FFA students will present a farm safety program to approximately 150 elementary students. The presentations will cover safety around tractors, power take off safety, lawn mowing safety, ATV safety, livestock safety, farm chemical safety, equipment safety, and grain safety. The FACS/FCCLA (56 students) students will set up a food sampling booth, exhibiting ND products and make them available to all participants.

Hettinger Head Start (Hettinger) – Funded at $120 for books and videos on agriculture. (13 students) Three, four, and five year olds in Head Start participated in the weeklong activity about farms and farm safety. Students put together farm puzzles, were read farm books, played with toy farm animals, made farm animal mobiles, and planted "grass heads". They also sang farm animal songs and worked on a farm safety coloring book. They had planned to go to a dairy farm but the farmer was ill, and that activity is rescheduled for the spring.

Jamestown FFA (Jamestown) – Funded at $250. (113 students) The Jamestown FFA members planted pumpkins for their Pumpkin Festival in the fall but unfortunately, an area farmer accidentally plowed up the pumpkins. So the chapter organized and hosted a special Fall Festival where they had Halloween activities and five stations called "Special Assignment Pizza". In each of the stations, various ag products were discussed that go into pizza. Students learned about the dairy industry at the cheese station and the wheat station at the crust station. Students were treated to pizza.

Kindred FFA (Kindred) – Funded at $200. (58 students) The Kindred FFA members put together eight agricultural books for all the 3rd grade students. The booths described various agricultural products and their processing. The students were split up into small groups, and each group spent about 10 minutes at each station learning about different agricultural products and their processing.

Lake Region Teacher Center (Devils Lake) – Funded at $300 for botany materials. (205 students) Students in 3rd and 5th grade learned how to test soil samples for PH, temperature, humidity, and textures. They learned about different seeds and planted a number of grains. They also made some recipes with the crops.

Logan County Extension Service (Napoleon) – Funded at $200 for supplies and camping fees. (19 students) Due to the ban on campfires, the original plan of holding the overnight camp was scrapped. Instead funds were used to buy a GPS unit and curriculum. The 8th grade Earth Science class in Napoleon learned about GPS technology and how it is used in agriculture. They created and followed routes using GPS and developed small group projects on GPS technology.

McHenry County Extension Service (Granville) – Funded at $200. (83 students and teachers) The Granville FFA Chapter developed a Farm Safety Day for students in grades K-6. The camp was set up with seven stations that used demonstrations, displays, and other teaching methods to keep the students interested and engaged in a safety topic. Each of the topics introduced hazards or risks that can be present on farm and in small communities.

McIntosh – NDSU Extension Service (Ashley) – Funded at $100 for educational supplies. (64 students) The extension service held a Farm Safety Camp for youth ages 5-13 where they were exposed to safety issues such as sun exposure, gun safety, lawn mower safety, fire safety, chemical safety, tobacco education, and reaction time. Funds were used to offer the program, provide lunch and goodie bags and provide t-shirts to the students.

Minot FFA (Minot) – Funded at $275 for terrarium and curriculum. (420 students) The Minot FFA Chapter mentored elementary students on agricultural topics. Students explored the world of science through the life of a plant, learned about how and where corn grows, constructed terrariums, and learned the process of a water cycle. They also learned about animal science with specific instruction about beef and horses.

Mott/Regent Public School (Regent) – Funded at $100 for agricultural books. (140 students) Funds were used to purchase five hardcover books about agriculture. The local FFA chapter held a coloring contest with an agriculture theme, the local extension office held mini-session on four different aspects of agriculture, the library display ag-related books which provided information on farming and ranching, a farmer came and read one of these books to the students and answered questions, the Kindergarten class toured a farm, the first grade toured the tractor museum, and second graders learned about seed weevils and sunflowers.

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ND Stockmen's Association – Funded at $250. (100 students and adults) Funds were used to fund the Carcass Merit Program at the Junior Beef Expo Field Day in Williston on June 24. Thirty-one steers were evaluated on two separate grids; the Tyson Prime Time Quality Grad and Laura's Lean Cutability Grid. The two grids helped juniors understand that the different breeds of cattle have their own niche in the market and by specifically marketing to that niche, they can receive the steer's optimum dollar value. By exposing juniors to this contest, the goal was to give them a jump-start on value-based marketing once they leave the show ring.

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Pembina County Weed Board (Drayton) – Funded at $200 for supplies. (59 students) Students learned about noxious and invasive weeds. They used this knowledge to identify these weeds in the county. They were also involved with a program called Liatris for Loosestrife Project funded by NDAD and the ND Game and Fish Department. In January some of the same children and others will participate in a class on GPS training and weed identification.

Rhame FFA (Rhame) – Funded at $225 for booth rental and project rental. Funds were used for agricultural literacy books through the Minnesota Farm Bureau. The local FFA students used them until their school closed last spring. They were also used for 4-H Day at the school and used in the local 4-H club.

St. John's Academy (Jamestown) – Funded at $200 for plant supplies. (23 students) Funds were used to enhance a unit on plants. Fourth graders explored plant development and hydroponics in depth. They grew radishes using hydroponics and grew some in soil. They compared the results and learned about the benefits on hydroponics.

St. John School (St. John) – Funded at $250. (3 students) Students participated in three experiments on plant growth and germination. The first experiment had to do with the effect of wind on tomato pollination. The second experiment dealt with light on seed germination, and the third experiment worked with fertilizer and seedling growth. Students worked on these experiments while taking care of the ag garden and the portable greenhouse.

Sargent County Extension (Forman) – Funded at $500 for a hippology kit. (60 students and adults) Funding was used to purchase the Equine Learning Kit. There were a series of summer "Horsin' Around" workshops where the kit was utilized along with guest speakers to educate youth and adults about horses and their care. Hippology workouts and contests will be help this winter to help educate those involved in horses. The kit will be used over and over in the upcoming years.

Southeast Region Career and Technology Center (Oakes) – Funded at $500 for supplies. (500 students) Funds were spent on developing a mobile meats lab. This lab has all the equipment necessary to replicate an actual meat processing plant. The lab will be rotated and used by student and adults to learn about meat cutting, food safety, the importance of personal hygiene and sanitation, and cuts of meat.

Sterling School (Sterling) – Funded at $150 for supplies. (37 students) Students in K-8th grade were involved in the incubation of eggs. The incubator was set up in the 7-8th grade room. The first experiment with a batch of eggs failed because of the extreme heat and humidity in the school. The second batch also failed because of equipment failure. The activity is planned again in the spring.

2006 Ag in the Classroom Mini-Grant Report

Total students and adults impacted = over 6,000

Academy for Children Elementary (Fargo) – Funded at $150 to be used for botany curriculum. (55 students) The study of botany began in early September with an introduction on how to care for plants and a study of apples. In October, the focus was shifted to trees. Funds from this grant program were used to purchase easy reader books on trees. Also during October, the students learned about pumpkins and were able to pick a pumpkin and bake pumpkin seeds and pumpkin muffins. In November students learned about rain forests and conservation.

Academy for Children Preschool/Kindergarten (Fargo) – Funded at $150 to be used for botany activities. (25 students) Students in grades three through six participated in a unit teaching and reviewing the parts of the plant including the root, leaf, and flower parts, Children studied the names and functions of plants and plant systems and used botany materials purchased with grant funds as the major curriculum for the unit.

Adams County Extension Service (Hettinger) – Funded at $150 for teaching supplies and display. (143 students and adults) The Farm Safety Day Camp 2006 was held in Hettinger, N.D. at the Adams County Fairgrounds on May 5, 2006. The eight safety sessions included food safety, animal safety, chemical safety, fire safety, water safety, electrical safety, ATV safety, and PTO/grain bin safety. The ND Ag in the Classroom Mini-Grant funds were used to build a safety display called the "Wheel of Mis-Fortune," safety brochures and activity book covers purchased through Farm Safety 4 Just Kids.

Bottineau FFA (Bottineau) – Funded at $125 for educational supplies. (96 students). FFA members conducted a "Food for American" program in the elementary grades for first and second graders. They discussed the "Exploding Cheeseburger" and explained to students where all of the ingredients came from and how they were processed. Each student was presented with a "Really Big Coloring Book" purchased with grant funds.

Burlington/Des Lacs Elementary School (Burlington) – Funded at $150 towards an incubator. (359 students) Students in fourth grade incubated 3 dozen chicken eggs. Activities included data collection, an art project combined with science on eggs parts, a demonstration on types of chickens and how to care for them provided by a guest poultry raiser, and information on consumption of eggs and chicken in North Dakota. The intent of the unit was to involve students in a hands-on approach that laid the foundation for understanding subjects as diverse as nutrition and the circulatory system while teaching measurement and the collection and analysis of data. The project involved hatching eggs, examining embryos, and observing a beating heart. All elementary classes had access to the chickens and eggs.

Center Public School (Center) – Funded at $200 towards curriculum. (240 students) The grant funds were used to enhance the program implemented by the local FFA chapter who taught students about agriculture in North Dakota. Funds were also used with the local 4-H club to plant flowers which they will care for at an exhibit at the county fair. Another activity was an educational unit on chickens.

Dakota Science Center (Grand Forks) – Funded at $315 for Ag in the Classroom supplies. (645 students) The Dakota Science Center held its Annual Water Festival on September 28-29, 2006. The purpose was to help youth in the region understand the vital importance of water resources to the region's future. Topics addressed included water chemistry, watersheds, water quality, ground water, physical properties, history, water ecosystems, water conservation, and erosion.

Fairmount Public School (Fairmount) – Funded at $375 to be used for botany materials. (53 students) The funds were used to purchase botany curriculum and two grow labs: one for the kindergarten teacher and one for the high school science teacher. The goal was to teach each of the groups of students about plants and their role in our lives through agriculture and its various components. This project will be expanded in the spring to create flower beds on the school grounds.

Ft. Berthold Extension Service (New Town) – Funded at $250 to be used botany supplies. (20 students) With changeover in staff and administration, this project is still in the works. They plan to use the funding for a six-week gardening and nutrition curriculum.

Grant County PTO (Carson) – Funded at $250 for curriculum and supplies. (140 students and adults) The Grant County PTO developed and purchased materials for a K-8 teaching unit about honeybees, honeybee farms and the importance of honeybees and pollination in agriculture. Teaching materials were purchased and used at the two school districts. Students also visited the Heart River Honey Farm in September where they learned the process of extracting the honey from the frames until it came out and went into big shipping barrels. The students were able to see and touch the equipment and tools necessary to run a honey farm. Farm owner, Kevin Jensen, discussed the agricultural importance of honey bees and answered questions. Students also made wax candles.

Granville High School FFA (Granville) – Funded at $500 for gardening supplies. (32 students) Students used funds from the Ag in the Classroom grant; the State Dept. of Agriculture; DPI; the State Department of Health, and Career and Technical Education to take part in the Green and Growing Initiative. Students plowed and worked up a garden. They planted the garden in late April, fenced it, tilled it, weeded it, and harvested the vegetables. The produce was marketed three ways including the sale of fresh produce to community members, the ND State Fair, and the remainder through the school's hot lunch program.

Hazen High School (Hazen) – Funded at $120 for activity books. (262 students) On April 19, 2006 the FCCLA and FFA members from Hazen High School held an Ag Safety Day for elementary students. Activities included sharing information on tractor safety, power take off safety, lawn mowing safety, ATV safety, livestock safety, farm chemical safety, equipment safety, grain safety, and ND products. The elementary students also filled out a safety activity book and were able to see farm equipment up close.

Hettinger Head Start (Hettinger) – Funded at $120 for books and videos on agriculture. (13 students) Three, four, and five year olds in Head Start participated in the weeklong activity about farms and farm safety. Students put together farm puzzles, were read farm books, played with toy farm animals, made farm animal mobiles, and planted "grass heads". They also sang farm animal songs and worked on a farm safety coloring book. They had planned to go to a dairy farm but the farmer was ill, and that activity is rescheduled for the spring.

Jamestown FFA (Jamestown) – Funded at $250. (113 students) The Jamestown FFA members planted pumpkins for their Pumpkin Festival in the fall but unfortunately, an area farmer accidentally plowed up the pumpkins. Instead the chapter organized and hosted a special Fall Festival where they had Halloween activities and five stations called "Special Assignment Pizza". In each of the stations, various ag products were discussed that go into pizza. Students learned about the dairy industry at the cheese station and the wheat station at the crust station. Students were treated to pizza.

Kindred FFA (Kindred) – Funded at $200. (58 students) The Kindred FFA members put together eight agricultural booths for all the third grade students. In the booths high school students described various agricultural products and their processing. The students were split up into small groups, and each group spent about 10 minutes at each station learning about different agricultural products and their processing.

Lake Region Teacher Center (Devils Lake) – Funded at $300 for botany materials. (205 students) Students in third and fifth grade students learned how to test soil samples for PH, temperature, humidity, and textures. They learned about different seeds and planted a number of grains. They also baked with the crops.

Logan County Extension Service (Napoleon) – Funded at $200 for supplies and camping fees. (19 students) Due to the ban on campfires, the original plan of holding the overnight camp was scrapped. Instead funds were used to buy a GPS unit and curriculum. The 8th grade Earth Science class in Napoleon learned about GPS technology and how it is used in agriculture. They created and followed routes using GPS and developed small group projects on GPS technology.

McHenry County Extension Service (Granville) – Funded at $200. (83 students and teachers) The Granville FFA Chapter developed a Farm Safety Day for students in grades K-6. The camp was set up with seven stations that used demonstrations, displays, and other teaching methods to keep the students interested and engaged in a safety topic. Each of the topics introduced hazards or risks that can be present on a farm and in small communities.

McIntosh – NDSU Extension Service (Ashley) – Funded at $100 for educational supplies. (64 students) The extension service held a Farm Safety Camp for youth ages 5-13 where they were exposed to safety issues such as sun exposure, gun safety, lawn mower safety, fire safety, chemical safety, tobacco education, and reaction time. Funds were used to offer the program, provide lunch and goodie bags, and provide t-shirts to the students.

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North Dakota
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TECHNOLOGY

Technology is the practical application of science. In agriculture, you'll find technology on the farm, in research laboratories, in factories where equipment is designed and manufactured, in processing plants where food and fiber products are made, and in stores where they're sold to you.

With technology, more and better quality food can be produced for more people less expensively yet with fewer farmers and less land.

Tools and Machines

On each line, write how the tool or machine makes agriculture more efficient.

Air wrench _____

Tractor _____

Milking machine _____

Truck _____

Computer _____

Bottle filler _____

Pasta press _____

Cash register/scanner _____

Refrigerator/freezer _____

Can you think of other tools and machines used in agricultural production, processing, distribution and consumption? Write down some of the uses for these tools and machines.

_____

_____

_____

_____

North Dakota Agriculture in the Classroom