

# Greenbook

## LBO Analysis of Enacted Budget

### Department of Agriculture

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Attachment:

Appropriation Spreadsheet

# LBO Greenbook

## Department of Agriculture

### Quick look...

- Total appropriations are \$163.4 million in FY 2022 and \$162.9 million in FY 2023.
- H.B. 110 provides funding of \$120.0 million in both FY 2022 and FY 2023 to support two of the Department of Agriculture's water quality initiatives: (1) the H2Ohio Program, and (2) the Soil and Water Phosphorous Program.
- As of August 2021, the Department employed 443 people, of which 406 were full-time.

Fund Group	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
General Revenue	\$36,142,862	\$39,744,512	\$49,540,385	\$49,168,499
Dedicated Purpose	\$37,033,409	\$44,437,857	\$83,474,084	\$83,177,471
Internal Service Activity	\$5,516,293	\$6,708,456	\$6,882,470	\$7,018,622
Capital Projects	\$552,878	\$564,058	\$610,000	\$610,000
Federal	\$18,496,567	\$19,356,241	\$22,895,983	\$22,926,610
Total	\$97,742,010	\$110,811,125	\$163,402,922	\$162,901,202
% change	--	13.4%	47.5%	-0.3%
GRF % change	--	10.0%	24.7%	-0.8%

### Overview

The Ohio Department of Agriculture (AGR) safeguards the health of Ohio's food supply to protect consumers, promotes environmental stewardship, and maintains the health of the state's animals and plants. The Department also promotes Ohio's agricultural products by creating economic opportunities for Ohio's farmers, food processors, and agribusinesses. Overall, there are ten operating divisions corresponding to these responsibilities, as well as the Division of Administration and Communications and Legal Offices which provide department-wide support and management oversight. As of August 2021, the Department has 443 total employees, of which ten are part-time and seasonal employees.

### Appropriation summary

The budget provides a total appropriation of \$163.4 million in FY 2022 and \$162.9 million in FY 2023. Approximately 51.1% or nearly \$166.7 million of all appropriations comes from DPF funding (funds supported by fees or other revenues). More than half of spending in this fund group (59.2%) will support the H2Ohio Program. Appropriations for the Department's regulatory and oversight functions supported by the GRF account for 30.3% or \$98.7 million during the biennium. Federal funding accounts for 14.0% or \$45.8 million in appropriations. The remaining 4.6% of funding, or \$15.1 million, comes from internal operating fees charged against AGR's

operating divisions, as well as a small portion of bond proceeds used to run the Clean Ohio Agricultural Easement Program.

## **Budget highlights**

### **Continuation of water quality initiatives**

The budget provides water quality initiative funding of \$168.4 million, or 51.6% of AGR's biennial appropriations, to support the Division of Soil and Water Conservation. Of this amount, \$120.0 million (71.3%) will support the H2Ohio Program and the Soil and Water Phosphorus Program. These newer programs support the statewide effort to improve water quality in this state.

#### **H2Ohio Program**

H.B. 110 appropriates \$49.3 million in both FY 2022 and FY 2023 under Fund 6H20 line item 700670, H2Ohio, to support the H2Ohio Program. The program and Fund 6H20 were created in H.B. 166 of the 133<sup>rd</sup> General Assembly as part of the Governor's statewide water initiative to reduce algal blooms, improve wastewater infrastructure, and address lead contamination. The responsibility for carrying out these initiatives lies with AGR, the Department of Natural Resources, Ohio Environmental Protection Agency, and the Lake Erie Commission.

Under AGR, the program has provided incentives to farmers located in the Maumee River Watershed for implementing any of the seven conservation practices designed to reduce phosphorus runoff into waterways. One conservation practice that is required for farmers to be enrolled in the program is developing a Voluntary Nutrient Management Plan (VNMP). VNMPs are developed in collaboration with local soil and water conservation districts (SWCDs). This gives farmers recommendations on both soil fertility and an environmental site risk for fields which can help farmers identify nutrient and sediment loss. Farmers receive \$2 per acre incentive once a VNMP is approved by an SWCD. Farmers can also receive an additional \$2 per acre for each year up to three years the VNMP is implemented. So far, 154 VNMP have been developed and approved, amounting to approximately \$197,000 in incentive payments. Overall, 1,815 farmers with 1.1 million acres have enrolled in the program. Fund 6H20 is funded by GRF surplus revenue. Due to the spending restrictions during the COVID-19 pandemic, spending for FY 2021 under this line item was just under \$11.5 million.

#### **Soil and Water Phosphorous Program**

The budget appropriates \$10.7 million in both FY 2022 and FY 2023 under GRF line item 700417, Soil and Water Phosphorus Program, which was created in S.B. 299 of the 132<sup>nd</sup> General Assembly. H.B. 110 requires the Department to establish programs that reduce total phosphorous and dissolved reactive phosphorus in the Western Lake Erie Basin. This can be achieved through eight specified means, including the use of (1) equipment for subsurface placement of nutrients into the soil, (2) equipment for nutrient placement based on geographic information system data, (3) soil testing, (4) variable rate application technology, (5) manure transformation and manure conversion technologies, (6) tributary monitoring, (7) water management and edge-of-field drainage management, and (8) an agricultural phosphorus reduction revolving loan program. However, H.B. 110 requires that not more than 40% of the appropriation be used for any single activity. The money appropriated under this line item will

be combined with Fund 6H20 line item 700670, H2Ohio, to support best conservation practices under the H2Ohio Program in the Western Lake Erie Basin.

### **Wine tax revenues to the Ohio Grape Industries Fund**

The budget made permanent a 2¢ per gallon earmark of wine tax revenue that is credited to the Ohio Grape Industries Fund (Fund 4960). This fund is used to support and promote the Ohio grape and wine industry. The earmark was scheduled to expire on June 30, 2021, although it has previously been extended by two years in past budget bills. Fund 4960 received approximately \$1.22 million in wine tax proceeds in FY 2020 and just over \$1.24 million in FY 2021.

# Analysis of FY 2022-FY 2023 budget

## Introduction

This section provides an analysis of the funding for each appropriation line item (ALI) in AGR's budget. For organizational purposes, these ALIs are grouped into seven major categories based on their funding purposes.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the AGR section of the budget bill.

In the analysis, each appropriation item's expenditures for FY 2021 and appropriations for FY 2022 and FY 2023 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are in the budget bill. If the appropriation is earmarked, the earmarks are listed and described.

Categorization of AGR's Appropriation Line Items for Analysis of FY 2022-FY 2023 Budget				
Fund	ALI	ALI Name		Category
General Revenue Fund Group				
GRF	700401	Animal Health Programs	1:1	Animal and Food Safety
GRF	700403	Dairy Division	1:2	Animal and Food Safety
GRF	700404	Ohio Proud	4:1	Commodities and Marketing
GRF	700406	Consumer Protection Lab	1:3	Animal and Food Safety
GRF	700407	Food Safety	1:4	Animal and Food Safety
GRF	700409	Farmland Preservation	6:1	Farmland Preservation
GRF	700410	Plant Industry	2:1	Plant Health
GRF	700412	Weights and Measures	5:1	Other Agriculture Services
GRF	700415	Poultry Inspection	1:6	Animal and Food Safety
GRF	700417	Soil and Water Phosphorus Program	3:3	Soil and Water
GRF	700418	Livestock Regulation Program	1:7	Animal and Food Safety
GRF	700424	Livestock Testing and Inspections	1:7	Animal and Food Safety
GRF	700426	Dangerous and Restricted Animals	1:8	Animal and Food Safety
GRF	700427	High Volume Breeder Kennel Control	1:9	Animal and Food Safety
GRF	700428	Soil and Water Division	3:1	Soil and Water
GRF	700499	Meat Inspection Program – State Share	1:5	Animal and Food Safety
GRF	700501	County Agricultural Societies	5:4	Other Agriculture Services
GRF	700509	Soil and Water District Support	3:2	Soil and Water
GRF	700511	Ride Inspection	5:3	Other Agriculture Services
GRF	700674	Hemp Production	2:3	Plant Health

Categorization of AGR's Appropriation Line Items for Analysis of FY 2022-FY 2023 Budget				
Fund	ALI	ALI Name		Category
Dedicated Purpose Fund Group				
4900	700651	License Plates – Sustainable Agriculture	4:4	Commodities and Marketing
4940	700612	Agricultural Commodity Marketing Program	4:2	Commodities and Marketing
4960	700626	Ohio Grape Industries	4:3	Commodities and Marketing
4970	700627	Grain Warehouse Program	4:2	Commodities and Marketing
4C90	700605	Commercial Feed and Seed	2:2	Plant Health
4D20	700609	Auction Education	5:2	Other Agriculture Services
4E40	700606	Utility Radiological Safety	7:1	Administration
4P70	700610	Food Safety Inspection	1:4	Animal and Food Safety
4R00	700636	Ohio Proud Marketing	4:1	Commodities and Marketing
4R20	700637	Dairy Industry Inspection	1:2	Animal and Food Safety
4T60	700611	Poultry and Meat Inspection	1:6	Animal and Food Safety
5780	700620	Ride Inspection	5:3	Other Agriculture Services
5B80	700629	Auctioneers	5:2	Other Agriculture Services
5BV0	700660	Heidelberg Water Quality Lab	3:4	Soil and Water
5BV0	700661	Soil and Water Districts	3:2	Soil and Water
5CV1	700672	Coronavirus Relief – Local Fairs	5:5	Other Agriculture Services
5FC0	700648	Plant Pest Program	2:2	Plant Health
5H20	700608	Metrology Lab and Scale Certification	5:1	Other Agriculture Services
5L80	700604	Livestock Management Programs	1:7	Animal and Food Safety
5MA0	700657	Dangerous and Restricted Animals	1:8	Animal and Food Safety
5MR0	700658	High Volume Breeders and Kennels	1:9	Animal and Food Safety
5MS0	700659	Captive Deer	1:10	Animal and Food Safety
5LP0	700662	Pet Store License	1:11	Animal and Food Safety
5QW0	700653	Watershed Assistance	3:5	Soil and Water
5WJ0	700671	Hemp Program	2:3	Plant Health
5YB0	700676	Farm Financial Management Institute	6:3	Farmland Preservation
6520	700634	Animal, Consumer, and ATL Labs	1:3	Animal and Food Safety
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	2:2	Plant Health
6H20	700670	H2Ohio	3:6	Soil and Water
Internal Service Activity Fund Group				
5DA0	700644	Laboratory Administration Support	7:2	Administration
5GH0	700655	Administrative Support	7:3	Administration

Categorization of AGR's Appropriation Line Items for Analysis of FY 2022-FY 2023 Budget				
Fund	ALI	ALI Name		Category
Capital Projects Fund Group				
7057	700632	Clean Ohio Agricultural Easement Operating	6:1	Farmland Preservation
Federal Fund Group				
3260	700618	Meat Inspection Program – Federal Share	1:5	Animal and Food Safety
3360	700617	Ohio Farm Loan – Revolving	6:2	Farmland Preservation
3820	700601	Federal Cooperative Contracts	2:4	Plant Health
3AB0	700641	Agricultural Easement	6:1	Farmland Preservation
3J40	700607	Federal Administrative Programs	7:4	Administration
3R20	700614	Federal Plant Industry	2:5	Plant Health

## Category 1: Animal and Food Safety

This category of appropriation line items provides funding for AGR's animal and food-related services. This includes all line items funding animal diseases; food safety and inspections; dairy, livestock, and poultry inspections; and line items that fund AGR's labs. This category also includes funding for the Dangerous and Wild Animal Program and Commercial Dog Breeders Program. Overall funding for all these activities is \$34.8 million in FY 2022 and \$35.4 million in FY 2023, with the GRF providing about 60% of the total. The rest comes from fees and federal grants.

### C1:1: Animal Health Programs (ALI 700401)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700401, Animal Health Programs	\$3,597,830	\$5,267,266	\$5,388,181
% change	--	46.4%	2.3%

This item is the primary funding source for the Division of Animal Health. It funds field and laboratory staff, as well as costs for laboratory supplies and equipment maintenance contracts for the Animal Disease Diagnostic Laboratory (ADDL). ADDL is responsible for protecting the health of livestock and poultry, and is one of 42 labs nationally that is accredited by the American Association of Veterinarian Laboratory Diagnosticians. The services offered by ADDL are aquaculture, avian serology, bacteriology, histology, immunohistochemistry, molecular diagnostics, pathology, serology, and virology. The laboratory's regulatory responsibilities include oversight of animal disease control and eradication efforts through quarantine, vaccination verification, movement permits, and tracing animal identification. Additionally, ADDL is designated as a Tier 1 lab by the United States Department of Agriculture (USDA) National Animal Health Laboratory Network which provides capabilities for diagnostic testing to respond to emerging and emergency animal disease situations at the state, regional, and national level.



**C1:2: Dairy Division (ALIs 700403 and 700637)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700403, Dairy Division	\$1,129,819	\$1,292,929	\$1,342,866
% change	--	14.4%	3.9%
Fund 4R20 ALI 700637, Dairy Industry Inspection	\$1,715,204	\$1,832,950	\$1,832,950
% change	--	6.9%	0.0%

GRF line item 700403, Dairy Division, is used in conjunction with the Dairy Inspection Fund (Fund 4R20) line item 700637, Dairy Industry Inspection, to administer the state's milk inspection program. Fund 4R20 line item 700637, Dairy Industry Inspection, is supported by licensing and milk inspection fees, and is used with the GRF funding to administer the milk inspection program. Generally, all the licensing fees for dairy producers are \$15, but milk inspection fees vary dependent upon data contained in reports that each licensed producer is required to file with the Department. Fund 4R20 collected approximately \$1.8 million in revenue in FY 2020, and just below \$1.9 million in FY 2021.

Together, the line items are used to cover payroll and maintenance expenses necessary to license 1,833 dairy producers and 153 dairy processors in Ohio. There are 1,662 active dairy farms in the state of Ohio, of which 1,426 are Grade A farms and 236 are manufactured farms. Registered sanitarians inspect dairy farm operations, tank trucks, and processing and manufacturing facilities to verify sanitary conditions by checking for bacteria, coliform, excessive antibiotics, pesticide residue, foreign substances, and excess water and butterfat. The Dairy Division conducts approximately 6,200 inspections on producers.

**C1:3: Laboratory Services (ALIs 700406 and 700634)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700406, Consumer Protection Lab	\$1,139,553	\$1,467,261	\$1,389,965
% change	--	28.8%	-5.3%
Fund 6520 ALI 700634, Animal, Consumer, and ATL Labs	\$5,196,723	\$5,840,522	\$5,962,715
% change	--	12.4%	2.1%

These two line items, GRF line item 700406, Consumer Protection Lab, and Fund 6520 line item 700634, Animal, Consumer, and ATL Labs, are used to operate the Consumer Protection Laboratory (CPL). The lab performs chemical analysis and microbiological surveillance testing for food, livestock, and poultry feed to assure food product safety and verify the accuracy of product labeling. CPL is comprised of four different lab sections: microbiology, general chemistry, pesticides, and analytical toxicology.

Fees received for laboratory services are deposited into the Animal and Consumer Analytical Lab Fund (Fund 6520) which collected approximately \$5.3 million in revenue in FY 2020 and slightly more than \$5.8 million in FY 2021.

#### **C1:4: Food Safety (ALIs 700407 and 700610)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700407, Food Safety	\$1,305,487	\$1,376,113	\$1,408,710
% change	--	5.4%	2.4%
Fund 4P70 ALI 700610, Food Safety Inspection	\$637,433	\$1,071,208	\$1,096,240
% change	--	68.1%	2.3%

These two line items support the Food Safety Division. GRF line item 700407, Food Safety, is used to cover payroll and maintenance costs. The Division conducts surveillance, random sampling, facility inspections, consultations, technical assistance, and training. Spending under Fund 4P70 line item 700610, Food Safety Inspection, is supported through testing fees charged by local health departments for food sampling, and license fees from wholesale bakeries, soft drink bottlers, canneries, frozen food establishments, cold storage warehouses, and syrups and extracts manufacturers. It also consists of license fees collected by local health departments from retail food establishments that are transmitted to the Department. This fund collected \$1.0 million in revenue in FY 2020, and approximately \$992,000 in FY 2021.

The Division has a contract for 500 facility inspections through the Food and Drug Administration (FDA), and contracts with the U.S. Department of Agriculture (USDA) to conduct pesticide program and microbiological program sampling. The Division is also responsible for implementing rules under the Federal Food Modernization Act, which requires additional inspections for facilities with over \$1,000 sales in food. The Division inspects over 4,000 food manufacturing facilities annually, registers over 900 home bakeries, collects 700 food samples annually, and has developed and distributed food defense self-assessment guides and informational brochures to over 18,000 retail food establishments.

#### **C1:5: Meat Inspection (ALIs 700499 and 700618)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700499, Meat Inspection Program – State Share	\$5,787,438	\$6,485,605	\$6,672,501
% change	--	12.1%	2.9%
Fund 3260 ALI 700618, Meat Inspection Program – Federal Share	\$5,136,684	\$5,194,424	\$5,194,424
% change	--	1.1%	0.0%

These two line items support the Meat Inspection Program. GRF line item 700499, Meat Inspection Program – State Share, is used to provide the 50% state match required to operate the federally approved meat inspection program. The federal share from the USDA is appropriated under line item 700618, Meat Inspection Program – Federal Share.

The Meat Inspection Division has the regulatory authority to inspect any animal or bird at the time of harvest for the presence of harmful pathogenic microorganisms. The Division is the third largest state inspection program in the country. It regulates 263 meat and poultry establishments statewide. Of those, 184 are fully inspected facilities and provide slaughtering and processing operations for resale. The remaining 79 establishments operate under a “custom exempt” status and provide a “not-for-sale” service to individuals who wish to have their own animals slaughtered. Approximately 82.8% of the Meat Inspection Division’s costs are for salaries and fringe benefits. Travel costs and laboratory testing comprise the remaining costs for the program.

### **C1:6: Poultry Inspection (ALIs 700415 and 700611)**

<b>Fund/ALI</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Appropriation</b>	<b>FY 2023 Appropriation</b>
GRF ALI 700415, Poultry Inspection	\$792,664	\$832,288	\$851,470
% change	--	5.0%	2.3%
Fund 4T60 ALI 700611, Poultry and Meat Inspection	\$0	\$100,000	\$100,000
% change	--	N/A	0.0%

These two line items support various poultry inspection functions. GRF line item 700415, Poultry Inspection, provides funding for poultry laboratory testing, sample collection, and veterinary inspection of live birds transported into the state. These activities help prevent and combat avian influenza through testing, inspection, and surveillance programs. This line item also supports the Ohio Egg Quality Assurance Program, which focuses on controlling the threat of salmonella. Ohio ranks second in egg production nationally. The ADDL conducts all of the testing associated with these activities.

The second line item, 700611, Poultry and Meat Inspection, pays for the costs related to licensing and regulating poultry establishments. The Division of Meat Inspection requires establishments to be relicensed annually. The cost is \$50 for all licenses. These fees, as well as fines and penalties are deposited into the Poultry and Meat Inspection Fund (Fund 4T60). Fund 4T60 collected over \$77,000 in revenue in FY 2020 and nearly \$105,000 in FY 2021.

**C1:7: Livestock Regulation (ALIs 700418, 700424, and 700604)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700418, Livestock Regulation Program	\$1,075,803	\$1,281,483	\$1,325,467
% change	--	19.1%	3.4%
GRF ALI 700424, Livestock Testing and Inspections	\$86,698	\$119,843	\$122,240
% change	--	38.2%	2.0%
Fund 5L80 ALI 700604, Livestock Management Program	\$143,004	\$245,000	\$245,000
% change	--	71.3%	0.0%

These line items support the Department's responsibilities to regulate livestock throughout the state. The first of these line items, GRF line item 700418, Livestock Regulation Program, pays for the operating expenses associated with the Livestock Environmental Permitting Program. The program issues permits to install after reviewing applications for large animal feeding facilities. The program also develops administrative rules and guidelines for operating procedures, compliance monitoring, ground water quality, manure handling and containment, as well as rodent, pest, and order control.

There are three primary licenses that exist under the Livestock Environmental Permitting Program. These are the (1) Permit to Install (PTI), (2) Permit to Operate (PTO), and (3) Certified Livestock Manager. The PTI is a one-time fee of \$2,250 that is paid before construction of a livestock facility begins. The PTO fee is \$1,000, and must be renewed every five years. The Certified Livestock Manager fee is \$50, and must be renewed every three years. As of this writing, there are approximately 260 licensed permitted farms in Ohio. These licensed fees are deposited into the Livestock Management Fund (Fund 5L80).

The second of these line items, GRF line item 700424, Livestock Testing and Inspections, pays for the supplies necessary to collect urine, blood, or tissue samples from livestock exhibited at 94 Ohio county, independent, and state fairs. Over 1,400 urine and hair samples and 30 milk samples are tested annually on exhibition livestock. These funds also help to support the analytical and toxicology laboratory testing section of CPL. This line item does not directly fund any employees, as separate GRF funding pays those costs.

The third line item, Fund 5L80 line item 700604, Livestock Management Program, covers the cost of abating problems associated with concentrated animal feeding facilities (CAFFs). Specifically, the funding is used to administer emergency remediation for any water quality problems that cannot be quickly rectified through enforcement actions. The funding is supported by application and permit fees, and the proceeds of any fees and amounts recouped from abatement work. These amounts are also deposited into Fund 5L80. This fund collected approximately \$136,000 in revenue in FY 2020 and \$143,700 in FY 2021.

**C1:8: Dangerous Wild Animal Program (ALIs 700426 and 700657)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700426, Dangerous and Restricted Animals	\$575,779	\$618,447	\$631,310
% change	--	7.4%	2.1%
Fund 5MA0 ALI 700657, Dangerous and Restricted Animals	\$6,832	\$10,000	\$10,000
% change	--	46.3%	0.0%

These two line items support the administrative costs for administering the Dangerous Wild Animal Program which regulates the possession of dangerous wild animals and restricted snakes. Three full-time employees work under this program. Currently, there are 35 permitted Dangerous and Wild Animal owners in the state. Fund 5MA0 line item 700657, Dangerous and Restricted Animals, consists of permit fees and penalties. In FY 2020, Fund 5MA0 collected approximately \$12,000 and nearly \$13,000 in FY 2021.

**C1:9: Commercial Dog Breeders Program (ALIs 700427 and 700658)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700427, High Volume Breeder Kennel Control	\$1,212,206	\$1,269,865	\$1,300,401
% change	--	4.8%	2.4%
Fund 5MR0 ALI 700658, High Volume Breeders and Kennels	\$373,668	\$460,000	\$460,000
% change	--	23.1%	0.0%

These two line items support the Commercial Dog Breeders Program. GRF line item 700427, High Volume Breeder Kennel Control, is used to cover operating costs, including staff and inspections for the Commercial Dog Breeders Program and pet store regulations. In regard to the Commercial Dog Breeders Program, the Department annually inspects each facility that is registered as a high volume breeder and inspects these operations if a complaint is filed.

Fund 5MR0 line item 700658, High Volume Breeders and Kennels, consists of license fees received from high volume breeders. License fees depend on the number of puppies sold in a calendar year, ranging from \$150 annually for breeders producing between 40-60 puppies to \$750 for those producing over 350 puppies.

In FY 2020, the Department collected over \$441,000 in license and registration fees. Receipts from these fees was \$447,000 in FY 2021. A portion of the fees are remitted to county dog and kennel funds to defray the costs that county auditors incur for licensing dogs and county dog wardens bear for their operations. In FY 2020, \$31,865 from these fees were distributed to county auditors and dog wardens, and \$34,279 was transferred in FY 2021.

**C1:10: Captive Deer (ALI 700659)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5MS0 ALI 700659, Captive Deer	\$5,106	\$18,000	\$18,000
% change	--	252.5%	0.0%

This line item supports the Captive Deer Program, a monitoring and testing program to ensure the safety of the captive whitetail deer population from Chronic Wasting Disease. Specifically, the line item funds (1) administrative costs associated with enforcement of the program, (2) licensing of captive deer propagating facilities and hunting reserves, (3) disease testing, mitigation, and elimination, (4) investigations and inspections of the premises of whitetail deer licenses, and (5) education and outreach to facility owners. There are just under 350 licensed captive whitetail deer farms. The license fee ranges from \$25 to \$250 depending on herd size. License fees are deposited into the Captive Deer Fund (Fund 5MS0). In FY 2020, \$8,725 was deposited into Fund 5MS0, and in FY 2021 the fund collected \$7,225.

**C1:11: Pet Store License (ALI 700662)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5PLO ALI 700662, Pet Store License	\$500	\$30,000	\$30,000
% change	--	5,900.0%	0.0%

This line item is used to support AGR's responsibilities to regulate pet stores. The Pet Store License Fund (Fund 5PLO) receives revenue from pet store license fees (\$500) and civil penalties. In FY 2020, \$21,500 was deposited into Fund 5PLO, and receipts were \$25,500 in FY 2021. Any excess costs incurred over the amount appropriated is paid under Fund 5MRO line item 700658, High Volume Breeders and Kennels and GRF line item 700427, High Volume Breeder Kennel Control.

**Category 2: Plant Health**

This category of appropriation line items provides funding for the Division of Plant Health which includes the Grain Warehouse, Feed and Seed, Pesticide and Fertilizer Regulation, and Plant Pest Control sections. Additionally, it contains appropriations for the new Hemp Program that began in FY 2020. The Division conducts plant inspections and pesticide regulation activities. This includes consumer and farmer protection regulations, such as inspecting honey bee colonies, controlling the spread of gypsy moths and other pests, testing germination of packaged seeds, verifying label statements on feed and fertilizers, certifying fertilizer and commercial pesticide applicators, and regulating nursery stock.

**C2:1: Plant Industry (ALI 700410)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700410, Plant Industry	\$154,508	\$151,708	\$155,449
% change	--	-1.8%	2.5%

This item supports the Division of Plant Health to oversee the Department's Apiary, Grain Warehouse, Feed and Seed, Pesticide and Fertilizer Regulation, and Plant Pest Control sections. The line item supports the inspection of apiaries and monitoring and control of invasive plant pests and diseases. In addition, the line item can be used to fund nursery stock certification inspection for import and export products such as lumber, logs, seed, fruit, and vegetables.

**C2:2: Pesticide and Fertilizer Regulation (ALIs 700605, 700648, and 700635)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 4C90 ALI 700605, Commercial Feed and Seed	\$2,008,638	\$2,326,251	\$2,326,251
% change	--	15.8%	0.0%
Fund 5FC0 ALI 700648, Plant Pest Program	\$1,292,721	\$1,554,599	\$1,590,615
% change	--	20.3%	2.3%
Fund 6690 ALI 700635, Pesticide, Fertilizer, and Lime Inspection Program	\$4,407,906	\$4,894,402	\$4,894,402
% change	--	11.0%	0.0%

These line items support the Plant Division's various responsibilities relating to testing germination of packaged seeds, verifying label statements on feed and fertilizers, and regulating nursery stock.

Line item 700605, Commercial Feed and Seed, is used to test feeds for medication, perform routine inspections of feed mills, perform BSE (mad cow) inspections, testing lime, fertilizer sampling, and inspections of fertilizer contaminants and anhydrous ammonia facilities.

Line item 700648, Plant Pest Program, is supported through various nursery stock fees that are deposited into the Plant Pest Program Fund (Fund 5FC0). Fund 5FC0 collected \$1.2 million in revenues in FY 2020. This line item is used to fund annual inspections of nursery stock producers and plant-based commodities entering commerce within the state. The program also registers apiaries and coordinates apiary inspections to monitor the health of the state's honey bee population. State and federal pest quarantines are also administered under funding in this line item.

Line item 700635, Pesticide, Fertilizer, and Lime Inspection Program, is used to register pesticides, license applicators, test applicators, perform routine pesticide inspections, investigate citizen complaints, and enforce pesticide laws. The line item is also used to provide funding for

the Fertilizer Applicator Certification Program which requires Ohio's farmers and commercial fertilizer applicators to complete training provided by the Ohio State University (OSU) Extension. The funding under this line item is made up of license fees collected from dealers and applicators that are deposited into the Pesticide, Fertilizer, and Lime Program Fund (Fund 6690). Fund 6690 received \$3.7 million in revenue in FY 2020 and \$4.6 million in FY 2021.

### **C2:3: Hemp Program (ALIs 700674 and 700671)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700674, Hemp Production	\$0	\$195,000	\$195,000
% change	--	N/A	0.0%
Fund 5WJ0 ALI 700671, Hemp Program	\$1,160,421	\$1,006,000	\$1,006,000
% change	--	-13.3%	0.0%

These line items are used to administer and enforce the Hemp Law which was created by S.B. 57 of the 133<sup>rd</sup> General Assembly. It supports costs incurred under the Hemp Program, including personnel, testing and collecting hemp or cannabidiol (CBD) products, and equipment. There are currently seven full-time equivalent employees under this program. The Department began accepting and approving licenses to allow for the cultivation of hemp in CY 2020. According to AGR's annual report, 122 cultivator licenses, four processor licenses, and two universities research cultivator licenses have been approved so far.

### **C2:4: Federal Cooperative Contracts (ALI 700601)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 3820 ALI 700601, Federal Cooperative Contracts	\$6,574,543	\$8,613,000	\$8,617,000
% change	--	31.0%	0.1%

This line item receives revenues from federal agencies for grants and contracted services provided by the Department. These federal awards are deposited into the Cooperative Contracts Fund (Fund 3820) to facilitate cash flow where revenue from these various federal sources is intermittently received. The six various federal grants and contracts are under the federal Plant and Animal Disease, Pest Control and Animal Care, and Food Safety programs. Additionally, this line item includes federal grants for the Agricultural Soil and Water Conservation Program. Once the Department receives federal funding for these purposes, the required sums of cash are then transferred to the appropriate program-specific fund. In some cases, the costs related to the above programs are paid directly from Fund 3820. Receipts from the federal government totaled \$6.4 million in FY 2020 and \$7.3 million in FY 2021.



**C2:5: Federal Plant Industry (ALI 700614)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 3R20 ALI 700614, Federal Plant Industry	\$6,545,964	\$7,295,972	\$7,295,972
% change	--	11.5%	0.0%

This line item also is used to distribute funding from federal grants and cooperative agreements and is used for cost sharing in the operation of the Gypsy Moth Program as well as for operating the Pesticide Program and performing pest and disease surveys for the USDA. In CY 2019, aerial treatments were applied to over 78,000 acres to suppress and slow the spread of Gypsy Moths. Additionally, this line item is used for Asian Longhorned Beetle eradication, which has posed a threat to Ohio's timber crop.

**Category 3: Soil and Water**

This category of funding includes line items within the Department's budget that fund AGR's soil and water conservation responsibilities. The Division of Soil and Water Conservation is charged with (1) providing support to Ohio's 88 soil and water conservation districts (SWCDs), (2) implementing statewide agricultural and nonpoint source water pollution control programs, (3) supporting local development of watershed management and protection action plans, and (4) administering conservation programs and cost share for Agricultural Pollution Best Management Practices. Dedicated Purpose Fund line items account for approximately two-thirds of the funding. The remaining third comes from the GRF.

**C3:1: Soil and Water Division (ALI 700428)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700428, Soil and Water Division	\$2,929,437	\$3,658,683	\$3,658,683
% change	--	24.9%	0.0%

This line item is the primary source of operating support for the Division of Soil and Water Conservation. The Division staff consists of nutrient management specialists, professional engineers, program specialists, and soil scientists. The nutrient management specialists within the Division implement statewide agricultural and nonpoint source water pollution control programs and assist SWCDs and local watershed groups in implementing these types of programs. The Division's professional engineers provide engineering services to help install equipment and practices for pollution reduction as well as train SWCD staff, including administrative, financial, organizational, and strategic planning assistance. In addition, Division staff also assists the Ohio Soil and Water Conservation Commission with its oversight responsibilities. Lastly, the Division's soil scientists update and maintain soil information based on data collected in county-based soil survey projects.

### **C3:2: Soil and Water Conservation District Support (ALIs 700509 and 700661)**

<b>Fund/ALI</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Appropriation</b>	<b>FY 2023 Appropriation</b>
GRF ALI 700509, Soil and Water District Support	\$11,898,382	\$11,810,000	\$11,810,000
% change	--	-0.7%	0.0%
Fund 5BV0 ALI 700661, Soil and Water Districts	\$7,696,981	\$8,000,000	\$8,000,000
% change	--	3.9%	0.0%

The Division of Soil and Water Conservation uses these two line items to provide direct assistance to Ohio's 88 county SWCDs for the planning, design, and construction of conservation projects to reduce soil erosion and protect local water resources. A portion of these funds are also used to provide technical assistance, support local watershed coordinators, implement pollution control programs, and related activities. SWCDs are required to match state assistance pursuant to a formula adopted by the Ohio Soil and Water Conservation Commission. Under the current formula, the state provides a base of \$15,000 to each SWCD regardless of the total local match revenue. The first \$20,000 of local match revenue is matched by the state at 200% in FY 2021. All funds above \$20,000 and below \$500,000 will be matched at a uniform match rate that is calculated on the remaining available state match funds. If an SWCD receives over \$500,000 in local funds, the state will match 60% of the amount that would otherwise have gone to that district under the match percentage determined by the formula.

Funding for this direct assistance under line item 700661, Soil and Water Districts, is supported by the Soil and Water Districts Assistance Fund (Fund 5BV0). Fund 5BV0 receives revenue from (1) a disposal fee of 12.5¢ per cubic yard or 25¢ per ton of construction and demolition debris, (2) 25¢ per ton of municipal solid waste, and (3) 50¢ per tire on the sale of new tires. Additionally, line item 700661, Soil and Water District Support, can be used to pay any SWCD an annual amount not to exceed \$40,000 upon receipt of request and justification from the district and approval by the Ohio Soil and Water Conservation Commission.

In addition to the direct assistance explained above, H.B. 110 earmarks funding for SWCDs in the Western Lake Erie Basin under GRF line item 700509, Soil and Water District Support. Specifically, \$3.5 million in both FY 2022 and FY 2023 under this line item is earmarked for staffing costs and to assist in soil testing and nutrient management plan development, including manure transformation and manure conversion technologies, enhanced filter strips, water management, and other conservation measures. Additionally, the bill earmarks \$350,000 in both FY 2022 and FY 2023 to be used for a program to support SWCDs in the Western Lake Erie Basin in complying with provisions of S.B. 1 of the 131<sup>st</sup> General Assembly. That act prohibited the application of fertilizer and manure in the Western Lake Erie Basin on frozen ground, saturated soil, and during certain weather conditions. Finally, the bill earmarks \$50,000 in each fiscal year to support the administrative expenses of the Indian Lake Watershed Project.

### C3:3: Soil and Water Phosphorus Program (ALI 700417)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700417, Soil and Water Phosphorus Program	\$6,400,000	\$10,700,000	\$10,700,000
% change	--	67.2%	0.0%

This line item supports the Soil and Water Phosphorus Program which was established in S.B. 299 of the 132<sup>nd</sup> General Assembly. Uncodified law in H.B. 110 requires the Department to establish programs in reducing total phosphorous and dissolved reactive phosphorus in the Western Lake Erie Basin through various means. This can include using techniques such as (1) subsurface placement of nutrients into the soil, (2) nutrient placement based on geographic information system data, (3) soil testing, (4) variable rate application technology, (5) manure transformation and manure conversion technologies, (6) tributary monitoring, (7) water management and edge-of-field drainage management, and (8) financial incentives through an agricultural phosphorus reduction revolving loan program. Additionally, H.B. 110 requires that not more than 40% of the appropriation be used for any single activity. According to the Department, this program will be used to fund practices being implemented under the H2Ohio Program.

### C3:4: Heidelberg Water Quality Lab (ALI 700660)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5BV0 ALI 700660, Heidelberg Water Quality Lab	\$275,000	\$275,000	\$275,000
% change	--	0.0%	0.0%

This line item supports the National Center for Water Quality Research at Heidelberg University in Tiffin. The laboratory performs research on soil and water issues, including studying agricultural impacts on soil and water resources and conducting water quality analyses. Funding for this line item is provided by the solid waste, construction and demolition debris, and tire sale fees credited to Fund 5BV0.

### C3:5: Watershed Assistance (ALI 700653)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5QW0 ALI 700653, Watershed Assistance	\$370,082	\$515,000	\$515,000
% change	--	39.2%	0.0%

This line item supports Ohio's watersheds and is funded by various grants, fees, and contributions made directly to it. Specifically, this line item funds the Muskingum Water District Program and SWCD Staff Technical and Administrative Development programs. The Muskingum Watershed Conservancy District provides funding to local SWCDs to cost share with landowners for projects that conserve and manage natural resources and ecosystems within the Muskingum

River and Duck Creek watersheds. The Staff Technical and Administrative Development programs are training programs for newly hired SWCD staff.

### **C3:6: H2Ohio (ALI 700670)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 6H20 ALI 700670, H2Ohio	\$11,464,776	\$49,300,000	\$49,300,000
% change	--	330.0%	0.0%

This line item is used to support the H2Ohio Program, the Governor's water quality initiative aimed to reduce phosphorous in waterways, creating wetlands, addressing failing septic systems, and preventing lead contamination through programs implemented by the departments of Agriculture, Natural Resources, and the Ohio Environmental Protection Agency. This line item is used to provide incentive payments to farmers located in the Maumee River Watershed for implementing any of the seven best conservation practices proven to reduce phosphorous runoff on farmland and into the waterways. Incentive payments depend on the best conservation practice implemented by landowners.

Under current law, the H2Ohio Fund (Fund 6H20) must be used to fund the following types of activities and initiatives: (1) agricultural water projects, which focuses on agricultural practices, (2) community water projects, which involve a public water system operated by a political subdivision, (3) nature water projects, which involve a natural water system, (4) awarding or allocating grants or money, issuing loans, or making purchases for the development and implementation of projects and programs that are designed to address water quality priorities, (5) funding cooperative research, data gathering and monitoring, and demonstration projects related to water quality priorities, (6) encouraging cooperation with and among leaders from state legislatures, state agencies, political subdivisions, business and industry, labor, agriculture, environmental organizations, institutions of higher education, and water conservation districts, and (7) other purposes, policies, programs, and priorities identified by the Lake Erie Commission in coordination with the state agencies or boards responsible for water protection and water management.

Fund 6H20 receives transfers from surplus balances in the GRF. Total funding under Fund 6H20 in H.B. 110 is approximately \$168.9 million in the FY 2022-FY 2023 biennium under the agency budgets of Agriculture, the Environmental Protection Agency, Lake Erie Commission, and the Department of Natural Resources. The bill also allows the AGR Director to certify to the Office of Budget and Management (OBM) Director the amount of the unexpended, unencumbered balance of this line item at the end of FY 2022 to be reappropriated in FY 2023 under this line item. Funding during FY 2021 was curtailed because of state spending restrictions instituted during the COVID-19 pandemic.

### **Category 4: Commodities and Marketing**

This category is used to fund the Department's marketing activities, which seek to increase consumer purchasing and awareness of Ohio-based foods and other agricultural products.

**C4:1: Ohio Proud (ALIs 700404 and 700636)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700404, Ohio Proud	\$59,582	\$102,734	\$105,096
% change	--	72.4%	2.3%
Fund 4R00 ALI 700636, Ohio Proud Marketing	\$15,535	\$30,500	\$30,500
% change	--	96.3%	0.0%

These line items are used to fund Ohio Proud, a domestic marketing program to promote Ohio food and agricultural products within the state and throughout the country. In CY 2020, there were approximately 480 partners in 79 counties that are licensed members of the Ohio Proud Program. Participating companies are also involved in the Ohio Proud Logo Program, in which the Ohio Proud logo is placed on domestic products sold by the participating company. Companies pay an initial \$50 fee to join Ohio Proud which is deposited into the Ohio Proud Marketing Program Fund (Fund 4R00). Additionally, H.B. 110 authorizes AGR to sell merchandise that promotes the Ohio Proud Program and requires any of those proceeds to be deposited into Fund 4R00.

**C4:2: Commodities (ALIs 700612 and 700627)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 4940 ALI 700612, Agricultural Commodity Marketing Program	\$242,772	\$240,000	\$240,000
% change	--	-1.1%	0.0%
Fund 4970 ALI 700627, Grain Warehouse Program	\$303,647	\$425,000	\$425,000
% change	--	40.0%	0.0%

Line item 700612, Agricultural Commodity Marketing Program, consists of voluntary assessments from the producers of agricultural commodities to cover the operating costs for marketing those commodities. The Department provides oversight for eight marketing programs: (1) apple, (2) beef, (3) corn, (4) egg, (5) small fruit and vegetable, (6) sheep and wool, (7) propane, and (8) hemp. In FY 2020, over \$238,000 in assessments were deposited into the Agriculture Commodity Marketing Program Fund (Fund 4940). Deposits into the fund were over \$245,000 in FY 2021.

Line item 700627, Grain Warehouse Program, is used to pay the costs of licensing and regulating grain warehouses and handlers. Funds are used to inspect grain elevators to determine the quantity of grain stored and financial status of the facility. The Commodity Handlers Regulatory Fund (Fund 4970) consists of inspection fees paid by commodity handlers, and interest transferred in from a related indemnity fund. Currently, there are 364 licensed commodity handlers and all are examined each year. Examination fees range from \$50 to \$1,200 depending on the size of the facility.

**C4:3: Ohio Grape Industries (ALI 700626)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 4960 ALI 700626, Ohio Grape Industries	\$1,039,252	\$1,550,000	\$1,550,000
% change	--	49.2%	0.0%

This line item funds the Ohio Grape Industries Program, which promotes the sale and production of grape products within the state by providing new information on growing techniques, marketing strategies, and identification of grape varieties suitable for cultivation in Ohio. Several research programs funded through the Ohio Grape Industries Fund (Fund 4960) have resulted in techniques for growing high-quality grapes in a “cool climate” environment which has helped to reduce losses from severe weather. There are about 350 licensed wineries in Ohio.

This program is funded through a 5¢ per gallon tax on all wine sales in Ohio that is deposited into the Ohio Grape Industries Fund (Fund 4960). H.B. 110 makes permanent the temporary 2¢ per gallon earmark of tax on the distribution of wine, vermouth, and sparkling and carbonated wine and champagne, as opposed to being routinely renewed every biennium. This source of funding yielded receipts of approximately \$1.2 million in both FY 2020 and FY 2021.

**C4:4: License Plates – Sustainable Agriculture (ALI 700651)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 4900 ALI 700651, License Plates – Sustainable Agriculture	\$11,215	\$17,500	\$17,500
% change	--	56.0%	0.0%

This line item is used to promote agriculture awareness and programs through the issuance of license plates.

**Category 5: Other Agriculture Services**

This category encompasses line items that fund other agricultural services not directly related to food or plant regulation.

**C5:1: Weights and Measures (ALIs 700412 and 700608)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700412, Weights and Measures	\$590,344	\$631,487	\$631,487
% change	--	7.0%	0.0%
Fund 5H20 ALI 700608, Metrology Lab and Scale Certification	\$1,002,780	\$1,269,572	\$1,289,718
% change	--	26.6%	1.6%

These two line items support the operating expenses of the Division of Weights and Measures, which consists of 12 full-time employees. Specifically, GRF line item 700412, Weights and Measures, is used to pay the operating costs of the Division, which primarily entails employee salaries. The Division annually inspects measuring devices in all 88 counties, processes over 7,000 device permits, registers hundreds of service persons, issues over 1,200 calibration certificates in the Metrology Lab, and provides training for state and local jurisdiction inspectors.

Funding for this program under line item 700608, Metrology Lab and Scale Certification, is derived from fees paid by private companies for calibration and measuring device certification services which are deposited into the Metrology and Scale Certification Fund (Fund 5H20). The funding is used to certify and ensure the accuracy of secondary weights and measures standards. In FY 2020, approximately \$973,000 was deposited into Fund 5H20. Receipts for FY 2021 were just over \$1.0 million.

**C5:2: Auctioneers (ALIs 700629 and 700609)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5B80 ALI 700629, Auctioneers	\$226,973	\$361,450	\$361,450
% change	--	59.3%	0.0%
Fund 4D20 ALI 700609, Auction Education	\$2,030	\$50,000	\$50,000
% change	--	2,363.1%	0.0%

These two line items are used to pay the operating expenses related to the regulation of the auctioneer industry, including the licensing of auctioneers, and providing continuing education. Line item 700629, Auctioneers, is used to pay the operating expenses of licensing auctioneers, of whom there are approximately 2,900 statewide. Auctioneers are required to renew their license biennially, which includes a fee of \$200 that is deposited into the Auctioneers Fund (Fund 5B80). In FY 2020, Fund 5B80 collected approximately \$251,000 in revenue in FY 2021. Uncodified law in H.B. 110 allows the OBM Director, on or before December 31, 2021, and upon request of the AGR Director, to transfer up to \$300,000 from the Auction Recovery Fund (Fund 5U10) to Fund 5B80. The current fund balance of Fund 5U10 is just over \$1.3 million.

The funding under line item 700609, Auction Education, is used to provide continuing education to licensed auctioneers. The line item is funded by the proceeds from \$7.50 collected from each initial or renewed auctioneer's license in Ohio. This amount is then deposited into the Auction Education Fund (Fund 4D20). Receipts from this source were just over \$21,000 in FY 2021.

### **C5:3: Amusement Ride Safety (ALIs 700511 and 700620)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700511, Ride Inspection	\$396,470	\$900,000	\$600,000
% change	--	127.0%	-33.3%
Fund 5780 ALI 700620, Ride Inspection	\$348,509	\$700,000	\$1,200,000
% change	--	100.9%	71.4%

These line items support the Division of Amusement Ride Safety in overseeing and enforcing safety requirements for the operation of amusement rides, games, and concessions. These line items fund seven full-time employees. The requested increase under GRF line item 700511, Ride Inspection, will support new requirements for the Division enacted under H.B. 189 of the 133<sup>rd</sup> General Assembly. Under this bill, the Department estimates that 44 second inspections of roller coasters and aerial lifts and 890 second inspections of "other" rides will need to be conducted.

Fund 5780 line item 700620, Ride Inspection, is supported by fees for licenses, inspections, reinspections, and fines for amusement ride operators. In CY 2020, the Division licensed over 1,500 rides and performed 2,100 inspections. The Amusement Ride Inspection Fund (Fund 5780) collected \$770,000 in revenue in FY 2020 and \$606,000 in FY 2021.

### **C5:4: County Agricultural Societies (ALI 700501)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700501, County Agricultural Societies	\$325,616	\$379,673	\$379,673
% change	--	16.6%	0.0%

This GRF subsidy line item is used to reimburse part of the expenses incurred by the 94 county and independent agricultural fairs for youth activities. The amount received through reimbursement depends on the number of fairs seeking reimbursement and the amount of subsidy funding available. Reimbursements are issued after agricultural societies provide a report listing junior fair expenses that they have incurred. There are approximately 100,000 to 110,000 junior fair participants in Ohio each year and reimbursements are generally between \$3,000 and \$5,100 per year.



### C5:5 Coronavirus Relief – Local Fairs (ALI 700672)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5CV1 ALI 700672, Coronavirus Relief – Local Fairs	\$4,385,000	\$1,000,000	\$0
% change	--	-77.2%	-100.0%

This line item is supported by money received by the state under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act in CY 2020. H.B. 110 requires this line item to be used to support pandemic-related safety measures in connection with the Ohio State Fair in FY 2022. In FY 2021, this line item was used to support expenses incurred by county and independent fairs to comply with health guidance and measures necessitated by the COVID-19 public health emergency. The Department distributed \$50,000 to each fair that conducted a junior fair and \$15,000 to each fair that did not.

### Category 6: Farmland Preservation

This category includes line items used to fund initiatives and programs aimed at the preservation of agricultural farmland in Ohio.

#### C6:1: Farmland Preservation (ALIs 700409, 700632, and 700641)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 700409, Farmland Preservation	\$36,897	\$1,000,000	\$500,000
% change	--	2,610.3%	-50.0%
Fund 7057 ALI 700632, Clean Ohio Agricultural Easement Operating	\$564,058	\$610,000	\$610,000
% change	--	8.1%	0.0%
Fund 3AB0 ALI 700641, Agricultural Easement	\$318,754	\$330,000	\$330,000
% change	--	3.5%	0.0%

These line items support the Office of Farmland Preservation, which attempts to preserve fertile farmlands in Ohio through the agricultural easement donation program, the agricultural easement purchase program, and through the implementation of agricultural security areas. Agricultural easement purchases essentially consist of a landowner receiving a predetermined payment for a specified area of property in return for an agreement with the state that the specified property will remain for agricultural use forever, instead of being developed for different purposes. AGR offers easement options periodically. Interested parties can apply for an easement, and through a series of criteria, each applicant is given a score. Depending on available funding, a certain number of applicants are awarded an easement. During a typical cycle of easement awards, there are approximately 200 applicants.

GRF line item 700409, Farmland Preservation, pays the operating costs of the Office of Farmland Preservation, which includes payroll for and the administrative costs associated with

implementing its various farmland preservation programs. Currently, the Office has six full-time employees. Of the appropriation in FY 2022, \$500,000 is earmarked to (1) purchase agricultural easements and (2) provide matching grants to municipal corporations, counties, townships, soil and water conservation districts, and certain charitable organizations for the purchase of agriculture easements.

Line item 700641, Agricultural Easement, is used to help with purchases of agricultural easements. The Agricultural Easement Fund (Fund 3AB0) received matching grants from the federal government for the purchase of agricultural easements through the federal Farm and Ranch Land Protection Program. However, note that federal matching funds under the 2014 Farm Bill started to flow directly to the landowner when the easement is purchased. As of August 2021, Fund 3AB0 had a cash balance of approximately \$682,000.

The third line item, 700632, Clean Ohio Agricultural Easement Operating, is used to administer agricultural easements in relation to the Clean Ohio bond initiative. The Clean Ohio Agricultural Easement Fund (Fund 7057) receives interest earnings from amounts deposited within the Clean Ohio Fund. Since the implementation of the agricultural easement purchase program, approximately \$79.0 million in Clean Ohio funds, \$36.0 million in matching federal funds, and \$1.5 million in Tobacco Master Settlement funds have been disbursed to preserve over 92,000 acres of farmland through 593 easements in 52 counties. The agricultural donation program has preserved approximately 7,400 acres of farmland from 64 donations.

### **C6:2: Ohio Farm Loan (ALI 700617)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 3360 ALI 700617, Ohio Farm Loan – Revolving	\$166,796	\$225,000	\$225,000
% change	--	34.9%	0.0%

This line item is used to award grants for rural rehabilitation of farmland that benefit rural residents and has a long-term impact on the community. The grant can be used to acquire land; to construct, reconstruct, remodel, renovate, rehabilitate, enlarge, or improve buildings to be used for agricultural purposes; or to buy stationary equipment and fixed assets. Additionally, the line item is used to award grants for organizations pursuing youth-focused agricultural interest. Specifically, this line item supports the Agriculture and Rural Community Outreach Program administered by the Ohio FFA organization. Lastly, this line item supports the Department's costs related to administering farmland programs.

### **C6:3: Farm Financial Management Institute (ALI 700676)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5YB0 ALI 700676, Farm Financial Management Institute	\$0	\$250,000	\$250,000
% change	--	N/A	0.0%

This new line item will be used to provide funds to the OSU Extension's Farm Production, Policy, and Financial Management Institute. The budget bill expands the Institute's role to include assisting farmers in addressing integration of farm production practices, agricultural marketing, and farm management in addition to financial management. These allocations from AGR will be used to assist the Institute in these additional duties. The budget bill contains a \$500,000 transfer from the GRF to the OSU Extension Fund (Fund 5YB0) to make the needed allocations.

## Category 7: Administration

This category consists of line items appropriated across various agency programs, largely for centralized administrative purposes not directly attributable to any of the categories described in this analysis.

### C7:1: Utility Radiological Safety (ALI 700606)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 4E40 ALI 700606, Utility Radiological Safety	\$105,148	\$101,130	\$101,130
% change	--	-3.8%	0.0%

This line item is used to pay AGR's share of all necessary operating costs to ensure nuclear power plants are operated safely and that contingency plans are followed in case of a nuclear accident. The departments of Agriculture, Commerce, and Health; the Emergency Management Agency; the Environmental Protection Agency; and the Public Works Commission have developed a comprehensive policy for the state in case of a nuclear accident. The Utility Radiological Safety Fund (Fund 4E40) consists of sums paid by the Ohio Radiological Preparedness Board of the Public Utilities Commission.

### C7:2: Laboratory Administration Support (ALI 700644)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5DA0 ALI 700644, Laboratory Administration Support	\$1,135,438	\$1,204,626	\$1,204,626
% change	--	6.1%	0.0%

This line item is used solely to pay the operational expenses of the Ohio Department of Health/Environmental Protection Agency laboratory building on the Department of Agriculture's Reynoldsburg campus. The funding is supported by quarterly payments from the Department of Health and the Environmental Protection Agency for their share of utility, supply, and repair costs for the facility that are deposited into the Laboratory Administration Fund (Fund 5DA0). Those receipts amounted to \$973,000 in FY 2020 and nearly \$1.2 million in FY 2021.

**C7:3: Administrative Support (ALI 700655)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5GH0 ALI 700655, Administrative Support	\$5,573,018	\$5,677,844	\$5,813,996
% change	--	1.9%	2.4%

This line item funds central services and administrative costs related to the operations of each division. AGR uses an indirect cost-funding strategy to charge a given portion of the agency's payroll expenses (approximately 25%), periodically depositing the proceeds into the Central Support Indirect Cost Fund (Fund 5GH0). This fund collected \$4.9 million in FY 2020 from among the Department's divisions and \$6.1 million in FY 2021.

**C7:4: Federal Administrative Programs (ALI 700607)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 3J40 ALI 700607, Federal Administrative Programs	\$613,500	\$1,237,587	\$1,264,214
% change	--	101.7%	2.2%

This line item is used to meet Statewide Cost Allocation Plan (SWCAP) requirements and pay the overhead costs of the agency that are attributable to federal grant activities. Expenses that are paid from this source of funding include utility billings as well as the cost of salaries that are typically applied to federal grants, such as administrative staff. The Indirect Cost Fund (Fund 3J40) consists of federal grant moneys for cooperative agreements with Ohio for such activities as meat and poultry inspections and pesticide enforcement. AGR's indirect cost plan is to periodically take 20% of payroll costs and deposit them into Fund 3J40. In FY 2020, this fund collected approximately \$578,000 in revenues. Receipts increased to approximately \$1.1 million in FY 2021.

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Line Item Detail by Agency			Appropriations			FY 2021 to FY 2022	Appropriations	FY 2022 to FY 2023
			FY 2020	FY 2021	FY 2022	% Change	FY 2023	% Change
Report For: Main Operating Appropriations Bill			Version: As Enacted					
AGR	Department of Agriculture							
GRF	700401	Animal Health Programs	\$ 3,869,772	\$ 3,597,830	\$ 5,267,266	46.40%	\$ 5,388,181	2.30%
GRF	700403	Dairy Division	\$ 1,228,924	\$ 1,129,819	\$ 1,292,929	14.44%	\$ 1,342,866	3.86%
GRF	700404	Ohio Proud	\$ 99,391	\$ 59,582	\$ 102,734	72.42%	\$ 105,096	2.30%
GRF	700406	Consumer Protection Lab	\$ 1,351,537	\$ 1,139,553	\$ 1,467,261	28.76%	\$ 1,389,965	-5.27%
GRF	700407	Food Safety	\$ 1,386,156	\$ 1,305,487	\$ 1,376,113	5.41%	\$ 1,408,710	2.37%
GRF	700409	Farmland Preservation	\$ 75,167	\$ 36,897	\$ 1,000,000	2,610.26%	\$ 500,000	-50.00%
GRF	700410	Plant Industry	\$ 148,853	\$ 154,508	\$ 151,708	-1.81%	\$ 155,449	2.47%
GRF	700412	Weights and Measures	\$ 593,481	\$ 590,344	\$ 631,487	6.97%	\$ 631,487	0.00%
GRF	700415	Poultry Inspection	\$ 813,164	\$ 792,664	\$ 832,288	5.00%	\$ 851,470	2.30%
GRF	700417	Soil and Water Phosphorus Program	\$ 0	\$ 6,400,000	\$ 10,700,000	67.19%	\$ 10,700,000	0.00%
GRF	700418	Livestock Regulation Program	\$ 1,125,792	\$ 1,075,803	\$ 1,281,483	19.12%	\$ 1,325,467	3.43%
GRF	700424	Livestock Testing and Inspections	\$ 106,517	\$ 86,698	\$ 119,843	38.23%	\$ 122,240	2.00%
GRF	700426	Dangerous and Restricted Animals	\$ 546,599	\$ 575,779	\$ 618,447	7.41%	\$ 631,310	2.08%
GRF	700427	High Volume Breeder Kennel Control	\$ 1,235,212	\$ 1,212,206	\$ 1,269,865	4.76%	\$ 1,300,401	2.40%
GRF	700428	Soil and Water Division	\$ 3,464,343	\$ 2,929,437	\$ 3,658,683	24.89%	\$ 3,658,683	0.00%
GRF	700499	Meat Inspection Program - State Share	\$ 6,102,832	\$ 5,787,438	\$ 6,485,605	12.06%	\$ 6,672,501	2.88%
GRF	700501	County Agricultural Societies	\$ 379,673	\$ 325,616	\$ 379,673	16.60%	\$ 379,673	0.00%
GRF	700509	Soil and Water District Support	\$ 13,215,486	\$ 11,898,382	\$ 11,810,000	-0.74%	\$ 11,810,000	0.00%
GRF	700511	Ride Inspection	\$ 399,964	\$ 396,470	\$ 900,000	127.00%	\$ 600,000	-33.33%
GRF	700512	Local Fairs	\$ 0	\$ 250,000	\$ 0	N/A	\$ 0	N/A
GRF	700674	Hemp Production	\$ 0	\$ 0	\$ 195,000	N/A	\$ 195,000	0.00%
General Revenue Fund Total			\$ 36,142,862	\$ 39,744,512	\$ 49,540,385	24.65%	\$ 49,168,499	-0.75%
4900	700651	License Plates - Sustainable Agriculture	\$ 0	\$ 11,215	\$ 17,500	56.04%	\$ 17,500	0.00%
4940	700612	Agricultural Commodity Marketing Program	\$ 223,515	\$ 242,772	\$ 240,000	-1.14%	\$ 240,000	0.00%
4960	700626	Ohio Grape Industries	\$ 1,056,711	\$ 1,039,252	\$ 1,550,000	49.15%	\$ 1,550,000	0.00%
4970	700627	Grain Warehouse Program	\$ 246,684	\$ 303,647	\$ 425,000	39.97%	\$ 425,000	0.00%
4980	700628	Grain Indemnity	\$ 2,097,536	\$ 0	\$ 0	N/A	\$ 0	N/A
4C90	700605	Commercial Feed and Seed	\$ 3,020,370	\$ 2,008,638	\$ 2,326,251	15.81%	\$ 2,326,251	0.00%

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Line Item Detail by Agency			Appropriations			FY 2021 to FY 2022	Appropriations	FY 2022 to FY 2023
			FY 2020	FY 2021	FY 2022	% Change	FY 2023	% Change
AGR	Department of Agriculture							
4D20	700609	Auction Education	\$ 18,530	\$ 2,030	\$ 50,000	2,363.05%	\$ 50,000	0.00%
4E40	700606	Utility Radiological Safety	\$ 83,441	\$ 105,148	\$ 101,130	-3.82%	\$ 101,130	0.00%
4P70	700610	Food Safety Inspection	\$ 963,747	\$ 637,433	\$ 1,071,208	68.05%	\$ 1,096,240	2.34%
4R00	700636	Ohio Proud Marketing	\$ 7,837	\$ 15,535	\$ 30,500	96.33%	\$ 30,500	0.00%
4R20	700637	Dairy Industry Inspection	\$ 1,821,290	\$ 1,715,204	\$ 1,832,950	6.86%	\$ 1,832,950	0.00%
4T60	700611	Poultry and Meat Inspection	\$ 113,631	\$ 0	\$ 100,000	N/A	\$ 100,000	0.00%
5780	700620	Ride Inspection	\$ 1,037,791	\$ 348,509	\$ 700,000	100.86%	\$ 1,200,000	71.43%
5B80	700629	Auctioneers	\$ 356,718	\$ 226,973	\$ 361,450	59.25%	\$ 361,450	0.00%
5BV0	700660	Heidelberg Water Quality Lab	\$ 275,000	\$ 275,000	\$ 275,000	0.00%	\$ 275,000	0.00%
5BV0	700661	Soil and Water Districts	\$ 8,048,750	\$ 7,696,981	\$ 8,000,000	3.94%	\$ 8,000,000	0.00%
5CV1	700672	Coronavirus Relief - Local Fairs	\$ 0	\$ 4,385,000	\$ 1,000,000	-77.19%	\$ 0	-100.00%
5FC0	700648	Plant Pest Program	\$ 1,437,601	\$ 1,292,721	\$ 1,554,599	20.26%	\$ 1,590,615	2.32%
5H20	700608	Metrology Lab and Scale Certification	\$ 1,380,530	\$ 1,002,780	\$ 1,269,572	26.61%	\$ 1,289,718	1.59%
5L80	700604	Livestock Management Program	\$ 222,743	\$ 143,004	\$ 245,000	71.32%	\$ 245,000	0.00%
5MA0	700657	Dangerous and Restricted Animals	\$ 3,902	\$ 6,832	\$ 10,000	46.36%	\$ 10,000	0.00%
5MR0	700658	High Volume Breeders and Kennels	\$ 560,456	\$ 373,668	\$ 460,000	23.10%	\$ 460,000	0.00%
5MS0	700659	Captive Deer	\$ 27,508	\$ 5,106	\$ 18,000	252.51%	\$ 18,000	0.00%
5PL0	700662	Pet Store License	\$ 218,000	\$ 500	\$ 30,000	5,900.00%	\$ 30,000	0.00%
5QW0	700653	Watershed Assistance	\$ 502,089	\$ 370,082	\$ 515,000	39.16%	\$ 515,000	0.00%
5U10	700624	Auction Recovery	\$ 214	\$ 0	\$ 0	N/A	\$ 0	N/A
5WJ0	700671	Hemp Program	\$ 809,564	\$ 1,160,421	\$ 1,006,000	-13.31%	\$ 1,006,000	0.00%
5YB0	700676	Farm Financial Management Institute	\$0	\$0	\$ 250,000	N/A	\$ 250,000	0.00%
6520	700634	Animal, Consumer, and ATL Labs	\$ 5,260,782	\$ 5,196,723	\$ 5,840,522	12.39%	\$ 5,962,715	2.09%
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	\$ 4,697,245	\$ 4,407,906	\$ 4,894,402	11.04%	\$ 4,894,402	0.00%
6H20	700670	H2Ohio	\$ 2,541,225	\$ 11,464,776	\$ 49,300,000	330.01%	\$ 49,300,000	0.00%
Dedicated Purpose Fund Group Total			\$ 37,033,409	\$ 44,437,857	\$ 83,474,084	87.84%	\$ 83,177,471	-0.36%
5DA0	700644	Laboratory Administration Support	\$ 711,244	\$ 1,135,438	\$ 1,204,626	6.09%	\$ 1,204,626	0.00%
5GH0	700655	Administrative Support	\$ 4,805,049	\$ 5,573,018	\$ 5,677,844	1.88%	\$ 5,813,996	2.40%
Internal Service Activity Fund Group Total			\$ 5,516,293	\$ 6,708,456	\$ 6,882,470	2.59%	\$ 7,018,622	1.98%

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Line Item Detail by Agency			FY 2020	FY 2021	Appropriations FY 2022	FY 2021 to FY 2022 % Change	Appropriations FY 2023	FY 2022 to FY 2023 % Change
AGR Department of Agriculture								
7057	700632	Clean Ohio Agricultural Easement Operating	\$ 552,878	\$ 564,058	\$ 610,000	8.14%	\$ 610,000	0.00%
Capital Projects Fund Group Total			\$ 552,878	\$ 564,058	\$ 610,000	8.14%	\$ 610,000	0.00%
3260	700618	Meat Inspection Program - Federal Share	\$ 4,729,606	\$ 5,136,684	\$ 5,194,424	1.12%	\$ 5,194,424	0.00%
3360	700617	Ohio Farm Loan - Revolving	\$ 434,394	\$ 166,796	\$ 225,000	34.90%	\$ 225,000	0.00%
3820	700601	Federal Cooperative Contracts	\$ 5,601,027	\$ 6,574,543	\$ 8,613,000	31.01%	\$ 8,617,000	0.05%
3AB0	700641	Agricultural Easement	\$ 297,369	\$ 318,754	\$ 330,000	3.53%	\$ 330,000	0.00%
3J40	700607	Federal Administrative Programs	\$ 431,544	\$ 613,500	\$ 1,237,587	101.73%	\$ 1,264,214	2.15%
3R20	700614	Federal Plant Industry	\$ 7,002,629	\$ 6,545,964	\$ 7,295,972	11.46%	\$ 7,295,972	0.00%
Federal Fund Group Total			\$ 18,496,567	\$ 19,356,241	\$ 22,895,983	18.29%	\$ 22,926,610	0.13%
Department of Agriculture Total			\$ 97,742,010	\$ 110,811,125	\$ 163,402,922	47.46%	\$ 162,901,202	-0.31%