



Agriculture Commissioner
Department No. 602
2025 House Bill No. 1009

EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	81.00	\$22,141,317	\$34,755,990	\$56,897,307
Base level	80.00	14,820,933	27,117,306	41,938,239
Increase (decrease)	1.00	\$7,320,384	\$7,638,684	\$14,959,068
Percentage increase (decrease)	1.3%	49.4%	28.2%	35.7%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Adds \$794,826, of which \$468,861 is from the general fund and \$325,965 is from other funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$486,428, of which \$271,679 is from the general fund and \$214,749 is from other funds, for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$877,000, of which \$608,727 is from the general fund and \$268,273 is from other funds, to replace the 2023-25 biennium new FTE pool (\$214,930) and 2023-25 biennium vacant FTE pool (\$662,070)
- Adds \$214,688, of which \$107,344 is from the general fund and \$107,344 is from the Agriculture Commissioner operating fund, for an FTE plant protection position
- Adds \$967,708, of which \$748,900 is from the general fund and \$218,808 is from other funds, for travel
- Reduces \$200,00 for the postproduction royalty oversight program, to provide a total of \$300,000 from the abandoned oil and gas well plugging and site reclamation fund
- Adds \$1,968,500 for the specialty crop block grant program, to provide a total of \$9,063,305 from federal funds
- Adds ongoing funding of \$3,000,000 from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) program, to provide a total of \$5,110,417
- Adds **one-time funding** of \$5,500,000 from the general fund for the bioscience innovation grant program
- Adds **one-time funding** of \$660,000 from the environment and rangeland protection fund for the livestock planning program

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management pursuant to North Dakota Century Code Section 54-35-27, this agency has 23 fees. The agency recommended the following changes to its fees:

- Remove two fees, including the video livestock auction fee and the equine processing assessment fee.

Major Related Legislation

House Bill No. 1037 - This bill appropriates \$750,000 of one-time funding from the general fund to the Agriculture Commissioner for providing uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to individuals and entities for the inspection, operation, maintenance, or construction of agriculture property or infrastructure during the 2025-27 biennium. The bill allows the Agriculture Commissioner to require grant recipients to provide \$1 of matching funds for every \$4 provided by the state.

House Bill No. 1143 - This bill appropriates \$10 million of one-time funding from the strategic investment and improvements fund to the Agriculture Commissioner for providing a food distribution facility grant program during the 2025-27 biennium. The bill requires grant recipients to provide \$1 of matching funds for every \$1 provided by the state.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239
2025-27 Ongoing Funding Changes				
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)
Salary increase		468,861	325,965	794,826
Health insurance increase		271,679	214,749	486,428
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688
Adds funding for travel		748,900	218,808	967,708
Adjusts base level funding for operating expenses		(296,796)	625,775	328,979
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)
Adjusts base level funding for capital assets			4,100	4,100
Adds funding for the specialty crop block grant program			1,968,500	1,968,500
Adds funding for the noxious weed program			366,900	366,900
Removes funding for the grape and wine grant program		(80,000)		(80,000)
Adjusts base level funding for grants			5,900	5,900
Adds funding for the APUC program			3,000,000	3,000,000
Adjusts base level funding for the board of animal health		(8,357)		(8,357)
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000
Total ongoing funding changes	1.00	\$1,820,384	\$6,978,684	\$8,799,068
One-Time Funding Items				
Bioscience innovation grant program		\$5,500,000		\$5,500,000
Livestock planning program			\$660,000	660,000
Total one-time funding changes	0.00	\$5,500,000	\$660,000	\$6,160,000
Total Changes to Base Level Funding	1.00	\$7,320,384	\$7,638,684	\$14,959,068
2025-27 Total Funding	81.00	\$22,141,317	\$34,755,990	\$56,897,307

Federal funds included in other funds

\$17,994,832

Total ongoing changes - Percentage of base level

1.3%

12.3%

25.7%

21.0%

Total changes - Percentage of base level

1.3%

49.4%

28.2%

35.7%

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Executive Budget
Transfer - Environment and rangeland protection fund to minor use pesticide fund	Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Environment and rangeland protection fund	Section 4 would identify \$8,521,253 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Game and Fish Department operating fund	Section 5 would identify \$673,374 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Executive Budget
Transfer - Department of Water Resources to Agriculture Commissioner	Section 6 would identify \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Abandoned oil and gas well plugging and site reclamation fund	Section 7 would identify \$500,000 in the other funds line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program (\$200,000) and the postproduction royalty oversight program (\$300,000).
Agriculture Commissioner salary	Section 8 would amend Section 4.1-01-02 to increase the salary of the agriculture commissioner from \$136,680 to \$142,147 (4 percent) effective July 1, 2025, and to \$146,412 (3 percent) effective July 1, 2026.
North Dakota Trade Office - Matching fund requirement	Section 9 would identify \$1.6 million of the funding appropriated in Section 1 is from the general fund for the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistance program.
Transfer - Bank of North Dakota profits to the APUC fund	Section 10 would identify \$3 million in the other funds line item in Section 1 is from Bank of North Dakota profits transferred to the APUC fund for the APUC program.
FTE position adjustments	Section 11 would authorize the Agriculture Commissioner to increase or decrease authorized FTE positions subject to the availability of funds.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1009
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a report to the legislature; to provide an exemption; and to provide for transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2025 and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$17,042,562	\$2,103,942	\$19,146,504
Operating Expenses	7,426,173	1,138,083	8,564,256
Capital Assets	7,000	4,100	11,100
Grants	10,953,969	2,921,300	13,875,269
Covid 19 Specialty Grants	0	300,000	300,000
Bioscience Innovation Grants	0	5,500,000	5,500,000
Ag Products Utilization Program	2,110,417	3,000,000	5,110,417
Board of Animal Health	865,718	(8,357)	857,361
Wildlife Services	1,657,400	0	1,657,400
Pipeline Restoration and Reclamation Oversite Program	200,000	0	200,000
North Dakota Trade Office	1,600,000	0	1,600,000
Crop Harmonization Board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total All Funds	\$41,938,239	\$14,959,068	\$56,897,307
Less Estimated Income	<u>27,117,306</u>	<u>7,638,684</u>	<u>34,755,990</u>
Total General Fund	\$14,820,933	\$ 7,320,384	\$22,141,317
Full-Time Equivalent Positions	80.00	1.00	81.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY- NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Agricultural products utilization commission	\$3,000,000	\$0
Grasslands grazing grants	1,000,000	0
Bioscience innovation grant program transfer	6,500,000	5,500,000
Food distribution grants	1,000,000	0
North Dakota trade office	500,000	0
Livestock planning program	<u>0</u>	<u>660,000</u>
Total All Funds	\$12,000,000	\$6,160,000
Total Special Funds	<u>4,000,000</u>	<u>660,000</u>

Total General Fund

\$8,000,000

\$ 5,500,000

The 2025-27 one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The agriculture commissioner shall report to the appropriations committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND – MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$8,521,253 or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$673,374, or so much of the sum as may be necessary, from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. ESTIMATED INCOME – DEPARTMENT OF WATER RESOURCES - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. ESTIMATED INCOME – ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The estimated income line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 8. 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 ~~thirty-six~~ forty-two thousand ~~six~~ one hundred ~~eighty~~ forty-seven dollars through June 30, 2026, and one hundred ~~thirty-six~~ forty-six thousand ~~six~~ four hundred ~~eighty~~ twelve dollars thereafter.

SECTION 9. TRADE OFFICE - MATCHING FUND REQUIREMENT. The operating line item and the general fund appropriation in section 1 of this Act include \$1,600,000 of funding relating to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2025, and ending June 30, 2027. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants provide training to export assistants or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 10. ESTIMATED INCOME – TRANSFER – BANK OF NORTH DAKOTA PROFITS – AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The estimated income line item in section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund for defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 11. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the agriculture commissioner may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium

beginning July 1, 2025, and ending June 30, 2027. The agriculture commissioner shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.