

PROPOSED AMENDMENTS TO SENATE BILL NO. 2009

Page 1, line 2, remove "and"

Page 1, line 2, after "transfers" insert "; to create and enact a new chapter to title 4.1 of the North Dakota Century Code, relating to the agricultural products utilization commission; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a report to the legislative assembly; to repeal chapter 54-60.3 of the North Dakota Century Code, relating to the agricultural products utilization commission; and to provide for a report to the legislative assembly"

Page 1, replace lines 10 through 24 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,372,949	\$676,514	\$13,049,463
Operating expenses	6,444,336	133,444	6,577,780
Capital assets	13,000	2,000	15,000
Grants	8,817,774	6,000	8,823,774
Board of animal health	865,718	0	865,718
Wildlife services	1,408,000	49,400	1,457,400
Crop harmonization board	75,000	0	75,000
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Agricultural products utilization commission	<u>0</u>	<u>3,176,791</u>	<u>3,176,791</u>
Total all funds	\$30,196,777	\$4,044,149	\$34,240,926
Less estimated income	<u>21,087,676</u>	<u>3,415,513</u>	<u>24,503,189</u>
Total general fund	\$9,109,101	628,636	\$9,737,737
Full-time equivalent positions	73.00	2.00	75.00"

Page 2, line 1, after "FUNDING" insert "- **EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY**"

Page 2, line 2, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 8 with:

"Master customer database	<u>0</u>	<u>110,000</u>
Total all funds	\$1,120,000	\$110,000
Less estimated income	<u>1,120,000</u>	<u>0</u>
Total general fund	\$0	\$110,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 14, replace "\$6,446,503" with "\$6,663,678"

Page 3, after line 2, insert:

"SECTION 9. AMENDMENT. Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01-02. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is one hundred ~~fiveseventeen~~ thousand ~~four hundred ninety one~~~~eighty-seven~~ dollars through June 30, ~~2016~~~~2020~~, and one hundred ~~eight~~~~twenty~~ thousand six hundred ~~fifty-six~~ dollars after that date.

SECTION 10. A new chapter to title 4.1 of the North Dakota Century Code is created and enacted as follows:

Agricultural products utilization commission - Composition - Appointment.

1. The agricultural products utilization commission shall administer the agricultural products utilization fund.
2. The commission consists of nine members:
 - a. Five members, appointed by the governor for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years, three of the members appointed by the governor must be actively engaged in farming in this state and two members appointed by the governor must be actively engaged in business in this state;
 - b. One member, appointed by the agriculture commissioner for a term of two years which expires in odd-numbered years, the member must be actively engaged in farming in this state; and
 - c. The commissioner of commerce, the president of North Dakota state university, and the agriculture commissioner, or their designees.
3. Commission members may be reappointed.
4. Terms of appointed commissioners commence on the first day of July.
5. The commission shall elect one member to serve as the presiding officer.

Agricultural products utilization commission - Authority.

1. The North Dakota agricultural products utilization commission may apply for and accept any appropriation, grant, gift, or service made available from public or private sources.
2. The commission may administer grant programs including:
 - a. A basic and applied research grant program;
 - b. A utilization and marketing grant program;
 - c. A cooperative marketing grant program;
 - d. A nature-based tourism grant program;
 - e. A technical assistance grant program for value-added businesses;

- f. A farm diversification grant program;
 - g. An agricultural prototype development grant program;
 - h. An agricultural technologies grant program; and
 - i. A North American marketing grant program.
3. As a condition of any grant administered by the commission, the commission may require the recipient repay some or all of the grant if the recipient does not fulfill the conditions of the grant. Repayment may be monetary or any other type or method determined by the commission.

Agricultural products utilization commission - Meetings - Personnel - Report.

The agricultural products utilization commission shall meet as necessary and shall report to each session of the legislative assembly. The commission may secure office space, employ required personnel for the performance of commission duties, hire consultants, spend any funds appropriated to the commission, and contract with public entities or private parties for services.

Agricultural products utilization commission - Reimbursement - Compensation.

Members of the agricultural products utilization commission are entitled to be reimbursed for expenses incurred in the performance of official duties, in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North Dakota, members of the commission are entitled to receive per diem compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the commission. The presiding officer, if not otherwise employed by the state of North Dakota, may receive an additional one hundred dollars for each day of a regular meeting attended as payment for reviewing and evaluating grant proposals.

Agricultural products utilization commission - Administrative expenses.

Administrative expenses of the agricultural products utilization commission, including expenses of members of the commission, employment of required personnel, hiring of consultants, and contracting with public or private entities for services may not exceed ten percent of the funds appropriated to the commission by the legislative assembly each biennium, excluding federal funds.

Agricultural products utilization fund - Purposes.

The agricultural products utilization fund in the state treasury must be used to fund programs for agricultural research, development, processing, technology, and marketing. The fund must be used to defray the expenses of the North Dakota agricultural products utilization commission. Interest earned on moneys in the fund must be credited to the fund.

SECTION 11. REPEAL. Chapter 54-60.3 of the North Dakota Century Code is repealed."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$12,372,949	\$676,514	\$13,049,463
Operating expenses	6,444,336	133,444	6,577,780
Capital assets	13,000	2,000	15,000
Grants	8,817,774	6,000	8,823,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,408,000	49,400	1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission		3,176,791	3,176,791
Total all funds	\$30,196,777	\$4,044,149	\$34,240,926
Less estimated income	21,087,676	3,415,513	24,503,189
General fund	\$9,109,101	\$628,636	\$9,737,737
FTE	73.00	2.00	75.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for Salary and Benefit Increases¹	Adjusts Base Level Funding²	Adds funding for an Agriculture Commissioner Salary Equity Increase³	Adjusts Funding for the Meat Inspection Program⁴	Transfers the Agricultural Products Utilization Commission⁵	Adds One-Time Funding for a Master Customer Database⁶
Salaries and wages	\$661,801		\$14,713			
Operating expenses		\$2,226		\$21,218		\$110,000
Capital assets		2,000				
Grants		6,000				
State Board of Animal Health						
Wildlife services		49,400				
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission	23,876				\$3,152,915	
Total all funds	\$685,677	\$59,626	\$14,713	\$21,218	\$3,152,915	\$110,000
Less estimated income	322,005	377	0	(59,784)	3,152,915	0
General fund	\$363,672	\$59,249	\$14,713	\$81,002	\$0	\$110,000
FTE	0.00	0.00	0.00	0.00	2.00	0.00

	Total Senate Changes
Salaries and wages	\$676,514
Operating expenses	133,444
Capital assets	2,000
Grants	6,000
State Board of Animal Health	
Wildlife services	49,400
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	3,176,791
Total all funds	\$4,044,149
Less estimated income	3,415,513
General fund	\$628,636
FTE	2.00

¹ The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$192,238	\$163,246	\$355,484
Health insurance increase	<u>171,434</u>	<u>158,759</u>	<u>330,193</u>
Total	\$363,672	\$322,005	\$685,677

² Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for Microsoft Office 365 license expenses	\$1,849	\$377	\$2,226
Adjusts funding for capital assets	2,000	0	2,000
Adds funding for wildlife services operating fees	49,400	0	49,400
Adds funding for grape and wine grants and apiary grants	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Total	\$59,249	\$377	\$59,626

³ Funding of \$14,713 is added to increase the Agriculture Commissioner's salary to align the Agriculture Commissioner's salary with the Tax Commissioner's salary. Of the total, \$6,135 is added for each fiscal year of the biennium for salaries and \$2,443 is added for fringe benefits. The additional \$6,135 per year increases the Agriculture Commissioner's salary from the current level of \$108,656 to \$114,791, the same amount as the Tax Commissioner. After adjusting for the 2 percent and 3 percent salary increases proposed by the Senate, the Agriculture Commissioner's salary for fiscal years 2020 and 2021 will be \$117,087 and \$120,600, respectively.

⁴ Funding of \$21,218, of which \$11,033 is from the general fund and \$10,185 is from federal funds, is added for operating expenses for the meat inspection program. The funding for 1 FTE meat inspector program director position is adjusted to increase funding from the general fund by \$69,969 and to reduce other funds by \$69,969.

⁵ The Agricultural Products Utilization Commission (APUC) and related funding of \$3,152,915 from the APUC fund, including 2 FTE positions, is transferred from the Department of Commerce to the Agriculture Commissioner. Of this amount, \$434,342 is for salaries and wages, \$67,857 is for operating expenses, and \$2,650,716 is for grants.

⁶ One-time funding of \$110,000 is added from the general fund for a master customer database project.

This amendment also adds sections to:

- Provide statutory changes necessary to increase the Agriculture Commissioner's salary.
- Provide statutory changes necessary to transfer the APUC from the Department of Commerce to the Agriculture Commissioner.
- Repeal North Dakota Century Code Chapter 54-60.3, which establishes the APUC as an office of the Department of Commerce Division of Economic Development and Finance.